

# WEDNESDAY MORNING: A WHITER SHADE

*She said, 'There is no reason  
and the truth is plain to see.'  
But I wandered through my playing cards  
and would not let her be*

– excerpt, Whiter Shade of Pale by  
Procol Harum  
cover here by Annie Lennox

I've been on an Annie Lennox jag, sorry. I'm indulging myself here at the intersection of a favorite song which fit today's theme and a favorite performer. Some of you will take me to task for not using the original version by Procol Harum, or another cover like Eric Clapton's. Knock yourselves out; it's Lennox for me.

Speaking of a whiter shade and truth...

## **FBI used a 'gray hat' to crack the San Bernardino shooter's phone**

Last evening after regular business hours WaPo published a story which made damned sure we knew:

- 1) The FBI waded into a fuzzy zone to hack the phone – oh, not hiring a 'black hat', mind you, but a whiter-shade 'gray hat' hacker;
- 2) Cellebrite wasn't that 'gray hat';
- 3) The third-party resource was referred to as 'professional hackers' or 'researchers who sell flaws';
- 4) FBI paid a 'one-time fee' for this hack – which sounds like, "Honest, we only did it once! How could we be pregnant?!"
- 5) A 'previously unknown software flaw' was employed after the third-party pointed to it.

This reporting only generated more questions:

- Why the careful wording, 'previously unknown software flaw' as opposed to zero-day vulnerability, which has become a term of art?
- How was the determination made that the party was not black or white but gray, and not just a 'professional hacker who sold knowledges about a flaw they used'? Or was the explanation provided just stenography?
- However did Cellebrite end up named in the media anyhow if they weren't the source of the resolution?
- What assurances were received in addition to the assist for that 'one-time fee'?
- Why weren't known security experts consulted?
- Why did the FBI say it had exhausted all resources to crack the San Bernardino shooter's phone?
- Why did FBI director Jim Comey say "we just haven't decided yet" to tell Apple about this unlocking method at all if 'persons familiar with the matter' were going to blab to WaPo about their sketchy not-black-or-white-hat approach instead?

That's just for starters. Marcy's gone over this latest story, too, be sure to read.

#### **Volkswagen execs get a haircut**

Panic among employees and state of Lower Saxony over VW's losses and anticipated payouts as a result of Dieselgate impelled executives to share the pain and cut their bonuses. Germany's Lower Saxony is the largest state/municipal shareholder in VW, but it's doubly exposed to VW financial risks as nearly one in ten Germans are employed in the automotive industry, and VW is the largest single German automotive company. The cuts to bonuses will be retroactive, affecting payouts based on last year's business performance.

#### **Fuzzy dust bunnies**

- Verizon workers on strike (Boston Globe) – Until

minimum wage is raised across the country and offshoring jobs stops, we'll probably see more labor actions like this. Should be a warning to corporations with quarter-after-quarter profits and offshore tax shelters to watch themselves – they can afford to pay their workers.

- Facebook deploys bots across its services (Computerworld) – But, but AI is years away, said Microsoft research...meanwhile, you just know Amazon's Alexa is already looking to hookup with Facebook's chatbot.
- Google's charitable arm ponied up \$20M cash for disabled users' technology improvements (Google.org) – IMO, this was a great move for an underserved population.
- Judge's rejects Obama administration blow-off of apex predator wolverines (HGN) – Wolverines, a necessary part of health northern and mountain ecosystems, need cold weather to survive. Montana's U.S. District Court ruled the administration had not done

enough to protect biodiversity including the wolverine. Crazy part of this entire situation is that the feds don't believe the wolverine warrants Endangered Species Act (ESA) protection and that they can't tell what effects climate change has on this species, but the species is seen rarely to know. Hello? A rarely-seen species means the numbers are so low they are at risk of extinction – isn't that what the ESA is supposed to define and prevent?

**UPDATE – 12:10 PM EDT –**

From @cintagliata via Twitter:

Back in 1971, researchers observed Zika virus replicating in neurons and glia. (in mice) <http://bit.ly/1XvsD4d>

I'm done with the pesticides-as-causal theory. It may be a secondary exacerbating factor, but not likely primary. In short, we've had information about Zika's destructive effects on the brain and nervous system for 45 years. It's past time for adequate funding to address prevention, treatments, control of its spread.

