

VFI Executive Briefing
A weekly roundup of technology news
July 25-29, 2016

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HILL UPDATE

Nothing new this week.

SPECIAL COVERAGE—DNC Hacking

I wanted to include this in the special coverage as this story has taken many turns since it was first reported. There are certainly political aspects to this related to the presidential campaign but I think there are broader issues beyond the campaign. Also of note is as the week went on, the story morphed from “certainty” that Russia “did it” to uncertainty. This has also fractured those in the government data leaks business as is evidenced by the Snowden/WikiLeaks debate about the way one goes about presenting leaked data (see WaPo story below). Needless to say, cybersecurity and privacy are now front and center in the 2016 election season. This story will likely continue throughout the campaign as WikiLeaks promises to release more information over the next few months.

- **The Hill** [WikiLeaks posts 20,000 DNC emails](#)

WikiLeaks has published 20,000 emails from the Democratic National Committee. The leak, which also includes 8,000 file attachments, went live on Friday morning. WikiLeaks bills it as part of its “new Hillary Leaks series.” “The leaks come from the accounts of seven key figures in the DNC: Communications Director Luis Miranda (10770 emails), National Finance Director Jordon Kaplan (3797 emails), Finance Chief of Staff Scott Comer (3095 emails), Finance [sic] Director of Data & Strategic Initiatives Daniel Parrish (1472 emails), Finance Director Allen Zachary (1611 emails), Senior Advisor Andrew Wright (938 emails) and Northern California Finance Director Robert (Erik) Stowe (751 emails),” the site advertises.

- **New York Times** [As Democrats Gather, a Russian Subplot Raises Intrigue](#)

An unusual question is capturing the attention of cyberspecialists, Russia experts and Democratic Party leaders in Philadelphia: Is Vladimir V. Putin trying to meddle in the American presidential election? Until Friday, that charge, with its eerie suggestion of a Kremlin conspiracy to aid Donald J. Trump, has been only whispered. But the release on Friday of some 20,000 stolen emails from the Democratic National Committee’s computer servers, many of them embarrassing to Democratic leaders, has intensified discussion of the role of Russian intelligence agencies in disrupting the 2016 campaign.

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- **The Hill** [Report: DNC hack includes personal email of staffer researching Manafort](#)

A Democratic National Committee consultant said she was alerted to a targeting of her personal email by "state-sponsored actors" after she began researching a top aide to Donald Trump. Alexandra Chalupa received the alert when logging into her personal Yahoo email account, according to Yahoo News investigative journalist Michael Isikoff. "Important action required," the pop-up alert read. "We strongly suspect that your account has been the target of state-sponsored actors."

- **CNET** [FBI investigating hack of Democratic party email](#)

The FBI confirmed on Monday that it's looking into the hacking of the Democratic party's emails. "The FBI is investigating a cyber intrusion involving the DNC and are working to determine the nature and scope of the matter," the agency's statement said. "A compromise of this nature is something we take very seriously, and the FBI will continue to investigate and hold accountable those who pose a threat in cyberspace." The leak, which included emails sent by several Democratic National Committee officials from January 2015 to May 2016, made its way to WikiLeaks on Friday, just days before the Monday start of the party's convention in Philadelphia.

- **The Hill** [Evidence mounts linking DNC email hacker to Russia](#)

Emails sent by Guccifer 2.0 to The Hill show evidence that the hacker used Russian-language anonymity software — a language he has claimed he could not read or even recognize. The news comes amid mounting reports linking Guccifer 2.0's hack of Democratic National Committee (DNC) emails to Russian intelligence. Guccifer 2.0 communicates with journalists using different disposable web-based email accounts each time. With The Hill, he communicated using addresses from ProtonMail and Mail.com.

- **Washington Post** [Snowden and WikiLeaks clash over leaked Democratic Party emails](#)

Two of the biggest names in government data leaks clashed over how to responsibly release information on Twitter on Thursday. It started when Edward Snowden tweeted that WikiLeaks' "hostility to even modest curation" was a mistake. WikiLeaks wasn't happy about the criticism -- and hit Snowden back by accusing him of pandering to Democratic presidential nominee Hillary Clinton.

