

IN THE NEWS

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World News

The South China Sea remains a hot spot ready to explode. For instance, Russia will be joining China in naval exercises in the contested area [1]. This comes as reports indicate some in China's leadership are spoiling for a fight with the US [2]. Meanwhile, China issued a warning that illegal fishing in its contested waters will be prosecuted and those found guilty could face 1 year in prison [3].

The South China Sea is not the only area that is a powder keg. For instance, China conducted live fire navy drills in the East China Sea [4]. The East China Sea is home to the Japanese-controlled Senkaku Islands, claimed by China [5].

The turmoil in Asia is not limited to Chinese activities. North Korea launched an intermediate range ballistic missile that landed in the Sea of Japan within 125 miles of the country's northeast coast [6].

The war in Syria continues to exact a toll on the participants. For instance, a Russian Mi-8 helicopter was reportedly shot down killing the five people aboard [7].

1. Buckley, Chris, New York Times, *Russia to Join China in Naval Exercise in Disputed South China Sea*, July 29, 2016.
2. Wood, Todd, Washington Times, *China wants to 'bloody nose' of U.S. in South China Sea*, August 1, 2016.
3. Blanchard, Ben, Reuters, *China court warns against illegal fishing in riposte to South China Sea ruling*, August 2, 2016.
4. Fox News, *China holds live-fire navy drills in East China Sea*, August 2,

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Security

As we rapidly approach the next election cycle, there are growing concerns over voting machine security. For instance, Illinois shut down the voter registration database after discovering it was hacked [1]. Researchers point out, there are many potential ways the voting system can be compromised [2]. This warning comes after indications indicate Russian hackers were behind a massive Democratic National Com-

mittee email breach [3]. Election risks are not the only threat facing us. For instance, researchers were able to inject messages into a physical port to control a new Jeep's acceleration and steering [4]. Fortunately, the latest exploit currently requires physical access to the vehicle's dashboard. However, this may highlight another risk similar to physical attacks seen on credit card machines. Might a bad actor working at a car

repair shop attach a port connected device?

We continue to track reported vulnerabilities with Supervisory Control and Data Acquisition (SCADA) systems that control much of the critical infrastructure. For example, in Europe, security researchers uncovered a malware attack on an energy company [5].

1. Fessler, Pam, NPR, *Hacking An Election:*

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Special points of interest:

- June \$44.5 billion - \$29. billion with China
- Election hack risks

Security

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- Why It's Not As Far-Fetched As You Might Think*, August 1, 2016.
2. Forno, Richard, Houston Chronicle, *How vulnerable to hacking is the US election cyber infrastructure?*, August 1, 2016.
 3. Gardner, Timothy, and Munoz, Ruthy, Reuters, *Obama says DNC hacks would not alter relations with Russia*, August 2, 2016.
 4. Yoshida, Junko, EE Times, *New Jeep Hack Proves Cars Still Exposed*, August 3, 2016.
 5. The Register (UK), *SCADA malware caught infecting European energy company*, July 12, 2016.

Innovation distinguishes between a leader and a follower—Steve Jobs

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- 2016.
5. Johnson, Jesse, Japan Times, *Chinese Navy holds live-fire drills in East China Sea*, August 2, 2016.
 6. Fifield, Anna, Washington Post, *North Korean missile lands perilously close to Japan*, August 3, 2016.
 7. Berry, Lynn, and Mroue, Bassem, AP/Washington Times, *Russian Mi-8 helicopter shot down in Syria, killing all 5 onboard*, August 1, 2016.

Terrorism

Germany remains in the news as a recipient of terrorist attacks. For instance, a 27-year-old asylum seeker from Syria, blew himself up at a festival, injuring 12 people [1]. Plus, a 21-year-old Syrian refugee killed a pregnant woman with a machete [2].

Germany is not alone; terrorism once again struck France. For instance, Islamic State (IS) believed to be behind a Catholic church attack in Normandy by two terrorists [3].