It's all down the hump from here, kids. See you tomorrow morning!

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# TUESDAY MORNING: TOIVO'S TANGO

Did you know the tango evolved into a Finnish subgenre? Me neither, and I'm part Finn on my mother's side of the family. Both my grandmother and great-grandmother spoke Finn at home after their immigration to the U.S., but apparently never passed the language or Finnish music on to my mother and her siblings. The Finnish tango became so popular a festival – the Tangomarkkinat – was established to celebrate it.

The tango makes its way back again, nearly 9000 miles from its origin to Finland, in this music video. The performer featured here is a very popular Argentine tango singer, Martin Alvarado, singing in Spanish a popular Finnish tango, Liljankukka, written by Toivo Kärki. If you search for the same song and songwriter in YouTube, you'll trip across even more Finnish tango.

Let's dance...

## **Police raid in Belgium today**

There were more arrests in Belgium today in connection to Paris attack in November. Not many details yet in the outlets I follow, suggesting information is close to the vest; there was more information very early, which has now moved off feeds, also suggesting tight control of related news. A raid in the southern Brussels suburb of Uccle resulted in the arrest of three persons now being questioned. This raid follows the arrest last Friday of Mohamed Abrini, who has now admitted he is the man seen in security camera video as the 'man in the hat' observed just before the bombing of the Brussels' airport. Thus far, intelligence gathered from suspects and locations indicates a second attack had been planned, attacking the Euro 2016 football championship. Worth noting the media has now been reporting only the given name and a family name first initial for some of those

arrested recently.

### **Up All Night growing, annoying some Parisians**

This Occupy movement subset called 'Up All Night' or 'Night Rising' (*Nuit debout*) has been rallying during evening hours, protesting austerity-driven labor reforms, France's continued state of emergency after November's terrorist attacks, and more. The number of protesters has grown over the last 12 days they have taken to the streets, driven in part by the Panama Papers leak. The crowd has annoyed those navigating the area around the Place de la Republique where the *Nuit debout* gather. (More here on video.)

### **Upset over Burr-Feinstein draft bill on encryption continues**

The Consumer Technology Association (CTA) issued a statement last night conveying their displeasure with this proposed bill which would mandate compliance with law enforcement access to encrypted digital content. The CTA's 2200 members include Apple, Google, Microsoft, and any consumer electronic technology manufacturer featured at the annual Consumer Electronics Show each year. This formal statement follows a wave of negative feedback from technology and privacy experts since the draft bill was revealed late last week.

### **Odds and ends**

- Cellebrite makes the news again, this time for a 'textalyzer' (Ars Technica) – Huh. What a coincidence that an Israeli company attributed with the cracking of the San Bernardino shooter's iPhone 5c is now commercializing a device for law enforcement to use on drivers' cellphones. Do read this piece.

- DARPA still fighting for relevance with its Squad X initiative (Reuters) – Not a single mention of exoskeletons, but enough digital technology to make soldiers glow in the dark on the battlefield.
- Microsoft's director of research calls some of us chickenshit because AI is peachy, really (The Guardian) – Uh-huh. This, from the same company that released that racist, sexist POS AI bot Tay not once but twice. And we should all just trust this stuff in our automobiles and in the military. Ri-ight.
- Farmers watching more than commodities market and the weather (Fortune) – Chinese IP rustlers are sneaking commercially-developed plant materials back to PRC. Hope the Chinese realize just how likely American farmers are to use firearms against trespassers.
- CDC's deputy director on Zika: "Everything we look at with this virus seems to be a bit scarier than we initially thought" (Reuters) – I swear multiple news outlets including WaPo have

changed the heds on stories which originally quoted this statement. Zika's observed destruction of brain cells during research is really distressing; so is Zika's link to Guillain-Barre syndrome in addition to birth defects including microcephaly. In spite of the genuine and deep concern at CDC over this virus' potential impact on the U.S., the CDC is forced to dig in sofa cushions for loose change to research and fight this infectious agent. Absolutely ridiculous, like we learned nothing from our experience here with West Nile Virus.

That's it, off to mix up my tango with a whiskey foxtrot. See you tomorrow morning!

