



Department of Homeland Security Information Analysis and Infrastructure Protection Daily Open Source Infrastructure Report for 27 October 2003

Current Nationwide Threat Level is

ELEVATED
SIGNIFICANT RISK OF TERRORIST ATTACKS

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www.whitehouse.gov/homeland

Daily Overview

- The General Accounting Office has issued Report–GAO–03–1033: Catastrophe Insurance Risks: Status of Efforts to Securitize. (See item [8](#))
- The Baltimore Sun reports that Homeland Security Secretary Tom Ridge announced new rules for improving port security during a speech on October 23. (See item [14](#))
- Multiple news sources report that President Bush has tapped Admiral James Loy, the head of the Transportation Security Administration (TSA) and former commandant of the U.S. Coast Guard, to be deputy secretary of the Department of Homeland Security. (See item [25](#))

DHS/IAIP Update *Fast Jump*

Production Industries: [Energy](#); [Chemical](#); [Defense Industrial Base](#)

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Sustenance and Health: [Agriculture](#); [Food](#); [Water](#); [Public Health](#)

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Energy Sector

Current Electricity Sector Threat Alert Levels: Physical: Elevated, Cyber: Elevated

Scale: LOW, GUARDED, ELEVATED, HIGH, SEVERE [Source: ISAC for the Electricity Sector (ES-ISAC) – <http://esisac.com>]

1. *October 24, Associated Press* — Underwater gas pipeline explodes off Louisiana. An underwater gas pipeline exploded in the Gulf of Mexico during a welding project Friday, October 24, badly burning two people and leaving a third person missing, the U.S. Coast Guard said. The burn victims were airlifted to a hospital in suburban New Orleans, LA, Chief Jeff Murphy said. Crews searched for a third person, identified only as a diver. It was not immediately clear whether the diver or the burn victims were connected to the welding project. The explosion happened about 75 miles southeast of New Orleans.

Source: http://abcnews.go.com/wire/US/ap20031024_977.html

2. *October 24, Sacramento Bee (CA)* — **More power towers are discovered vandalized.** Authorities issued an arrest warrant Thursday, October 23, and the tally of vandalized electric towers grew to four. The FBI named Michael Devlyn Poulin as its suspect in the attempted sabotage of high-voltage lines in Oregon and California. "We're most anxious to locate and arrest him so that he's not able to continue attempting these types of activities," said FBI Special Agent Karen Ernst. Meanwhile, federal power workers said Thursday that the sprawling federal Bonneville Power Authority discovered **one tower with missing bolts in northern Oregon on Monday, October 20, and another in central Oregon on Wednesday, October 22. The FBI suspects that Poulin, acting alone, tampered with those two towers, as well as another in Oregon and the one near Redding in Northern California where a culprit was seen, prompting the search.**

Source: <http://www.sacbee.com/content/news/story/7657408p-8597551c.html>

3. *October 23, San Diego Union Tribune* — **Summer shortage of power possible.** In its first warning since the power crisis of 2000, **California's electric grid operator says there's a chance the state's electricity supplies could fall short by next summer. The California Independent System Operator (ISO) underscored that the shortfall would occur only if the summer is exceptionally hot, if certain older power plants are retired and if hydropower is limited.** The ISO's conclusion, however, is at odds with projections from the California Energy Commission, which forecasts more than adequate reserves for the summer of 2004. But the ISO said the confluence of negative factors could push reserves below the 5 percent to 7 percent excess capacity mandated for operating the grid. While the combination of factors needed to create a shortage appears remote, the state's electricity reliability agency felt the need to raise the possibility, said Jim Detmers, the ISO's vice president of grid operations. **Absent the unusual confluence of circumstances, the ISO says its five-year outlook for electricity predicts adequate supplies.**

Source: http://www.signonsandiego.com/news/business/20031023-9999_1b_23power.html

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Chemical Sector

4. *October 24, Environmental Data Interactive Exchange* — **European delegation in U.S. to explain new chemicals regulations.** A group of experts on the new European chemicals regulations are currently in the U.S. explaining the scope of the legislation which will have an impact on the way suppliers of potentially dangerous chemicals to Europe operate. **The new Registration, Evaluation and Authorization of Chemicals (REACH) has been described as the most far-reaching piece of environmental legislation in Europe for 30 years. It will require chemical producers to provide authorities, customers, and the public with basic toxicity and exposure information. Permission will have to be sought for the continued use of some chemicals, such as those that are carcinogenic, mutagenic, or bioaccumulative.** The proposal for the REACH legislation was published for stakeholder comment earlier this year in May, with a final proposal expected to be issued at the end of this month. Enactment of the legislation is likely to be by 2006. **The European chemicals industry is concerned about the implications of the new legislation, fearing it will have wide-ranging negative impacts,**

costing tens of billions of euros, hundreds of thousands of jobs, and knocking two to six points of GDPs across Europe.

