

Daily Open Source Infrastructure Report 23 March 2012

Top Stories

- A fire and explosion at a chemical plant in Ascension Parish, Louisiana, released hazardous chemicals, led to the closure of several roads, and forced hundreds of residents to shelter in place. *Baton Rouge Advocate* (See item 3)
- Authorities interviewed at least 13 people with ties to Iran's government who were seen taking pictures of New York City landmarks, such as the Brooklyn Bridge, since 2005. The cases are considered pre-operational surveillance in preparation for a possible terrorist attack, a senior city police official said. *Associated Press* (See item 13)
- Leesville, Louisiana's city council declared a state of emergency March 21 after flooding caused two sewer stations to become non-operational and closed many roads. *Associated Press; Alexandria Daily Town Talk* (See item 20)
- Government network security experts told a U.S. Senate panel federal networks are thoroughly penetrated by foreign spies. They said current perimeter-based defenses that attempt to curb intrusions are outdated and futile. *Threatpost* (See item 24)
- Officials in California said that after 5 years, they are still struggling to build and deploy an earthquake warning system that would give cities time to prepare for and mitigate the impact of a massive earthquake. *Los Angeles Times* (See item <u>26</u>)

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Energy Sector

Current Electricity Sector Threat Alert Levels: <u>Physical</u>: LOW, <u>Cyber</u>: LOW Scale: LOW, GUARDED, ELEVATED, HIGH, SEVERE [Source: ISAC for the Electricity Sector (ES-ISAC) - [http://www.esisac.com]

1. *March 21, KEZI 9 Eugene* – (Oregon) **14,000 Lane County residents still without power.** More than 14,000 residents were without power in Veneta, Oregon, March 21 after a second winter storm hit the area. Eugene Water & Electric Board crews restored electricity to more than 3,200 people, but 5,500 customers remained without power through March 21. Other affected electrical companies were working to restore power to their respective customers.

Source: http://kezi.com/news/local/242151

For more stories, see items 4 and 24

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Chemical Industry Sector

2. *March* 22, *WFIE* 14 Evansville – (Indiana) Evansville business facing fines for misusing pesticides. An Evansville, Indiana business faces nearly \$1 million in fines for misusing pesticides, WFIE 14 Evansville reported March 21. The business is North American Green Incorporated, an agricultural materials company with offices in Evansville and a manufacturing plant in Poseyville. After pleading guilty in federal court, the company was hit with more than \$900,000 in fines, and was ordered to institute an employee training program, develop a compliance policy, submit to an independent audit, and issue a public apology. The pesticide the firm misused was Meth-O-Gas. If used in a manner inconsistent with label instructions, it can cause acute illness, lung and nervous system damage, and even death. North American Green used the pesticide on erosion mats sold to other states and countries. A U.S. attorney said its

employees in Poseyville never wore full face masks while fumigating the mats, and the air was never tested for excess chemicals before or after fumigation. The case began with a whistleblower, a former employee who told federal authorities the company was signing his name on certificates without his knowledge or consent.

Source: http://www.14news.com/story/17213644/evansville-business-faces-fines-formisusing-pesticides

3. March 22, Baton Rouge Advocate – (Louisiana) Westlake plant fire extinguished. A fire at Westlake Chemical's Geismar Vinyls Complex was extinguished and a 1-mile shelter in place order was lifted after a few hours for hundreds of residents in Ascension Parish, Louisiana, March 22, authorities said. Also, a section of the Mississippi River near the plant was closed, said a parish government spokesman. An explosion and fire occurred at the vinyl chloride monomer (VCM) part of the facility, said Westlake's environmental health and safety manager. VCM is feedstock for polyvinyl chloride, which is used to make plastic pipes and other home products, she said. The cause of the fire and explosion is unknown and is under investigation, she added. She said both access roads into the plant were closed. The sheriff said state and federal agencies were conducting air monitoring, noting a white cloud erupted from the facility. The state department of environmental quality said the plant was releasing VCM, hydrochloric acid (HCL) and HCL solution, and chlorine. The lines involved in the release were shut in. The sheriff's office said the fire forced the closure of parts of La. 73, La. 30, River Road, and La. 3115 for many hours. Six area emergency services agencies responded.

Source: http://theadvocate.com/home/2387679-77/westlake-chemical-plant-in-geismar

For another story, see item 21

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Nuclear Reactors, Materials and Waste Sector

See items 24 and 26

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Critical Manufacturing Sector

Nothing to report

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Defense Industrial Base Sector

4. *March 21*, *Associated Press* – (National) **Ex-gov't scientist gets 13 years in espionage case.** A former government space scientist was sentenced March 21 to 13 years in prison after admitting he tried to sell space and defense secrets to Israel in what turned out to be an FBI sting operation. Prosecutors and the scientist's lawyers agreed to the

13-year sentence, with credit for 2 years he has spent behind bars since his arrest. The scientist had high-level security clearances during decades of government work on science and space projects at NASA, the Energy Department, and the National Space Council during the 41st presidential administration. He pleaded guilty to one count of attempted espionage, admitting he tried to provide Israel with top secret information about satellites, early warning systems, methods for retaliating against large-scale attack, communications intelligence information, and major elements of defense strategy.