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## MONDAY MORNING: THE URGE TO MERGE

*In my eyes, indisposed  
In disguises no one knows  
Hides the face, lies the snake  
The sun in my disgrace*

– excerpt, Black Hole Sun by Soundgarden



Looks like this week is all about mergers. Enjoy this simulation on replay several times while listening to Soundgarden's Black Hole Sun while we dig in.

#### **Roll Call**

- Yahoo's vulnerability brings all the nasty suitors to the yard (MarketWatch) – If Daily Mail wins, Yahoo will be one massive tabloid, and Tumblr will become a cesspool. Bidding's open until next Monday; what other potential buyers may emerge this week?
- Big names in hotels to join after shareholders approve Marriott offer for Starwood Hotels (UPI) – The vote came last Friday after Chinese insurance holding group Anbang withdrew from bidding.
- Merger of beer producers SABMiller and A-B InBev still in holding pattern (Milwaukee Business Journal) – The deal is languishing for approval by South Africa's Competition Commission. Part of SABMiller was once South African Brewing.
- UK balks at Hutchins and Telefonica tie up (Reuters) – Cousins across the pond better watch out; this

proposed merger, even if shot down by regulators, portends another telecom marriage ahead. With UK's Competition and Markets Authority recommending a spin-off of either Three Mobile or O2 mobile network business in order to approve the deal, a divestment of one of these may happen anyhow.

The Yahoo and Hutchins-Telefonica deals bear scrutiny for their potential for mass surveillance depending on how the proposals play out. Yahoo could end up operating under UK laws, and some part(s) of either Hutchins or Telefonica could end up with a non-UK or non-EU partner.

All of these proposed mergers were in the works before the Panama Papers were released; none of them appear to be motivated solely by tax reduction, but instead by economies of scale and weak market conditions. It'd be nice if executives of all companies raking in profits realized that failing to pay their hourly workers well has a direct impact on overall market demand. Their businesses could retain autonomy instead of spending time and money on M&A they could spend on employees' wages.

**Speaking of Panama Papers: revelations still shaping policy and politics**

- U.S. Treasury still working on tax rules to reduce tax avoidance and evasion by offshoring (Bloomberg) – Many large holding company structures use intra-group loans to move money out of

the U.S. The new rules which may limit these moves may affect not only U.S. corporations but foreign corporations with subsidiaries in the U.S.

- UK's PM David Cameron facing heat about tax avoidance strategies used by his family (Scotsman) – Strategies included a tax-free gift of 200,000 pounds to Cameron from his mother. He is supposed to appear before Parliament for questioning.
- Mossack Fonseca still getting hacked due to poor security response (The Register) – At what point do we ask if MossFon is really just a honeypot, given continued insufficient security?

#### **Just for fun: Rockets!**

If you didn't watch SpaceX's Falcon 9 launch on Friday, you really ought to make some time to do so for entertainment purposes. The first stage of the rocket returned successfully for reused, nailing a landing on a drone ship – a DRONE SHIP AT SEA. I missed the fact the landing pad was a drone vessel when I watched the first attempts. It's a really narrow thing, landing on a speck of a pad in the ocean which is pushed around a bit by ocean currents in spite of the drone ship's programming and/or remote control. (I would love to know who named the drone ship, 'Of Course I Still Love You' and why...)

What's similarly remarkable is the SpaceX team –

their excitement is off the map, rather like watching a K-12 FIRST LEGO robotics competition than an aeronautics business at work. Note in the video the team's reaction just seconds (about 27:30) to the first stage return landing; it's as if they KNEW they had it nailed before it happened. Wouldn't you love to know just how they knew?

Also for grins: compare SpaceX's landing on Friday (start at 23:48 into video) to competitor Blue Origin's recent rocket return. Blue Origin is owned by Amazon's Jeff Bezos; the return is so smooth and slick, but it's in the west Texas desert where potential disruption of the landing has been minimized. Important to keep in mind that SpaceX actually delivered a payload after reaching orbit, where Blue Origin is still limited to sub-orbit elevation.

With that our week's been launched – let's go!

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## FRIDAY MORNING: FAR OVER YONDER

It was rough road this week, but we made it to Friday again for more jazz. Today's genre is ska jazz, which will feel like an old friend to many of you.