Source: http://www.edie.net/gf.cfm?L=left_frame.html&R=http://www.edie.net/news/Archive/7668.cfm

5. *October 22, Occupational Safety & Health Administration* — **Alliance to improve hazard communication.** Working with small businesses to provide information and education on chemical safety is the foundation of Occupational Safety & Health Administration's (OSHA) newest national Alliance, formalized Wednesday. **The Society for Chemical Hazard Communication (SCHC) joined with OSHA to improve worker understanding in the areas of hazard communication and chemical safety. A key feature of the Alliance is to distribute information and increase awareness about the Globally Harmonized System (GHS) of Classification and Labeling of Chemicals. OSHA and SCHC will develop training and education programs to assist employers in complying with hazard communication requirements, and in preparing labels and more effective and accurate material safety data sheets (MSDS).** Information will be developed and disseminated through print and electronic media, including the use of electronic assistance tools and links from both organizations' Websites. Training seminars that address health and safety issues related to hazard communication, MSDS, and the GHS will be presented by OSHA and SCHC. Additionally, OSHA personnel will cross-train with industry safety and health professionals in SCHC's effective approaches, as jointly determined by both organizations.

Source: http://www.osha.gov/pls/oshaweb/owadisp.show_document?p_tabl e=NEWS_RELEASES&p_id=10506

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Defense Industrial Base Sector

6. *October 24, dc.internet.com* — **DoD issues RFID policy. The Department of Defense (DoD) Thursday, October 23, issued a radio frequency identification policy (RFID) to improve the management of inventory with hands-off processing. The new policy will require suppliers to put passive RFID tags on the lowest possible piece part or case or pallet packaging by January of 2005.** The military began using RFID during the 1991 Persian Gulf War to track cargo and vehicles. With the expanded use of the technology, the DoD said it is now able to realign resources and streamline business processes with equipment that accounts for and identifies massive inventories. Implementation of RFID minimizes time spent through the normal means of inventory processing. The technology allows the improvement of data quality, items management, asset visibility, and maintenance of materiel. Further, **DoD said, RFID will allow the Defense Department to improve business functions and facilitate all aspects of its supply chain.**

Source: <http://dc.internet.com/news/article.php/3098561>

7. *October 22, StrategyPage* — **Navy ships and Persian Gulf pirates.** One task in the Coalition's nation building mission is ridding Iraq's Persian Gulf waters of pirates. Coalition forces maintain a significant security presence in Iraqi waters in support of United Nations Security Council Resolution (UNSCR) 1483. Under 1483, coalition forces will provide law enforcement and security functions for the area until an Iraqi maritime security force can be established.

Local pirates are believed to routinely prey upon both local traders and smugglers in Gulf waters and the U.S. Navy Cyclone class gunboats have found themselves a new career by chasing the pirates. The USS Firebolt is one of the Navy's "Cyclone class" boats designed for coastal patrol and interdiction surveillance. In the early 1990's, they were considered too bulky for commando missions and too small for the regular surface Navy. Everything changed after September 11th and the Navy agreed to pay for maintenance and operations of the Cyclones, while the vessels operated under U.S. Coast Guard tactical control. Between terrorism and piracy, the Cyclone class patrol boats might find a second life. **The Coast Guard and Navy want to keep at least five and, if funding is available, all 13 on the books, at a cost of \$23 million apiece.**

Source: <http://www.strategypage.com/dls/articles/20031022.asp>

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Banking and Finance Sector

- 8. *October 24, Government Accounting Office* — Report—GAO—03—1033: Catastrophe Insurance Risks: Status of Efforts to Securitize Natural Catastrophe and Terrorism Risk.** In addition to potentially costing hundreds or thousands of lives, a natural or terrorist catastrophe in the United States could place enormous financial demands on insurance industry, businesses, and taxpayers. Given these financial demands, interest has been raised in bonds that are sold in the capital markets and thereby diversify catastrophe funding sources. The Government Accounting Office (GAO) was asked to update a 2002 report on "catastrophe bonds" and assess (1) their progress in transferring natural catastrophe risks to the capital markets, (2) factors that may affect the issuance of catastrophe bonds by insurance companies, (3) factors that may affect investment in catastrophe bonds, and (4) the potential for and challenges associated with securitizing terrorism-related financial risks. To date, no catastrophe bonds related to terrorism have been issued covering potential targets in the United States, and the general consensus of most experts GAO contacted is that issuing such securities would not be practical at this time due in part to the challenges of predicting the frequency and severity of terrorist attacks. **GAO did not make any recommendations in this report.**