- **New York Times** [Is D.N.C. Email Hacker a Person or a Russian Front? Experts Aren't Sure](#)

Who is Guccifer 2.0, the self-proclaimed Romanian "lone hacker" responsible for copying thousands of emails and other files from the Democratic National Committee — a real person, or a front created by Russian intelligence officials? Technology specialists have been debating that question since June 15, when CrowdStrike, a cybersecurity firm hired by the Democratic National Committee, announced that sophisticated hacker groups with Russian links were responsible for breaching the committee's computer servers. Within hours of the announcement, someone using the moniker Guccifer 2.0 started a blog to mock that finding, posting several of the stolen documents and claiming sole credit.

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- **Christian Science Monitor** [Opinion: DNC hack requires swift, forceful response from Washington](#)

President Obama should start with a series of brushback pitches to show Russian President Vladimir Putin and his intelligence services that US democracy is off limits. Perhaps because of his KGB background, Mr. Putin appears to see such interference as normal. We must convince him it's not. [...] Fortunately, the media hasn't portrayed the DNC hack as a "cyber" story and buried in tech sections. Instead, it's splashed on front pages. Still, the president should consider declassifying some intelligence to help convince the electorate that our constitutional system is under attack.

SPECIAL COVERAGE—Legal Cases

A lot was in the news this week regarding the legal cases Microsoft has filed against the U.S. Government. Brad Smith was interviewed by The Washington Post about the legal strategy and the Justice Department filed a motion to dismiss the Microsoft suit in the Ninth Circuit Court concerning secrecy orders on government warrants and disclosure to customers. There were also additional articles/opinion pieces about Microsoft's Second Circuit Court victory.

- **Washington Post** [Microsoft's president explains the company's quiet legal war for user privacy](#)

Apple's legal battle over encryption dominated headlines earlier this year, but another tech giant is fighting a quieter legal war over user privacy: Microsoft. It won a major victory last week, when the U.S. Court of Appeals for the 2nd Circuit sided with the company, ruling that a U.S. warrant could not be used to force Microsoft to turn over email data stored in an Irish data center. The decision, which the Justice Department is considering appealing to the Supreme Court, could have major implications for tech companies who routinely move data around the world so it can be backed up or quickly accessed by users.

- **CIO** [Justice Dept. moves to dismiss Microsoft's data searches lawsuit](#)

CIO reported on the Justice Department's motion requesting that the Ninth Circuit dismiss Microsoft's nondisclosure lawsuit against the U.S. government. The DOJ argued in its motion that "Microsoft's challenge effectively asks this court to adjudicate the lawfulness of thousands of such court orders from across the U.S., without regard to the basis for, and terms of, those orders, which necessarily vary from case to case."

- **CNBC** [The US can't go stomping on other countries' laws. Period.](#)

CNBC published an op-ed by Paul Rosenzweig, senior advisor to the Chertoff Group, analyzing the recent Second Circuit decision in Microsoft's warrant case. Rosenzweig praised the ruling, noting that the U.S. government's arguments in the case were "corrosive" to a free and open internet.

- **InsideSources** [A Victory for E-Privacy](#)

Uncle – the federal government – just got a much-needed slap down from one of its own courts, which had the guts to tell Uncle he's got no jurisdiction outside the United States. The case at issue involved an attempt to force Microsoft (and in principle, other tech companies) to turn over customer data stored on servers located overseas. The pretext in this particular case being the "war" on some "drugs." You know,

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the ones the government arbitrarily decrees to be illegal, as opposed to the other “drugs” – like alcohol – it says are ok.

- CSO Online [Court ruling shows the internet does have borders after all](#)

CSO Online published an op-ed by J. Trevor Hughes, president and CEO of the International Association of Privacy Professionals, analyzing the Second Circuit ruling in Microsoft’s warrant case. Hughes suggests that “the pendulum has swung toward recognition” that national borders exist online and should be respected by foreign countries.

