



Daily Open Source Infrastructure Report 26 October 2016

Top Stories

- Officials announced October 24 that Embraer S.A. agreed to pay over \$205 million to resolve alleged violations of the Foreign Corrupt Practices Act after its U.S.-based subsidiary paid bribes to foreign government representatives in order to win contracts in those countries. – *U.S. Securities and Exchange Commission* (See item [2](#))
- The president of TelexFree, Inc., pleaded guilty October 24 to operating a pyramid scheme that bilked over \$3 billion from roughly 965,000 investors in 240 countries from February 2012 – April 2014. – *U.S. Attorney’s Office, District of Massachusetts* (See item [3](#))
- Fresno, California city officials awarded an \$18.2 million contract to Floyd Johnston Construction Company Inc. the week of October 17 to build the A-2 segment, a 4-mile section of water mains that will connect the city’s water system to the Southeast Surface Water Treatment Plant. – *Fresno Bee* (See item [8](#))
- Around 50 people were evacuated from a Bellevue, Washington condo complex October 24 due to a fire that prompted the response of over 24 firefighters. – *source* (See item [15](#))

Fast Jump Menu

PRODUCTION INDUSTRIES

- [Energy](#)
- [Chemical](#)
- [Nuclear Reactors, Materials, and Waste](#)
- [Critical Manufacturing](#)
- [Defense Industrial Base](#)
- [Dams](#)

SUSTENANCE and HEALTH

- [Food and Agriculture](#)
- [Water and Wastewater Systems](#)
- [Healthcare and Public Health](#)

SERVICE INDUSTRIES

- [Financial Services](#)
- [Transportation Systems](#)
- [Information Technology](#)
- [Communications](#)
- [Commercial Facilities](#)

FEDERAL and STATE

- [Government Facilities](#)
- [Emergency Services](#)

Energy Sector

Nothing to report

Chemical Industry Sector

See item [4](#)

Nuclear Reactors, Materials, and Waste Sector

Nothing to report

Critical Manufacturing Sector

1. *October 24, U.S. Department of Labor* – (Ohio) **OSHA cites Ohio vehicle parts manufacturer for failing to protect its workers from machine hazards.** The Occupational Safety and Health Administration cited Milark Industries Inc. with 3 willful egregious, 1 willful, and 3 serious violations October 21 following multiple investigations of injuries and complaints alleging unsafe working conditions at the Mansfield, Ohio facility, which revealed that the company failed to lock-out robotic welding cells and tube bender, bypassed safety interlocks in order to maintain the production rate, and bypassed safety devices while conducting maintenance activities, among other violations. Proposed penalties for the violations total \$536,249.

Source:

https://www.osha.gov/pls/oshaweb/owadisp.show_document?p_table=NEWS_RELEASES&p_id=33336

Defense Industrial Base Sector

See item [2](#)

Financial Services Sector

2. *October 24, U.S. Securities and Exchange Commission* – (International) **Embraer paying \$205 million to settle FCPA charges.** The U.S. Securities and Exchange Commission, in collaboration with the U.S. Department of Justice and Brazilian authorities announced October 24 that Embraer S.A. agreed to pay over \$205 million to resolve alleged violations of the Foreign Corrupt Practices Act after the company made more than \$83 million in profits as a result of bribe payments its U.S.-based subsidiary paid through third-party agents to foreign government representatives in the Dominican Republic, Saudi Arabia, and Mozambique in order to win contracts in those countries. Officials stated Embraer allegedly created false records and books, and participated in an accounting scheme in India to conceal the illicit payments.
Source: <https://www.sec.gov/news/pressrelease/2016-224.html>
3. *October 24, U.S. Attorney's Office, District of Massachusetts* – (International) **President of Telexfree pleads guilty to billion dollar pyramid scheme.** The president

of TelexFree, Inc., pleaded guilty October 24 to operating a pyramid scheme that bilked over \$3 billion from roughly 965,000 investors in more than 240 countries between February 2012 and April 2014 by recruiting participants to make continuous payments to TelexFree to be promoters for the company and sell Voice-over-Internet Protocol (VoIP) telephone services, and giving participants substantial monetary incentives for recruiting others to join the scheme. The charges state that the participants met their sales requirements by buying the products themselves, thereby creating the illusion that TelexFree had thousands of legitimate VoIP customers, while the company only derived two percent of its total revenue from VoIP service sales.

