

## IN THE NEWS

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### World News

China continues to advance its confrontational military expansion. For instance, for the second time, a Chinese jet nearly collided with a US military aircraft [1]. Moreover, one piece suggests Chinese troops will join their Russian counterparts in Syria [2].

Overall, the Russian expansion into Syria is accelerating. For example, one report indicates Russia is building two additional bases [3]. What's more, newly arrived Russian military aircraft are being used to bomb Islamic State targets within Syria [4]. So far, Russia has conducted over 60 sorties against rebel targets [5]. The Russian attacks appear to be targeting all rebel forces located in the northern and central parts of Syria [6]. Finally, one report indicates Russia, Syria, and Iran have established a military coordination cell in Baghdad [7].

1. Varghese, Johnlee, International Business Times, *Chinese troops to join Russian marines in Syria soon, says report*, September 27, 2015.
2. Gertz, Bill, Washington Free Beacon, *Chinese Jet in Second Near-Collision with U.S. Spy Plane*, September 22, 2015.
3. Reuters, *Russia seen building up two more military facilities in Syria: Jane's*, September 22, 2015.
4. Davison, John, Reuters, *Syrian army uses new Russian jets to strike Islamic State: monitor*, September 24, 2015.
5. Winning, Alexander, and Al-Khalidi, Reuters, *Russia says to step up air strikes in Syria*, October 3, 2015.
6. Fox News/AP, *Russian warplanes strike central and northern Syria in*

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### Security

We are now learning more about the information lost during the OPM breach. For instance, one report indicates China's hackers got fingerprints of 5.6 million federal employees [1]. This comes as China's government continues to be accused of cyber-espionage against the US. Consider, two researchers were able to identify one Chinese hacker by name and discovered his title "Thai politic expert" and

that he is member of the People's Liberation Army of China [2]. In response, there was speculation that the US would impose some penalties against China for its cyber-attacks [3]. However, the decision was made not to retaliate [4]. This decision came after China agreed not to engage in commercial cyber espionage [5].

Massive privacy breaches continue in the news. For example, due to a breach at

Experian, 15 million T-Mobile customer's personal information may have been compromised [6]. Then a 2014 breach at Scottrade involved information for 4.6 million clients [7].

1. Sanger, David E., New York Times, *Hackers Took Fingerprints of 5.6 Million U.S. Workers, Government Says*, September 23, 2015.
2. Hackett, Robert, For-

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#### Special points of interest:

- 8th Bank closed this year
- Experian breach compromises 15 million T-Mobile customer identities
- Russia bombs Syrian rebels

## Security

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- tune, *Old fashion detective work unmasks Chinese military hacker*, September 26, 2015.
3. Kopan, Tal, and Sciutto, Jim, CNN, *Officials: China cyber sanctions could come next week*, September 5, 2015.
  4. Gertz, Bill, Washington Free Beacon, *Obama Backs Away From Sanctions on China for Cyber Attacks*, September 25, 2015.
  5. Kopan, Tal, et. al., CNN, *U.S., China say they won't engage in cybertheft*, September 25, 2015.
  6. Olenick, Doug, SC Magazine, *Breach at Experian exposes 15 million T-Mobile customer's PII*, October 2, 2015.
  7. Renick, Oliver, Bloomberg, *Scottrade Client Names Stolen in Online Breach Ending in 2014*, October 2, 2015.

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*I never said most of the things I said—Yogi Berra*

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## World News

(Continued from page 1)

- new raids*, October 4, 2015.
7. Tomlinson, Lucas, and Griffin, Jennifer, Fox News, *Russians, Syrians and Iranians setting up military coordination cell in Baghdad*, September 25, 2015 .

## Terrorism

Terrorism within Yemen continues against religious targets. For example, during the past 3 months, 6 religious facilities were targeted by terrorists, with the latest resulting in at least 29 dead [1]. The Islamic State (IS) claimed responsibility for the attack at al-Balili mosque; a bombing that took place during the Muslim Eid al-Adha prayers [2].

Elsewhere, the war against the IS expanded with France starting to bomb terrorist targets [3]. One assessment of the French attack was the IS training camps targeted were completely destroyed [4].

In Iraq, bombs killed at least 18 people in Baghdad Shiite-majority neighborhoods [5].

In Afghanistan, the Taliban made significant inroads by attacking the northern city of Kunduz [6]. A day after the city fell; the Afghan government was trying to retake the city [7]. Another development after the city's fall; the US started bombing Taliban positions in Kunduz [8].

China continues to internally

battle terrorism. Case in point, bombs killed at least six people in the Chinese city of Liuzhou [9].