ARTICLE SUMMARY

Washington Post [Edward Snowden, the brand](#)

Edward Snowden, the former NSA contractor who helped expose the extent of U.S. government surveillance, is among the most notorious and celebrated American fugitives. But from his self-imposed exile in Russia, he has also managed to establish himself as the most significant personal brand on privacy issues. On Thursday, Snowden took the first step in using that brand to launch an actual product. During an MIT Media Lab presentation, Snowden and security researcher Andrew Huang unveiled plans for a phone case that could give activists and journalists a heads-up when their phone is secretly sending out signals that could enable them to be tracked by intelligence agencies.

The Verge [Hillary Clinton's new mobile app offers real-world rewards to her biggest supporters](#)

Hillary Clinton might be namedropping Pokémon Go on the campaign trail, but she'll also be hoping her supporters have some smartphone battery left for another app — her own. Clinton supporters Hillary for America launched Hillary 2016 on the App Store last night, an app that offers daily challenges and quizzes to Clinton supporters, as well as providing digital and physical rewards to volunteers who help organize and canvass for the Democratic candidate.

The Verge [Donald Trump is hosting a Reddit AMA during the Democratic National Convention](#)

Republican presidential candidate Donald Trump is holding an "Ask Me Anything" session on Reddit the night that President Barack Obama and Vice President Joe Biden are set to speak at the Democratic National Convention. The AMA, which was announced this morning, will be held on July 27th at 7PM ET on Trump subreddit r/The_Donald.

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The Hill [Google searches for 'third-party candidate' spike during GOP convention](#)

Google says searches for a "third-party candidate" rose 1,150 percent during this week's Republican National Convention. The four-day event in Cleveland ended Thursday with Donald Trump formally accepting his party's presidential nomination. Hillary Clinton is slated to accept her party's nomination during the Democrats' convention next week in Philadelphia. But both Clinton and Trump consistently score high unfavorable ratings in multiple polls.

The Hill [Trump's LGBTQ remarks make splash on Facebook](#)

Donald Trump's response to Republican delegates who cheered his call to protect LGBTQ rights generated the most attention on Facebook Thursday night. During his speech accepting the party's presidential nomination at the Republican National Convention Thursday night, Trump said that it was important to protect LGBTQ people from foreign actors who might wish them harm. That was met with cheers from the delegates gathered in Cleveland's Quicken Loans Arena.

BBC [EU watchdogs permit Privacy Shield to run for one year](#)

BBC and several media outlets reported that the Article 29 Working Party approved the EU-U.S. Privacy Shield agreement. Article 29 Chairwoman Isabelle Falque-Pierrotin noted that privacy regulators want to see evidence that the additional commitments by the U.S. over limits to accessing Europeans' data for security reasons are sufficient.

Wired [This Insane DNC Is the Convention the Internet Made](#)

MARCIA FUDGE NEVER stood a chance. Though party officials had just named her chair of the Democratic National Convention the day before, the Ohio congressmember looked more like an exasperated public school principal, patience already worn thin mere hours into the first day of school. As Fudge addressed the crowd from the stage, a mutiny was under way at the Democratic National Convention. As Fudge spoke, a vocal minority of delegates booed any mention of party unity or Hillary Clinton, chanting Bernie Sanders' name at every opportunity.

The Wall Street Journal [FBI Director Says Agency Is Talking With Tech Firms About Privacy, Encryption](#) (subscription needed)

The Federal Bureau of Investigation is holding ongoing talks with technology companies about a range of privacy and encryption issues, said James Comey, the agency's director. The talks reflect heightened awareness about the intersection of cybersecurity and physical terrorism. Pervasive use of encryption by individuals, companies and other organizations means "we are moving to a place where wide swaths

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of American life are absolutely private,” said Mr. Comey, speaking at the International Conference on Cyber Security here Wednesday. “This is a different way to live,” he continued. “The FBI should not tell people what the answer is. Neither should companies,” he said. “We have to have a conversation in this country about where we want to be.”

