

IN THE NEWS

VOLUME 2 ISSUE 10

MARCH 8, 2009

IT Security

As if the economy were not bad enough, now German authorities are warning of the catastrophic state of Web security [1]. For security in general, many approaches are evolving. For example, Vermont became the first state to issue RFID equipped drivers licenses for those willing to pay an extra \$25 [2]. Elsewhere, VeriSign is now offering non-Federal PKI services cross-certified with the Federal Bridge Certification Authority [3]. This could enable PIV interoperability for the masses. In other Federal news, criticizing the dominance of the National Security Agency (NSA) in addressing computer and network threats; U.S. government's director for cybersecurity, Rod Beckstrom, resigned [4]. The implication is that the NSA is controlling the direction for cybersecurity [5]. Readers may recall back in the mid 80's, the NSA once assumed a dominant role in non-military computer security [6]. In response, the Computer security Act of 87 (P.L. 100-235) was passed explicitly transferring responsibility from the NSA to the National Institute of Standards and Technology (NIST). Furthermore, the National Bureau of Standards (NBS) was renamed NIST. Then in a CSA 87distortion, the NIST approved the Escrowed Encryption Standard (FIPS Pub 185), based on a classified encryption algorithm developed by the NSA; even though only 2 of 320 public comments received were in favor of the approach [7]. Finally, when DHS was created, NIST remained at the Department of Commerce thereby setting the stage for turf wars.

In England, five hackers were sentenced for a failed attempt to defraud a Japanese bank out of 229 million pounds (\$324 million) dating back to 2004 [8]. The plot failed by chance when passwords were placed in the wrong field [9]. In this example, luck prevented a massive loss. Beyond luck, it is important to integrate vendor patches that close exploitable security holes. Attacks where no patch exists, Zero-day exploits, are causing pain for common applications [10].

(Continued on page 2)

Economy

The Bank of America CEO, Ken Lewis, said it was a mistake to take Government money as it made the company look weak [1]. In the case of Citigroup, once the largest bank in the world, its shares were trading for under \$1 last week [2]. Meanwhile, the Chairwoman of the FDIC, Sheila Bair, said the deposit insurance fund could dry up amid a surge in bank failures [3]. Expectedly, the effort to increase the insurance fund by levying a 20 cent per \$100 deposit fee met with significant bank opposition [4]. In anticipation of the depletion, the Senate is work-

ing on a \$500 billion loan package for the FDIC [5]. Elsewhere, regulators shuttered the 17th bank, Freedom Bank of Georgia [6].

Banks are not the only segment to feel the pressure. Case in point, GM fell to \$1.27 per share, a price not seen since 1933 [7]. The stock fell in response to speculation the company may seek bankruptcy; a claim the company denies [8]. Certainly automakers around the world are under stress. What's more, there are no reports the new administration is seeking a GM bankruptcy. We have to wonder if

perhaps another false rumor is circulating to the detriment of GM.

1. Scholtes, Saskia and Farrell, Greg, Financial Times, *BofA chief calls Merrill aid 'mistake'*, March 2, 2009.
2. Guerrero, Francesco, and Larsen, Thal, Financial Times, *Citi crisis deepens as shares dip below \$1*, March 5, 2009.
3. Vekshin, Alison, Bloomberg, *FDIC's Bair Says Insurance Fund Could Be Insolvent This Year*, March 4, 2009.

(Continued on page 2)

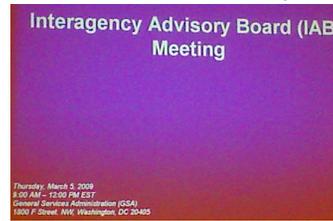
Inside this issue:

Impersonators	3
Man-Made Viruses	3
Asian News	4
Crime	4

Special points of interest:

- Toyota seeks loan from Japanese government
- Scientists create new AIDS virus that infects monkeys
- China increases 2009 military spending by 15%
- Senate working on \$500 billion FDIC loan
- 17th bank shuttered

IT Security



(Continued from page 1)

Case in point, next week, Microsoft's patch Tuesday will address three security bulletins [11]. Unfortunately, the patches will not fix the recently announced Excel vulnerability [12]. The Excel security hole is a typical Zero-day vulnerability where users are at risk [13].

There was an Interagency Advisory Board meeting held at the GSA Headquarters, 1800 F Street. Highlights from the meeting follow. Over 2 million Personal Identity Verification (PIV) cards have been issued. Judy Spencer (GSA) announced the Chief Information Officer (CIO) Council created a new group, the Information Security and Identity Management Committee (ISIMC). The ISIMC's Identity, Credential and Access Management subcommittee is co chaired by Judy and Paul Grant (DOD). The Department of State (DOS) is exploring a match on card capability that will not require PIN activation. {Note, with the number of people that cannot match fingerprints, we believe the DOS will be required to support multiple authentication approaches

thereby increasing cost for duplicity. Furthermore, to make such an implementation work, relaxing security may be necessary.) Bill MacGregor (NIST) described ongoing efforts to add an additional container on the PIV card to accommodate Government agency requested functionality.

