Welcome to the Cyveillance Weekly Trends Report

Greetings from Cyveillance, the leader in open source threat intelligence. Since threat intelligence is constantly evolving, we publish this newsletter to keep our customers updated on the latest threats to various industries. Each week, we’ll send you highlights from our analyst research reports. You can unsubscribe at any time. For the latest security news stories throughout the day, you can also follow us on Twitter, or to view the latest security articles from Cyveillance experts, subscribe to our blog.

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2015 Security Trends Webinars
Join us in February for a three-part webinar series on mobile, information, and physical security trends.

Dates:
February 24, 25, & 26

Time:
10:00 AM PT | 1:00 PM ET

Top Incidents

Energy

- By a 4-3 vote, the Ohio Supreme Court justices ruled that the Ohio state government has “exclusive authority” and that cities and counties can neither ban nor regulate fracking through zoning laws or other restrictions. The ruling was a victory for oil and gas producers, who no longer face local regulations, and a defeat for local governments that sought to protect residents from what they see as potential dangers from fracking.

Agribusiness
People for the Ethical Treatment of Animals (PETA) and the Humane Society of the United States may be losing some steam. HSUS got another C- charity rating because they are continuing to spend a large proportion of their budget on overhead costs. PETA promotes itself as an organization seeking to liberate animals, but they've come under fire for allegedly killing them. A report from a state veterinarian in Virginia indicated that a majority of animals taken in by PETA at the organization's headquarters were euthanized within 24-hours.

**Insurance/Healthcare**

- During this year, businesses will be hearing a lot about the Affordable Care Act’s information reporting requirements under Code Sections 6055 and 6056. Information gathering will be critical to successful reporting, and there is one aspect of that information gathering which employers might want to take action on sooner rather than later – collecting Social Security numbers, particularly when required to do so from the spouses and dependents of their employees.

**Financial Services**

- A leading Russian cybersecurity firm estimates the Anunak - a.k.a. Carbanak - gang has now stolen up to $1 billion from banks all over the world, in part by using "jackpotting" malware that infects ATMs. The majority of the targets were in Russia, but many were also in Japan, the United States and Europe.

**Global Intelligence**

- Allegations of corruption at the aircraft engine-maker Rolls-Royce spread to Brazil on Monday, adding to the woes of a group that is already involved in a Serious Fraud Office (SFO) investigation into bribery claims in China and Indonesia. Pedro Barusco, a Petrobras veteran who struck a plea bargain in November and has emerged as one of the investigation’s key informants, told police he personally received at least $200,000 (£130,000) from Rolls-Royce.

**Legal and Regulations**

- This month, bipartisan legislation was introduced in the California Senate that would require law enforcement to get a search warrant before accessing a person’s digital information. The proposed California Electronic Communications Privacy Act (S.B. 178) is broadly written to protect “any information about an electronic communication or the use of an electronic communication service”, including contents, location, metadata and other personally identifiable information. This bill has strong support from tech giants Google and Facebook, as well as the Electronic Frontier Foundation and the ACLU of California, among others.

**Pharmaceuticals**

- Five Industry groups are jointly launching a new data center, the European Medicines Verification Organization, to help eliminate counterfeit drugs from the drug supply chain.

**Retail**

- West Coast ports labor dispute is now putting Spring 2015 merchandise collections at risk for retailers nationwide. The dispute could cost retailers about $3 billion in lost sales as a result of inventory not making it to its intended destination.

**Technology**

- Domain name servers (DNS) are being used to exfiltrate information, by taking DNS requests to tunnel stolen data. The malwares identified were FeederBot, Morto, and FrameworkPOS were spotted using DNS.

**Telecommunications**
A group of bipartisan lawmakers moved to make a permanent ban on Internet service taxes.

**Defense**

- The US State Department confirmed its non-confidential e-mail system suffered a security breach over the past three months, and is still unable to drive the hackers out of the network.

**Law Enforcement**

- The Justice Department is prepared to sue the city of Ferguson, Mo., if city leaders balk at revising discriminatory police tactics. Attorney General Eric Holder is expected to reveal the findings from two separate federal investigations into the police shooting of a black 18-year-old, Michael Brown. Federal investigators are trying to determine whether police violated anyone's civil rights. While it's unlikely that feds will charge the officer who pulled the trigger, the Justice Department is expected to allege that police targeted minorities during traffic stops.

**Energy**

- The world's largest public relations firm is ending its lucrative relationship with America’s powerful oil lobby – after more than a decade and at least $327m in billings. Circumstances of the divorce between Edelman public relations and the American Petroleum Institute (API) were not immediately clear. Edelman said it would not comment on the report, and there was no immediate response from API.