The artist Tommy McCook was one of the earliest artists in this genre. Just listen to his work and you'll understand why he has had such a deep and long-lasting influence on contemporary Jamaican music.

Let's get cooking.

**Apple pan dowdy**

- Need a hashtag for NotAlliPhones after FBI says hack only works on “narrow

slice" (Reuters) – The method offered by a third party to open San Bernardino shooter's iPhone 5c won't work on later phones like the iPhone 5s in the Brooklyn case, according to FBI director Jim Comey. While it may be assumed newer technology is the barrier, this could be a simple line in the sand drawn by the FBI so as to limit potential risk.

- Yet another pearl-clutching essay asking us if Apple went too far protecting privacy (MIT Technology Review) – This is the second such POS in this outlet in the last couple of months. Oh, by all means, let's risk exposing hundreds of millions of iOS users to any surveillance because law enforcement needs access to the kind of information they didn't have 20 years ago.
- Apple has complied with government requests to crack iPhones 70 times, beginning in 2008 (Mac Rumors) – The first request, believed to have occurred while George Bush was still in office, arose from a child abuse and pornography case. In a case

like this where children may have been endangered, one can understand the impetus for the request. But maybe, just maybe, Apple was so firm about the San Bernardino iPhone 5c is that Apple knows the government has gone too far after nearly eight years of compliance.

- And for a change of pace, a recipe for Apple Pan Dowdy. Don't fret over the pastry flour; just use all-purpose and not bread flour.

#### **Leftovers**

- Yahoo up for bids, Verizon interested (Reuters) – The same telecom once in trouble for using persistent cookies is interested in a search engine-portal business which may offer them access to non-Verizon customers. Plan ahead for the next level of consumer tracking if Verizon's bid wins. Bidding deadline has been extended from April 11 to the 18th.
- Households at bottom income levels can't afford food, housing (Vox) – Can't understand why the rise of angry white man candidates? This is one big reason –

things are getting much worse for those who can afford it least. And nobody working in Capitol Hill or the White House seems to give a rat's whisker.

- Banksters blame Hollywood for lack of interest in dodgy subprime automotive bonds (Indiewire) – Investment banking firm Morgan Stanley credits the film The Big Short, based on Michael Lewis' book about the 2000s housing bubble and the subprime mortgage crisis, with spooking investors away from subprime automotive bonds. By all means, let's not look in the mirror, banksters, or at the inability of working poor to make ends meet, increasing likely uptick in automotive loan defaults.

- **Venezuela makes every Friday a holiday (Bloomberg)**

– The deep El Nino cycle caused drought conditions, substantively lowering reservoir levels. President Maduro is asking large customers to make their electricity in addition to declaring every Friday for the next two months a work holiday to conserve energy. Clearly Venezuela needed investment in solar energy before this El Nino began.

- Researchers found people do stupid stuff when they find a flash drive (Naked Security) – After sprinkling a campus with prepared USB flash drives, a study found nearly half the people who found them plugged them into a computer, ostensibly to find the owner. DON'T DO IT. If you find one, destroy it. If you lost one, consider it a lost cause – and before you lose one, make sure you've encrypted it just in case somebody is stupid enough to try and find the owner/look at the contents.

**HIGHLY EDITORIAL COMMENT: Bill, STFU.**

Just because a single African American author called you "The First Black President" doesn't mean you are literally a black man (and the label wasn't meant as a compliment). Your massive white/male/former-elected privilege is getting in the way of listening to people you helped marginalize. You cannot fake feeling their pain or triangulate this away. Just shut up and listen, if for no other reason than you're hurting your wife yet again. (Sorry, I had to get that off my chest. This opinion may differ from those of other contributors at this site. YMMV.)

Phew. Hope you have a quiet, calm weekend planned. We could use one. See you Monday morning!

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# THURSDAY MORNING: EYE IN THE SKY

*I am the eye in the sky  
Looking at you  
I can read your mind  
I am the maker of rules  
Dealing with fools  
I can cheat you blind*

– excerpt, Eye in the Sky by Alan  
Parsons Project

It's not like I wanted to haul out all my high school and college music, but they sure seem to work well this week.