Source: <https://www.justice.gov/usao-ma/pr/president-telexfree-pleads-guilty-billion-dollar-pyramid-scheme>

Transportation Systems Sector

4. *October 25, Duluth News Tribune* – (Wisconsin) **Crews clean up chemical leak after train derailment near Superior.** Wisconsin Highway 35 south of Superior was closed for about 5 hours October 24 – October 25 after 4 cars of a Union Pacific train derailed and punctured a tanker, causing combustible octene to spill. HAZMAT crews were monitoring the spill and the cause of the derailment remains under investigation.
Source: <http://www.duluthnews Tribune.com/news/superior/4144114-highway-closed-several-hours-after-train-derailment-south-superior-no-injuries>
5. *October 24, Cedar Rapids Gazette* – (Iowa) **Two hurt in car-school bus crash in Linn County.** Highway 151 northbound near Springville, Iowa, was closed for nearly 3 hours October 24 after a vehicle lost control and collided with a Springville Community School District bus. One student was transported to an area hospital with injuries.
Source: <http://www.thegazette.com/subject/news/public-safety/collision-with-springville-school-bus-closes-highway-151-20161024>
6. *October 24, Associated Press* – (Nevada) **1 dead after I-15 crash in Vegas; diesel spill closes road.** Northbound Interstate 15 in Las Vegas was closed for several hours October 24 while crews worked to clear the wreckage after a semi-truck jackknifed, spilling diesel on the roadway.
Source: <http://www.lasvegasnow.com/news/1-dead-after-i-15-crash-in-vegas-diesel-spill-closes-road>
7. *October 23, WHNT 19 Huntsville* – (Alabama) **Alabama Highway 35 reopens after being shut down due to wildfire.** Alabama Highway 35 between Alabama Highway 176 and Alabama Highway 273 in Cherokee County was reopened after being closed for several hours October 23 due to thick smoke from a wildfire burning near the Little River Canyon National Preserve.
Source: <http://whnt.com/2016/10/23/highway-35-closure-due-to-fire-at-little-river-canyon/>

For additional stories, see items [2](#) and [8](#)

Food and Agriculture Sector

Nothing to report

Water and Wastewater Systems Sector

8. *October 24, Fresno Bee* – (California) **Fresno starts work on pipes to connect new southeast water plant.** City officials in Fresno, California, awarded an \$18.2 million contract to Floyd Johnston Construction Company Inc. the week of October 17 to build the A-2 segment, a 4-mile section of water mains that will connect the city's water system to the Southeast Surface Water Treatment Plant being built in southeast Fresno as part of the city's \$429 million Recharge Fresno plan. Officials state that construction of the A-2 regional transmission pipeline segment may begin by the end of 2016, and is expected to be completed in early 2018.

Source: <http://www.fresnobee.com/news/local/article110235877.html>

Healthcare and Public Health Sector

Nothing to report

Government Facilities Sector

9. *October 24, KOAA 5 Pueblo* – (Colorado) **Junkins Fire now 50 percent contained.** About 911 firefighters reached 50 percent containment October 24 of the roughly 18,132-acre Junkins Fire burning in Custer County, Colorado, which has destroyed 9 homes and 17 outbuildings. Evacuation orders remain in effect on County Road 387, while officials reopened Highway 165 in Custer County.

Source: <http://www.koaa.com/story/33456315/junkins-fire-now-50-percent-contained>

For another story, see item [5](#)

Emergency Services Sector

10. *October 24, Glen Cove Patch* – (New York) **Former treasurer stole \$45K from Glenwood fire company: DA.** A former treasurer for the Glenwood Landing Fire Department in Glenwood Landing, New York, was arrested October 24 after he allegedly embezzled more than \$45,000 from the department's membership fund from January 2011 – March 2015 by writing checks to the chairperson for fire department events and stealing the leftover money the chairperson returned to him. The charges also allege that the former treasurer stole large sums of money from the fire company's arcade machine and safe.