Source: http://www.businessweek.com/ap/2012-03/D9TL50J02.htm

For another story, see item 24

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Banking and Finance Sector

5. March 22, Missoula Missoulian – (Montana) 'Motorcycle bandit' pleads guilty to 5 western Montana bank robberies. The man accused of being northwestern Montana's "motorcycle bandit" pleaded guilty in federal court March 21 to robbing four banks – one of them twice – and using a gun during one of those robberies. Each conviction of bank robbery carries a term of up to 25 years in prison and a \$250,000 fine. An assistant U.S. attorney said a plea agreement in the case calls for restitution of \$88,012. In most of the cases, the man wore a motorcycle helmet and fled on a motorcycle or four-wheeler. He pleaded guilty to robbing the First Interstate Bank in Bigfork September 24, 2010; a Glacier Bank in Lakeside November 10, 2010; a First Valley Bank in Seeley Lake April 5, 2011; a Mullan Trail Bank in St. Regis May 31, 2011; and the Glacier Bank in Lakeside again September 28, 2011. Those heists netted varying amounts of money, from \$6,553 during the first incident, to \$46,000 in the second.

Source: http://missoulian.com/news/local/motorcycle-bandit-pleads-guilty-to-western-montana-bank-robberies/article_0d2d57c6-7388-11e1-86ad-001871e3ce6c.html

- 6. *March* 22, *Orange County Register* (California) 'Snowboarder Bandit' robs Irvine bank, authorities say. A man police call the "Snowboarder Bandit" is suspected of robbing an Irvine, California bank branch March 21, marking the 10th hold-up tied to the robber. A man wearing a black motorcycle helmet with the shade pulled up walked into a U.S. Bank branch inside a Pavilions supermarket, a FBI spokeswoman said. He handed an employee a note that read, "empty drawer, do not touch alarm. High powered gun, 15 seconds," she said. The Snowboarder Bandit is suspected in a series of recent robberies, including hold-ups at bank branches in Irvine, Laguna Hills, Anaheim Hills, Ladera Ranch, and Corona del Mar. He earned his nickname due to his youthful appearance and the ski-type clothes he wore during earlier robberies. Source: http://www.ocregister.com/news/bandit-345734-snowboarder-bank.html
- 7. *March* 22, *H Security* (International) **Embarrassing security failure at PayPal.** Until just a few days ago, Web sites belonging to the world's largest online payment service contained a security vulnerability in a key component that could have

been exploited by fraudsters to steal information from customers, H Security reported March 22. PayPal fixed the vulnerability shortly after being notified of its presence by heise Security. A heise Security reader noticed he search function on PayPal Web pages was not filtering user input correctly, making it simple to inject code into PayPal pages via a crafted URL. The problem affected pages at paypal.com, which use SSL security. Customers log in to the site from these pages and use them to make payments. PayPal emphasizes its security credentials in its advertising and presents itself as a certified payment system.

Source: http://www.h-online.com/security/news/item/Embarrassing-security-failure-at-PayPal-1477905.html

8. March 21, New York Daily News – (New York) Scammer pleads guilty to illegally fixing bad credit scores. A sophisticated scammer pleaded guilty March 21 in New York City to illegally fixing bad credit scores, and agreed to pay \$9.3 million in restitution for loans made to the deadbeats he cleaned up. He faces up to 6 and a half years in prison for conspiracy to commit bank fraud. A Manhattan U.S. attorney said the man and three others fraudulently boosted the credit scores of thousands of people from 2007 to 2009. They netted more than \$1 million by charging people hundreds and sometimes thousands — to fix their poor credit, the feds said. Through two fake companies — Highway Furniture and New York Funding — the man furnished phony data about his customers to two credit bureaus, Experian and TransUnion. By claiming to have extended credit to their customers and then declaring the loans were repaid promptly, they upgraded their credit scores. The man and his alleged henchmen were also able to delete negative credit data from a computer system Highway Furniture and New York Funding had access to as "furnishers" of information to the credit bureaus. Prosecutors said the customers whose credit scores were falsely fixed went out and obtained \$9.3 million in loans. The feds said neither Highway Furniture nor New York Funding were real businesses.

Source: http://www.nydailynews.com/new-york/scammer-pleads-guilty-illegally-fixing-bad-credit-scores-article-1.1048572?localLinksEnabled=false

9. March 20, Atlanta Journal-Constitution – (Georgia; National) Former Carter's Inc. **exec indicted on federal charges.** The former president of children's apparel maker Carter's Inc. was indicted March 20 on federal securities fraud and other charges in the wake of a scandal that involved alleged doctoring of the Atlanta company's books. The former president left Carter's in December 2009 after an internal investigation into accounting irregularities. Federal authorities said he became aware of and hid a scheme from other Carter's executives, auditors, and shareholders that involved falsifying financial records and providing improper rebates to retailers. He was also indicted on charges of causing the filing of false financial statements and falsifying books and records of a public company, said a news release from the U.S. attorney's office in Atlanta. Another Carter's executive the former president supervised pleaded not guilty in 2011 to more than 30 federal counts related to the alleged wrongdoing. That executive allegedly enticed Carter's largest wholesale customer, Kohl's, to buy more Carter's products by giving the retailer larger discounts than Carter's had budgeted, prosecutors said. He was also accused of altering the time frame when those larger discounts were reported in Carter's earnings, making them appear to be related to sales

in future quarters, causing Carter's costs to be higher than reported. Prosecutors said Carter's failed to report \$16 million in expenses from 2006 to 2009 that had been hidden as a result of the fraud, resulting in overstatements of earnings.