- The Mounties have laid corruption and fraud charges against SNC Lavalin, the Montreal-based construction company embroiled in a Libyan bribery scandal. The RCMP said Thursday morning the company, its division SNC-Lavalin Construction Inc. and its subsidiary SNC-Lavalin International Inc. have been charged with one count of corruption and one count of fraud as part of the ongoing investigation into its business dealings in Gadhafi’s Libya. Police allege that the company offered more than $47 million to Libyan officials in hopes they would use their positions to influence decisions on the awarding of contracts between 2001 and 2011. They also allege that during the same decade, the company committed fraud worth $130 million in its dealings in Libya for paying out bribes to win contracts for the Great Man Made River Project and other infrastructure projects in the country.

- The RCMP has labelled the “anti-petroleum” movement as a growing and violent threat to Canada’s security, raising fears among environmentalists that they face increased surveillance, and possibly worse, under the Harper government’s new terrorism legislation. In highly charged language that reflects the government’s hostility toward environmental activists, an RCMP intelligence assessment warns that foreign-funded groups are bent on blocking oil sands expansion and pipeline construction, and that the extremists in the movement are willing to resort to violence. “There is a growing, highly organized and well-financed anti-Canada petroleum movement that consists of peaceful activists, militants and violent extremists who are opposed to society’s reliance on fossil fuels,” concludes the report which is stamped “protected/Canadian eyes only”.

- In NSW Australia, a mother and daughter team, Julia Lamont, 44, and daughter Luca, 16, were arrested after occupying a tree for twenty hours in protest of Whitehaven Cola’s plan to clear the Leard State Forest as part of the construction of Maules Creek coal mine.

- In West Virginia a train carrying 3 million gallons of North Dakota crude derailed in a snowstorm. Nineteen tank cars crashed into each other and caught fire and exploded, spilling crude oil into a tributary of the Kanawha River.

- Greenpeace New Zealand is circulating a new petition to protest the Maui’s Dolphin by
expanding a marine mammal sanctuary and inhibiting commercial activities and seismic testing within range of the sanctuary.

- Groups are organizing coordinated anti-fracking demonstrations across Algeria, scheduled for February 24.

- An explosion rocked an Exxon Mobil refinery in Torrance, CA on Wednesday morning, triggering a huge smokestack flare, raining down ash and leaving four with minor injuries, company and local officials said.

- By a 4-3 vote, the Ohio Supreme Court justices ruled that the Ohio state government has “exclusive authority” and that cities and counties can neither ban nor regulate fracking through zoning laws or other restrictions. The ruling was a victory for oil and gas producers, who no longer face local regulations, and a defeat for local governments that sought to protect residents from what they see as potential dangers from fracking.

- A tentative contract has been reached between 1,100 gas and power workers and the Long Island utility that employs them, avoiding a strike that had been planned for over the weekend. The spokesman for the 1,100 gas and power workers of International Brotherhood of Electrical Workers Local 1049 said the union had “broken the logjam” in talks with National Grid on Friday. The union said earlier it would strike if no agreement were reached.

- The use of the nuclear fuel produced by US company Westinghouse at Ukrainian nuclear power plants (NPPs) may provoke a serious accident, Russia’s Ambassador-at-Large Grigory Berdennikov told RIA Novosti. “The continued use by the Ukrainian side of fuel produced by an American corporation is actually fraught with the risk of an extremely serious accident. In fact, nuclear safety is being sacrificed on the altar of political ambitions, and, maybe, to some other ‘tangible’ interests,” Berdennikov, the Russian envoy to the International Atomic Energy Agency, said.

- Obama decided not to fight for FutureGen after Republicans in Congress refused in December to extend a September deadline for using the stimulus money allocated to the project in 2009. “It makes no sense to pull the plug on $1 billion committed to America’s signature near-zero emissions power project at such a critical time for these investments in technology,” said Gregory Boyce, chairman and chief executive officer of Peabody Energy, the world’s largest private-sector coal company and one of FutureGen’s backers.

- In a new brief filed in Murray Energy Corp.’s case against the U.S. EPA, the agency says the coal producer is not able to demonstrate harm from the Clean Power Plan even though Murray’s legal claim is based on the EPA’s own modeling of the rule’s effect. Just the proposal of the new rules is driving energy official’s decisions today of whether or not to shutter coal fired plants based on their best guess of what the future regulations might dictate. Murray said the company will file a response to the EPA’s brief by Feb. 26 and looks forward to arguing the case April 16. “This senseless job-killing regulation is clearly a political power grab of America’s power grid, and we will do everything in our power to stop it,” a Murray official said.

### Agribusiness

- In response to legislation introduced in Connecticut to ban Scott’s Roundup Ready grass, activist groups have been calling for followers to contact their legislators and ask them to support bill HB 6041.

- Representatives Canario, Hull, Edwards, Bennet, and Abney together introduced the bill H5197 in Rhode Island which would require labels on raw and packaged foods that had been genetically modified.