Speaking of the eye in the sky...

## **FBI and DHS circle overhead a LOT**

Buzzfeed published its findings after looking into FBI and DHS surveillance flight records, finding a lot of planes circling over mosques. The results also looked at flights immediately after the San Bernardino shooting. You know what would be interesting? Comparing that information against the handling timeline for the Apple iPhone issued to Syed Farouk by his employer.

## **U.S. dealerships sue Volkswagen – but expand on Dieselgate**

Not only are three family-owned dealerships suing VW for its fraudulent use of an emissions control defeat system in their diesel passenger vehicles – they are suing because of VW's financing practices, which steered money away from dealership's preferred financing while leaving the dealerships stuck with rapidly depreciated business value. The potential losses to VW just swelled by another magnitude.

## **Iceland's new PM expects elections this fall**

Rather than dissolving the government, the former Prime Minister Sigmundur David Gunnlaugsson's coalition partners negotiated the appointment of Sigurdur Ingi Johannsson as his

replacement after Gunnlaugsson's Panama Papers-driven resignation. Johannsson said the coalition expects elections this autumn while continuing to focus on working on stability. That's a nice way of saying the Progressive Party and the Independence Party are stalling for time to avoid a likely rout if elections were held today. Polling indicates the Pirate Party would stomp the other three major parties if a vote was held now.

MP and Official spokesperson of the Pirate Party Birgitta Jónsdóttir was interviewed by Democracy Now! about Iceland's current political climate. Jonsdottir, a possible contender for PM, explained her country's reaction to the Panama Papers' revelations:

...What is in particular disturbing about the prime minister's conduct in this matter is that the day before new laws took effect in Iceland about how you declare and how tax havens are dealt with, because Iceland is a part of a sort of a campaign, international campaign, to stop tax havens being a part of a solution on how to get away from participating in paying tax in your own country. He signed—he sold his wife his share for one dollar the day before the laws took effect. And that, in itself, seems highly dubious. And then, he has actually been using his wife as a shield and saying that people that are criticizing him are attacking his wife. I actually think that this guy is in some sort of meltdown, because his behavior in the last few days has been so outrageous that it seems like we are stuck in a satire by Dario Fo, you know, in a complete theater of the absurd. And I'm just so deeply humiliated on behalf of my nation that this is what the outside world is looking at. ...

The feeling of betrayal is palpable. It's a good read, do check it out in its entirety.

## Odd lots

- Massive breach exposes 55 million Philippine voters' identities (The Register) – That's Philippines' Commission on Elections (COMELEC) \*entire\* database, which COMELEC claims doesn't contain anything sensitive. Except for stuff like fingerprints and passport numbers. Oh, and all the information for half the entire country's population.
- China's 'Great Firewall' architect reduced to using VPN during a speech (Shanghaist) – Oops.
- Adobe patching a Flash zero-day (Naked Security) – Again. I know, I know, when will Flash die?
- Climate change could lengthen Europe's dengue fever season (Science Daily) – Longer, warmer summers will extend the season for *Aedes aegypti* and *Aedes albopictus* mosquito populations, the disease's key infection vectors. Hey, you know what else might show up for longer periods of time, too? Zika, since it's carried by *Aedes aegypti*.

Wow. It's coffee break time already? Have at it.  
Catch you tomorrow morning!

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## WEDNESDAY MORNING: WHIP IT GOOD

*When a problem comes along you must whip  
it  
Before the cream sits out too long you  
must whip it  
When something's going wrong you must  
whip it*

— excerpt, Whip It by Devo

Can't tell you how many times I've thought of  
this song in the last couple of days.

### **Panama Papers fallout**

Still not as much reporting showing up in global  
media as one might expect from a collaborative  
effort the size of that mustered by the  
International Consortium of Investigative  
Journalists (ICIJ) and German news outlet  
Süddeutsche Zeitung (SZ) around the leaked  
Panama Papers. But there is a slowly building  
debris field accumulating in the leak's wake.

- Iceland's Prime Minister  
Sigmundur David  
Gunnlaugsson resigned after  
~7.5% of the population  
showed up at a protest rally  
(Channel NewsAsia) – But you  
probably know this much  
already, right? Icelanders  
don't mess around with even  
so much as the appearance of

conflict. Hope somebody will tell us if bananas are a thing at protests in addition to eggs, yogurt, and tissue paper. (see photo).