The Wall Street Journal [Law Enforcement Debate Over ‘Unrecoverable’ Encryption Is Far From Over](#) (subscription needed)

The debate over unrecoverable encryption that [pitted the FBI against Apple Inc.](#) earlier this year hasn’t gone away. For many, the main question is whether the next Congress will consider legislation that could force companies to put encryption keys in escrow, making data available to authorities armed with a court order. “I am confident that we can find a common ground on encryption, but right now I think it’s uncertain. It’s easier to say what we don’t want,” said David J. Hickton, U.S. Attorney for the Western District of Pennsylvania. Mr. Hickton is known for [winning the indictment](#) in 2014 of five members of the Chinese military on charges of cyber espionage against U.S. corporations and a labor organization. He spoke to CIO Journal Wednesday immediately after his appearance on a panel at the International Conference on Cyber Security at Fordham University.

Techdirt [Intellectual Property Fun: Is Comedy Central Claiming It Owns The Character Stephen Colbert?](#)

For years, when Stephen Colbert was on Comedy Central, he actually would discuss intellectual property issues with surprising frequency, including taking on SOPA back when it was a thing. Perhaps this is because he has a brother who is an intellectual property lawyer (who apparently works for the Olympics, which is not very encouraging). So it's interesting to see that Colbert is now claiming that a lawyer from Comedy Central or Viacom (he's not entirely clear) has contacted CBS to say that it holds the rights to the "character" of Stephen Colbert.

Wired [The DNC Skips the Networks to Stream All-Clinton 24/7](#)

THE CAMERAS POINTED at the tidy and tasteful set, and the host donned a mic. The ‘On Air’ sign glowed, and the studio lay silent, save for the sound of Kristen Bell. But the Veronica Mars and Frozen star wasn’t there to promote her next movie. Instead, she expounded on the importance of going to the polls in November. “If you’re not voting and paying attention, you don’t get a right to complain,” Bell said.

The Hill [Republican convention narrowly beats Dem gathering in Facebook interest](#)

Interest in the Republican National Convention narrowly outpaced the Democratic party’s gathering on Facebook, according to data released by the company. In total, 27.9 million people generated 167.5 million interactions — what Facebook calls likes, comments, shares and posts — about the Republican convention in Cleveland. Twenty-seven million people generated interactions related to the Democratic

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convention in Philadelphia, which concluded last night in Philadelphia. But there was a higher level of engagement among those users, who generated 182 million likes, comments, reactions and shares.

ZDNet [Amazon saw spike in US demands for customer data](#)

ZDNet reported on the recent release of Amazon's [transparency report](#). The article highlighted that U.S. government requests for customer data to Amazon doubled over the past year, with a total of 1,803 requests.

Next Gov [Time to Stop Hitting the Cyber Snooze Button on US Infrastructure](#)

If a threat to our power grid is not enough to frighten you (and it certainly should be), consider this: attacks targeting supervisory control and data acquisition, or SCADA, industrial control systems rose 100 percent in 2014 compared to the previous year, and in 2015 the financial sector and utilities paid the highest costs of cybercrime compared to other industries. We are already seeing more evidence and reports of cyberattacks on critical infrastructure, including power generation, water, transportation and health care as we head into summer.

Help Net Security [Cybersecurity talent crisis continues, technical skills in high demand](#)

Intel Security, in partnership with the Center for Strategic and International Studies (CSIS), has released a global report outlining the talent shortage crisis impacting the cybersecurity industry across both companies and nations. 82 percent of respondents admit to a shortage of cybersecurity skills, with 71 percent of respondents citing this shortage as responsible for direct and measurable damage to organizations whose lack of talent makes them more desirable hacking targets.

Notable Quotes

- *"More congressional action is needed... Congress should reform the relevant statutes to ensure U.S. law enforcement can directly compel the production of U.S. persons' data, wherever located and pursuant to lawful process, if necessary to the investigation of criminal activity."*
 - [Jen Daskal, law professor, American University](#)
 - *"We're not fans of data localization -- the last thing the world needs is 193 members of the United Nations demanding that data only be stored within their own borders. This is really a set of issues where the tech sector tends to be pretty united. What we really therefore need is new regulation. We think there is a good bipartisan bill now pending in both houses of Congress called the International Communications Privacy Act or ICPA."*
 - [Brad Smith, president and chief legal officer, Microsoft](#)