Elsewhere in Europe, Belgium is the recipient of another terrorist attack. This time, a machete-wielding terrorist attacked to uniformed police [4].

Outside of Europe, terrorism continues. In Iraq, an IS suicide bomber killed at least 14 people [5]. In the Somali capital, at least 13 were killed by suicide bombers [6]. Then reports indicate Afghanistan's military is struggling against a resurgent Taliban [7].

Finally, it would appear the Islamic State (IS) is a growing threat in Libya. Case in point, the US launched several airstrikes against IS targets in Libya [8].

1. Kaplan, Hakan, and Rising, David, AP, *Police: Bavarian official says attacker was denied asylum*, July 24, 2016.
2. Shalal, Andrea, Reuters, *Syrian refugee in Germany arrested after killing woman in machete attack*, July 24, 2016.
3. Morenne, Benoit, and Olivennes, Hannah, New York Times, *Attack on Church in France Kills Priest, and ISIS Is Blamed*, July 26, 2016.
4. Reuters/Newsweek, *Machete-Wielding Man Hurts 2 Cops in Belgium Terror Attack*, August 6, 2016.
5. New York Daily News, *ISIS suicide bomber kills 14 people in Ira*, July 25, 2016.
6. Sheikh, Abdi, and Omar, Feisal, Reuters, *Suicide bombers hit peacekeeping base in Somali capital, 13 dead: police*, July 26, 2016.
7. Kerdo, Bob, Washington Free Beacon, *U.S. Spends \$17 Billion To Arm Struggling Afghan Armed Forces As Taliban Surges*, August 2, 2016.
8. Johnson, Natalie, Washington Free Beacon, *U.S. Launches Several Airstrikes Against ISIS in Libya*, August 1, 2016.

*Neither a wise man nor a
brave man lies down on
the tracks of history to
wait for the train of the
future to run over him—
Dwight D. Eisenhower*

Economy

When it comes to one sided trade, China dominates the field. Case in point, IBM has agreed to allow the China's Ministry of Industry and Information Technology (MITI) to examine the source code of its products [1]. Perhaps the one sided trade agreements are in part responsible for the weak U.S. Economy. According to the Commerce Department, the rate of growth for the U.S. economy was only 1.2% for the second quarter [2]. A 1.2% growth rate translates to an actual 0.3% growth for the second quarter. What's more, the current recovery is being called the weakest since 1949 [3].

The US trade deficit for June increased to \$44.5 billion [4]. This includes a \$29.8 billion trade deficit with China [5]. Moreover, as the number of

Americans in the workforce hovers near record lows, the unemployment claims remain a focus of interest. According to the Labor Department, the number of first time unemployment claims for the week ending July 23 was 266,000 [6]. Then for the following week, the number reported was 269,000 [7].

Finally, we have good news regarding oil production. Due to advanced innovation and cost cutting, the US fracking industry has held Saudi Arabia in check [8].

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2. Chandra, Sho, Bloomberg, *U.S. Economy Grew Less-Than-Forecast 1.2% in Second Quarter*, July 29, 2016
3. Morath, Eric, Wall Street Journal, *Seven Years Later,*

Recovery Remains the Weakest of the Post-World War II Era, July 29, 2016.

4. Bartash, Jeffrey, Market Watch, *U.S. trade deficit hits 10-month high in June*, August 5, 2016.
5. Reuters, *U.S. trade deficit rises to ten-month high in June*, August 5, 2016.
6. Jamrisko, Michelle, Bloomberg, *Jobless Claims in U.S. Climbed Last Week From a three-Month Low*, July 28, 2016.
7. Robb, Greg, Market Watch, *Jobless claims rise to highest level since the end of June*, August 4, 2016.
8. Evans-Pritchard, Ambrose, The Telegraph, *Texas shale oil has fought Saudi Arabia to a standstill*, July 31, 2016.

You can never get all the facts from just one newspaper, and unless you have all the facts, you cannot make proper judgements about what is going on—Harry S Truman