Source: <http://www.gao.gov/new.items/d031033.pdf>

- 9. *October 24, Galveston County Daily News (TX)* — Police investigate international Internet scam.** An international Internet credit card scam investigated by the U.S. Postal Service led authorities to a man in Dickinson, TX, the Dickinson Police Department announced Thursday, October 23. **Early last week, Dickinson detectives received a call from the owner of Wanasavealot.com, an Internet retail company. The company had received an order for a laptop computer and shipped it overnight to an address in Dickinson; however, the purchase was made through a fraudulent credit card and PayPal account.** Dickinson detectives conducted an investigation and spoke to the resident who signed for the package on Friday, October 17. The man said he had answered an ad on the job-hunting Website Monster.com for a position as a "re-shipper." He was to receive packages from companies and then reship them per the instructions of his Russian employer. The business, however, was phony, Dickinson police said. The merchandise in the packages had been purchased using phony credit card numbers. The U.S. Postal Service, in coordination with authorities in Europe

and Russia, has investigated the scam for months, said Detective Craig Fos of the Dickinson police. "This is occurring not just nationwide, but internationally," he said.

Source: <http://www.galvnews.com/story.lasso?wcd=14525>

10. *October 24, BBC News* — **Scam targets NatWest bank customers.** NatWest bank has become the latest target of the e-mail scam know as "phishing." **The scams originate from Eastern Europe – and are the first part of a two-tier scam which has emerged in recent months. Customers receive a phony e-mail saying information is needed to verify a customer's e-mail address.** They are asked to click on a website link and enter their NatWest login ID, password and pin into a pop-up box. The e-mail adds: "This is done for your protection – because some of our members no longer have access to their e-mail addresses and we must verify it." **The second stage, known as "money transfer" or "job offer scam" involves advertising for British people with UK-based accounts to act as agents to transfer money overseas.** As the people perpetrating the fraud are located outside the UK, they cannot transfer money directly out of their victims' online accounts to their own accounts abroad – and so need an intermediary. In effect, these people are unwittingly being used as money "mules," and they could be prosecuted by the police.

Source: <http://news.bbc.co.uk/1/hi/business/3211635.stm>

11. *October 23, CNN* — **Prominent American Muslim indicted.** A prominent member of the American Muslim community was indicted Thursday, October 23, on charges he engaged in prohibited dealings with Libya, including accepting \$340,000 in cash from the Libyan government, authorities said. Abdurahman Alamoudi is a naturalized American citizen who has served as the president of the American Muslim Foundation. **A 19-count indictment handed up by a federal grand jury Thursday alleges Alamoudi, from November 1995 to September 2003, devised a scheme to obtain money from Libya and other sources overseas without the U.S. government's knowledge. The charges range from money laundering to making false statements to prohibited financial transactions with a state sponsor of terror, Libya.** Alamoudi has been under investigation for some time as part of a broad probe into Muslim charities and groups operating mostly in the northern Virginia area, officials have said. Investigators have been looking into whether these groups' funds may have ended up in the coffers of terrorism organizations.

Source: <http://www.cnn.com/2003/LAW/10/23/muslim.indicted/index.html>

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Transportation Sector

12. *October 24, Associated Press* — **Man arrested for having weapon on plane. An airline passenger was arrested on Thursday, October 23, after he pulled a martial-arts weapon from a violin case and paced the aisles with it during a flight, authorities said.** Police said the 35-year-old passenger had boarded the Southwest Airlines plane in Oakland, CA, with a nunchaku, two pieces of wood connected by a short chain. **When he started pacing the aisles with the weapon, a flight attendant told him to sit down and alerted the pilot, who radioed ahead to authorities. He was taken into custody at Chicago's Midway Airport.** "Officers were waiting for him at the gate, but the passenger tried to bolt after encountering the pilot at the jetway," police spokesperson Pat Camden said. "He was acting strangely and started

resisting." The man's father said on Friday, October 24, that his son is a classical violinist who suffers from manic depression and may not have been taking his medication.

