

## IN THE NEWS

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### World News

Indications are China has constructed reinforced hangers, capable of maintaining fighter aircraft, on contested islands located in the South China Sea [1]. Meanwhile, China is building up its naval presence around the Scarborough Shoal [2]. This is the same area where China has enforced a blockade since 2012 and is located only 123 miles from the Subic Bay naval port [3]. China also violated Japanese territorial claims around the Senkaku Islands; using hundreds of fishing vessels accompanied by 15 government ships [4]. One piece compares China's belligerent expansion to that of Imperial Japan before prior to World War II [5].

As China continues its military expansion, it is also developing Artificial Intelligence (AI) weapons. For instance, one piece describes AI controlled drones that autonomously select their own targets [6]. Moreover, Air Force Gen. Paul Selva, vice chair of the Joint Chiefs of Staff pointed out, our advisories will build autonomous weapons [7].

Meanwhile, there are reports of a 10-fold buildup of the Russian military near the Ukraine [8]. It is unclear if Russia is saber rattling or plans to annex more Ukrainian territory.

1. Beech, Eric, et. al., Reuters/Washington Free Beacon, *New Images Suggest China Has Built Reinforced Hangers on Disputed Islands*, August 9, 2016.
2. Gertz, Bill, Washington Free Beacon, *China Steps Up Naval Presence Near Key Disputed Island*, August 11, 2016.
3. Corr, Anders, Forbes, *The Battle With china At Scarborough Shoal: Why Republican Senators Should Ratify UNICOS*, June 20, 2016.

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### Security

With new technology comes new risk.

Case in point, researchers at the Def Con hacker convention demonstrated how to overwhelm Tesla's sophisticated car sensors to hit objects it otherwise wouldn't [1]. Furthermore, one report indicates tens of millions VW Group cars have keyless systems that can be hacked [2].

Whenever there is a major outage, we consider the likelihood that a security

failure was to blame. For instance, Delta Airlines reported a power outage was responsible for a global outage of their computing systems [3]. Hundreds of flights were canceled stranding thousands of passengers [4]. Then there was a two hour radar outage in Southern Florida, that affected 65 flights, and was also blamed on a power outage [5].

Elsewhere, the news media is a target of hackers. One piece indicates the FBI is

investigating foreign hacks of New York Times reporters [6].

Our overreliance on vulnerable technology continues to get news coverage. For instance, researchers demonstrated how GPS can be spoofed with potentially catastrophic consequences [7].

1. Szoldra, Paul, Business Insider, *Hackers show how they tricked a Tesla*

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#### Inside this issue:

Terrorism	3
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#### Special points of interest:

- Power outage failures
- ⇒ Hundreds of cancellations at Delta Airlines
- ⇒ South Florida Radar grounds dozens of flights
- 4<sup>th</sup> bank closed

## Security

(Continued from page 1)

- into hitting objects in its path, August 6, 2016.
2. Reuters, *Keyless systems of many VW Group cars can be hacked: researchers*, August 11, 2016.
3. Wall, Robert, *Wall Street Journal, Delta Air Lines Targets Normal Operations for Midday Wednesday*, August 10, 2016.
4. NPR, *Delta Air Lines Cancels Nearly 700 Additional Flights*, August 9, 2016.
5. Sun Sentinel, *Radar outage responsible for Thursday's airport delays*, August 25, 2016.
6. Perez, Evan, and Prokupecz, Shimon, *CNN, FBI investigating Russian hack of New York Times reporters, others*, August 23, 2016.
7. Psiaki, Mark L. and Humphreys, Todd F.,

*IEEE Spectrum, GPS Lies*, August, 2016.