1. Almasmari, Hakim, CNN, *At least 29 killed in attack in Yemen mosque during Eid prayers*, September 24, 2015.
2. Ghobari, Mohammed, Reuters, *Islamic State suicide attack kills 10 at Yemen Houthi mosque*, September 24, 2015.
3. Brumfield, Ben, and Haddad, Margot, CNN, *France launches its first airstrikes against ISIS in Syria*, September 27, 2015.
4. Onyanga-Omara, Jane, USA Today, *French warplanes 'totally destroyed' Islamic State camp in Syria*, September 27, 2015.
5. AP/New York Times, *Iraq: Explosions in Baghdad Kill at Least 18 People*, October 3, 2015.
6. Craig, Tim, and Salahuddin, Sayed, Washington Post, *Taliban surges into northern Afghan city in major test for security forces*, September 28, 2015.
7. Mashal, Mujib, New York Times, *Afghan Forces Seek to Regain Kunduz, Major Northern City, From Taliban*, September 29, 2015.
8. AP, *US military launches strike on Afghan city taken by Taliban*, September 29, 2015.
9. AP/Washington Post, *Explosions kill 6, injure dozens in southern China city*, September 30, 2015.

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*You can observe a lot by  
watching—Yogi Berra*

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One impact resulting from changing environmental policy is coal industry closures. As a side effect, coal stocks are experiencing wide market price fluctuations [1]. Case in point, one piece suggests the second largest coal company may be next to file Chapter 11 bankruptcy [2].

It's no mystery that China has proposed rules that favor its domestic companies over foreign [3]. This is part of the never-ending unfair trade practices imposed by China. Case in point, Cisco helped China develop its internet but now must partner with an upstart Chinese company in order to maintain a foothold [4]. Then China is trying to force adoption of a home grown operating system, called NeoKylin, to replace Microsoft Windows software [5]. Consequently, 40% of the PCs Dell sells in China are now bundled with the NeoKylin operating system [6]. To remain in the Chinese market, Microsoft is removing its Bing search engine for Windows 10 and will use the Chinese Baidu product instead [7].

The reasoning for partnering with local Chinese companies is the difficult regulatory environment and theft of trade secrets [8]. Concurrently, theft of intellectual property is a serious issue with US business trying to operate in China. Case in point, in Shenzhen, Apple has only one authorized outlet yet there are over 30 stores that look like Apple outlets [9].

For the week ending September 19, the number of first

time unemployment claims reported by the Labor Department was 275,000 [10]. Then for the week ending September 26, the number was 277,000 [11].

The number of first time unemployment claims does not tell the whole story. Case in point, there are 94.61 million Americans no longer counted in the work force; resulting in 62.4% labor participation rate (a 38-year low) [12].

Meanwhile, American companies continue to shed jobs. For instance, Caterpillar announced plans to eliminate 5,000 jobs by the end of 2016 [13].

Regulators resumed shuttering financial institutions. The Bank of Georgia became the 7<sup>th</sup> closed so far this year [14]. Then, the Hometown National Bank in Washington State became the 8<sup>th</sup> closed [15].

1. Loh, Tim, Bloomberg News, *Coal stocks on a roller coaster ride they can't get off*, September 2, 2015.
2. Rucinski, Tracy, Reuters, *Arch Coal needs to burn more coal than cash to avoid Chapter 11*, September 22, 2015.
3. Shih, Gerry, et. al., Business Insider, *China's New Tech Rules Play To Local Firms' Strengths*, January 30, 2015.
4. Dou, Eva, and Clark, Don, Wall Street Journal, *Struggles in China Push Cisco to Strike Deal*, September 22, 2015.
5. Minter, Adam, Bloomberg View, *For China, a Pyrrhic Victory in PCs*, September 21, 2015.
6. Yuan, Gao, China Daily, *Chinese operating system NeoKylin eyes 'enterprise' glory*, September 22, 2015.
7. Van Boom, Daniel, cnet, *Microsoft teams with Baidu to boost Windows 10 upgrades in China*, September 24, 2015.
8. Yan, Sophia, CNN Money, *Microsoft ditches Bing for Baidu in China*, September 24, 2015.
9. Lee, Yimou, Reuters, *China's 'fake' Apple stores thrive ahead of new iPhone launch*, September 23, 2015.
10. Morath, Eric, Wall Street Journal, *U.S. Jobless Claims up by 3,000 Last Week*, September 24, 2015.
11. Chandra, Shobhana, Bloomberg, *U.S. Jobless Claims Are Near Decade Lows*, October 1, 2015.
12. Meyer, Ali, Washington Free Beacon, *Percentage of Americans in Labor Force Drops to 38-Year Low*, October 2, 2015.
13. Shell, Adam, USA Today, *Caterpillar to cut up to 5,000 jobs by end of 2016, stock falls 7%*, September 24, 2015.
14. Trubey, J. Scott, Atlanta Journal Constitution, *Regulators seize Bank of Georgia in Peachtree City*, October 2, 2015.
15. Longview Daily News, *Twin City Bank to buy 'failed' Longview bank*, October 3, 2015.

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*The future ain't what it  
used to be—Yogi Berra*

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