Source: http://abcnews.go.com/wire/US/ap20031024_1148.html

13. *October 24, MSNBC* — **More air marshals in pipeline. The government is bolstering the ranks of its airborne undercover federal air marshal program, ending more than a yearlong hiring freeze.** The move comes just ahead of the program's transfer out of the Transportation Security Administration (TSA) and into Immigration and Customs Enforcement. A "hard freeze" for air marshals went into effect more than a year ago and advanced training programs were canceled earlier this year as the program dealt with a rapidly dwindling budget. In July, air marshals were pulled from cross-country and other flights that required overnight stays in an effort to save money for associated travel expenses. That order was rescinded after drawing congressional criticism and demands that air marshals be returned to those flights. **The next air marshal training classes begin October 28 in Artesia, NM, with graduates from those initial six-week courses reporting to either the New York or Chicago field offices, TSA Spokesperson Brian Doyle confirmed.** In addition, those accepting the new jobs are being asked to sign a three- or five-year "non-transfer waiver," Doyle said.

Source: <http://www.msnbc.com/news/984246.asp>

14. *October 24, Baltimore Sun (MD)* — **Better security ordered at ports. Baltimore, MD, and 360 other ports across the country are being ordered by the Department of Homeland Security to undertake more than \$7 billion in security improvements – possibly the largest and costliest maritime initiative in history.** Homeland Security Secretary Tom Ridge outlined the new rules – calling for everything from low-tech fencing to sophisticated identification systems – in a speech at the port of Wilmington in Delaware on Thursday, October 23. "With 95 percent of our nation's overseas cargo carried by ship, maritime security is critical to ensuring our nation's homeland and economic security," Ridge said in prepared remarks. **Although attention and money have largely flowed to the nation's airports since the attacks, the push is now on to protect seaports.** Ridge said Thursday that all U.S. ports need to have a security plan in place by July.

Source: http://www.sunspot.net/business/bal-te.bz.port24oct24.0.1989_073.story

15. *October 23, CNN* — **Man subdued on Southwest flight. A man aboard a Southwest Airlines flight from Nevada to California threatened to "take this aircraft down" and became so unruly that flight attendants and passengers had to subdue him with plastic restraints, officials said Thursday, October 23.** An FBI spokesperson in Las Vegas, NV, where the flight originated Wednesday, October 22, said **Salvador Gonzalez, of Oceanside, CA, had been arraigned Thursday and charged with assault, interfering with a flight crew, giving false information and making threats.** An FBI spokesperson said that soon after Southwest Airlines Flight 2466 from Las Vegas to Ontario, CA, got under way, Gonzalez told a flight attendant he wanted to speak to police in Ontario as soon as the plane landed. When he took his seat, he complained of breathing difficulties, the spokesperson said, and demanded oxygen. Gonzalez then got up and walked toward the front of the aircraft and began making threatening statements, the FBI spokesperson said. Gonzalez was also aggressive and pulled luggage out of overhead bins, the spokesperson said, at which point he was subdued and beaten by passengers.

Source: http://www.cnn.com/2003/LAW/10/23/unruly_passenger/index.htm

16. *October 22, KOMO-TV (WA)* — **Five-inch knife gets through Seattle security.**

Investigators are looking into how a 5-inch knife got on US Airways Flight 106 from Seattle, WA, to Philadelphia, PA. A passenger used the knife in mid-flight to cut an apple. Jill Rupp was sitting next to the woman when she pulled out the apple and a knife with a serrated 5-inch blade. "I immediately said, 'Oh my gosh, how did you get that?' She looked shocked and said, 'Oh, I really don't know,' " Rupp said. She says the woman then put the knife away under her seat. **A spokesperson for the Transportation Security Administration (TSA) says they just learned about the incident Wednesday, October 22, from the media.** TSA won't say whether the woman who brought the knife on board has been identified.

Source: <http://www.komotv.com/stories/27892.htm>

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Postal and Shipping Sector

17. *October 24, DM News* — **CSRS could spur steeper rates in 2006. Though the Civil Service Retirement System (CSRS) Funding Reform Act of 2003 ensures stable postal rates until 2006, it could lead to higher-than-forecast increases in the future, a postal official said.**

The act, signed into law in April, lowered the amount the U.S. Postal Service (USPS) was required to pay into the CSRS. It saved the agency an estimated \$2.9 billion in fiscal year 2003 and \$2.6 billion in FY 2004, prompting a guarantee by postmaster general John Potter that postal rates would not rise until calendar year 2006. However, the act requires that savings beyond FY 2004 be placed in an escrow fund. As a result, the USPS must be prepared to pay \$3.2 billion into the fund by October 1, 2005. **"The only way this money can be raised is through rate increases, so if it is \$3.2 billion, that's roughly a five percent rate increase across the board just to support the escrow fund," said Ralph Moden, senior vice president, government affairs, USPS.** Moden said the postal service could begin preparing for the next rate case in late spring or early summer 2004 for filing by the beginning of 2005.

