

## IN THE NEWS

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### Crisis in Japan

Following the earthquake, we are learning much about Japan's quality assurance. In particular; what can we learn from the unfolding nuclear disaster? One source suggests that in 2002, it was discovered the Japanese owner of the stricken nuclear power plant, Tokyo Electric Power Company (Tepco), forged safety inspections [1]. This calls into question the argument that Japanese products have unquestionable quality. Consider, in 2010, the president of Toyota had to apologize for the lapse of quality in his company's products [2]. How significant is the problem and will there be attempts to relax quality further in order to restart industry?

As more news filters out, Tepco stock price continues to fall [3]. So far, reactors 1 – 4 out of six are considered un-repairable, leaving 2 that could potentially be restarted [4]. However, the Japanese PM was quoted as saying the entire damaged nuclear plant will be scrapped [5]. In a possible complication, smoke was seen at a different Tepco nuclear power plant, Fukushima Daini, located 6 miles away from the 4 damaged reactors [6].

Meanwhile, radiation has been detected in U.S. milk [7]. Despite hi radiation levels detected outside of Japan's 20 KM safe zone, the Government there is reluctant to expand on the evacuation [8]. What's more, the ground-water radiation at the stricken plant is 10,000 times the government health standard [9].

It appears that the disaster recovery plan for the stricken reactor, approved by Japan's regulators, was outdated and considered a tsunami, like the one that hit, too small to consider [10]. What's more, one unnamed person at the plant claimed that following the earthquake but before the tsunami, workers were sent home to their families [11]. This would suggest the damage from the quake was containable.

In Japan, we now discover the western areas of the country, with plenty of power, operates on 60 Hertz while the earthquake damaged area operates using incompatible 50 Hertz [11]. Where is the quality in different electric sources? What's more, citing earth-



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#### Special points of interest:

- Oil reaches 2½ year high, passes \$112 per barrel
- Gold hit new all-time high
- 28<sup>th</sup> Bank Closed

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### Security

The recent cyber-attack on the NASDAQ stock exchange may have been more problematic than previously reported; given the NSA is now working in the investigation [1]. Elsewhere, a new code injection web attack hit over one million web sites [2]. Meanwhile, a data breach at an email marketing compa-

ny, Epsilon, has exposed numerous customer lists; thereby increasing the risk of new phishing attacks [3].

The Stuxnet worm may have gone undetected for several months and used stolen digital certificates [4]. Moreover, the worm exploited four zero-date vulnerabilities [5]. Elsewhere, the recent attack of the

Colorado Group security firm by an Iranian hacker was made possible by weak certificate issuing parties around the world [6].

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2. Rigby, Bill, Reuters,

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## Security

(Continued from page 1)

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  6. Richmond, Riva, New York Times, *An Attack Sheds Light on Internet Security Holes*, April 6, 2011.

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*You can't make war in the  
Middle East without  
Egypt and you can't make  
peace without Syria—  
Henry Kissinger*

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## Crisis in Japan

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- quake damage, one U.S. chip making company, Freescale, announced its plant in Sendai, Japan would not open [12].
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  5. Osawa, Juro, Wall Street Journal, *Tepco Discloses Problem with Radiation Readings*, April 1, 2011.
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  9. Griffith, Huw, AFP, *Japan PM says stricken nuclear plant to be scrapped*, March 31, 2011.
  10. BBC News, *I was inside Fukushima nuclear plant when the quake hit*, April 1, 2011.
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# The Economy

For the week ending March 26, the number of first time unemployment claims was 388,000 [1]. For the week ending April 2, the number of first time claims fell to 382,000 [2]. According to the Labor Department, the March unemployment rate fell to 8.8% and 216,000 jobs were added [3]. However, closing out March, oil set a new high not seen since 2008 [4]. Then on Friday, April 8, oil continued to rise and reached \$112.79 a barrel [5]. Oil increases could push us back into a deep recession. Meanwhile, gold continued to set new record highs and silver reached a 31-year high [6]. This is an inflation warning.

Trying to address one small portion that led to the flash crash; the Securities and Exchange Commission (SEC) plans to require an up-down limit on stock swings [7]. What's more, the SEC is considering allowing companies to solicit investors over social networks [8].

In Europe, Portugal asked the EU for a financial bail-out [9]. However, so far, Portugal has

only requested a bridge loan until June when new elections are planned [10].

On April 1, there were no banks closed. A week later, two were shuttered: 27) Western Springs National Bank and Trust in Illinois; and 28) Nevada Commerce Bank [11].

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4. AP, *Oil climbs to highest since 2008 on Libya conflict*, March 31, 2011.