1. AFP, Germany warns of 'catastrophic' state of Web security, March 3, 2009.
2. Lipowicz, Alice, FCW, Vermont issues IT-enhanced driver's licenses, March 2, 2009.
3. Walsh, Trudy, GCN, VeriSign offers PKI to non-federal clients, March 4, 2009.
4. Reuters, Cybersecurity chief Beckstrom resigns, March 6, 2009.
5. Baldor, Lolita C., AP, Cybersecurity director resigns amid turf battles, March 6, 2009.
6. Gelbspan, Ross, Boston

Globe, NSA'S Secrecy Role Expanding Codes Will Be Used To Guard Business Data As Well As Official Communications, September 14, 1986.

7. Levy, Stephen, Newsweek, How They Beat Big Brother, January 15, 2001.
8. AFP, Five jailed over huge theft bid at Japanese bank, March 5, 2009.
9. Kyodo News International, British Man Sentenced to 8 Yrs for \$324 Mil. Hacker Theft Plot at Japanese Bank, March 6, 2009.
10. Jackson, William, GCN, Zero-day exploits take fun out of functionality, March 2, 2009.
11. Prince, Brian, eWeek, Microsoft Plans Three Security Bulletins for Patch Tuesday, March 5, 2009.
12. Claburn, Thomas, Information Week, Microsoft Patch Day Won't Fix Excel Vulnerability, March 5, 2009.
13. Keizer, Gregg, Computer World security, Microsoft: No patch for Excel zero-day flaw next week, March 5, 2009.

*We don't like their sound,
and guitar music is on the
way out.—Decca Recording
Co. rejecting the Beatles,
1962*

Economy

(Continued from page 1)

4. Vekshin, Alison and Chadbourn, Margaret, Bloomberg, FDIC's Bair Seeks \$100 Billion Credit Line, May Cut Banks' Fee, March 6, 2009.
5. Paletta, Damian, Wall Street Journal, Bill Seeks to Let FDIC Borrow up to \$500 Billion, March 6, 2009.
6. FDIC Press Release, Northeast Georgia Bank,

Lavonia, Georgia, Acquires All of the Deposits of Freedom Bank of Georgia, Commerce, Georgia, March 6, 2009.

7. CNN Money, GM Stock

Drop Raises More Bankruptcy Fears, March 6, 2009.

8. Higgins, Tim, Detroit Free Press, GM shares hit lowest point in 75 years, March 6, 2009.



Impersonators

Why do we need strong identification and authentication? Consider the case where a 14-year-old impersonated a police officer, drove a police car, and actually aided in an arrest [1]. Moreover, the teenager worked a full 5½ hour shift accompanied by a traffic officer [2]. If a 14-year-old can go undetected, how difficult would it be for a terrorist to masquerade as a first responder?

Police impersonators are not that uncommon an event. For example, in Wisconsin, authorities are searching for an impersonator dressed like a police officer [3]. In Mobile, Alabama, a police impersonator stole from elderly people [4]. In Los Angeles, an Immigration and Customs Enforcement (ICE) imposter robbed victims [5]. In Colorado, authorities are searching for a police impersonator operating a vehicle with red and blue lights [6]. In Stafford, Virginia, women have been targeted and sexually assaulted by a police impersonator [7]. In

Massachusetts, a police impersonator wearing a stolen uniform tried to punch an off-duty cop [8]. In North Carolina, an armed police impersonator detained a couple in a convince store parking lot for nearly 3 hours [9]. In West Virginia, a man posing as a police officer allegedly sexually assaulted a 26-year old woman [10]. In West Chicago, police suspect an imposter pulled over a 19-year old and searched his car [11].

1. Rousseau, Caryn, AP, *14-year-old fake Chicago cop drove patrol car*, March 3, 2009.
2. Meincke, Paul, WLS news, *Districts to undergo re-training*, March 3, 2009.
3. The Eagle (Wisconsin), *Authorities searching for police impersonator after Lodi incident*, March 2, 2009.
4. Susko, Jenna, WPMI (NBC 15), *Mobile Police: Fake Cop Strikes Again*, March 2, 2009.
5. Gregory, John, KABC (Los Angeles), *ICE impersonator robs L.A. victims*, February 27, 2009.
6. KCNC (CBS 4), *Loveland Police Search For Police Impersonator*, February 28, 2009.
7. Morgan, Tara, WWBT (NBC 12), *Police impersonator has women on edge in Stafford county*, February 26, 2009.
8. Smith, Eric, Somerville Journal, *Police impersonator tries to punch off-duty cop*, February 26, 2009.
9. Bailey, Richelle, The McDowell News, *Couple say man pretended to be a law officer*, February 26, 2009.
10. Walters, Nickey, WOWK (CBS 13), *Woman Says Fake Cop Assaulted Her*, March 3, 2009.
11. NBC 5 (Chicago), *Fake Cop Sought in Suburbs*, February 26, 2009.

