

IN THE NEWS

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World News

Russia confirmed it has military advisors in Syria supporting President Bashar al-Assad [1]. This came as the US warned Russia against any military buildup [2]. One report indicates the Russian buildup in Syria includes a significant buildup of forces and equipment [3]. Meanwhile, Russia is advising world leaders to arm Syria in its fight against the IS [4]. In response to the development, the US Secretary of State indicated he is ready to enter military talks with Russia [5]. This comes after one piece points out the IS has a sizeable array of captured military hardware making it comparable to many armies [6]. As a side note, readers may recall, Russia has been operating inside the Ukraine with impunity. For example, over 10,000 Russian troops have quietly been fighting inside the Ukraine for over a year [7].

One piece points out that as China's internal turmoil continues, the chance for armed conflict increases [8]. Concurrently, China continues militarization of the South China Sea [9]. Case in point, it appears China is constructing a third airstrip in contested areas of the South China Sea [10]. In turn, other countries are moving closer to offset the risk of Chinese aggression. For instance, Vietnam is negotiating with Japan for military equipment to contain China [11].

Meanwhile, China's proxy, North Korea is making new noise. For instance, the communist north claimed it restarted the Yongbyon nuclear reactor and was preparing to make additional nuclear weapons to target the US [12].

1. Murphy, Brian, and Gibbons-Neff, Thomas, Washington Post, *Russia notes it has military advisers in Syria amid widening friction with West*, September 9, 2015.
2. Crawford, Jamie, CNN, *U.S. warns Russia on military buildup in Syria*, (Continued on page 2)

Security

Hackers continue to demonstrate the vulnerabilities of existing systems. For example, Russian hackers are exploiting commercial satellites to steal sensitive data [1]. In another example, hackers broke into Firefox's privileged account to steal information on sensitive security vulnerabilities [2]. Meanwhile, security patching continues to race against exploitation. Case in point, Microsoft released patch

Tuesday security fixes that included two which are actively being exploited [3]. In other news, the medical community continues to be a target for bad actors. For instance, a breach at Excelus Blue Cross Blue Shield that occurred in 2003, but not discovered until last month (August), exposed 10.5 million records [4]. This lag in security breach detection illustrates a challenge in protecting systems from cyber-attack.

It appears that some of the vendors that operate in the Pentagon suffered a credit card breach [5]. Additionally, one report indicates the Department of Energy knows of 150 penetrations over the past 4 years [6]. For many of the high profile foreign hacking attacks often have roots tied to a government sponsor. Case in point, one piece identifies the Russian govern-

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Special points of interest:

- A Blue Cross Blue shield breach exposes exposed 10.5 million records
- Islamic state using mustard gas

Security

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ment as the controlling sponsor over a group of hackers that has operated for at least seven years [7].

1. Nakashima, Ellen, Washington Post, *Russian hacker group exploits satellites to steal data, hide tracks*, September 9, 2015.
2. Carman, Ashley, SC Magazine, *Firefox zero-days exposed after attacker compromises privileged account*, September 4, 2015.
3. Greenberg, Adam, SC Magazine, *Microsoft fixes*

several bugs on Patch Tuesday, two being actively exploited, September 8, 2015.

4. Greenberg, Adam, SC Magazine, *Excellus Blue-Cross BlueShield announces breach, 10.5M records at risk*, September 9, 2015.
5. Greenberg, Adam, SC Magazine, *Transactions at Pentagon lead to credit card fraud, workforce notified*, September 11, 2015.
6. Robinson, Teri, SC Magazine, *Energy Dept. hacks point to larger procurement, budget issues*, September

11, 2015.

7. Chalfant, Morgan, Washington Free Beacon, *Seven-Year Cyberattack Campaign Linked to Russian Government, Researchers Say*, September 18, 2015.

All compromise is based on give and take, but there can be no give and take on fundamentals. Any compromise on mere fundamentals is a surrender. For it is all give and no take.—Mahatma Gandhi

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3. Tomlinson, Lucas, and Griffin, Jennifer, Fox News, *Russian military build-up in Syria 'unprecedented,' officials say*, September 10, 2015.
4. Vasilyeva, Nataliya, Times of Israel, *Russia: World must arm Syrian government against IS*, September 11, 2015.
5. Gordon, Michael, New York Times, *U.S. to Begin Military Talks With Russia on Syria*, September 18, 2015.
6. Suci, Peter, Fox News, *Cold War weaponry and*

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modern military hardware: Inside the ISIS arsenal, September 15, 2015.

7. Wisner, Daniel, Washington Free Beacon, *How Russia Invaded Ukraine*, September 18, 2015.
8. Friedberg, Aaron, and Schoenfeld, Gabriel, Los Angeles Times, *China, a wounded tiger, could lash out*, September 15, 2015.
9. Bender, Jeremy, Business Insider, *China is continuing to militarize the South China Sea despite promising to stop*, September 14, 2015.
10. Brunnstrom, David, Reuters/Washington Free Beacon, *China Building*

Third Airstrip on Disputed South China Sea Islets, September 14, 2015.