Source: http://www.dmnews.com/cgi-bin/artprevbot.cgi?article_id=25377

18. *October 23, Associated Press* — **Blaster hits Japan's postal service.** A virus-like Internet worm has disrupted the computer network of Japan's post offices, disabling mail tracking systems for hours. **Japan Post said in a statement that a variant of the "Blaster" worm crippled 2,500 computers at 678 outlets in cities along the Japan Sea coastline, from around noon on Wednesday.** Officials were unable to track special document and package deliveries for the remainder of the day, though there were no reports of damaged computer files, it said. **It wasn't clear if that would translate into delivery delays. Japan Post didn't say how soon the tracking system was expected to be up and running again.** The worm was detected when terminals in Toyama, Ishikawa, and Fukui prefectures automatically activated anti-virus software, the statement said. The computers were immediately disconnected from the network to prevent a wider infection. "Blaster" and the related "Welchia" virus have infected hundreds of thousands of computers worldwide. They exploit a software flaw in recent versions of Microsoft's Windows software.

Source: http://www.news.com.au/common/story_page/0,4057,7643535%255E15306.00.html

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Agriculture Sector

19. *October 24, Wichita Eagle* — **Institute for biosecurity.** Last year, the rumor of a highly contagious cattle disease in northeast Kansas swept through the nation's markets. Cattle prices plummeted. Farmers and ranchers lost \$50 million before the report could be proven false. Friday, Kansas State University (KS) breaks ground on a new research facility that could quickly head off economic chaos from such reports, whether they are true or false. **The mission of the KS Biosecurity Research Institute is to protect against, and respond to, threats to the U.S. food supply. In keeping food supplies safe from intentional or accidental contamination, the institute could prevent huge losses in the industry and keep consumer prices from skyrocketing. The facility will be one of a kind, KS officials say. It will include state-of-the-art slaughter and processing equipment that will allow researchers to cover threats to the meat industry from hoof to plate.** The key, they say, is to have laboratories secure enough to safely handle diseases and organisms without threatening the nearby crops and livestock they are designed to protect.

Source: <http://www.kansas.com/mld/kansas/news/7090558.htm>

20. *October 21, Agricultural Research Service* — **New pinto bean. Agricultural Research Service (ARS) has developed a new pinto bean.** The new line, TARS-PT03-1, has been released by the ARS and the University of Tennessee Agricultural Experiment Station. **The new line offers a new source of resistance to soil-borne fungi that cause root rot, including Fusarium solani and combinations of F. solani, Rhizoctonia solani, and Pythium species. It also offers moderate resistance to common bacterial blight according to Rusty Smith, who developed the line.** Pinto, dark red kidney, navy, white, great northern, pink, small red, and black beans are all market classes of Phaseolus vulgaris. The new release was derived from TARS VCI-4B (a small-seeded pinto line derived from P. vulgaris and P. coccineus), Montcalm (a dark red kidney cultivar) and MUS PM-31 (a red-mottled tropical germplasm line). **Although TARS-PT03-1 is small-seeded, it should help breeders develop new cultivars with disease resistance and greater yield potential, according to Smith. It performed well in trials in temperate regions of the United States, where it showed good adaptability.**

Source: <http://www.ars.usda.gov/is/pr/2003/031021.htm>

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Food Sector

21. *October 24, Associated Press* — **FDA, restaurants discuss putting nutrition information on menus.** At most restaurants, customers are left to guess how many calories they're consuming. The government soon may try to change that by requiring or encouraging restaurants to display calories on their menus. **The Food and Drug Administration (FDA) said Thursday that labeling menus is among several proposals it is considering to help people watch what they eat. The FDA also may change its requirements for nutrition labels on food sold in grocery stores and other outlets.** Joseph Levitt, vice chairman of an FDA committee studying obesity, said FDA officials are meeting with the restaurant industry, food processors, and

consumer groups to figure out whether it should issue new regulations or just write guidelines suggesting changes to help consumers improve their eating habits.