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*The causes of the China Incident were the exclusion and insult of Japan throughout China, the exclusion of Japanese goods, the persecution of Japanese residents in China, and the illegal violation of Japanese rights-Hideki Tojo*

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4. Japan Times, *Tokyo trying to draw attention to mass China ship incursions off Senkakus*, August 16, 2016.
5. MacLean, Aaron, *Washington Free Beacon, The China Test*, August 26, 2016.
6. Hamill, Jasper, *The Sun, China building cruise missiles powered by killer artificial intelligence*, August 19, 2016.
7. Chalfant, Morgan, *Washington Free Beacon, No. 2 U.S. Military Officer: Possible Our Adversaries Will Build a 'Terminator'*, August 25, 2016.
8. Sharkov, Damien, *Newsweek, Ukraine Claims Rebels Heavy Vehicles Increase Tenfold*, August 26, 2016.

## World News

## Terrorism

In Afghanistan, airstrikes are barely holding off Taliban attacks in the Helmand province [1]. Then the American University in Kabul; was attacked by terrorists resulting in at least 12 dead [2],

In Turkey, Islamic State (IS) terrorists were believed to be responsible an attack on a wedding that killed at least 50 people [3]. In another example, a truck loaded with explosives was the weapon used by terrorists to attack a police checkpoint, killing at least 11 people [4].

Tourist locations and other soft targets continue to be terrorist favorites. For instance, terrorists set off bombs in a Thailand resort, killing at least 4 people [5].

America continues to be a target of terrorism. Case in point, one piece indicates Sunni extremists are entering the US by way of alien smugglers [6]. Additionally, a knife attack in Roanoke, Virginia appears to be an act of Islamic

terrorism [7].

1. Mashal, Mujib, and Shah, Taimoor, New York Times, *Airstrikes Barely Holding Off Taliban in Homeland, Afghan Officials Say*, August 8, 2016.
2. McLaughlin, Elliott C., et. al., CNN, *Kabul siege: 12 killed in attack on American University*, August 25, 2016.
3. Ellis, Ralph, and Sariyuce, Isil, CNN, *Erdogan: ISIS likely behind attack that killed 50 people at wedding*, August 21, 2016.
4. Fox News, *At least 11 police officers dead, 78 injured in Turkey car bomb attack*, August 26, 2016.
5. Fox News, *At least 4 dead, dozens wounded after coordinated bombings hit Thailand resort areas*, August 12, 2016.
6. Gertz, Bill, Washington Free Beacon, *Southern Command Warns Sunni Extremists Infiltrating From*
7. Levine, Mike, ABC News, *FBI Investigating Possible ISIS-Inspired Knife Attack in Virginia*, August 22, 2016.

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*I ask you to judge me by  
the enemies I have made—  
Franklin D. Roosevelt*

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# Economy

According to the Labor Department, for the week ending August 6, the number of first time unemployment claims was 266,000 [1]. Then for the week ending August 13, the number was 262,000 [2]. Finally, for the following week, the number reported was 261,000 [3].

In more bad financial news, the GDP increased at only a 1.1% rate for the second quarter [4]. That equates to a 0.275% actual growth.

In another sign of a weak economy, Macy's announced plans to close another 100 stores [5]. Additionally, Cisco announced plans to lay off 5,500 employees [6].

Meanwhile, regulators were again closing financial institutions. The Woodbury Banking Co., in Georgia was shuttered [7].

1. Laya, Patricia, Bloom-

berg, *Jobless Claims in U.S. Little Changed for Second Straight Week*, August 11, 2016.

- 2. Chandra, Sho, Bloomberg, *Jobless Claims in U.S. Decreased More Than Forecast Last Week*, August 18, 2016.
- 3. Mitchell, Josh, Wall street Journal, *U.S. Jobless Claims Fall Further*, August 25, 2016.
- 4. Leubsdorf, Ben, Wall Street Journal, *U.S. Corporate Profits Climbed as GDP Ticks Down to 1.1%*, August 26, 2016.
- 5. Egan, Matt, CNN, *Macy's is closing another 100 stores*, August 11, 2016.
- 6. New York Dailey News/AP, *Cisco Systems announces layoffs for 5,500 employees*, August 18, 2016.
- 7. Hudson, Phil W., Atlanta

Business Chronical, *United Bank takes over for Woodbury Banking Co. after closure*, August 23, 2016,

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*The world is not going to  
be saved by legislation—  
William Howard Taft*

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