- Chair of Transparency International's Chile chapter resigned (Transparency.org) – Oops. But kudos to Transparency for the prompt and direct reaction after the leak revealed the Chilean chair had been involved with
- China squelched reporting ties to leadership and revelations in Panama Papers (SCMP) – The suppression includes redirecting search engine queries to stories about sports figures involved in the scandal.
- Amazon's cloud now home to the Panama Papers source documents (Forbes) – And tiny Australian software firm Nuix has been helping with sifting through the documents.

What will today bring?

**Related? Pfizer and Allergan nix their merger**

Proposed changes to Treasury Department rules are blamed for the breakup of this corporate marriage, in which Pfizer would have moved its headquarters to Allergan's location in Ireland to avoid U.S. tax rates. Public sentiment about

offshoring after the Panama Papers leak may have clinched this split.

### **Miscellany**

- Heat pump technology could reduce energy use in clothing dryers by 40% (Phys.org) – Here's a great use of our tax dollars, this research by U.S. Department of Energy's Oak Ridge National Laboratories. Dryers are the largest consumer of electricity in households equipped with them. As much of U.S. energy is produced by fossil fuel, this could have a dramatic impact on CO2 output. Let's hope Congress encourages more of this kind of research as well as tax credits for related corporate R&D and consumer purchases.
- Orbeus, a photo-recognition software company, has been acquired by Amazon (Business Insider) – Imagine getting this message the next time you upload your personal photos to your Amazon Prime Photo account: "People who purchased your spouse's belt on Amazon also purchased this underwear/lubricant/sex toy." Just, no.

- STARZ premium cable channel will now offer a direct streaming service for cord cutters (Ars Technica) – The offering will work much like HBO Direct. But will ISPs that offer STARZ (like Comcast and Charter) attempt to throttle this service as it cuts into their bundled sales? Net neutrality is going to get a work out as more cable channels offer their content straight to consumers.
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## **TUESDAY MORNING: WHAT'S NEWS, TIWES?**

It's the day belonging to Tiwes, the Norse god of single combat. What will we engage in battle about today? Looks like sketchy news coverage is a good reason, after taking a peek at Newsmap this morning to check global media coverage of the Panama Papers.

Very thin reporting, according to the results. Canada, come on – Bill Cosby is bigger news than global corruption?

Ditto for India, which covered the HSBC money laundering scandal exhaustively last year. Very little coverage in that country's English language outlets.

Don't get all peeved off about the U.S. media, which hasn't done a particularly good job over the last 24 hours. It's not just us; the lack of

coverage may say something about media ownership around the world.

One possible example on shore here: the acquisition of the Las Vegas-Review Journal last year. Nevada happens to be the eighth most popular tax haven in the world, and Las Vegas is its heart. Was this paper acquired in order to influence reporting in and about this topic?

Mossack Fonseca has a subsidiary in Las Vegas, by the way.

Let's take a look at science and technology news...

- No change yet to claims that Panama Papers were obtained by an attack on Mossack Fonseca's email server (The Register-UK) – Of particular note, this observation by this tech news outlet:

To date, The Register hasn't seen a strong presence from the tech sector in the staged release of the documents, perhaps because the "Double Irish Dutch Sandwich" tactic favoured in this business works without hiding companies' links to their international associates.

The comments at that link are rather interesting, offering both a perspective from our overseas "cousins" as well as technical assessment about the leak.

- Are you ready for some Thursday night Twitter streaming? (WaPo) – NFL's awarded a deal to Twitter for streaming some of its



games. This is an interesting development, given how much co-watching TV Twitter users do.

- I'm afraid I can't do THAT, Dave: humans aroused by touching robots special places (Phys.org) – Ewww. Don't ask me to travel through the Uncanny Valley with you on this one.
- Revolv's home automation hub now a casualty in the Internet of Things universe (BoingBoing) – Device fell out of the product plans for Google's home automation subsidiary, Nest. Unfortunately, Revolv was sold with a lifetime subscription which will be defunct in May.
- "Routine management reshuffle" replaces three senior execs at China's telecom manufacturer ZTE (Reuters) – coincidentally happens weeks after U.S. authorities revealed attempts by ZTE to circumvent sanctions against Iran.
- Name a non-Zika disease also transmitted by *Aedes aegypti* mosquitoes, facing a drastic vaccine shortage (Science) – You win if you said yellow

fever, which has no cure and can be deadly.