Source: <http://www.billinggazette.com/index.php?tl=1&display=rednews/2003/10/24/build/nation/15-fdarestaurants.inc>

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Water Sector

Nothing to report.

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Public Health Sector

22. *October 24, Reuters* — **Researchers find possible new antibiotic. U.S. researchers said on Thursday they had developed a new class of antibiotic that could potentially be developed into a new drug to fight increasingly drug-resistant bacteria.** The compounds, known by the experimental name CBR703, act in a unique way to keep bacteria from reproducing, according to the team at the University of Wisconsin, Ohio State University, and privately held Cumbre Inc. of Dallas, Texas. **The researchers said the compounds inhibit RNA polymerase, the key enzyme used by cells to help genes express, or to turn their genetic code into a protein that does something. Other antibiotics do this, but the new compound does so in a unique way offering the possibility that it may work to kill bacteria that have evolved resistance to existing drugs.** The scientists in the article also outlined what they believe is the mechanism of action of the compounds, key to designing an actual drug.
Source: <http://www.cnn.com/2003/HEALTH/10/24/science.antibiotic.reut/>

23. *October 24, Associated Press* — **WHO urging China to expand SARS monitoring program.** The World Health Organization (WHO) is urging China to expand an intensive monitoring program for health workers and areas hit hard this year by Severe Acute Respiratory Syndrome (SARS) to ensure that any new outbreak is caught early, a WHO official said Friday. **China has created a "very good system" nationwide to detect infectious diseases since the outbreak of SARS, said Henk Bekedam, the WHO's Beijing representative. But the WHO wants to expand a program that monitors health workers and patients at a group of hospitals in Beijing and the provinces of Guangdong and Shanxi, he said. Those areas accounted for most of the 349 deaths reported on China's mainland.** An expanded system also would monitor people who work in Chinese laboratories that handle the virus, Bekedam said. China has resumed daily reporting of SARS cases, though it says none have been detected in recent weeks. Authorities have resumed screening travelers for fever in some areas and reopened special SARS wards in Beijing hospitals.
Source: http://abcnews.go.com/wire/Living/ap20031024_301.html

24. *October 02, BBC News* — **Patients given artificial blood. Doctors have for the first time successfully used artificial blood to treat patients. The product is a powder which can be stored for years, say scientists at Stockholm, Sweden's Karolinska Hospital. It is made from donated supplies of real blood, which normally has a shelf-life of just 42 days. The**

powder can then be mixed into liquid form when needed, and used immediately regardless of the patient's blood type. Dr Pierre LaFolie, chief physician at the Karolinska Hospital, said that if artificial blood were approved for use it could lead to dramatic changes in health care. Dr LaFolie said synthetic blood could save time after an accident, particularly as there is no need test a patient's blood type before administering a transfusion. The blood would be used to complement a patient's own blood, not replace it, as real blood has qualities that the artificial blood lacks. The synthetic blood has been developed by researchers in the U.S., and it has been tested for the first time on eight patients at Karolinska Hospital. Lead researcher Bengt Fagrell said: "There has been no sign that the blood would be rejected. **Fagrell said the patients had been administered artificial blood made out of human red blood cells. However, he said red blood cells from any mammal could be used.**

Source: <http://news.bbc.co.uk/1/hi/health/3207291.stm>

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Government Sector

25. *October 23, GovExec.com* — **TSA chief named to number two post at DHS. President Bush has tapped Admiral James Loy, the head of the Transportation Security Administration (TSA) and former commandant of the U.S. Coast Guard, to be deputy secretary of the Department of Homeland Security (DHS).** Loy will assume his new position as soon as the Senate confirms him, said DHS spokesman Gordon Johndroe. He is replacing Gordon England, whom the administration has asked to return to his job as Navy secretary. Johndroe said Loy was selected because of his experience in dealing with security-related issues. Loy served in the Coast Guard for 38 years and has served as administrator of TSA since March. No announcement has been made on who might succeed Loy at TSA. Loy will remain at the helm of the agency while serving in his new position until a new TSA administrator is appointed, Johndroe said. TSA is one of 22 agencies that are part of the DHS. **As deputy secretary, Loy will be responsible for operations and management across the entire department.**

Source: <http://www.govexec.com/dailyfed/1003/102303c2.htm>

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Emergency Services Sector

Nothing to report.

