



Daily Open Source Infrastructure Report 30 September 2016

Top Stories

- Weatherford International agreed to pay \$140 million September 27 to settle charges that the firm fraudulently lowered its year-end provision for income taxes to align earnings with previously-disclosed projections. – *U.S. Securities and Exchange Commission* (See item [1](#))
- The former president and chairman of the board at Gerova Financial Group, Ltd. was convicted September 28 for defrauding the firm’s shareholders out of roughly \$72 million by diverting corporate stock to himself and 6 co-conspirators from 2009 – 2011. – *U.S. Attorney’s Office, Northern District of New York* (See item [6](#))
- A NJ Transit train crashed at the Hoboken Terminal in New Jersey September 29, killing at least 1 person and injuring up to 100 others. – *WNBC 4 New York* (See item [8](#))
- Vibra Healthcare, LLC agreed to pay \$32.7 million September 28 to resolve claims that the firm admitted multiple patients to 5 of its long-term care hospitals and 1 inpatient rehabilitation facility who did not qualify for treatment at the facilities between 2006 and 2013. – *U.S. Department of Justice* (See item [16](#))

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Energy Sector

1. *September 27, U.S. Securities and Exchange Commission* – (Washington, D.C.) **Oil services company paying \$140 million penalty for account fraud.** The U.S. Securities and Exchange Commission announced September 27 that Weatherford International, an oil services company, agreed to pay \$140 million to settle charges that the firm fraudulently lowered its year-end provision for income taxes by up to \$154 million each year in order to align its earnings with its previously-disclosed projections and effective tax rate.

Source: <https://www.sec.gov/news/pressrelease/2016-194.html>

Chemical Industry Sector

See item [10](#)

Nuclear Reactors, Materials, and Waste Sector

Nothing to report

Critical Manufacturing Sector

2. *September 29, Associated Press* – (National) **Volvo recalls 127K vehicles due to leak.** The Volvo Group issued a recall September 29 for approximately 127,000 of its model years 2016 – 2017 XC90, S90, and V90 vehicles due to an improperly installed drain hose, which could cause the air conditioning unit to leak water into the vehicle and prevent the airbags from deploying during a crash, thereby increasing the risk of injury. Source: <http://www.detroitnews.com/story/business/autos/foreign/2016/09/29/volvo-recall/91262534/>
3. *September 29, Atlanta Journal-Constitution* – (Georgia) **Firefighters still battling warehouse blaze.** Crews worked for more than 2 hours September 29 to extinguish a large fire that destroyed the National Equipment Development Company Inc. warehouse in DeKalb County, Georgia. No injuries were reported and the cause of the fire remains under investigation. Source: <http://www.ajc.com/news/local/roof-collapses-intense-blaze-rips-through-warehouse/ch2gcW5MxpH4Uh19nZQoTN/>
4. *September 28, TheCarConnection.com* – (International) **2013-17 Ford Focus, 2014 Ford Transit Connect recalled: over 75,000 vehicles affected.** The Ford Motor Company issued a recall September 28 for 64,038 of its model years 2013 – 2017 Ford Focus hatchback and model years 2016 – 2017 Ford Focus RS vehicles equipped with manual transmissions sold in the U.S. due to a software glitch that could allow the hatchbacks to simultaneously unlock and unlatch while the vehicle is in motion, thereby allowing cargo to fall out. The recall also affects 9,877 vehicles sold in Canada. Source: http://www.thecarconnection.com/news/1106358_2013-17-ford-focus-2014-ford-transit-connect-recalled-over-75000-vehicles-affected

For another story, see item [22](#)

Defense Industrial Base Sector

5. *September 28, U.S. Department of Labor* – (Wisconsin) **Wisconsin military explosives manufacturer faces nearly \$143K in OSHA penalties for exposing workers to lead and other hazards.** The Occupational Safety and Health Administration cited R. Stresau Laboratory Inc. with 1 willful, 8 serious, and 1 other-than-serious violation September 23 after an inspection at the company's Spooner, Wisconsin facility revealed that the company failed to follow respiratory protection requirements, failed to conduct preventative maintenance checks on ventilation systems, and failed to implement engineering, work practice, and respiratory protection controls, thereby exposing roughly 40 employees to lead. Proposed penalties total \$143,576.