- GMO Free USA has continued its investigation of detecting pesticides in popular food
brands. In this week’s report, the organization investigated Sunchips, a product of Frito-Lay which is owned by Pepsico. The report details that 100% of the corn in Sunchips was found to be genetically modified and containing genes from insecticide-producing Bt and Roundup Ready corn.

- The Hawaii Alliance for Progressive Action is promoting an upcoming hearing on Thursday, February 19, 2015 about the bill HB1514 to create pesticide buffer zones around schools and hospitals. The hearing will be held by the House Ag Committee, chaired by Rep. Tsuji.

- Three Chinese citizens have brought a lawsuit against the Chinese Ministry of Agriculture for refusing to release the report on the study of herbicides used to cultivate GM soy beans. The case has been accepted by the Beijing No.3 Intermediate People’s Court, though a date for the case has not been set.

- Pascal Najadi, Founder President of Swiss banking advisory firm Najadi & Partners AG, has been announced as the first board member of the GMO and pesticide safety study, ‘Factor GMO.’ ‘Factor GMO’ is the comprehensive GMO safety study officially launched in London in November 2014. The study is seeking board members to work with the media and the public to communicate the need for this study and understanding the health risks of GMO’s.

- The United States and European Union have serious disagreements still to resolve in negotiations for a trans-Atlantic free trade agreement, say the agriculture ministers from each side of the ocean. One is the matter of so-called geographical indicators - names such as champagne that denote a particular product and where it is produced. EU Agriculture Commissioner Paul Hogan says the “GIs” are “rural intellectual property” and account for 30 percent of EU agrifood exports to the United States.

- The first case of mad cow disease in Canada since 2011 was confirmed in a beef cow in Alberta, according to the Canadian Press. Agriculture Minister Gerry Ritz said he did not expect the discovery to affect beef exports. According to the Canadian Food Inspection Agency, none of the sick animal’s carcass entered the food chain.

- Not even a $100 million credit line could entice the world’s biggest wheat buyer to purchase U.S. supplies. Egypt, which got the U.S. loan agreement, canceled a tender to buy American wheat Wednesday because the prices were too expensive and then asked for offers from other international suppliers. The failed sale shows how unattractive U.S. grain is to buyers with the dollar near the highest level in more than a decade and ample global inventories.

- People for the Ethical Treatment of Animals (PETA) and the Humane Society of the United States may be losing some steam. HSUS got another C- charity rating because they are continuing to spend a large proportion of their budget on overhead costs. PETA promotes itself as an organization seeking to liberate animals, but they’ve come under fire for allegedly killing them. A report from a state veterinarian in Virginia indicated that a majority of animals taken in by PETA at the organization’s headquarters were euthanized within 24-hours.

- Closely tied to an ongoing labor dispute settlement at U.S. West Coast export facilities, U.S. hog prices have dropped to their lowest level since December 2009. In the last three months, CME Group lean hog futures prices have dropped 32%. And the markets could return from Presidents’ Day, Monday night, with more pain, without an end to the West Coast port congestion. Additionally, market watchers are worried the labor talks between shipping companies and the dockworkers’ union will further affect other ag commodity exports. As of Monday, the Pacific Maritime Association and the International Longshoreman and Warehouse Union issue has stranded tens of thousands of containers on cargo ships. The two sides met Friday without any agreement. The issue is so serious that President Obama has Labor Secretary Tom Perez intervening with the dispute negotiators. As the West Coast port congestion grows, avoiding a shutdown of the 29 West Coast ports and agreeing on a contract settlement are the negotiation goals. Over 20,000 dockworkers at 29 West Coast ports seek a new contract. The union has been operating without a contract since July, as
labor negotiations continue with Pacific Maritime Association (PMA).

- Fortune reported that according to Campbell Soup CEO Denise Morrison, consumers don’t trust big food makers, and the company announced a $200 million a year cost-cutting program to help its profit margins. Consumer behavior is changing and there is particular growing interest in fresh foods. In addition, consumers are much more keen to know what impact what they’re eating is having on their health and where it’s from.

- A petition from activist group, GMO Free USA, has received over 70,000 signatures. The group is asking Kellogg’s to remove Roundup Ready, Bt corn, and Roundup Ready soy and other GM ingredients from Kellogg’s products. Once the petition receives 71,000 signatures, it will be sent to John Bryant, President and CEO of The Kellogg Company.

- A new study by Forest Trends and several other environmental groups finds that more than 30 percent of wood used by Indonesia's industrial forestry sector comes from illegal, unsustainable sources. The report also finds that if the country’s pulp and paper mills were to operate at full capacity, and if companies were to go forward with plans for a multi-billion dollar investment in new mills, the industry would need to double its legal supply of wood to meet demand.

- The Christian Science Monitor reported that 2 million of the world’s 1.5 billion farmers are now producing organically, with nearly 80 percent based in developing countries. India boasts the most certified organic producers, followed by Uganda and Mexico, according to International Federation of Organic Agricultural Movements (IFOAM).