5. Hauser, Christine, New York Times, *Shares Slip as Oil Prices Jump on Libya Tensions*, April 8, 2011.

6. Assis, Claudia, Market Watch, *Gold in record territory, pushes past*

\$1,453, April 5, 2011.

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8. Eaglesham, Jean, and Holzer, Jessica, Wall Street Journal, *Banks in Ill., Nev. fail; makes 28 closed in 2011*, April 9, 2011.

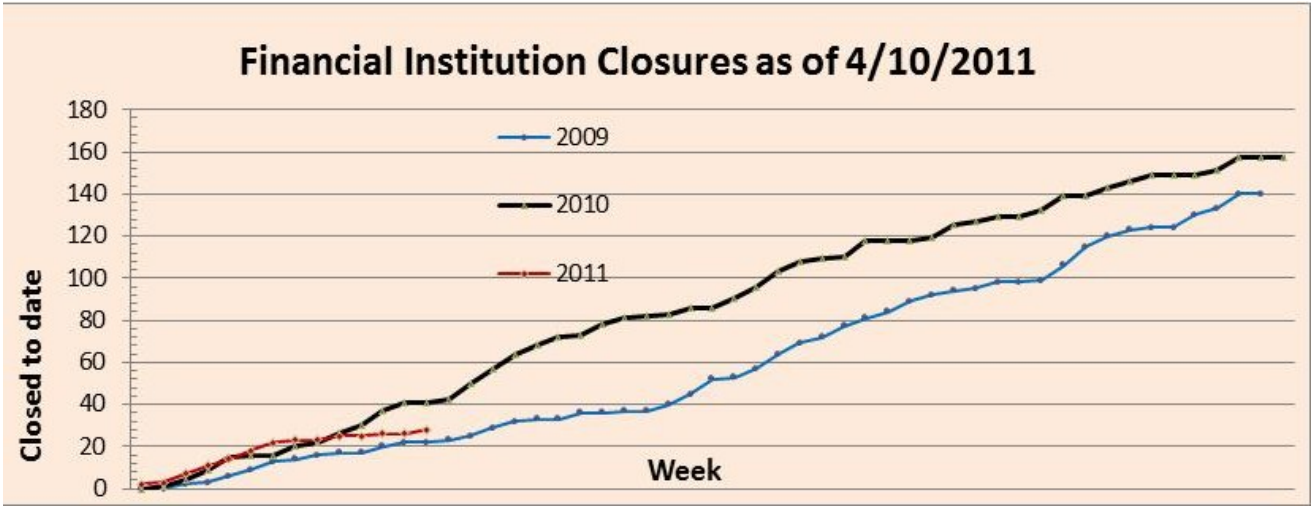
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While nothing is certain, I firmly believe our nation is on the verge of a nuclear energy renaissance—  
Michael K. Simpson



## World News

Radioactive fallout from Japan's nuclear reactor meltdown has been detected in Pennsylvania rain [1]. Meanwhile, Toyota is restricting certain parts in North America [2]. On the plus side, the U.S. is sending robots to help with the nuclear accident in Japan [3]. Moreover, the U.S. is providing large concrete pumps to help contain the damaged nuclear reactors [4].

The Middle-East continues in turmoil. For example, in response to the large scale protests, the Syrian president fired his entire cabinet [5]. Two weeks after the first protest in Syria, the death toll was 60 people and the leader, President Bashar al-Assad, was forced to make a speech on the unrest [6]. After the speech, Syrian demonstrations continued [7]. On April 8, the protests continued with another 25 protesters killed in the continuing unrest [8]. Elsewhere, demonstrations in Yemen continue to stress Middle East stability [9]. Then the fighting in Libya is pressuring

the price of Oil to new highs [10].

In India, the population grew 17.5% over the last decade and now stands at 1.2 billion [11]. The increase added an additional 181 million people to India [12].

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6. Reuters, *Syrian leader to address nation amid violent unrest*, March 30, 2011.
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*dead as thousands join protests across Syria*, April 1, 2011.

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9. Kunkle, Fredrick, Washington Post, *Demonstrations sweep Middle East, sparking violence in Syria and Yemen*, April 8, 2011.
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*The discovery of nuclear reactions need not bring about the destruction of mankind any more than the discovery of matches—*  
*Albert Einstein*

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## Fraud

In Denver, the owner of a bankrupt health-insurance brokerage was indicted for embezzlement, fraud and money laundering totaling in the \$ millions [1]. In Washington, DC, a layer was charged with insider trading that netted over \$10 million [2].

In the state of Washington, an 84 year-old man was charged with operating a \$3.5 million

Ponzi scheme [3]. Elsewhere in Washington, a man was charged with operating a \$1.4 million Ponzi scheme [4].

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4. Seattle Post Intelligencer, *Mercer Islander charged with Ponzi scheme*, April 8, 2011.