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Information and Telecommunications Sector

26. *October 24, Government Accounting Office* — **Report—GAO-04-8: Issues Related to Competition and Subscriber Rates in the Cable Television Industry.** Over 70 million American households receive television service from a cable television operator. **In recent years, rates for cable service have increased at a faster pace than the general rate of inflation.** GAO agreed to (1) examine the impact of competition on cable rates and service, (2) assess the reliability of information contained in the Federal Communications Commission's

(FCC) annual cable rate report, (3) examine the causes of recent cable rate increases, (4) assess the impact of ownership affiliations in the cable industry, (5) discuss why cable operators group networks into tiers, and (6) discuss options to address factors that could be contributing to cable rate increases. **GAO recommends that the Chairman of the FCC take immediate steps to improve the cable rate survey and review the commission's process for maintaining the status of effective competition.** In commenting on GAO's report, FCC agreed to make changes to its annual cable rate survey, but FCC questioned, on a cost/benefit basis, the utility of revising its process to keep the status of effective competition up to date. **GAO believes that FCC should examine whether cost-effective alternative processes could help provide the Congress with more accurate information.** Highlights:

<http://www.gao.gov/highlights/d048high.pdf>

Source: <http://www.gao.gov/cgi-bin/getrpt?GAO-04-8>

27. *October 24, Associated Press* — Solar storm could hinder satellite, cell phone signals. A geomagnetic storm spawned by a giant eruption of gas on the sun barreled toward Earth on Friday, October 24, but caused no major problems, federal officials said. The storm was expected to be most severe Friday, though experts said they didn't anticipate problems with communication networks. So far, **the storm has interfered with airline communications and radio communications for teams on Mount Everest**, Larry Combs, a space weather forecaster with the National Oceanic and Atmospheric Administration's Space Environment Center in Boulder, CO, said. But problems were not widespread. The storm, called a "coronal mass ejection," is a mass of solar gas that swept toward Earth at 2 million mph. The usual cycle for such a storm is every 11 years; this one was expected to hit three years ago. Combs said **power companies have been notified and were taking precautions to avoid voltage problems and blackouts. Satellites also are at risk during such storms but cell phones aren't likely to be affected unless they rely on satellites**, Combs said. **Operators can shut them down and put them in what is called a stow position until storms pass. They may need to be boosted back up to their correct altitudes after the storm.**

Source: <http://www.washingtonpost.com/wp-dyn/articles/A11417-2003Oct 24.html>

28. *October 23, Computerworld* — Microsoft posts 'revisions' to security bulletins. Microsoft issued "major revisions" to two patches last week, MS03-045 and MS03-047, after they caused problems on foreign language versions of the Windows operating system and Exchange e-mail server. **Security bulletin MS03-045, rated "Important," concerns a buffer overrun vulnerability in a component of most supported versions of Windows.** Microsoft discovered compatibility problems between the patch and third-party software on systems running foreign language editions of Windows 2000 with Service Pack 4. Russian, Spanish and Italian versions of Windows 2000 were affected, in addition to versions in a number of other languages, including Czech, Finnish and Turkish. **Security bulletin MS03-047, rated "Moderate," described a cross-site scripting vulnerability in Exchange Server 5.5, Service Pack 4.** The patch did not work for some customers who installed foreign language versions of Outlook Web Access (OWA), an Exchange service that enables e-mail users to access their Exchange mailboxes using a Web browser instead of the Outlook mail client. While customers running English, German, French and Japanese versions of OWA were covered by the original patch, those running OWA in other languages need to apply the rereleased version, Microsoft said. **The patches are available on the Microsoft Website:**

<http://www.microsoft.com/technet/treeview/default.asp?url=/technet/security/current.asp>

Source: <http://www.computerworld.com/securitytopics/security/holes/story/0,10801,86399,00.html>

29. *October 23, Washington Post* — **U.S. government plans Internet security ads.** An advertising campaign designed to educate home and small business computer users about the importance of using firewalls and anti-virus software, as well as defending against online fraud, is expected to debut next year. **The \$1.8 million program is the brainchild of officials at the Department of Homeland Security (DHS) and the National Cyber Security Alliance, a group of more than 50 technology companies.** The campaign will air on television and radio spots and in magazines, newspapers and movie theaters throughout the country. The alliance in a June study found that **roughly 67 percent of high-speed Internet users do not use firewalls. More than 60 percent of those surveyed said they did not keep their anti-virus software updated** against the most current viruses and worms. Orson Swindle, a commissioner on the Federal Trade Commission, said the large number of people affected by online fraud and the recent spate of viruses and worms show just how much education needs to be done.