- Article 27: Algorithmic Politics (Furtherfield) – *Necrocapitalism*. Wrap your head around that term. A thought-provoking essay about a world where algorithms are our political system.

That's enough for your coffee break or lunch hour. Catch you here tomorrow morning!

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## **MONDAY MORNING: WELCOME TO BVI – HAVE A TAX-FREE DAY**

Aw, shucks. Spring Break is over just as I find another warm place to visit. The British Virgin Islands expect a balmy daytime high of 84F/29C degrees today with partly cloudy skies.

And a 100% chance of tax havens galore.

Blood's in the water, though, stay ashore. You may hear a lot in the media today about the Panama Papers leak dump in which the BVI feature prominently. What you won't hear much about: this is the second leak about tax havens in exactly three years.

Jack-doodly-squat happened after the first one in April 2013.

The UK's PM David Cameron was pressed in 2013 to do something about BVI's tax laws. He said he would work with the G8 to tackle tax evasion. Of course, we now know why he sat on his hands; he had highly-rewarding and substantial familial

interest in doing nothing but continue his family's tax avoidance scheme. And yet he still managed to get reelected last year, the corrupt pig fucker.

If governments had felt any pressure at all to do something corrective, there wouldn't be a second wave of leaks, right? But the 1% have continued to milk profits from businesses, transfer the money offshore, and buy themselves enough politicians and corporate media to ensure things remained nice and cozy.

Color me skeptical that anything will come of investigations into tax shelters which are for the most part legal, thanks to pwned and compromised governance. But the unfolding story sheds new light on older ones.

Like the decade-plus work on tax havens and abusive tax schemes by the U.S. of Permanent Senate Committee on Investigations, which did not slow or stop the offshoring of capital. B-schools continue to teach offshore tax shelters as 'A Good Thing', right alongside 'Taxes Are Bad' – because the 1% have amassed enough money to make sure legislators and B-schools' leadership stay bought.

How much do the Panama Papers leak materials overlap with the Swiss Leaks scandal, including India's investigation into HSBC, money laundering and influence peddling, reaching into the UK and beyond?

Or a more recent story about hacked elections, including Argentina's. Has laundered money acquired the services necessary to manipulate elections in order to ensure nothing would change in tax laws?

Perhaps the Panama Papers will offer a more cohesive picture of just how badly the 99% are being screwed, if nothing else.

Nothing else, that is, besides the No Confidence vote Iceland's Prime Minister Sigmundur David Gunnlaugsson now faces after the Panama Papers revealed his financial interests in BVI.

It's actually rather quiet on the technology front as I write this. I'll add a few snippets later after caffeination.

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## **WEEKEND OPEN THREAD: YOU'RE GONNA' NEED A BIGGER BOAT**

We've been rather busy around the emptywheel this weekend, but it looks like we need something for conversations about two big topics.

First, the Panama Papers – here's a short and sweet explainer at The Guardian to get you started. It's the biggest leak-based, multi-outlet, global journalistic investigation to date. The server where the papers are located is already ready flooded with traffic (or attempts at DDoSing).

You might be interested in watching the story's impact on world media. Go to Newsmag (turn off technology, sports, entertainment, and health news in the very bottom toolbar if necessary). Then notice how often "Panama Papers" is mentioned. Australia and some of the earliest EU outlets have picked up this story. Watch for the story to roll westward.

Second, the Associated Press announced this weekend its style would henceforth use 'internet' (lowercase i) versus Internet (uppercase I) in all cases. Which is all groovy for journalists who write using AP style, but a misrepresentation of the existence of the Internet versus the internet, because the Internet is still very much a thing. In my opinion, this looks more like word guys not understanding the technology they rely on once

again. Hello, future shock?

Have at it below. I'll catch you tomorrow morning as usual.

