

## IN THE NEWS

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### Security

There is a report indicating two passenger trains in Italy collided head-on killing at least 23 people [1]. This follows the two freight train head-on collision in Texas (blamed on one train failing to stop for a red light) [2]. If the Texas report is true; a bad actor need only change one light from red to green to effect a crash.

It appears China was behind the FDIC security breaches in 2010, 2011 and 2013 [3]. Reports indicate personnel changes were made, after it was learned the discovered breaches were not reported (as required) [4].

Keeping software fixes in check continues to be a dominant security control. For example, Apple issued patches to fix a remote code execution flaw [5]. Additionally, Oracle released its largest set of patches ever to correct 276 bugs [6].

In Dallas, a police controlled robot deployed one pound of C-4 explosive to kill a sniper [7]. Perhaps the role of robots can best be seen with NASA's Curiosity rover on Mars. The rover has a laser and can now autonomously select targets to lase [8]. So why is this security related? Consider, as more acts of terrorism against police take place, we will see more robots in law enforcement. And as we have seen on too many occasions, there will be security flaws. Imagine an army of combat ready robots that gets compromised and turned against the public.

1. BBC News, *Italy train crash: 'Twenty-three killed' near Bari in collision*, July 12, 2016.
2. Warren, David, Christian Science monitor, *Missed signal led to Texas train crash: Could technology have stopped it?*, July 14, 2016.

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### World News

An international tribunal ruled China's claim to most of the South China Sea is not valid [1]. As expected, China rejected the ruling and warned of a decisive response [2]. There are reports China is manipulating the Association of Southeast Asian Nations through its ally, Cambodia; blocking a consensus supporting the United Nations-backed arbitration panel [3]. In addition, China issued a warning to Japan

not to interfere in the South China Sea [4]. This comes as the number of US Navy ships fell to 272 [5].

In Turkey, the military attempted a coup [6]. Following the unsuccessful attempt, Turkey's president Erdogan used an emergency decree to solidify power [7]. Reports indicate thousands of private Turkish schools, charities and other institutions were closed by Turkey's president [8].

1. Denyer, Simon, and Rauhala, Emily, Washington Post, *Beijing's claims to South China Sea rejected by international tribunal*, July 12, 2016.
2. AFP/Japan Times, *Beijing vows 'decisive response' to South China Sea provocations, shoos Filipino fishermen*, July 15, 2016.
3. Otto, Ben, Wall Street

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#### Special points of interest:

- China breached FDIC in 2010, 2011, and 2013
- Terror attacks
  - Germany
  - France

## World News

(Continued from page 1)

- Journal, *Asean Looks for Wiggle Room to Skirt South China Sea Impasse*, July 24, 2016.
4. Wong, Sue-Lin, and Edwards, Terrence, Reuters, *China tells Japan to stop interfering in South China Sea*, July 15, 2016.
  5. Eaglen, Mackenzie, The American Legion Magazine, *Our Incredible Shrink-*

*ing Military*, August, 2016.

6. Fawzy, Farida, and Karimi, Faith, CNN, *Turkey coup attempt: How a night of death and mayhem unfolded*, July 16, 2016.
7. Jones, Gareth, Reuters, *Turkey's Erdogan, using emergency decree, shuts private schools, charities, unions*, July 23, 2016.
8. Jones, Gareth, and Gurs-

es, Ercan, Reuters, *Turkey's Erdogan shuts schools, charities in first state of emergency decree*, July 23, 2016.

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*When you are courting a nice girl an hour seems like a second. When you sit on a red-hot cinder a second seems like an hour. That's relativity.—Albert Einstein*

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## Security

(Continued from page 1)

3. Lange, Jason, and Volz, Dustin, Reuters, *Likely hack of U.S. banking regulator by China covered up: probe*, July 13, 2016.
4. Reuters/Fortune, *Why the FDIC Is Updating Its Cyber Security Policy After This Data Breach*, July 14, 2016
5. Davis, Jeremy Seth, SC

Magazine, *Apple patches remote code execution flaws*, July 20, 2016.