Source: <http://www.washingtonpost.com/wp-dyn/articles/A7600-2003Oct23.html>

Internet Alert Dashboard

Current Alert Levels	
 AlertCon: 1 out of 4 https://gtoc.iss.net	 Security Focus ThreatCon: 1 out of 4 http://analyzer.securityfocus.com/
Current Virus and Port Attacks	
Virus:	#1 Virus in the United States: WORM_LOVGATE.G Source: http://wtc.trendmicro.com/wtc/wmap.html , Trend World Micro Virus Tracking Center [Infected Computers, North America, Past 24 hours, #1 in United States]
Top 10 Target Ports	135 (epmap), 1434 (ms-sql-m), 137 (netbios-ns), 445 (microsoft-ds), 1433 (ms-sql-s), 80 (www), 17300 (Kuang2TheVirus), 139 (netbios-ssn), 4662 (eDonkey2000), 27374 (SubSeven) Source: http://isc.incidents.org/top10.html ; Internet Storm Center

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General Sector

30. *October 26, Los Angeles Times* — **Wildfires explode in Southern California.** Wildfires stoked by winds and high temperatures burned out of control in the San Bernardino Mountains in Southern California Saturday, October 25, triggering firestorms that destroyed at least 200 homes in foothill suburbs and forced the evacuation of thousands of residents from San Bernardino to Rancho Cucamonga. Driven by Santa Ana winds, the

fires spread over more than 20,000 acres. A new fire erupted Saturday in the San Bernardino Mountains east of Interstate 215. The blaze, 30 miles east of Los Angeles, spread rapidly along two fronts to California State University–San Bernardino and the San Manuel Indian Reservation. **The Rim of the World Highway to Lake Arrowhead was shut down, as was part of Interstate 10 near San Bernardino, and a Southern California Edison representative said the blaze knocked out power to Running Springs, Crestline and Lake Arrowhead.** Before Saturday, fire officials believed that their biggest challenge would be battling a blaze that has burned since Tuesday in the foothills north of Rancho Cucamonga. Also, a suspected arson fire, the so-called Grand Prix fire, has consumed 27,100 acres and destroyed 15 homes and two outbuildings. **The fire was threatening transmission lines Saturday night that provide 25 percent of power to Los Angeles County.**

Source: <http://www.bayarea.com/mld/mercurynews/news/7107807.htm>

31. *October 26, Washington Post* — **Wolfowitz unhurt in rocket attack. At least eight rockets fired on an automatic timer struck the al-Rashid hotel in central Baghdad where Deputy Defense Secretary Paul D. Wolfowitz was staying Sunday, October 26, killing one American soldier and injuring 15 people. The rockets were fired shortly after 6 a.m. from a light blue trailer parked about 200 meters away from the hotel, the U.S. military said. The rockets hit several floors of the hotel, blasting holes in thick concrete walls, shattering windows and knocking off balconies. The assault followed a day of violence in which a convoy of civilian contractors was attacked west of Baghdad, killing at least three people, and a U.S. Army Black Hawk helicopter was shot down, injuring one crew member. Wolfowitz, who is traveling in Iraq, was not injured in the attack on the al-Rashid, which is home to hundreds of American soldiers and civilian reconstruction staff.** In a televised statement, he vowed that the terrorist attack would not deter American reconstruction efforts in Iraq.

Source: <http://www.washingtonpost.com/wp-dyn/articles/A19417-2003Oct 26.html>

32. *October 23, Reuters* — **U.S. drug czar says terrorism profiting from drugs.** At least half of the 36 groups designated as "foreign terrorist organizations" by the U.S. State Department in April raise money from international drug trafficking, White House drug czar John Walters said Thursday, October 23. **"The American drug consumer is the single most important funder of terrorism in this hemisphere," Walters told the International Association of Chiefs of Police (IACP). He warned that secret channels used to ship narcotics into the United States could also transport biological or nuclear weapons.** About 14,000 police officers from around the world attended the IACP's annual convention in Philadelphia, PA, last week. Jamaican Police Commissioner Francis Forbes told the audience he also believed illicit profits from drug trafficking were helping to finance militant groups. But he warned that Washington's war on drugs, specifically its \$1.7 billion aid program for Colombia, was pushing drug cartel operations into poor Caribbean countries. **The arrival of drug cartel operations in the Caribbean is encouraging a flood of illegal firearms from the United States, he said, forcing underfunded local police to confront a new menacing threat from "high-tech" criminals.**

Source: <http://www.alertnet.org/thenews/newsdesk/N23159413.htm>

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