- Food Navigator USA reported that Enjoy Life Foods, an allergen-friendly firm announced it had been acquired by Mondelez International for an undisclosed sum. Employees of Enjoy Life Foods and all members of the team are planning on remaining at the company.

- CNN Money reported that Nestle will become the first major candy make to eliminate all artificial color and flavors from its chocolates. The company said the change will be completed by the end of this year for more than 250 products including Nestle Crunch, Butterfinger, 100 Grand, Oh Henry and Baby Ruth chocolate bars.

- The Washington Post reported that bacon sales reached an all-time high last year as shoppers bought more than 864 million pounds at American supermarkets and food chains. Many believed the popularity of bacon to be short-lived, however it remains one of the food industries best-selling meats in America.

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**Insurance/Healthcare**

- Adults aren’t the only ones who can have their identity stolen. Tens of millions of American children had their Social Security numbers, date of birth, and health care ID numbers stolen in the recent data breach at health insurance giant, Anthem Inc.

- Bolstering defenses against phishing, malware and remote attacks, as well as broader implementation of encryption and a rollout of multifactor authentication, are among this year’s information security priorities at the University of Michigan Hospitals and Health Centers, says CIO Sue Schade.

- The Ontario Court of Appeal in Hopkins v. Kay, 2015 ONCA 112 (CanLII) has just ruled that the Personal Health Information Protection Act (PHIPA) doesn’t preclude common law claims for intrusion upon seclusion.

- During this year, businesses will be hearing a lot about the Affordable Care Act’s information reporting requirements under Code Sections 6055 and 6056. Information gathering will be critical to successful reporting, and there is one aspect of that information gathering which employers might want to take action on sooner rather than
later — collecting Social Security numbers, particularly when required to do so from the spouses and dependents of their employees.

Financial

Financial Services

Activism

- A housing activist group will organize a 'Detroit Stand with Greece' rally and march on February 27 in front of a leading U.S. bank branch in downtown, Detroit, MI. Likening the conditions in Greece to those in Detroit, participants will call for debt cancelling and an end to pension cuts in Greece.

- Community advocates held anti-austerity protests outside a leading U.S. bank branch on February 19 in downtown, Chicago, IL.

- Housing activists conducted an anti-austerity protest on February 23 at City Hall in London, UK. The protest coincided with the vote taking place on Mayor Boris Johnson's London budget.

- An Occupy activist group encouraged supporters to attend a public hearing on February 26 at the Federal Reserve building in Los Angeles, CA to oppose the merger of two U.S. financial institutions. Activists opposed the merger due to: corporate subsidies for both banks, one of the bank’s troubled foreclosure record, unreasonable compensation for bank officers, and weak community reinvestment plans.

- Anti-Trans-Pacific Partnership (TPP) protests will occur throughout the U.S. until February 27.

- Activists will protest the grand opening of the European Central Bank's (ECB) new headquarters in Frankfurt, Germany on March 18. The event announcement stated that activists will take over “their party” and turn it into an “articulation of transnational resistance against European crisis policies and their catastrophic consequences.” The announcement indicates that activists plan to block the roads around the Euro Tower.

- Occupy activist groups will conduct a 'No More Illegal Barricades at Our Protests' action on February 28 in NYC. Organizers of the announcement said "legal advisers and support" will be present during the action should protesters be denied their perceived right to protest on public property.

- An Occupy activist group conducted a protest outside the home of a Democratic Senator in New York City on February 20 due to his cooperation with the Republican Chairman of the Senate Finance committee and their intent to introduce new Fast Track Trade legislation after the February Congressional Recess. The Fast Track Trade legislation aims to expedite the approval of the Trans-Pacific Partnership (TPP), the Trans-Atlantic Trade and Investment Partnership (TTIP), and the Trade In Services Agreement (TISA), initiatives that activists believe benefit "megacorporations and the super-rich."

- An anti-government protest against “Political Policing” occurred February 21 at the Irish central bank in Dublin, Ireland.

- Unions of bank employees in India are threatening to go on a four-day strike from February 25 through 28. They also threatened to implement an indefinite strike starting March 16 if their wage hike and other demands are not approved. All India Bank Employees' Association rejected the management's (Indian Banks Association) present offer of a 13% wage increase from its initial 5% offer. The strike is expected to cripple the financial sector and bring the banking industry to a standstill. In addition, the United Forum of Bank Unions (UFBU) is planning a demonstration in front of Bank of Baroda on February 20th.
Labor activists conducted a day of action to raise the minimum wage at the Capitol Rotunda on February 23 in Atlanta, GA.

**Information Security Risk**

- A massive spam wave is installing banking Trojan Dyreza on tens of thousands of computers to steal sensitive financial data from unsuspecting customers. Researchers say 30,000 malicious emails were sent in just one day from spam servers in the UK, France, Turkey, US, and Russia. The spam, which has been directed to customers of leading UK banks, carries links to HTML files which directs users to URLs pointing to highly obfuscated Javascript code. The malicious code allows the hackers to steal credentials and further manipulate accounts.