Source: http://www.ajc.com/business/former-carters-inc-exec-1392201.html

- 10. *March* 20, *WRC* 4 *Washington*, *D.C.* (Maryland; Texas) **Arrest in nuclear threat bank robberies.** U.S. marshals have arrested a man suspected of robbing Maryland banks under the threat of setting off a nuclear bomb, according to Prince George's County Police. The suspect was arrested March 19 in Donna, Texas, near the Mexican border, police said. He allegedly robbed two banks in Prince George's County by passing a note to the teller threatening to set off a bomb if the teller did not give him the money, police said. He is at a Texas jail awaiting extradition to Maryland. Source: http://www.nbcwashington.com/news/local/Nuke-Threat-Bank-Robbery-Arrest-143589716.html
- 11. March 20, U.S. Department of Justice (Nevada) Justice Department seeks to bar Las Vegas couple from preparing federal tax returns. The United States has sued a Las Vegas couple seeking to bar them from preparing federal tax returns for others, the U.S. Department of Justice announced March 20. According to the government complaint, the couple, who do business as Tax Factory Inc. and/or Myst Inc., repeatedly prepared tax returns that included false or inflated deductions for personal or business expenses to fraudulently reduce their customers' federal income tax liabilities. Among the allegations cited in the complaint, the couple advised customers to form corporations and then claim false or grossly exaggerated deductions for purported business expenses on the corporate tax returns they prepared. The complaint said an Internal Revenue Service (IRS) investigation revealed the couple claimed refunds for customers on nearly 90 percent of the returns they prepared. The suit alleges they attempted to hide their improper return-preparation activity by repeatedly failing to identify themselves as preparers. The IRS was able to identify nearly 1,000 federal tax returns allegedly prepared by the couple since 2001. The complaint alleges the defendants' misconduct may have cost the U.S. Department of the Treasury tens of millions of dollars.

Source: http://www.justice.gov/tax/2012/txdv12346.htm

For another story, see item <u>31</u>

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Transportation Sector

12. *March 21*, *Baxter Bulletin* – (Arkansas) **Roads, courthouse damaged by rains, wind.** Record torrential rains and accompanying winds March 22 created havoc with city streets and county roads, and damaged the Baxter County Court Complex in Mountain Home, Arkansas. At midnight, the Mountain Home Street Department was called to Spring Street west of the intersection of Club Road where rushing water lifted a new culvert out of its footings, according to a street department supervisor. He said the culvert was on property owned by First Baptist Church. Water that backed up above

the culvert was slow moving out of the area because of debris that caused the flow to swell near the bases of homes on both sides of Spring Street. He said smaller problems occurred with the free flow of rainwater at several locations around the city. Source: http://www.baxterbulletin.com/article/20120322/NEWS01/303220032/Roads-courthouse-damaged-by-rains-wind

13. March 21, Associated Press – (New York) NYPD says Iran has conducted surveillance in NYC. Authorities interviewed at least 13 people since 2005 with ties to Iran's government who were seen taking pictures of New York City landmarks such as the Brooklyn Bridge, a senior New York City Police Department (NYPD) official said March 21. Police consider these instances to be pre-operational surveillance, bolstering their concerns Iran or its proxy terrorist group could be prepared to strike inside the United States, if provoked by escalating tensions between the two countries. The NYPD's director of intelligence analysis told Congress that New York's international significance as a terror target and its large Jewish population make the city a likely place for Iran and Hezbollah to strike. He testified before a House homeland security panel about the potential threat. Much of what he said echoed his previous statements on the potential threat, but he offered new details March 21 about past activities in New York. In May 2005, tips led the NYPD to six people on a sight-seeing cruise who were taking pictures and movies of city landmarks. In September 2008, police interviewed three people taking pictures of railroad tracks. In September 2010, federal air marshals saw four people taking pictures and videos at a New York heliport. Interviews with law enforcement revealed all the people were associated with the Iranian government, but they were ultimately released and never charged, the director said.

Source: http://online.wsj.com/article/AP365b220a2c5349aabb17ab386703ff77.html

For more stories, see items $\underline{3}$, $\underline{15}$, $\underline{20}$, and $\underline{26}$

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Postal and Shipping Sector

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Agriculture and Food Sector

14. *March* 22, *Food Safety News* – (National) **Listeria found in ready-to-eat beef sausage.** Southside Market & BBQ of Elgin, Texas is recalling about 2,373 pounds of ready-to-eat beef sausage products that may have been contaminated with Listeria monocytogenes, the U.S. Department of Agriculture's Food Safety and Inspection Service (FSIS) announced March 21. The problem was discovered during routine FSIS testing. The smoked and fully cooked products were produced March 5 and distributed to retail warehouses in Texas, as well as through Internet sales to California, Florida, Illinois, Louisiana, and Texas.

Source: http://www.foodsafetynews.com/2012/03/listeria-found-in-ready-to-eat-beef-sausage-1/

15. March 22, Port Huron Times Herald – (Michigan) Coast Guard issues ballast water rules. Nearly 30 years after invasive zebra mussels first showed up in Lake St. Clair, new regulations that will take effect at the end of June will require ocean-going vessels to treat their ballast water before entering the Great Lakes, the Port Huron Times Herald reported March 21. Ocean-going ships will be required by the U.S. Coast Guard to zap their ballast water with ultraviolet light, chemicals, or other treatments before dumping it into U.S. waters. The regulations are intended to prevent further species invasions that damage the environment. Ships use ballast water to maintain stability in rough seas, but the ballast often harbors organisms from abroad. When the soupy mixtures of water and sediment are discharged in U.S. ports, the newcomers can spread rapidly, starve out native competitors, and spread diseases. Zebra and quagga mussels that hitched a ride to the Great Lakes from Europe in the 1980s have clogged water intake pipes, requiring expensive repairs, and are blamed for a Lake Huron salmon collapse and botulism that killed thousands of shore birds.