Source:

https://www.osha.gov/pls/oshaweb/owadisp.show_document?p_table=NEWS_RELEASES&p_id=33171

Financial Services Sector

6. *September 28, U.S. Attorney's Office, Southern District of New York* – (International) **Former president and chairman of the board of Gerova Financial Group, found guilty of defrauding shareholders.** The former president and chairman of the board at Gerova Financial Group, Ltd. was convicted September 28 for defrauding the firm's shareholders out of roughly \$72 million by secretly diverting corporate stock to himself and 6 co-conspirators without any legitimate business purpose from 2009 – 2011, causing the former executive to personally accumulate over \$2.6 million in illicit earnings. The charges state that the former Gerova official intentionally deceived the firm's chief financial officer and other officers, causing the company to conceal information about the stock scheme in its public filings with the U.S. Securities and Exchange Commission, among other fraudulent activities.

Source: <https://www.justice.gov/usao-sdny/pr/gary-hirst-former-president-and-chairman-board-gerova-financial-group-found-guilty>

7. *September 28, U.S. Department of Justice* – (International) **New York City resident pleads guilty to using sham foreign entity and secret foreign accounts in Switzerland and Israel to evade taxes.** A New York resident pleaded guilty September 28 to Federal and New York State tax evasion for tax years 2003 – 2005 and 2007 – 2010 by hiding more than \$7.3 million in undeclared financial accounts from 1987 – 2011 in Switzerland and Israel, as well as using Contactus Partnership Associated S.A., a fake British Virgin Island entity, to avoid paying over \$650,000 in U.S. taxes. The charges allege the man repatriated the funds by having an attorney draft a fraudulent agreement between himself and Contactus, and wiring the funds into his attorney's escrow account.

Source: <https://www.justice.gov/opa/pr/new-york-city-resident-pleads-guilty-using-sham-foreign-entity-and-secret-foreign-accounts>

For another story, see item [1](#)

Transportation Systems Sector

8. *September 29, WNBC 4 New York* – (New York) **1 dead, up to 108 hurt in major Hoboken train crash.** NJ Transit train number 1614 traveling on the Pascack Valley Line crashed through a bumper stop at the end of the platform at the Hoboken Terminal in Hoboken, New Jersey, September 29, killing at least 1 person, injuring up to 100 others, and causing extensive damage to the station. The cause of the derailment remains under investigation.
Source: <http://www.nbcnewyork.com/news/local/Major-Train-Accident-in-Hoboken-Injuries-Reported-395249051.html>
9. *September 29, WABC 7 New York* – (Connecticut) **1 dead, 1 arrested in Westport after tanker catches fire off Interstate 95.** Northbound lanes of Interstate 95 in Westport, Connecticut, were closed for about 4 hours September 28, while southbound lanes remained closed for nearly 12 hours September 28 – September 29 while crews worked to remove the wreckage following a 2-vehicle accident involving a tanker truck and another vehicle. One person was killed.
Source: <http://abc7ny.com/news/sewage-tanker-crash-in-westport-kills-1-closes-i-95-sb/1531574/>
10. *September 29, Alaska Dispatch News* – (Alaska) **EPA fines state transportation agency \$118,000 for hazardous-waste violations.** The U.S. Environmental Protection Agency (EPA) fined the Alaska Department of Transportation and Public Facilities \$118,000 September 27 to resolve violations related to hazardous waste requirements under the Resource Conservation and Recovery Act after Alaska officials allegedly stored nearly 4,500 pounds of corrosive liquids, petroleum products, and solvents in at least 40 containers at a Juneau facility without proper permits. The EPA stated the State failed to properly identify the containers as hazardous waste, exposed several containers to the weather, and failed to properly close other containers.
Source: <http://www.adn.com/alaska-news/environment/2016/09/28/epa-fines-state-transportation-agency-118000-for-hazardous-waste-violations/>
11. *September 29, WKBN 27 Youngstown* – (Ohio) **Semi accident, fire shuts down portion of I-80 in Liberty.** A portion of Interstate 80 in Liberty, Ohio, was shut down for several hours September 29 after a semi-truck overturned and caught fire, igniting 2 nearby vehicles. HAZMAT crews advised anyone with breathing problems to avoid the area.
Source: <http://wkbn.com/2016/09/29/semi-accident-fire-shuts-down-portion-of-i-80-in-liberty/>
12. *September 28, KMOV 4 St. Louis* – (Missouri) **All lanes reopen following major wreck on NB I-55/44 near Soulard.** A multi-vehicle crash closed 4 lanes of Interstate 55/Interstate 444 in southern St. Louis, Missouri, for nearly 2 hours September 28.
Source: <http://www.kmov.com/story/33272829/major-wreck-closes-four-lanes-of-nb-i-55-in-soulard>