11. Khanh, Vu Trong, Wall Street Journal, *Vietnam Cozies Up to Japan in South China Sea Strategy*, September 14, 2015.
12. Fifield, Anna, Washington Post, *North Korea says it has restarted its nuclear facilities, threatens the U.S.*, September 15, 2015.

Terrorism

During World War I, the world was introduced to the terrible effects of chemical warfare. For instance, mustard gas was used and resulted in blisters over the body as the gas soaked into wet uniforms [1]. Today, in Iraq, there are indications the Islamic State (IS) is using mustard gas against Kurdish forces [2]. This comes as the IS continues to make military advances in Syria. For instance, IS fighters attacked one of the few remaining airbases located in Eastern Syria [3].

It should be noted, the IS has competition from other terrorist groups. For instance, the Al-Nusra Front, an Al-Qaeda's Syrian affiliate, captured the Abu Duhur military airport, which was the last Syrian government in the northwestern Idlib province [4].

The Arab Spring has turned many Middle-East countries into war zones between opposing terrorist groups. For instance, in 2012, Yemen's prime minister stepped down in response to Arab Spring protests [5]. Today, Yemen is a full scale war zone [6]. Moreover, Saudi Arabia is stepping up its military operation in Yemen [7]. The fighting continues along the Saudi border with Yemen. Case in point, a Saudi soldier was killed in a cross border exchange of fire [8]. This comes as one piece suggests the IS has a goal of

controlling Saudi Arabia [9].

In Iraq, the IS claimed responsibility for twin suicide bombings that killed at least 11 people in crowded areas of the capital [10].

Meanwhile, the Taliban terrorists continue to cause damage. Case in point, a Taliban attack in Pakistan left at least 20 people dead, including 16 worshippers inside a mosque [11].

1. Pruszewicz, Marek, BBC World Services, *How deadly was the poison gas of WW1?*, January 30, 2015.
2. Zimmerman, Malia, Fox News, *Exclusive photos appear to show grisly effect of ISIS' mustard gas attacks on Kurds*, September 9, 2015.
3. Davison, John, Reuters, *Islamic State attacks Syrian air base in east, dozens reported killed*, September 10, 2015.
4. AFP, *Qaeda in Syria takes last regime base in Idlib*, September 9, 2015.
5. Schouten, Lucy, Christian Science Monitor, *What does the return of Yemen's exiled prime minister mean?*, September 16, 2015.
6. Almosawa, Shuaib, and Fahimsept, Kareem, New York Times, *Arab Coalition Bombs Yemen's Capital, Killing Dozens*, September 19, 2015.
7. The Economist, *Saudi Arabia escalates its military campaign*, September 10, 2015.
8. AP/Washington Post, *Saudi soldier killed in exchange of fire across Yemen border*, September 10, 2015.
9. Batrawy, Aya, AP, *Islamic State group's attacks in Saudi test security of hajj*, September 10, 2015.
10. Majeed, Safa, and Bradley, Matt, Wall Street Journal, *Islamic State Claims It Carried Out Fatal Twin Suicide Bombings in Iraq*, September 17, 2015.
11. New York Times/AP, *Taliban Attack on Pakistan Base Kills 20; 16 Die in Mosque*, September 18, 2015.

Now, given the experience that we have had thus far, with our subsequent trade agreements with NAFTA and others, you would think that with our experience of job loss that we have had there that when you find yourself in a hole that you might stop digging—Stephen F. Lynch

Economy

Once again, another American iconic company is suffering because of Chinese unfair trade practices. This time, Alcoa is asking US authorities to look into the practices used by Chinese aluminum exporters [1]. While the unfair trade complaints continue, and China devalues its currency, China continues to grow at a not too shabby rate of 7% [2]. With such examples, it comes as no surprise that the Chinese trade deficit has become a political topic and is influencing public opinion [3].

For the week ending September 5, the number for first time unemployment claims reported by the Labor Department was 275,000 [4]. Then for the following week, the

number reported was 264,000 [5]. Elsewhere on the economic front, the Census Bureau reported there are 46.7 million people in the US living in poverty [6].

1. Cohen, Luc, Reuters, *Aluminum industry body asks U.S. authorities to probe China exports*, September 17, 2015.
2. Escobar, Pepe, Asia Times, *Welcome to the trade deal wars: Escobar*, August 28, 2015.
3. Bump, Philip, Washington Post, *Why Donald Trump is smart to talk about China, China, China*, September 10, 2015.
4. Dow Jones Newswires, *U.S. Weekly Jobless Claims Fall By 6,000*, September 10, 2015.
5. Mutukani, Lucia, Reuters, *U.S. jobless claims at eight-week low; housing starts fall*, September 17, 2015.
6. Holland, Jesse J., AP, *Census: Income, poverty numbers stay just about the same*, September 16, 2015.

To finance this trade deficit, the U.S. has to borrow from the rest of the world or sell American assets like stocks, businesses, and real estate to the rest of the world—
Martin Feldstein