- The Vawtrak banking malware now leverages macros and the Windows PowerShell scripting tool to infect computers. The malware, also known as Neverquest and Snifula, which primarily targeted banks in Japan in the past, has expanded its targets to financial institutions in Europe and North America.

- A leading Russian cybersecurity firm estimates the Anunak - a.k.a. Carbanak - gang has now stolen up to $1 billion from banks all over the world, in part by using "jackpotting" malware that infects ATMs. The majority of the targets were in Russia, but many were also in Japan, the United States and Europe.

- A Seattle-based casual gaming company suffered a data breach that compromised the financial information of some of its users. The attack started last Christmas Eve when an unidentified intruder installed malware on the billing and payment pages of their website that appears to have intercepted customer payment information. The company said customer information may have been affected if users entered new payment details on the websites (rather than using a previously saved profile) for purchases between December 24, 2014 and January 8, 2015. Customer name, address, and payment card information, including the card number, expiration date, and CVV2 code, may have been among the information accessed.

- Members of the Anonymous hacking collective announced the start of OpIsrael 2015. The operation targets Israeli domains and companies using outdated software and web applications.

- Hackers claimed to have launched a DDoS attack on a leading bank in Saudi Arabia. The attack knocked the online banking and e-service domains of the bank offline for more than thirty minutes.

- A study found that UK websites are the worst offenders in Europe when it comes to the volume of cookies they place on users’ computers, with expiry dates for some set much too far in the future. The study found that the UK sites placed an average of 44 cookies on a user’s PC – the highest in Europe, which had an average of 34. Some 70% of cookies are set by third party sites, with the remainder first party cookies, and 86% were persistent. However, the level of that persistence varied tremendously. Cookies set by three sites surveyed, one of which was British, will not expire until December 31, 9999 – that’s in 7984 years’ time.

**Legal, Litigation, Regulatory Risk**

- More than two years after his arrest, a Russian hacker charged with masterminding the biggest hack attack in U.S. history, was finally extradited to the United States. The suspect appeared in a New Jersey federal courtroom February 17, where he pleaded not guilty to 11 charges filed against him by the U.S. Department of Justice. The hacker was arrested by Dutch authorities on June 28, 2012, at the request of U.S. prosecutors. But he remained incarcerated in the Netherlands while the Dutch government reviewed competing extradition requests that were filed by U.S. and Russian authorities. In November 2014, however, Dutch Justice and Security Minister Ivo Opstelten upheld the U.S. extradition request for Drinkman on the grounds that U.S. authorities filed their request first.

- The former chief operating officer of a major Chinese-American bank in San Francisco,
CA went on trial on February 17 in a criminal prosecution connected to the government's bank bailout program. The former banker is charged with securities fraud and other crimes for allegedly concealing the losses of his bank, which received $298.7 million from the Troubled Asset Relief Program at the height of the financial crisis in 2008.

- French judges on February 24 issued arrest warrants for three former managers at a leading Swiss bank over allegations it helped customers hide money from the taxman in Switzerland. The bank's Swiss business is suspected of illegally canvassing French customers and setting up dual accounts to hide the movement of capital into Switzerland.

- A federal judge ruled on February 19 that a leading U.S. credit card company violated U.S. antitrust law by prohibiting merchants from steering consumers to use lower-cost credit cards. The decision by the U.S. District Judge in Brooklyn followed the credit card service giant's loss on February 12 of a lucrative, exclusive partnership with a national warehouse retailer.

**Operational Risk**

- A leading U.S. credit card service firm will introduce a feature this spring that will allow its cardholders to inform their banks where they are automatically, using the location function found in nearly every smartphone. Starting in April, banks will update their smartphone apps to include the credit card company's location-tracking software. If the consumer opts in, the company software will, over a period of time, establish a customer's home territory of roughly a 50-mile radius. If the person uses his or her credit card at stores in that area, those transactions will be considered low risk for fraud. When that person travels outside the home area, the phone will notify the credit card company that the customer has entered a new city or country, using either the phone's cellular data plan or the next time the phone connects to a Wi-Fi network. When that person uses the credit card for a transaction in that location, the company will already know he or she is there and will be less likely to flag the card for a fraud alert.

- A leading Spanish bank based in Boston, Massachusetts announced on February 20 that it will loosen standards nationwide for rejecting applicants seeking to open checking and savings accounts. The change, which was announced as part of an agreement with New York Attorney General, came amid growing concern by regulators and consumer advocates that overly stringent screening by banks in the wake of the financial crisis has led to a rising number of Americans without basic banking services, like a checking account.