Source: http://www.thetimesherald.com/article/20120322/NEWS01/303220001/Coast-

Source: http://www.thetimesherald.com/article/20120322/NEWS01/303220001/Coast-Guard-issues-ballast-water-rules?odyssey=nav|head

16. March 21, Associated Press – (Arkansas) Ark. wheat, corn crops at risk for flood damage. Southwestern Arkansas farmers who wanted rain in 2011 are lamenting recent rainfall now pooled on their sodden fields, worrying it might kill off much of the first corn crop before it can grow. The National Weather Service issued flash flood warnings March 21 for much of the state, including in areas that had received up to 6 inches of rain since March 19. The 2011 drought left the soil in the southwest of the state parched, and they only recently recovered enough to begin retaining water. A county extension agent with the University of Arkansas said, "The ditches and drain canals are full. What's troublesome is some of the corn planted that's not emerged might not come up and might have to be replanted." A wheat and fields agronomist at the school said it is too early to know how the recent wet weather will affect crops. However, it could cost farmers \$100 per acre to replant corn, he said. Some of the crops at risk were planted only days or weeks prior. Wheat is in the ground, but some farmers took advantage of warm weather to get a head start on planting corn. Corn that sprouted stands a good chance at surviving, but corn that had not yet sprouted is at risk because it is underwater and deprived of oxygen.

Source: http://www.businessweek.com/ap/2012-03/D9TL3AN00.htm

17. *March* 21, *Forum of Fargo-Moorhead* – (Minnesota) **Pactiv set to resume production after fire at Moorhead plant.** An official from Pactiv, the egg-carton production facility in Moorhead, Minnesota, that closed the week of March 12 after a fire, said the plant will likely be running again by the weekend of March 24. The official said nearly 150 employees have been working full-time shifts since the weekend of March 17, helping remove piles of debris. Pactiv hopes production will resume, at least in a limited form, by March 24.

Source: http://www.inforum.com/event/article/id/354917/group/homepage/

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Water Sector

18. *March* 22, *Associated Press* – (California) **San Diego sewage plant gets 6 months to clean up.** A federal judge in San Diego granted the International Boundary and Water Commission six more months to solve problems at the South Bay International Wastewater Treatment Plant March 21. The judge also warned it may be the last extension he will grant. The privately operated plant in the San Ysidro section of San Diego was built in the 1990s to process 25 million gallons of sewage daily from neighboring Tijuana, Mexico. It has repeatedly violated clean water standards despite more than \$92 million in upgrades. Regional water quality officials agreed to the extension.

Source: http://www.mercurynews.com/breaking-news/ci_20230519/san-diego-sewage-plant-gets-6-months-clean

19. *March 21, South Bend Tribune* – (Indiana) Former head of wastewater treatment plant charged with falsifying reports. The former superintendent of a Michigan City, Indiana wastewater treatment plant is facing federal charges related to reporting and monitoring methods at the plant, it was announced March 21. The man was charged with three felony counts of making a false statement under the Clean Water Act, according to the U.S. attorney's office for northern Indiana. The charges cover the period from July 2007 through June 2010. He was also charged with failing to make a required report of a bypass of a treatment process before discharging waste streams into Trail Creek, which flows into Lake Michigan; selectively reporting only sample results that showed compliance with Michigan City's discharge permit and not reporting samples that showed non-compliance; and tampering with a monitoring method. The U.S. attorney's office alleged the man, in taking a daily sample of wastewater to test for E. coli, delayed taking the sample until the point in the treatment process when the treatment chemical (chlorine) was elevated and when E. coli concentrations would be at lower levels.

Source: http://www.southbendtribune.com/news/sbt-former-head-of-wastewater-treatment-plant-charged-with-falsifying-reports-20120321,0,1321110.story

20. March 21, Associated Press; Alexandria Daily Town Talk – (Louisiana) Storm wreaks havoc in Central La., dumps nearly 16 inches of rain on Leesville. Leesville, Louisiana's city council declared a state of emergency March 21 after two sewer stations became non-operational after a storm dumped nearly 16 inches of rain March 20 and 21. The sewer system was back online March 21, but downed trees, road closures, and flooded areas were seen in hard-hit areas of Cenla. Officials in Beauregard, Natchitoches, and Vernon parishes, along with several parishes not in Cenla, declared emergencies, the governor's office of homeland security and emergency preparedness said. Vernon, Natchitoches, Beaurgeard, and Sabine parishes were under flood warnings March 20 and 21, while flash flood watches were in effect for many other parishes, including Rapides, Grant, and Winn. The Beauregard Parish

Sheriff's Office and Office of Emergency Preparedness closed sections of Louisiana Highways 110, 1147, and 1146 as well as many smaller roads March 21 due to high water. Officials predicted waters around Bundick Lake would reach 8 to 10 feet above flood stage. Additionally, schools in Vernon, Natchitoches, and Sabine were closed March 21.