6. Abel, Robert, SC Magazine, *Oracle patches 276 bugs in largest bundle to date*, June 20, 2016.
7. Sidner, Sara, and Simon, Mallory, CNN, *How robot, explosives took out Dallas sniper in unprecedented way*, July 12, 2016.

8. Hinckley, Story, Christian Science Monitor, *The Mars rover's newest trick: self-guided laser shots*, July 22, 2016.

## Terrorism

At least 84 were killed by a terrorist riding a truck during the Bastille Day celebrations in Nice, France [1]. Police identified the 31-year old terrorist born in Tunisia [2]. The Islamic State (IS) claimed responsibility for the attack [3].

In Germany, an IS inspired Afghanistan refugee attacked train passengers with an axe and knife [4]. The IS later claimed responsibility for the attack [5]. Then in Munich, an Iranian-German killed at least 9 people during a terrorist attack [6]. Reports indicate the attacker was saying "Allahu Akbar," or "God is Great" in Arabic [7]. Meanwhile, German authorities have not discovered any ties to organized terrorist groups and are trying to determine the motivation behind the attack [8].

In Kabul, Afghanistan, at least 61 people were killed in an IS suicide terrorist attack [9]. The blast ripped through peaceful

protesters [10].

1. Shamlian, Janet, and Vinograd, Cassandra, NBC News, *Nice Death Toll Rises as France Mourns Deadly Truck Attack*, July 15, 2016.
2. Amara, Tarek, Reuters, *Nice truck attacker was from Tunisian town of Msaken - Tunisian security sources*, July 15, 2016.
3. AP, *Islamic State Says Its 'Soldier' Behind Nice Truck Attack*, July 16, 2016.
4. Der Spiegel, *Teen Dead after Perpetrating German Train Attack*, July 19, 2016.
5. Eddy, Melissa, New York Times, *ISIS Claims Responsibility for Ax attack on German Train*, July 19, 2016.
6. Strohecker, Karin, Reuters, *German-Iranian gunman kills nine in Munich, then himself: police*, July 23, 2016.
7. Karimi, Faith, and Ellis, Ralph, CNN, *Munich shooting: Teen kills 9 people in shopping district rampage*, July 23, 2016.
8. Shuster, Simon, Time, *Why Germany—and the World—Is Arguing Over the Munich Shooter*, July 24, 2016.
9. Sharifi, Karim, and O'Donnell, Lynne, AP/Washington Times, *ISIS attack on Afghan protest in Kabul kills 61 people, wounds 207*, July 23, 2016.
10. Salahuddin, Sayed, and Constable, Pamela, Washington Post, *Blast kills at least 80 during peaceful protest in Kabul*, July 23, 2016.

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*No captain can do very  
wrong if he places his ship  
alongside that of the  
enemy—Horatio Nelson*

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# Economy

According to the Labor Department, the number of first time unemployment claims for the week ending July 9 was 254,000 [1]. Then for the following week, the number reported was 253,000 [2].

While China's economy is growing at a 6% rate, imports from the US fell 8.2% [3]. We could learn much from how China conducts its trade practices. Case in point, China is imposing 37.3 % to 46.3 %, anti-dumping tariffs that will last at least five years on Japanese, Korean, and European Union steel [4].

Perhaps this partially explains why the US trade deficit for

May grew 10.1% to \$41.1 billion [5]. Moreover, by one measure, the current US debt reached 108% of its GDP [6].

1. Du, Lisa, Bloomberg, *Jobless Claims in U.S. Hold at Lowest Level Since Mid-April*, July 14, 2016.

2. Crutsinger, Martin, AP/Portland Press Herald, *Weekly unemployment claims drop to lowest in over four months*, July 21, 2016.

3. Mauldin, William, Wall Street Journal, *U.S. Exports to China Shrink, Especially for Heavy Industry*, July 14, 2016.

4. AP/Washington Post, *China imposes anti-dumping*

*duties on Japan, Korean, EU steel*, July 24, 2016.

5. Chandra, Sho, Bloomberg, *Trade Deficit in U.S. Widened in May by Most Since August 2015*, July 6, 2016.

6. Mauro, Paolo, US News, *Debt Dangers*, July 18, 2016.

There is more credit and satisfaction in being a first-rate truck driver than a tenth-rate executive—B. C.

Forbes