Food and Agriculture Sector

13. *September 28, Dodge City High Plains Journal* – (Kansas) **Emerald ash borer confirmed in Atchison County.** Officials from the Kansas Department of Agriculture and U.S. Department of Agriculture announced September 28 that Atchison County was added to the emerald ash borer quarantine after the insect was found in a trap in the county September 19. The quarantine prohibits the movement of the emerald ash borer in any living stage of development, firewood, or nursery stock out of the quarantined area.
Source: http://www.hpj.com/ag_news/emerald-ash-borer-confirmed-in-atchison-county/article_0fd79d66-85a7-11e6-8c7f-3b2cc217025f.html
14. *September 28, U.S. Food and Drug Administration* – (National) **McCain Foods USA, Inc. issues expanded allergy alert on undeclared milk in frozen onion rings sold and distributed under private label retailer brands.** McCain Foods USA, Inc. expanded a previous recall September 28 to include its Kroger Brand Frozen Breaded Minced Onion Rings products and its Fareway Brand Frozen Breaded Onion Rings products sold in 20-ounce packages due to mislabeling and undeclared milk following a packaging error. No illnesses have been reported.
Source: <http://www.fda.gov/Safety/Recalls/ucm523068.htm>

Water and Wastewater Systems Sector

Nothing to report

Healthcare and Public Health Sector

15. *September 28, U.S. Food and Drug Administration* – (National) **FDA approves first automated insulin delivery device for type 1 diabetes.** The U.S. Food and Drug Administration approved September 28 Medtronic’s MiniMed 670G hybrid closed looped system, known as an “artificial pancreas,” which automatically monitors glucose levels and administers or withholds basal insulin doses in patients with type 1 diabetes.
Source: <http://www.fda.gov/NewsEvents/Newsroom/PressAnnouncements/ucm522974.htm>
16. *September 28, U.S. Department of Justice* – (National) **Vibra Healthcare to pay \$32.7 million to resolve claims for medically unnecessary services.** Vibra Healthcare, LLC agreed to pay \$32.7 million September 28 to resolve claims that Vibra admitted multiple patients to 5 of its long-term care hospitals (LTCHs) and 1 of its inpatient rehabilitation facilities (IRFs) who did not qualify for treatment at the facilities, and extended the stay of LTCH patients to complete medically unnecessary services between 2006 and 2013. As part of the settlement, Vibra agreed to enter a corporate integrity agreement with the Inspector General of the U.S. Department of Health and Human Services.
Source: <https://www.justice.gov/opa/pr/vibra-healthcare-pay-327-million-resolve->

[claims-medically-unnecessary-services](#)