Source: http://www.thetowntalk.com/article/20120322/NEWS01/203220308

21. *March 21*, *Associated Press* – (Idaho) **Boise and EPA reach deal to clean up Boise River.** The Environmental Protection Agency (EPA) issued Boise, Idaho, two permits aimed at reducing the amount of phosphorus that seeps into and pollutes the Boise River. The permits approved by the EPA the week of March 19 were aimed at reducing phosphorus discharge by 98 percent during the summer months. The city will take steps to limit mercury and ammonia discharges and release cooler water from treatment plants into the river. The permits also feature a reopening clause, which could enable the city to remove more phosphorus with a small treatment plant downstream. Boise discharges about 1,100 pounds of phosphorus each day from its two treatment plants. Under the new permits, the city will remove most of the phosphorus within the next 5 years. The Lower Boise River and the Lower Snake River are both listed as impaired water bodies due to excess phosphorus pollution, while the Brownlee Reservoir downstream of those two rivers suffers from large algae blooms regularly as a result of the phosphorus load in the system. The algae blooms reduce oxygen levels, historically leading to fish kills.

Source: http://www.argusobserver.com/news/boise-and-epa-reach-deal-to-clean-up-boise-river/article 16e7fd8c-7376-11e1-bc8f-001871e3ce6c.html

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Public Health and Healthcare Sector

22. March 22, Associated Press – (National) Congress probes fake pharmacies in connection with drug shortages. Members of Congress investigating shortages of crucial drugs are targeting nearly two dozen fake pharmacies allegedly set up solely to buy and resell the drugs at huge markups. Two Senators and one Representative sent letters March 21 to three individuals believed to have obtained licenses to operate a pharmacy and a prescription drug wholesale business in a "shell game" — to make money by taking advantage of the drug shortage crisis disrupting hospital and other patient care. The letters request detailed information by April 11 about the businesses and their purchases and resale of cancer and other lifesaving drugs. The letters state they have found evidence of pharmacies speculating by buying prescription drugs in short supply from legitimate wholesalers, transferring those medicines to their own wholesale companies, and then selling them to other gray marketers at exorbitant markups. "If it's not illegal, we're going to have to find a way to make it illegal, because this threatens virtually every person in the country," one Representative told the Associated Press. Laws vary by state, but generally wholesalers may only buy drugs from manufacturers or other licensed wholesalers. Drug shortages have been wreaking havoc in hospital pharmacies, forcing doctors to postpone chemotherapy and surgeries and to give patients treatments that may be less effective, have more serious side

effects, or cost substantially more. The lawmakers' investigation found evidence of one transaction where a licensed pharmacy called Priority Healthcare bought a chemotherapy drug called fluorouracil for \$6.77 per vial. A distributor it owned called Tri-Med America allegedly sold the cancer medicine to another company for more than 10 times the initial price — \$69 per vial.

Source: http://www.pittsburghlive.com/x/pittsburghtrib/business/s 787661.html

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Government Facilities Sector

23. *March* 22, *Springfield News-Leader* – (Missouri) City of Springfield Web site restored after hack. The Web site for the city of Springfield, Missouri, is fully functional again after it was hacked in February, city officials said March 21. A hack blamed on the group Anonymous resulted in a breach February 17 that accessed personal information of about 2,100 online visitors. Most had filed online police reports. Steps have been taken to prevent hacking in the future, a city spokeswoman said. Changes to the Web site include dropping the requirement for Social Security number entry in the online police reporting section, and building in automatic data transfers out of the system on a weekly basis. Other changes include limiting the number of records returned during a search in certain sections, such as online building permits. The city manager sent a letter to people whose information was accessed by the hackers. The city offered them a 1-year subscription with an identity theft protection company. About 400 people accepted the city's offer. Information systems and police department staffers worked with state and federal law enforcement agencies to analyze the breach and take corrective action.

Source: http://www.news-leader.com/article/20120322/NEWS01/303210083/City-website-fully-functional-Springfield

24. *March 21, Threatpost* – (International) **Experts tell Senate: Government networks owned, resistance is futile.** Network security experts from across the U.S. government told a U.S. Senate Armed Services subcommittee March 20 federal networks have been thoroughly penetrated by foreign spies and current perimeter-based defenses that attempt to curb intrusions are outdated and futile. Speaking before the Senate Armed Services Subcommittee on Emerging Threats and Capabilities, the experts said the U.S. government had to abandon the notion it could keep outsiders off its computer networks. "We've got the wrong mental model here," the director of the Information Systems Analysis Center at Sandia National Laboratories, testified. "I don't think that we would think that we could keep spies out of our country. And I think we've got this model for cyber that says, 'We're going to develop a system where we're not attacked.' I think we have to go to a model where we assume the adversary is in our networks. It's on our machines, and we've got to operate anyway. We have to protect the data anyway."

Source: http://threatpost.com/en_us/blogs/inadequate-pay-outdated-approaches-and-bureaucracy-all-contribute-foreign-ownership-federal-sy

25. *March 21, KMGH 7 Denver* – (Colorado) **Niwot students suspended over pepper spray evacuation.** Four students at Niwot High School in Niwot, Colorado, were suspended after they released pepper spray, triggering a school evacuation, authorities said March 21. Four adults and 45 students were treated by fire paramedics for respiratory distress and skin irritation during the March 16 incident, a Boulder County sheriff's official said. Deputies and fire paramedics were called to investigate reports of students and staff suffering from respiratory difficulties and burning eyes. Investigators found four students had released pepper spray from a canister near the senior class lockers and the chemical had been drawn into the ventilation system and spread through the school. The four students were suspended from school and have been referred to the sheriff's restorative justice program, the sheriff's official said. He said if the students complete the program, they can avoid criminal charges. If they fail the program, they could be charged with criminal use of a noxious substance, a misdemeanor.

