

IN THE NEWS

VOLUME 8 ISSUE 12

JUNE 14, 2015

World News

One of the risks associated with the abandoned US military equipment is its asymmetric use. For instance, Islamic State (IS) suicide bombers used three Humvees packed with explosive to attack a base in the Tharthar area of Iraq, killing at least 45 police officers [1]. Additionally, it appears the IS used tunnels built under structures, on at least 45 occasions, to bomb targets [2].

Elsewhere in the region, the conflict in Yemen is continuing to degrade. For instance, Saudi forces shot down a Scud missile that was fired at a Saudi city [3]. Meanwhile, the Saudi Air Force continues to bomb rebel positions in Yemen [4].

One report indicates that over the past 18 months, Iran increased its nuclear stockpile by 20% [5]. What's more, some are pointing out the Iranian satellite launch last February provided the basis for a nuclear equipped missile that could reach targets in the US [6]. What's more, the Director of National Intelligence James Clapper reaffirmed to congress, Iran is the foremost sponsor of terrorism [7].

Counties in the contested South China Sea area continue to expand military capabilities. For instance, Japan is selling the Philippines 10 patrol craft in a \$150 million deal [7]. This as it appears that China is preparing for war [8]. Additionally, China conducted its fourth test of the extreme maneuverable high speed warhead designed to deliver nuclear payloads through US defenses [9].

1. BBC News, *Iraq: Islamic State bomb attack 'kills 45 police officers'*, June 1, 2015.
2. Weisgerber, Marcus, Defense One, *ISIS Is Using Tunnel Bombs in Iraq*, June 8, 2015.
3. al-Shihri, Abdullah, Navy Times/AP, *Saudi Arabia shoots down Scud missile fired from Yemen*, June 6, 2015.

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Security

Once again, the consequences of not addressing security engineering during product rush to market decisions is coming back to haunt us. Case in point, it appears our good friends in China breached Federal computers; compromising approximately 4 million current and former government employee identities [1]. One report suggests the Chinese are after health care records and were part of the February breach that exposed information on approximately

80 million customers [2]. This appears to be the second breach in less than one year of the Office of Personnel Management (OPM) by Chinese state sponsored hackers [3]. Another report suggests the latest attack went undetected for over a year [4]. Adding to the damage; while the investigators are unsure of what was compromised, they believe it included the database of personnel with security clearances [5].

Readers may recall, in the last newsletter we docu-

mented the IRS security breach impacting approximately 100,000 taxpayers. In response to the breach before Congress, the IRS Commissioner blamed part of the problem on lack of funding [6]. However, the Treasury IG claims recommendations were previously made that were not applied [7].

When it comes to cyber environment, it appears that crime does pay. Case in point, one study indicates the return on invest-

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Special points of interest:

- China breached OPM exposing information on 4 million employees

Security

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ment for cyber-crime exceeds 100% with an average of 1,425% [8].

1. Spetalnick, Matt, and Brunnstrom, David, Reuters, *China in focus as cyber attack hits millions of U.S. federal workers*, June 5, 2015.
2. Riley, Michael A, and Walcott, John, Bloomberg, *China's Hack of U.S Data Tied to Health-Care Record Thefts*, June 5, 2015.
3. Nakashima, Ellen, Washington Post, *Chinese*

breach data of 4 million federal workers, June 4, 2015.

4. Levine, Mike, ABC News, *Massive Hack Went Undetected For More Than a Year, Sources Say*, June 11, 2015.
5. Nakashima, Ellen, Washington Post, *Chinese hack of federal personnel files included security-clearance database*, June 12, 2015.
6. Abel, Robert, SC Magazine, *IRS commissioner appears before Senate, attributes breach, in part, to budget cuts*, June 3, 2015.
7. Abel, Robert, SC Maga-

zine, Treasury IG says recommended updates would have made breaching IRS harder, June 4, 2015.

8. Carman, Ashley, SC Magazine, *Study: Cyber criminals' ROI exceeds 100 percent*, June 9, 2015.

It may be said with a degree of assurance that not everything that meets the eye is as it appears.—

Rod Serling

World News

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4. Ghobari, Mohammed, and Browning, Noah, Reuters, *Yemen's Houthis agree to talks as bombing reportedly kills 58 people*, June 4, 2015.
5. Washington Free Beacon, *Iran Boosts Nuclear Stockpile*, June 2, 2015.
6. Russell, George, Fox News, *Iran satellite launches tied to ballistic missile program, UN experts say*, June 10, 2015.