- A Canadian virtual currency exchange decided to cease activity starting March 20, following an internal investigation which concluded that an older version of the database may have been accessed without authorization. The company is not entirely sure whether the sensitive information available on its infrastructure has been compromised, but even so, it recognized its inability to guarantee the confidentiality of its users’ account credentials.

- A U.S. probe into how as many as 350,000 wealth-management clients of a leading U.S. investment firm ended up for sale late last year on the Internet is examining whether a financial adviser was targeted by hackers after he took data from the bank. The owner of the world's largest brokerage sought to contain the fallout since learning in December that someone had posted information for about 900 customers on a data paste site and asked potential buyers to pay for more with virtual currency. The firm said last month that it had the data promptly removed from public view and that it notified law enforcement.

**Reputational Risk**

- An article highlighted a lawsuit filed in November 2014 on behalf of relatives of U.S. soldiers and civilians who died in Iraq as a result of violence linked to Iranian-backed militias and terrorist groups. The suit, filed in federal court in Brooklyn, N.Y., targets
five of the largest banks in the world because “defendants,” the suit declares, “committed acts of international terrorism.” The plaintiffs argued that the European-based banks have handled hundreds of billions of dollars in international transfers for Iranian financial institutions. The Iranian financial institutions, in turn, have moved money for the Islamic Revolutionary Guard Corps (IRGC), an elite Iranian paramilitary organization, and for Hezbollah, the militant Shia movement based in Lebanon and backed by Iran. The Revolutionary Guard and Hezbollah have trained and armed Shia groups in Iraq that have kidnapped, shot, and blown up Americans.

- A microblog poster alleged that a leading U.S. investment firm’s Managing Directors in Hong Kong are voting to elect a convicted tax criminal to a UK Plc board.

- The World Bank barred an Indian firm from participating in its projects for indulging in fraudulent activities, taking the total number of banned India-based entities to 13. The latest Indian entity to face debarment was found to have provided “forged” certificates with respect to a Tsunami reconstruction project funded by the World Bank. Such acts are sanctionable under the global lender’s fraud and corruption policy.

- Housing activist groups produced a play based on the real-life stories of Chicagoans “swept up in the foreclosure crisis.” The play was performed on a stage in Chicago, IL on February 20 in support of a local family facing imminent eviction from their bank-owned property.

Global Intelligence

Brazil

- Brazil's stock market has fallen by 35 percent in terms of U.S. dollars since the start of September, just under half of that has been caused by a drop in the value of Petrobras shares. “The direct impact of the corruption scandal at Petrobras, including the effects of reduced investment by the company and others that have been implicated, could shave around 0.5 percent off Brazil’s GDP this year. [And] Brazil’s international investment image is likely to suffer and the political fallout from the scandal will make much-needed reforms to increase growth even more difficult to push through Congress.”

- Prices during Carnival for products and services were 7.42 percent higher this year than in last year’s five-day celebration. According to a report from the Consumer Price Index of the Getulio Vargas Foundation (IPC-FGV), the price hike is almost at the same level of inflation over the past twelve months, which accumulated 7.66 percent from February 2014 to January this year.

- Eike Batista, once Brazil's richest person, told "60 Minutes" in 2010 that his nation was realizing its potential, at near full employment. Today he has the rare distinction of being a “negative billionaire” now owing over a billion dollars after the bankruptcy of his oil company OGX. He's in court on insider trading charges and police raided his home last week and seized all his assets.

- Allegations of corruption at the aircraft engine-maker Rolls-Royce spread to Brazil on Monday, adding to the woes of a group that is already involved in a Serious Fraud Office (SFO) investigation into bribery claims in China and Indonesia. Pedro Barusco, a Petrobras veteran who struck a plea bargain in November and has emerged as one of the investigation’s key informants, told police he personally received at least $200,000 (£130,000) from Rolls-Royce.

China

- An article on QQ.com reports that a Chinese bitcoin exchange, Bter, suffered a security breach on February 14 and lost $1,750,000 worth of bitcoin. Currently, Bter is offering 720 bitcoins to whoever is able to find the stolen bitcoins.
An article on New0.net reports a Taiwanese Soccer Association, Chinese Taipei Football (Soccer) Association, experienced a hacking attack and suspects the attacker to be ISIS.

Israel

- The Globes reported that Cellcom Israel Ltd, the Cellcom worker’s committee, and the Histadrut (General Federation of Labor in Israel) have reached a collective agreement on February 15. This is the second agreement to be signed in the mobile sector (the first was signed by Pelephone Communications Ltd.), and it includes many clauses that improve the position of the company’s workers, increase their wages, and allow them to share in profits. Unprecedented in the mobile sector, the collective agreement includes the workers sharing in the company’s profits.

Malaysia

- An blog posting by MTUC called on the Malaysian government to immediately put together an emergency relief scheme for the suddenly unemployed as they seek new employment.

North America

- The Kansas City Business Journal reported that Sprint Corp. will launch its LTE and high-speed Spark network in 40 new markets. From Hawaii to New Hampshire, the company is rolling out its next-generation network to an array of cities.