Source: http://www.thedenverchannel.com/news/30734242/detail.html

For more stories, see items <u>4</u>, <u>12</u>, <u>20</u>, <u>26</u>, and <u>34</u>

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Emergency Services Sector

- 26. March 21, Los Angeles Times (California) California struggles to set up early quake warning system. California has struggled to build and deploy an earthquake warning system that would give cities time to prepare for the impact of a massive earthquake, the Los Angeles Times reported March 21. California is spending only a fraction of what other countries have devoted, and scientists said the progress is so slow they cannot say when the state might complete its system. One reason for the lack of interest, some experts said, is that unlike Mexico, Japan, and the other countries with early warning systems, California has not experienced a truly catastrophic earthquake in more than a century. Officials in California have been working on a system for about 5 years. Alerts of coming earthquakes in California could be sent via Twitter and other forms of social media, with scientists hoping to get out word as broadly as possible. Alerts also would go up on TV and radio. With the warning, scientists hope that emergency crews would have time to open fire station doors, protect nuclear power plants, slow down trains, and take other measures before the quake would be felt. Source: http://www.latimes.com/news/local/la-me-03-22-quake-warning-20120322,0,7059435.story
- 27. *March 21*, *Associated Press* (Arizona) **Phoenix police squad handled cases poorly.** An audit of a Phoenix police squad that investigates crimes against children such as abuse and sexual assault, found detectives did not properly document or follow up on interviews in well over 200 cases and that evidence was not properly handled in nearly 100 cases, the Associated Press reported March 21. The audit released the week of March 19, stemmed from a separate probe the Phoenix City Auditor Department conducted in 2011 after an employee repeatedly raised concerns about a particular detective's handling of crimes involving children. The 2011 review included

recommendations for a more thorough audit of the entire division, which prompted investigators to re-examine the cases. The Arizona Republic reported investigators had re-examined 969 cases assigned to the family investigations bureau during a 1-year period. The detective whose questionable work initially led to the review has retired, but internal police investigators have identified about 50 additional reports that will require an explanation from officers in the unit. Those officers could be subject to punishment if they are found to have violated department policy. Source:

http://www.abc15.com/dpp/news/region_phoenix_metro/central_phoenix/audit-phoenix-police-squad-handled-cases-poorly

For more stories, see items 23 and 34

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Information Technology Sector

- 28. *March* 22, *The Register* (International) **CA reveals ARCserve DDOS threat.** CA Technologies found a flaw in flagship backup software ARCServe. The flaw goes back to version 10 of the product, which just reached v.16. CA said the problem "can allow a remote attacker to cause a denial of service condition" and "â□|occurs due to insufficient validation of certain network requests. An attacker can potentially use the vulnerability to disable network services." Many versions of ARCserve can fix the bug with a patch, but CA's advisory said the solution for ARCserve Backup for Windows r12.0 is to "Update to CA ARCserve Backup for Windows r16 SP1."

 Source: http://www.theregister.co.uk/2012/03/22/arcserve_ddos_flaw/
- 29. *March* 22, *H Security* (International) **Chrome 17 update fixes high-risk vulnerabilities.** Google released version 17.0.963.83 of its Chrome Web browser, a maintenance update that fixes issues with Flash games and closes several security holes. The Stable channel update addresses nine vulnerabilities, six of which are rated as "high severity." These include an integer issue in libpng (the official PNG reference library), a memory corruption problem in WebGL canvas handling, and a cross-origin violation related to "magic iframe," as well as use-after-free errors in first-letter handling, CSS cross-fade handling, and block splitting. One medium-risk invalid read in the V8 JavaScript engine, and two low-risk problems related to WebUI privileges and unpacked extension installation were also fixed.

Source: http://www.h-online.com/security/news/item/Chrome-17-update-fixes-high-risk-vulnerabilities-1477749.html

30. *March* 22, *IDG News Service* – (International) **Most web masters don't know how their sites got hacked, report says.** Most owners of compromised Web sites do not know how their sites got hacked into, and only 6 percent detect the malicious activity on their own, according to a report released March 22. The new "Compromised Websites: An Owner's Perspective" report is based on a survey of more than 600 Web site administrators and owners that was carried out over several months by security vendor Commtouch, and StopBadware, a nonprofit organization that helps Web

masters identify, remediate, and prevent Web site compromises. The leading cause of compromises appears to be outdated content management software. This was cited as a reason for Web sites being hacked by 20 percent of respondents. Twelve percent of Web masters said a computer used to update their Web site was infected with malware, 6 percent said their credentials were stolen credentials, and 2 percent admitted logging in while using wireless networks or public PCs. However, 63 percent of respondents did not know how their Web sites were compromised. Source:

http://www.computerworld.com/s/article/9225442/Most_web_masters_don_t_know_how their sites got hacked report says?source=rss_security&utm_source=feedburner&utm_medium=feed&utm_campaign=Feed:+computerworld/s/feed/topic/17+(Computerworld+Security+News)&utm_

