

# IN THE NEWS

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## Security

During 2018, reports indicated Russia was actively hacking the US power grid [1,2]. Now there are reports that the US may be hacking the Russian power grid [3,4]. From these reports, we can infer that state sponsors have an interest in cyber-attack capabilities against power grids. With this as a backdrop, on June 16, in South America, an electrical blackout left tens of millions in the dark [5]. While the cause of the blackout is still under investigation, cyberattacks have not been ruled out [6].

The cybersecurity firm, Finite State, reportedly found back doors in 55 percent of the Huawei hardware devices tested [7]. Note, that testing did not discover a back door in 45% of the devices does not mean the devices are without security problems. So as the world considers allowing China to dominate the fifth generation (5G) telecommunications market; a look at history highlights the risks. Consider the Rare earth element market. China aggressively and successfully targeted this industry giving it a near monopoly [8]. The result is China now uses the threat of cutting off rare earths to further its international policy [9]. In effect, China has weaponized its monopoly [10]. We highlighted the rare earth risk from China back in 2010 (Newsletter Volume 3, Issue 20, dated September 26, 2010). At that time, China restricted rare earth exports to Japan [11]. Such practices are not limited to China. Consider the decision to kill the Space Shuttle program [12]. The result was reliance on Russia for transportation. So far, the cost for Russian transportation has exceeded \$3 Billion [13].

The race to keep software free from vulnerabilities continues. For June, Microsoft released patches that correct 88 vulnerabilities [14]. This comes as it again appears that cyber-crime attacks pays. Vulnerabilities in software and systems allow hackers to extort victims. Case in point, the Riviera Beach City Council in Florida agreed to pay \$600,000 to hackers in a ransomware attack [15]. Then, Lake City, Florida, agreed to pay \$462,000 to fix a ransomware attack [16].

1. Atherton, Kelsey, Vox, *It's not just elections: Russia hacked the US electric* (Continued on page 2)

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### Special points of interest:

- Power Grid Cyber-Attacks?

## World News

In Hong Kong, thousands of people protested against a China plan to send people to the Mainland for trial [1]. While the protesters appear to have won a victory, it is expected China will continue to apply pressure [2]. Additionally, the unrest in Hong Kong may have an impact on the ongoing trade war with China as more businesses decide move to non-Chinese locations [3]. How-

ever, not all companies are making the move. Case in point, Apple is moving its Mac Pro production from the US to China [4].

It is worth noting that the US has transferred much wealth and technology to China. Now China has used this advantage to develop weapons that may someday destroy our way of life. For example, China tested a submarine launched a nuclear capable

JL-3 missile with an estimate range of 7,400 miles [5].

Meanwhile, the US has hit Iran with crippling economic sanctions [6]. This came after the head of U.S. Central Command warned that Iran was preparing to attack US forces [7]. Additionally, it appears Iran attacked two oil tankers [8]. Iran also appears to be behind missile attacks directed against

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## World News

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Iraq military bases where US personnel are located [9]. Finally, reports indicate Iran shot down a US drone [10].

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6. CBS News, *U.S. hits Iran with new sanctions targeting petrochemicals*, June 7, 2019.
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*The great enemy of the truth is very often not the lie, deliberate, contrived and dishonest, but the myth, persistent, persuasive and unrealistic.—John F. Kennedy*

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(Continued from page 1)

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16. Kamp, Jon, and Calvert, Scott, Wall Street Journal, *Hackers Strike Another Small Florida City, Demanding Hefty Ransom*, June 26, 2019.

## Terrorism

The role of state sponsored terrorism appears behind attacks on oil tankers near Iran's border. For instance, two tankers were damaged near the Strait of Hormuz [1]. Meanwhile, the war against terrorism in Yemen is spilling over into Saudi Arabia. Case in point a missile launched by Houthi militants struck the Abha airport in Saudi Arabia injuring 26 people [2].

In other parts of the world; Boko Haram terrorists claimed responsibility for a triple suicide attack in Nigeria that killed at least 30 people [3]. In Tunisia, twin suicide attacks left at least one person dead [4]. In the Philippines, two suicide bombers killed at least 5 people [5].

Within the US, the FBI continues to avert terrorist attacks. For instance, a 21-year-old Syrian refugee living in Pittsburgh was arrested for planning an Islamic State attack against a church [6].

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*behind new tanker attacks in Gulf of Oman*, June 13, 2019.

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5. CNN, *Five killed, including two suspected suicide bombers in twin blasts in a military camp in Sulu*, June 28, 2019.
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*The very concept of objective truth is fading out of the world. Lies will pass into history.—George Orwell*

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## Economy

The trade war with China is causing some businesses to rethink their commitment to China. For instance, many Taiwanese companies are moving their manufacturing back from China [1]. Additionally, the US is importing more from alternate sources such as Vietnam [2]. The trade war is expected to further the exodus of industry from China [3]. In turn, this is causing additional pressure for the Chinese job market [4].

Overall, the economy continues to show strength. The S&P 500 stock index reached a new intraday record, the first since May 1 [5]. For the week ending June 8, the number for first time unemployment claims reported was 222,000 [6]. For the week ending June 15, the number reported was 216,000 [7]. Finally, the number of first time claims for the week ending June 22 was 227,000 [8].

It has been some time since

we have seen a failed financial institute. However, the Enloe state bank in Texas was closed [9].

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*It's no wonder that truth is  
stranger than fiction.*

*Fiction has to make sense.*

*—Mark Twain*

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