Source: <http://patch.com/new-york/glencove/former-treasurer-stole-45k-glenwood-fire-company-da>

Information Technology Sector

11. *October 25, SecurityWeek* – (International) **Android root exploits abuse Dirty COW**

vulnerability. Security researchers found that the Dirty COW Linux kernel vulnerability disclosed the week of October 17 can be exploited by a local attacker to escalate privileges to root on Android devices running a Linux kernel higher than 2.6.22 and to compromise an entire system by altering the copy-on-write cache provided by the kernel to change what the system and apps see when reading the affected files. NowSecure researchers stated in order to exploit the vulnerability, an attacker must run code on the device via the Android Debug Bridge (ADB) over universal serial bus (USB) or by installing an app that leverages the exploit. Source: <http://www.securityweek.com/android-root-exploits-abuse-dirty-cow-vulnerability>

12. *October 25, SecurityWeek* – (International) **Researchers leverage voicemail flaw to compromise messaging apps.** InTheCyber security researchers discovered a voicemail caller-ID spoofing flaw could be leveraged to steal activation codes sent by messaging applications such as Telegram, WhatsApp, and Signal and compromise accounts after finding that an automated call leaves the account activation code in a user’s voicemail if the code sent via text message is not promptly inputted into the app. Once the activation code has reached a victim’s voicemail, the attacker can spoof their caller ID to impersonate the victim in order to access the targeted voicemail and activation code. Source: <http://www.securityweek.com/researchers-leverage-voicemail-flaw-compromise-messaging-apps>
13. *October 24, SecurityWeek* – (International) **Russian man accused of hacking LinkedIn, Dropbox.** A Russian national was arrested in the Czech Republic October 5 and indicted on Federal charges in the U.S. October 21 for his alleged role in the 2012 LinkedIn, Formspring, and Dropbox breaches. Officials reported that the Dropbox hack has affected more than 68 million accounts and all 3 hacks were carried out after attackers stole employee credentials. Source: <http://www.securityweek.com/russian-man-accused-hacking-linkedin-dropbox>

Internet Alert Dashboard

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

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

Communications Sector

See items [3](#) and [12](#)

Commercial Facilities Sector

14. *October 25, WXIA 11 Atlanta* – (Georgia) **Union City apartment fire displaces dozens.** A fire displaced 30 residents and destroyed 10 units of the Shannon Lake Apartments in Union City, Georgia, October 24. No injuries were reported and the cause of the fire remains under investigation.

Source: <http://www.11alive.com/news/local/union-city/union-city-apartment-fire-displaces-dozens/341343755>

15. *October 24, KOMO 4 Seattle* – (Washington) **4 injured as fire guts condo complex near downtown Bellevue.** Around 50 people were evacuated from a Bellevue, Washington condominium complex October 24 following a 2-alarm fire that prompted the response of more than 2 dozen firefighters. Four people were injured and the cause of the fire remains under investigation.
Source: <http://komonews.com/news/local/firefighters-battling-2-alarm-fire-in-downtown-bellevue>
16. *October 24, Hawaii News Now* – (Hawaii) **Fire damages Kihei restaurant.** An October 23 fire at Three's Grill and Bar in Kihei, Hawaii, caused an estimated \$250,000 in damages. No injuries were reported and the cause of the fire remains under investigation.
Source: <http://www.hawaiinewsnow.com/story/33460852/fire-damages-kihei-restaurant>
17. *October 24, KOMO 4 Seattle* – (Washington) **Fire causes explosion in downtown Arlington shopping center.** A 2-alarm fire and explosion displaced up to 15 people and destroyed the 2-Bit Thrift Store, a restaurant, and several apartments in a historic building in Arlington, Washington, October 24. No injuries were reported and the cause of the fire remains under investigation.
Source: <http://komonews.com/news/local/crews-battling-2-alarm-fire-in-downtown-arlington>
18. *October 24, KMVT 11 Twin Falls/KSVT 14 Twin Falls* – (Idaho) **Early morning alarm prompts hotel guests to evacuate building.** Guests at the Shilo Inn Suites Hotel in Twin Falls, Idaho, were evacuated for over 2 hours October 24 after a leak in the hotel's dry sprinkler system set off the fire alarm.
Source: <http://www.kmvt.com/content/news/Sprinkler-system-leak-leads-to-early-morning-evacuation-at-hotel-398267931.html>

Dams Sector

Nothing to report



Department of Homeland Security (DHS)
DHS Daily Open Source Infrastructure Report Contact Information

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Contact Information

Content and Suggestions:	Send mail to cikr.productfeedback@hq.dhs.gov or contact the DHS Daily Report Team at (703) 942-8590
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Contact DHS

To report physical infrastructure incidents or to request information, please contact the National Infrastructure Coordinating Center at nicc@hq.dhs.gov or (202) 282-9201.

To report cyber infrastructure incidents or to request information, please contact US-CERT at soc@us-cert.gov or visit their Web page at www.us-cert.gov.

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