31. *March* 22, *IDG News Service* – (International) 'Hacktivists' steal more than 100M online records in 2011, says Verizon. More than half of data stolen from companies in 2011 was a result of hacktivist actions, even though the majority of data breaches were still caused by financially motivated cybercriminals, Verizon said in its 2012 Data Breach Investigations Report released March 22. The report spans 855 data breach incidents investigated by the company and several law enforcement agencies. These incidents resulted in 174 million compromised records, the second-highest volume of compromised records since Verizon began compiling data breach statistics in 2004. Up to 98 percent of data breach incidents covered by the new report were caused by external agents and the vast majority of them, 83 percent, were organized criminal groups. Hacktivists were responsible for only 3 percent of data breaches. However, they had the biggest impact in terms of compromised records, over 100 million of the 174 million.

Source:

http://www.computerworld.com/s/article/9225425/ Hacktivists steal more than 100 M_online_records_in_2011_says_Verizon?taxonomyId=17

32. March 22, V3.co.uk – (International) IBM warns hackers wising up to firms' **security policies.** Hackers are adapting to the security policies firms are putting in place to steal corporate data and infiltrate systems, according to new research by IBM. The firm made the warning in its X-Force 2011 Trend and Risk Report, which explored the public vulnerability disclosure findings from over 4,000 clients. The report also warned there was a marked increase in the number of attacks targeting mobile devices and social networks. Notably, the authors reported a 19 percent rise in publicly-released mobile exploits, indicating hackers are increasingly targeting mobile devices as they grow in prominence in the work place. An X-Force strategy and threat intelligence manager said the growing bring your own device trend in many companies posed several risks by making it hard for IT staff to ensure employees devices are correctly patched with the latest security software, offering a potential goldmine of unsecured personal information to hackers. The report also warned attacks taking place on social media sites are also increasing, with many hackers using such sites to help develop new techniques to steal data. IBM also warned that cloud computing is a major security issue, because some companies pushed the technology out without taking adequate measures to protect the stored data.

Source: http://www.v3.co.uk/v3-uk/news/2162563/ibm-warns-hackers-wising-firms-security-policies

- 33. March 22, Threatpost (International) Mass WordPress compromise fuels CRIDEX worm outbreak. There are many compromised sites on the popular blogging platform, WordPress, which, according to a Trend Labs report, are actively infecting users with the CRIDEX worm. The infections are part of a social engineering campaign that lures users with e-mails purporting to come from trusted sources including LinkedIn and the Better Business Bureau (BBB), Trend Labs warned. E-mails purporting to come from the BBB informs recipients of a (non-existent) complaint against the business. The email includes a link to the "Complaint Report," which leads to one of the infected WordPress sites. Phony LinkedIn e-mails pose as invitation notifications and pending messages. They include many links, all of which lead to compromised WordPress sites. According to Trend researchers, users who click the links are subject to Web-based attacks that target a vulnerability in Adobe's Reader and Acrobat software and a common Windows Help Center vulnerability. After exploiting the vulnerabilities, attackers push copies of the Blackhole exploit kit to infect users with CRIDEX. Trend Labs reports that WORM_CRIDEX.IC is generating many random domains using domain generating algorithms. The technique is commonly used to evade law enforcement and botnet take-downs. The behavior of the sample is dependent upon the specific configuration file, which, in Trend Labs case, was unavailable to them. However, based on their static analysis, the malware is capable of executing and deleting files and retrieving certificates from a certificate store. Source: http://threatpost.com/en_us/blogs/mass-wordpress-compromise-fuels-cridexworm-outbreak-032212
- 34. *March 21, InformationWeek* (International) **LulzSec announces April Fool's end to retirement.** March 17, the hacktivist group formerly known as LulzSec affiliated with Anonymous and AntiSec posted a video on YouTube in which they announced they will resume their attacks April 1. The video stated, "Lulzsec will start targeting governments, corporations, agencies, and quite possibly the people watching this video." The announcement was previewed 1 day prior via the FawkesSecurity Twitter channel in a tweet that read, "Expect something BIG and rather Lulzworthy very soon. CIA, FBI, Interpol, you're all on teh (sic) list." March 21, tweets from the same Twitter channel promised "Anonymous will target national infrastructure" and create a "global financial meltdown" as part of what has been dubbed "Project Mayhem." Source: http://www.informationweek.com/news/security/attacks/232602962
- 35. *March 20, The Register* (International) **Report: Feeble spam filters catch less junk mail.** Enterprise spam filters are blocking less junk mail, according to independent tests from Virus Bulletin. During a comparative of 20 corporate e-mail filtering products, several missed more than twice as much spam as in previous editions of the VBSpam tests. Virus Bulletin believes the drop in performance might be down to improved tactics by spammers rather than a dip in the capabilities in the filtering products it put through their paces. "This is a worrying trend," says VB's anti-spam test director. "There have been many news stories highlighting a global decline in spam in recent months, but if spam filter performances decline too, the situation for the end-user

doesn't improve at all. It is hard to say what exactly caused filters to miss more spam, but it looks like spammers are doing a better job at avoiding IP- and domain-based blacklists. It may be a sign that they are increasingly using compromised legitimate systems to send their messages," he added.