Fraud and falsehood only dread examination. Truth invites it—Samuel Johnson

Man-Made Viruses

In 1988, Robert Morris developed a malicious software program, a virus, that shut down a large portion of the Internet [1]. The belief is the virus (often called the Morris worm) was not intended to cause the damage it did [2]. A lesson learned is creating rogue viruses can be dangerous.

Now it seems that the medical profession is developing biological viruses. Case in point, researchers modified the AIDS virus using gene splicing and the resulting virus can infect monkeys [3]. Accidents happen and the resulting dam-

age can be incalculable, as was the case with “killer bees.” Readers may recall, in 1957 several Africanized queen bees escaped from an experimental station in Brazil [4]. We hope research containment environments have improved. Consider in 1989, in the heavily populated area of Reston, Virginia, 4 workers were infected by a monkey virus [5]. Should we be worried that researchers are now engineering new Monkey viruses?

1. Rochlis, Jon A., and Eichin, Mark W., CACM, *With Microscope and Tweezers: The Worm from MIT's Perspective*, June, 1989.
2. Marsan, Carolyn Duffy, Network World, *Where is Robert Morris now?*, October 30, 2008.
3. Dunham, Will, Reuters, *Scientists make HIV strain that can infect monkeys*, March 3, 2009.
4. New York Times, *Now Familiar With Killer Bees, Texas Braces for Their Spread*, October 13, 1991.
5. New York Times, *Monkey Virus Infects 4 Workers But None Are Sick, U.S. Reports*, April 6, 1990.

Asian News

Much news has been reported regarding the plight of the American auto industry. However, with its first loss in 59 years, Toyota is seeking \$2 billion in loans from the Japanese government and investors [1].

Not only is China an economic giant; it plans to increase military spending by 15% during 2009 [2]. In a twist, world stock markets rose early in the week on the hope China would lead everyone out of the recession [3].

North Korea is becoming an international challenge. For example, North Korea warned South Korea that it could not guarantee security for South Korean flights near its territory [4]. The threats to commercial aircraft come at a time then there is an annual joint U.S. and South Korea war exercise [5]. In response to the North Korean threat, airlines are changing their flight paths,

distancing further away from the North [6]. If there is an incident with North Korea, how do you suppose the battered world economies would respond?

Last week, terrorists inside Pakistan attacked the Sri Lankan Cricket team [7]. Following the attack, India accused Pakistan of lacking the will to deal with terrorism [8]. Meanwhile, India successfully tested a home grown missile interceptor [9]. Elsewhere in Pakistan, the Taliban have solidified their rule over the Swat Valley [10].

1. Komatsu, Tetsuya, and Fujimura, Naoko, Bloomberg, *Toyota, Facing First Loss in 59 Years, Seeks Loans From Japan*, March 3, 2009.
2. Bodeen, AP, *Christopher, China to boost defense spending by 15 pct in 2009*, March 4, 2009.

3. BBC News, *Shares up on China stimulus hopes*, March 4, 2009.
4. AFP, *SKorea, US slam 'inhumane' NKorean flight threat*, March 6, 2009.
5. BBC News, *N Korea threatens civilian planes*, March 5, 2009.
6. Lee, Jean H., AP, *NKorean threat has airlines changing flight paths*, March 6, 2009.
7. BBC News, *Pakistan facing 'mortal threat'*, March 6, 2009.
8. AFP, *Pakistan 'lacks will' to tackle militancy: India*, March 6, 2009.
9. AP, *India successfully tests missile interceptor*, March 6, 2009.
10. Zada, Sherin, and Brummitt, Chris, AP, *Taliban cement rule, hard-line law after truce*, March 6, 2009.

Those you trust the most can steal the most—Lawrence Lief

So far, 435 American grandparents were bilked out of \$2.2 million when called by telephone to wire money to Canada for a grandchild in trouble [1]. In Massachusetts, a man was charged with stealing \$57 million from the more than 100 descendants of a 19th century industrialist [2]. In Texas, a man was charged with operating a \$10.9 million Ponzi scheme involving foreign-currency trading [3]. In Nebraska, First Americans Insurance Service is being investigated for an alleged Ponzi scheme contributing to the company's bankruptcy with reported losses

between \$100 million and \$500 million [4].

The Securities and Exchange Commission (SEC) has issued a warning there are imposters masquerading as SEC personnel and companies have turned over sensitive information to these fraudsters [5]. Finally, the man behind the largest Ponzi scheme yet uncovered, Bernie Madoff, could get a plea deal [6].

1. Jacobson, Sherry, Dallas Morning News, *'Granny scam' bilks elderly out of millions*, March 1, 2009.
2. Lindsay, Jay, AP, *Massachusetts man charged with*

\$57 million fraud, March 5, 2009.

3. Business Week/AP, *Texan accused of running \$11 million Ponzi scheme*, March 5, 2009.
4. Ortiz, Jean, AP, *Nebraska business has bank accounts frozen*, March 6, 2009.
5. Bloomberg news, *SEC warns of impostors*, March 3, 2009.
6. WPBF, *Madoff Case Could See Plea Deal*, March 7, 2009.

Crime