- The Boston Globe reported that Northern New England’s primary landline provider, FairPoint Communications, and two unions representing more than 1,700 workers said that they had reached a tentative agreement to end a four-month strike. The tentative agreement follows more than a month of federally mediated negotiations. FairPoint workers in Maine, New Hampshire, and Vermont went on strike in October.

- FierceTelecom reported that Frontier Communications’ Frontier Secure unit is introducing a new Identity Security Bundle designed to help fight identity theft and online fraud. Available to consumers on a nationwide basis for $9.99, Frontier Secure’s Identity Security Bundle includes both Identity Protection and Computer Security services.

- SiliconBeat reported that shuttle bus drivers who transport the employees of Apple, Yahoo, and other tech giants will vote on whether to unionize on February 27. According to union leaders, Compass Transportation representatives have been threatening shuttle drivers by telling them Apple and other tech companies will likely drop their contracts with Comcast if drivers vote for unionization.

Legal and Regulations

- Utilities are upping investments into electric power terminals at gas stations, which could help shore up their flattening business of supplying electricity. More from the New York Times.

- Major Freedom of Information Act (“FOIA”) amendments. Public Act 563 of 2014 (“Act 563”) amends the FOIA to impose a number of new regulations on public bodies. All municipalities will need to review their FOIA practices and procedures to ensure compliance with Act 563 before it takes effect on July 1, 2015.

- The right to enforce a covenant not to compete may be lost when the employer first violates the terms of the same agreement, says a New York appeals court in Fewer v. GFI Grp. Inc. et al., 124 A.D.3d 457, 2015 WL 176227 (First Dep't. January 15, 2015). In this case the employee was demoted and the significant change in his duties constituted a material breach of his employment agreement.
This month, bipartisan legislation was introduced in the California Senate that would require law enforcement to get a search warrant before accessing a person's digital information. The proposed California Electronic Communications Privacy Act (S.B. 178) is broadly written to protect "any information about an electronic communication or the use of an electronic communication service", including contents, location, metadata and other personally identifiable information. This bill has strong support from tech giants Google and Facebook, as well as the Electronic Frontier Foundation and the ACLU of California, among others.

Pharmaceuticals

- Homeowners neighboring Roche’s former campus in New Jersey claim environmental issues have damaged their property values and, as a result, intend to file a class action lawsuit against the drug maker as well as a local municipality.

- Valeant Pharmaceuticals International Inc. has agreed to buy bowel drug maker Salix Pharmaceuticals for roughly $160 per share, according to people directly familiar with the deal.

- AstraZeneca will shell out $7.9 million to settle a lawsuit alleging it paid a pharmacy benefit manager to include its blockbuster heartburn drug Nexium on some formularies at the exclusion of other heartburn medications.

- Five Industry groups are jointly launching a new data center, the European Medicines Verification Organization, to help eliminate counterfeit drugs from the drug supply chain.

Retail

- Bloomberg reported that Ann Inc., the owner of Ann Taylor and Loft women’s clothing stores is exploring a sale and has reached out to potential buyers.

- Britain’s biggest supermarket Tesco could axe up to 10,000 jobs as it attempts to reverse a slide in profits.

- West Coast ports labor dispute is now putting Spring 2015 merchandise collections at risk for retailers nationwide. The dispute could cost retailers about $3 billion in lost sales as a result of inventory not making it to its intended destination.

- ReCode.net reported that Apple is in the process of redesigning its stores, drawing on the design expertise of Jony Ive. Ive, Apple's head designer, revealed he is working with retail boss Angela Ahrendts on a revamp of its stores in a lengthy profile with the New Yorker magazine. Ahrendts, who is often credited with turning around the luxury retailer Burberrys, was hired at a stunning $73 million to revitalize Apple's stores.

- The New York Times DealBook reported that the Federal Trade Commission filed suit on Thursday to halt the proposed merger of Sysco and US Foods, contending that the deal would inflict higher prices and worse service on restaurants, hospitals, hotels, schools and other food service customers. The lawsuit comes more than a year after the $3.5 billion deal was announced and just weeks after Sysco proposed a new set of asset sales it hoped would appease antitrust regulators.

- AdWeek reported that Fashion designers in New York’s Fashion Week took advantage of Facebook’s high quality video capabilities to provide video coverage to social media users.

- The Seattle Times reported that Best Buy will be opening a technology development center in South Lake Union, taking the top floor of the Seattle Times Building. Set to
begin operations in late spring, the office will employ more than 50 engineers, product managers, web architects and developers in the next year and is expected to expand to more than 100 e-commerce professionals over time.

**Technology**

- Domain name servers (DNS) are being used to exfiltrate information, by taking DNS requests to tunnel stolen data. The malwares identified were FeederBot, Morto, and FrameworkPOS were spotted using DNS.