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## FRIDAY MORNING: SOME PLACE WARM

Warm, like the Philippines, the home of the Manila sound. It's Friday once again and today's jazz genre is the precursor to Pinoy rock (like Freddie Aguilar's Anak) and Pinoy hip hop (like Andrew E's Binibirocha).

The Manila sound emerged under Ferdinand Marcos' regime; wish I knew more about this body of work to identify songs which pushed the envelope politically. You can still hear the ghost-like impact more than 300 years of Spanish colonialism in some riffs, shaped by other Asian and American influences.

Think I'll try a mix mix cocktail later today with a little more contemporary Filipino jazz.

Coincidentally, "mix mix" is an apt description for this morning's post. A lot of smallish, unrelated items in my inbox today...

### **The canary that didn't chirp**

Reddit may have received a National Security Letter, based on the disappearance of a notice in transparency reporting which up to now indicated no NSLs had been received. Was an NSL sent to Reddit in response to an online discussion last year with Edward Snowden, Laura Poitras, and Glenn Greenwald? Or did some other content trigger a possible NSL?

### **Department of Homeland Security's Cyber Security Division wants to fix open source software**

"Hello, we're from the government. We're here to help you." Uh-huh. Color me skeptical about this initiative intended to reduce vulnerabilities in

open source software. when the government finds a way to insert itself into technology, it's an opportunity for co-option and compromise. Can you say 'backdoor'?

#### **Fixing a problem with business iPhones may create a new one**

A key reason the USD0J went after Apple to crack the passcode on the San Bernardino shooter's iPhone: poor or missing mobile device management software. Had the iPhone's owner and issuer San Bernardino County installed an MDM app that could override the assigned user's passcode, the FBI would have had immediate access to the iPhone's contents. Employers are likely moving toward more and better MDM to prevent a future costly #AppleVsFBI situation. However, the new SideStepper malware is spreading and taking advantage of MDM's ability to push software to enterprise-owned iPhones without the users' approval.

#### **FCC's very busy Thursday**

- FCC approved a \$9.25 monthly subsidy for Lifeline-eligible low-income folks to use on high-speed internet service. Now if only high-speed internet was less than \$10/month, or available across the U.S. to all low-income citizens...there are still wide swaths of the U.S. where high-speed internet is simply a pipe dream, let alone adequate competition to keep prices within reach of the subsidy.
- The subsidy's approval came amid a lot of political scrambling and maneuvering

due to conservatives' resistance on spending (what a surprise, right?), though the investment should increase the number of users able to access state and federal programs online, reducing costs to operate them over the long run.

- The FCC also voted to proceed with rulemaking on the handling of users' personal information over ISPs. Privacy is currently regulated on telecommunications by the FCC, but not on ISPs. Implementing rules on ISPs substantially similar to telecoms may protect consumers' privacy, which is otherwise wide open. It would also force more equitable competition between ISPs and telecoms on consumer communications services. Perhaps this makes it easier to understand why NBC and MSNBC – both owned by cable ISP company Comcast – have been completely in the tank for Donald Trump? (Might even explain why Trump was such an ass to Univision's Jorge Ramos, as Comcast owns competitor Telemundo.)

## Today in literacy

- Participating in a book club could land you in prison in Angola (QZ) – There's either more to this story, or Angola is incredibly repressive and ripe for trouble.
- Fairy tales, now with more firearms (NPR) – The idiots at NRA think there's not enough violence in fairy tales, so they've rewritten them with weapons added. Distorting the Constitution isn't enough; why not distort children's fiction, too?
- Lawful Hacking: using Existing Vulnerabilities for Wiretapping on the Internet (Northwestern Journal of Technology and Intellectual Property) – Not a book, but a worthwhile read for infosec literacy.

## Public Service Announcement: Backup/Alternate Site

You may have noticed the site's connectivity going up and down; there's some tinkering going on under the hood. If the site should go down for long, you can find our more recent content at this alternate site (bookmark for emergency use). If the site needs to stay down for longer periods of time for repairs or redesign, we'll redirect traffic there. Comments left at the other site will not be ported back to this page, however, and the alternate location is not



intended to replace this one though you may find you like the alternate site's mobile version better.

That's a wrap, I'm off to find some calamondins, or an approximation for a mix mix cocktail. Have a good weekend!