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- *"In short, if the government had [won Microsoft's warrant case challenge], it would have increased international confrontation at the cost of cooperation. This would have harmful effects on innovation, security, and economic development. Happily we've avoided this parade of horrors, at least for now – instead of walking blindly down a path toward a balkanized network where even friendly nations are at each other's metaphorical digital throats, the Second Circuit has put us on a path toward acceptance of a globalized borderless world."*

- [Paul Rosenzweig, senior advisor, Chertoff Group](#)

- *"The only way you are going to see "better spying" is for Congress to pass legislation like the Communications Assistance for Law Enforcement Act that would mandate Silicon Valley companies (Apple, Google, Facebook, etc.) provide telecommunications services to deploy infrastructure to assist government in accessing their customers' personal data in a way that serves the public interest."*

- [Tatiana Lucas, program director, Intelligence Support Systems](#)

- *"We are moving to a place where wide swaths of American life are absolutely private."*

- [FBI Director James Comey regarding the ubiquitous use of encryption](#)

- *"It should be of serious concern to everyone that there is no procedure to notify victims of any use, still less misuse, of bulk communications data, so that they can seek an appropriate remedy before the tribunal. Without such a mechanism, and in the absence of independent or judicial authorisation, a victim of abuse has no prospect of ever securing a remedy."*

- [Millie Graham Wood, legal officer, Privacy International](#)

- *"Do those who are providing unrecoverable encryption, particularly those in the tech community who may have their place because of incubator funding that was made available by the American taxpayer, see their public interest and their public responsibility?"*

- [David J. Hickton, U.S. Attorney for the Western District of Pennsylvania](#)

- *"The Microsoft decision has received significant attention, as it is the latest of a series of cases involving the intersection of technology, privacy and the power of law enforcement to access personal information. But, as Judge Gerard Lynch pointed out in an incisive concurrence in the case, the outcome of the case was not so much a result of balancing of the competing interests of law enforcement and the right to privacy, as it was of the application of a framework that has emerged from recent Supreme Court jurisprudence for determining whether a given statute may reach conduct that takes place overseas."*

- [Darren LaVerne, former assistant U.S. attorney for the Eastern District of New York](#)

- *"The total number of government requests for data on Amazon customers has doubled over the past year. The retail and cloud giant quietly announced the latest figures for the first six months of 2016 ending June in a report, published Thursday evening, which showed a total of 1,803 different requests from the US government."*

- [Zack Whittaker, reporter, ZDNet](#)

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- *"One thing is clear from this case: this issue is not resolved, and may never find a place of stable and predictable interpretation. Governments will always claim authority over data within their borders (and sometimes, outside of their borders). So the next time you are at a tech conference and someone suggests that the internet has no borders, offer a wry smile. Truisms aren't always true. And the internet may indeed have some borders after all."*

- [J. Trevor Hugest, president and CEO, International Association of Privacy Professionals](#)

Social Highlights

- **@bradheath:** [The FBI, without a warrant, installed audio recorders outside two Calif. courthouses.](#)
- **@realdanstroller:** [Law Enforcement Cross-Border Data System Needs Fix, DOJ Says @BloombergLaw #data #Microsoft](#)
- **@csoghoian:** [After watching so many senior Democrats demonize encryption technology, it is pretty hard to feel sympathy now that they've been hacked.](#)
- **@amir_anasr:** [Arab Americans have fought gov. #surveillance since 9/11-- but the 2016 election's rhetoric brings urgency](#)
- **@ArsTechnicaUK:** [EU privacy watchdogs vow to thoroughly frisk Privacy Shield next year...by @Brusselsgeek](#)
- **@BBCTech:** [EU watchdogs permit Privacy Shield to run for one year](#)
- **@AriMelber:** [Comey: FBI got 4,000 devices in a year and 500 couldn't be accessed at all, encryption helping criminals.](#)
- **@BSAnews:** [We believe the opinion of the Article 29 Working Party on #PrivacyShield satisfies EU privacy & data protection](#)
- **@dnvolz:** [Comey concedes the encryption debate is likely going to have to wait until after the election before any resolution is found](#)
- **@Engadget:** [Democrats wants to balance liberty and security in encryption debate](#)