Government Facilities Sector

17. *September 29, WYFF 4 Greenville* – (South Carolina) **2 students, teacher injured in shooting at Townville Elementary; teen in custody.** The superintendent of Anderson School District 4 in Anderson County, South Carolina, closed Townville Elementary School until October 3 following a shooting at the school September 28 that injured 2 students and 1 teacher. Officials stated a suspect is in custody.
Source: <http://www.wyff4.com/news/possible-shooting-reported-at-elementary-school-police-say/41866672>
18. *September 28, Santa Monica Patch* – (California) **Santa Monica court evacuated after suspicious device found.** The Santa Monica Municipal Court in Santa Monica, California, was evacuated and closed until September 29 after a suspicious device was found in the building September 28. Officials deemed the area safe and the incident remains under investigation.
Source: <http://patch.com/california/santamonica/santa-monica-court-evacuated-after-suspicious-device-found>
19. *September 27, WTXF 29 Philadelphia* – (New Jersey) **Salem Middle School closed indefinitely after ceiling collapse.** Salem Middle School in Salem, New Jersey, was closed until further notice September 23 after the ceiling collapsed in one of the classrooms. Officials moved students to John Fenwick Academy and Salem High School September 28 until repairs to the middle school are completed.
Source: <http://www.fox29.com/news/208230938-story>

Emergency Services Sector

Nothing to report

Information Technology Sector

20. *September 29, SecurityWeek* – (International) **Syrian Electronic Army member pleads guilty to hacking, extortion.** A member of the Syrian Electronic Army (SEA) hacker group pleaded guilty to Federal charges for his role in an extortion scheme where he and another SEA member breached the systems of various organizations in the U.S. and other countries and threatened to damage their computers and data unless a ransom was paid. The FBI is searching for two other suspects involved in the extortion scheme.
Source: <http://www.securityweek.com/syrian-electronic-army-member-pleads-guilty-hacking-extortion>
21. *September 27, SecurityWeek* – (International) **Apple confirms weakened security in local iOS 10 backups.** Apple confirmed an issue affecting the encryption strength for local backups of devices running on operating system (iOS) 10 after ElcomSoft

security researchers discovered a bug in iOS 10 that makes local backups more susceptible to brute-force attacks than previous operating systems by allowing for 6,000,000 passwords to be attempted per second, while iOS 9 only allowed for 2,400 passwords to be attempted per second. Apple officials stated a patch for the flaw would be released in an upcoming update.

Source: <http://www.securityweek.com/apple-confirms-weakened-security-local-ios-10-backups>

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

22. *September 28, SecurityWeek* – (International) **Siemens patches flaw in SCALANCE products.** Siemens released an update for its SCALANCE M-800 industrial routers and SCALANCE S615 firewall versions prior to 4.02 resolving a medium severity vulnerability that could allow a man-in-the-middle (MitM) attacker to obtain Web session cookies and access potentially sensitive information.

Source: <http://www.securityweek.com/siemens-patches-flaw-scalance-products>

Commercial Facilities Sector

Nothing to report

Dams Sector

23. *September 29, Monroe Courier* – (Connecticut) **Stevenson Dam to close for girder repairs.** Connecticut officials announced September 29 that the Stevenson Dam near Monroe, Connecticut, and its bridge spanning the Housatonic River will shut down in order to repair corroded girders starting October 6. Authorities advised residents to use alternate routes during the repair work, which is expected to be completed by December.

Source: <http://www.monroecourier.com/40210/stevenson-dam-to-close-for-girder-repairs/>

24. *September 29, Fayetteville Observer* – (North Carolina) **Dam 'caving in,' evacuations possible in Spring Lake; 25 rescued in Fayetteville.** North Carolina officials reported September 29 that the Hope Mills Dam in Hope Mills is caving in after over 3.6 inches of rain fell in the Fayetteville area from September 28 – September 29, flooding the dam construction site that was established in August to rebuild the dam. Authorities were working to determine the extent of potential delays to construction.

Source: http://www.fayobserver.com/news/local/latest-hope-mills-dam-site-flooding-fayetteville-residents-stranded/article_4d8c834a-ae3d-52b9-8505-8066d64872f7.html



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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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