- Internet entrepreneur Kim Dotcom has launched the public beta of its end-to-end encrypted video and audio chat service called “Megachat,” which supposedly gives better protection than alternatives such as Skype and Google Hangouts. Dotcom’s supposed “MegaNet” would be immune to global mass surveillance conducted by governments or corporations and would not be based on IP addresses.

- CTO and co-founder of Recorded Future, Staffan Truvé is making efforts to index the dark web, as opposed to the “classic web”, which can be easily read and indexed. The dark net is described as “extremely volatile and is only partially indexed, making it a prime candidate for research.”

**Telecommunications**

- A group of bipartisan lawmakers moved to make a permanent ban on Internet service taxes.

- Michael Powell, the president of the National Cable & Telecommunications Association (NCTA), says the group is ready to launch a legal challenge against the FCC over its Title II-based net neutrality proposal.

- FierceTelecom reported that AT&T may be offering customers the option to purchase its 1 Gbps fiber-to-the premises (FTTP) services in cities like Kansas City, Mo., on a standalone basis for $70 with the caveat that the AT&T will track users’ Web surfing activity. Consumers may opt out of AT&T’s tracking activity by paying AT&T an additional $29/month.

**Defense**

- The US State Department confirmed its non-confidential e-mail system suffered a security breach over the past three months, and is still unable to drive the hackers out of the network.

- NSA is suspected of spreading “super-resistant” malware. The malware’s creators, has been dubbed as “The Equation Group.” Sources reported that Kaspersky Lab researchers have documented 500 infections by Equation Group in at least 42 countries with Iran, Russia, Pakistan, Afghanistan, India, Syria, and Mali topping the list.

- The Intercept, a website that publishes stories based on documents provided by NSA whistleblower Edward Snowden reports that the two agencies hacked the networks of Gemalto, a Dutch company that is the world’s largest provider of SIM cards, and possibly other SIM makers too. According to The Intercept, mass surveillance by America’s National Security Agency (NSA) and Britain’s Government Communications
Headquarters (GCHQ) spies in 2010 stole thousands of encryption keys that keep communications between mobile phone users and their networks secure.

Law Enforcement

- The FBI and Homeland Security are downplaying a threat by a Somali-based terror group to attack shopping malls in the U.S., Canada and United Kingdom, CNN reports. U.S. officials said there are no credible threats of an attack, but still cautioned shoppers to be careful. “If anyone is planning to go to the Mall of America today,” Homeland Security Secretary Jeh Johnson said, “they’ve got to be particularly careful.” The Minnesota mall was alluded to in a video by Al-Shabaab, which called for the attacks.

- The Justice Department is prepared to sue the city of Ferguson, Mo., if city leaders balk at revising discriminatory police tactics. Attorney General Eric Holder is expected to reveal the findings from two separate federal investigations into the police shooting of a black 18-year-old, Michael Brown. Federal investigators are trying to determine whether police violated anyone’s civil rights. While it’s unlikely that feds will charge the officer who pulled the trigger, the Justice Department is expected to allege that police targeted minorities during traffic stops.

- Google is fighting attempts by the Justice Department to get permission for the FBI to search and seize digital data in what the search engine giant said would make it possible for the “hacking of any facility” in the world. The Advisory Committee on Criminal Rules that is considering the proposal received a sharply worded letter from Google that warns the new FBI powers would raise “monumental and highly complex constitutional, legal and geopolitical concerns that should be left to Congress to decide.” The proposed changes would allow the FBI to remotely search computers from anywhere in the world, “giving the US government unfettered global access to vast amounts of private information,” The Guardian wrote.

- Federal prosecutors handled fewer drug prosecutions last year because of a new approach to handling smaller non-violent offenders, the Los Angeles Times reports. Attorney General Eric Holder said at a National Press Club address that prosecutions for drug cases fell 6% last year. Holder said the feds are placing more focus on larger drug dealers, instead of smaller offenders. Prior to the change in focus, Holder said drug users were getting sent to prison with no possibility of parole.

- The FBI’s ability to covertly collect “books, papers, documents, and other items” with a court order is at risk. The Washington Times reports that the Section 215 of the Patriot Act is set to expire in June, and it’s unclear whether lawmakers will “renew it, reform it or let it expire.” Although the surveillance has helped the FBI track down suspects, Section 215 has become highly controversial because it gave the NSA legal authority to collect phone records on American citizens.

- Some U.S. border agents have started wearing body cameras in a test of the technology in the field, officials said on Friday. Roughly three dozen cameras are being worn by personnel on a volunteer basis during a 90-day test period at locations in New Mexico, Texas, Florida, Michigan and Washington state, said U.S. Border Patrol Assistant Chief Donna Twyford. The test aims to help Customs and Border Protection determine whether cameras can be used in the field. After the test, the working group will analyze legal issues, privacy concerns and any other policy issues.