Source: http://www.theregister.co.uk/2012/03/20/spam_filters_performance_dip/

For more stories, see items $\frac{7}{2}$, and $\frac{24}{2}$

Internet Alert Dashboard

To report cyber infrastructure incidents or to request information, please contact US-CERT at sos@us-cert.gov or visit their Web site: http://www.us-cert.gov

Information on IT information sharing and analysis can be found at the IT ISAC (Information Sharing and Analysis Center) Web site: https://www.it-isac.org

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Communications Sector

36. *March* 22, *Dow Jones Newswires* – (National) **DOJ sues AT&T, alleging improper billing of services for hearing impaired.** The U.S. Department of Justice (DOJ) said March 22 it has sued AT&T Inc. on allegations the telecommunications giant improperly billed the Federal Communications Commission (FCC) for services it provided to the hearing-impaired. The lawsuit, brought under the federal False Claims Act, is focused on AT&T's providing of a text-based communications service that allows the hearing-impaired to place telephone calls by typing messages over the Internet. The DOJ said AT&T sought FCC reimbursement for services it provided to international callers who were ineligible for the service and sought to use it for fraudulent purposes. The government alleges AT&T received "millions" from the improper billing.

Source: http://www.nasdaq.com/article/doj-sues-att-alleging-improper-billing-of-services-for-hearing-impaired-20120322-00839

For more stories, see items $\underline{4}$, $\underline{26}$, $\underline{32}$, and $\underline{35}$

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Commercial Facilities Sector

37. *March* 22, *Fox News* – (New Jersey) **Thieves steal copper pipes from multiple New Jersey churches.** Thieves apparently targeting older buildings have stolen copper pipes from multiple New Jersey churches, myFOXny reported. Copper drain pipes were stolen from St. Ann's in Hoboken the weekend of March 17, and nearby Our Lady of Grace, March 20. Copper pipes were also stolen from a school in the area. A priest at the latter church said the thieves also tried to steal a copper bowl that is part of a 9/11 memorial. Investigators said the thieves were most likely targeting older buildings because they tend to have copper piping.

Source: http://www.foxnews.com/us/2012/03/22/thieves-steal-copper-pipes-from-multiple-new-jersey-churches/

38. *March 21, Fall River Herald News* – (Massachusetts) **Westport's Montessori school closed after blaze.** The Montessori School of the Angels will be closed for the remainder of the week of March 19 after an electrical fire March 19 left the Westport, Massachusetts school without water or power. The fire, which started in an electrical panel, forced the evacuation of the school. Firefighters responded March 19 after teachers reported a smell of smoke in the school.

Source: http://www.heraldnews.com/news/x271614010/Westports-Montessori-school-closed-after-blaze

For more stories, see items <u>13</u>, <u>20</u>, <u>24</u>, <u>26</u>, <u>31</u>, <u>32</u>, and <u>34</u>

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National Monuments and Icons Sector

39. *March* 22, *Associated Press* – (California) **Hazmat teams called to Joshua Tree National Park.** Authorities were trying to determine what made several employees at Joshua Tree National Park near Twentynine Palms, California, suddenly become ill. A park statement said the administrative headquarters was evacuated and closed March 21, and HAZMAT teams were called in. The employees reported a sudden onset of symptoms, including skin irritation, respiratory distress, nausea, and eye irritation, after working in the park's mailroom. Officials said a HAZMAT team decontaminated 11 workers. A package delivered by a commercial carrier earlier March 21 was identified as a possible source of the contamination. KCDZ 107.7 FM Twentynine Palms said the package had a stain on it. Park officials said no visitors were exposed to any contamination during the incident. HAZMAT teams were unable to determine the source of the contamination.

Source: http://www.kob.com/article/stories/S2548508.shtml?cat=600

40. *March 21, Associated Press* – (New Mexico) **2 college students accused of defacing El Morro National Monument enter guilty pleas.** Two University of New Mexico students arrested in 2011 for defacing the El Morro National Monument in western New Mexico pleaded guilty in the case March 21. They entered their pleas in federal court in Albuquerque to charges of defacing an archaeological resource on public lands. The U.S. attorney's office said the pair inscribed their monikers within a few feet of a sign that reads, "It is unlawful to mark or deface El Morro Rock." The two received no prison time or fines, but paid nearly \$30,000 in restitution. Workers discovered the inscriptions October 13, 2011 on the sandstone cliffs. The monument is known for its approximately 2,000 signatures, some dating back 700 to 1,000 years ago. Source:

 $\underline{\text{http://www.therepublic.com/view/story/8e67109acc594fc7ae5ed3195bbb2dbc/NM--El-Moro-Defacing/}$

For another story, see item <u>13</u>

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Dams Sector

41. March 21, New Orleans Times-Picayune – (Louisiana) Rising water levels prompt closure of Harvey Canal floodgate. The U.S. Army Corps of Engineers closed the Harvey Canal floodgate March 21 as high tides and strong southerly winds raised water levels in the canal. The gate, which protects the West Bank area in New Orleans, was closed after water in the canal reached 2 feet above sea level and continued rising. During the closure, any rainwater will be pumped around the gates by the Cousins pump station. The closure required the Patriot Street pump station in Harvey to be shut down to prevent water from building up and spilling over the canal banks on the protected side of the Harvey Canal. Rising water levels prompted the Corps to close the barge gates on Westwego's Company Canal March 20. The gates were expected to remain closed until water levels subside.

Source:

 $\frac{http://www.nola.com/environment/index.ssf/2012/03/rising_water_level_prompts_clo.}{html}$

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