7. Schwartz, Felicia, Wall Street Journal, *Intelligence Chief Cites Threats From Iran, Hezbollah After GOP Criticism*, June 11, 2015.
8. Sekiguchi, Toko, Wall Street Journal, *Japan to Provide Patrol Vessels to Philippines*, June 4, 2015.
9. Silva, Cristina, International Business Times, *China Prepares For War? Chinese Aircraft Carrier, Fighter Jets Conduct Navy Drills Amid Rising South Sea Tensions*, June 12, 2015.

10. Gertz, Bill, Washington Free Beacon, *China Conducts Fourth Test of Wu-14 Strike Vehicle*, June 11, 2015.

Terrorism

Terrorist attacks continue to be problematic in the US. For instance, a knife-wielding follower of the Islamic State (IS) was killed in Boston [1]. Then there was an gun and bomb attack against a Dallas police headquarters [2]. Such attacks are often initially shrouded in confusion. Case in point, one report indicated that attack was carried out by multiple gunmen armed with automatic weapons [3].

Meanwhile, the al-Qaeda terrorist organization is gaining in the Middle-East. For instance, one report indicates; while the turmoil is engulfing the area, an al-Qaeda off-shoot is gaining land in Syria and Yemen [4].

The IS situation is so bad in Syria, some are asking is al-

Qaeda is the lesser evil [5]. This comes even as the al-Qaeda offshoot is accused of massacring a group of minority Druze [6].

In Afghanistan, police continue to be the target of the Taliban. For instance, in the Helmand province, multiple attacks left at least 20 police dead [7].

1. Ben Brumfield, CNN, *Usamah Rahim awaits burial, while Boston terror attack questions loom*, June 5, 2015.
2. Hanna, Jason, et. al., CNN, *Explosives found, suspect cornered after gun-fire targets Dallas police HQ*, June 13, 2015.
3. Merchant, Nomaan, AP, *Suspects Open Fire on Officers Outside Dallas Police HQ*, June 13, 2015.
4. Naylor, Hugh, Washington Post, *Quietly, al-Qaeda offshoots expand in Yemen and Syria*, June 4, 2015.
5. Trofimov, Yaroslav, Wall Street Journal, *To U.S. Allies, Al Qaeda Affiliate in Syria Becomes the Lesser Evil*, June 10, 2015.
6. Naylor, Hugh, Washington Post, *Syrian al-Qaeda branch accused of massacring minority Druze*, June 11, 2015.
7. Khan, Mirwais, and Faiez, Rahim, AP, *Taliban Kill 20 Police Officers in Afghanistan Attack*, June 12, 2015.

*If the freedom of speech is
taken away then dumb
and silent we may be led,
like sheep to the slaughter.*
—George Washington

Economy

According to the Labor Department, for the week ending May 30, the number of first time unemployment claims was 276,000 [1]. Then for the following week, the number reported was 279,000 [2]. The Labor Department also reported the unemployment rate for May was 5.5% [3].

Additionally, the Commerce Department reported the trade deficit for April was \$40.9 billion [4]. However, the imbalance with China was \$26.5 billion [5].

The U.S. is not the only nation to continue struggling through tough economic times. For instance, creditors

are continuing to pressure Greece thereby adding stress to the European Union [6].

We have come to expect any trade deal will result in further erosion of US jobs and perhaps others are starting to draw the same conclusion. Case in point, the House of Representatives rejected the Pacific Rim pact trade deal [7].

1. AFP, *US weekly jobless claims lower*, June 4, 2015.
2. Mitchell, Josh, Wall Street Journal, *U.S. Jobless Claims Rise 2,000 to 279,000*, June 11, 2015.
3. Mutikani, Lucia, Reuters, *Sturdy U.S. jobs report boosts chances of Sept Fed*

rate hike, June 5, 2015.

4. Reuters, *U.S. Trade Deficit Trims, and Hiring Is Up*, June 3, 2015.
5. Crutsinger, Martin, AP, *US trade deficit drops sharply in April*, June 3, 2015.
6. Spiegel, Peter, and Donnan, Shawn, Financial Times, *Creditors tell Greece it is time to decide over bailout*, June 11, 2015.
7. AP, *Trade in trouble*, June 14, 2015.

America's workers face a battle for their jobs. They are the finest workers in the world. American workers grow, harvest, and mine some of the world's highest quality and most plentiful raw materials.—

Kit Bond
