

## All.Net Analyst Report and Newsletter

### Welcome to our Analyst Report and Newsletter

#### **I stand corrected – security can still get stupider**

I was thinking there for a while that we had reached the level of stupidity in security that could not be exceeded. I was wrong. The stories keep rolling in. Apparently, stupid security has reached the point where people are no longer buying things over the Internet as much as they used to and pretty soon, they may back even further away. In a very real sense, this is a good thing. People who are tired of being ripped off, having new credit cards provided again and again, and dealing with people breaking into their computers are starting to return to sanity. And another interesting phenomena that seems to relate to this is that young people are increasingly shying away from technology, choosing not to have smart phones pestering them all the time with the latest emails and tweets and texts, and backing off of the whole social media thing in favor of actual social interactions with real people.

#### **Come the idiocy of the day**

I usually write these stories the day they happen to me, and today is no exception. I went out with my wife to get some time out on a Sunday afternoon. We stopped at a local store to get a candy bar to split, which we tend to do once a week. It was a mounds bar. I paid with my brand new, just replaced Citi credit card with the new embedded chip, supposedly to make it safer against theft and fraud. Of course, unlike Europe which has been using chip **AND PIN** for many years now, in the US, we use chip but **NO PIN**. So I got my chocolate fix and then we proceeded to Home Depot because we need a new refrigerator.

After looking for a while at the refrigerators in Home Depot, we decided on one, and went to the sales associate who was very pleasant and helpful, and after going through everything with us, we went to pay for the new appliance. Of course we have been buying things for our home and related to our new construction for months now, and even things from Home Depot like small appliances, microwave ovens, stove tops, door locks, and so forth, over the last year. However, much to our surprise, when we went to use our brand new Citi card to pay with the chip inserted into the slot, our card was rejected. I looked for a message on my cell phone, which I figured I would get because I do get notified when I spend things, but no message. So I tried my other new Citi card with the chip on it, and same problem. I had already shown my drivers' license to the clerk, and everything was cool with him, so I decided to call the number on the back of the card...

Citi card, press 1, 2, 3, ... we got an operator (representative works) after a few minutes, and then after authenticating by using my mother's maiden name, I was told that the purchase was detected as possible fraud because it was not in my usual buying pattern. Really?! It's something like the third appliance I purchase in the last few months, and the 3<sup>rd</sup> major appliance purchased from that same Home Depot in the last few years! OK – so off to the fraud department, which is apparently really busy these days because it took about 5 minutes to get to the frauds person. OK – time to revalidate me so I can prove who I am – what's the question? "What is your bank account number?". Really?!? Who among us remembers their bank account number? I surely don't. And neither did my wife or the person helping us at the store. So that wasn't going to work. Let's try something else. How about is we "text" you?

Sure, let's text a 4-digit phone number to my cell phone so I can repeat it back to you. What's my cell number? So I gave her the number, and she said that they cannot text to that number. Great! And of course this wasn't the number they had on file for the account. Of course not! It's my wife's cell number that they have on the account! OK – so how about if we text her? What good is it going to do to text her? I'm here!

So I missed part of the story, and now it's time for it. When we left home an hour before, my wife had left her cell phone in the house. I asked if she wanted to go in and get it, and she decided not to. After all, she was with me, and there was no particular reason she would need her cell phone! So we told her, my wife's cell phone was at home. And she said she could text the code to my wife's cell phone. And I asked what possible good it would be to text her cell phone when it was at home and we were here? So she offered to text my home phone! And I explained that this was not likely to work any better. I asked what else she could use. Perhaps my drivers license number? Apparently not. SSN? Clearly not feasible being as they were all leaked long ago (thank you all of those who leak this every day). My address, other phone numbers, you name it.

At this point, we decided to swipe out AmEx card. No chip, no problem. We swiped, it worked, and I informed the person from Citi that the recording they were making should be forwarded to top management so that they could realize that they were losing their customer and the \$30 they charge for the privilege because they couldn't tell me from a fraudster, and that American Express apparently knew the difference even without the new chip.

When I san “new chip”, I don't mean to say that the chip is new. Rather, it turns out this specific card was in fact a brand new card – authenticated only a few days before, after someone stole the previous credit card information from a vendor, and got caught. So this was a brand new card that had been accepted by them previously, and was now being used for the first time for anything significant. Now you would think that they might have linked the old card to the new one so they were aware of my spending habits, and maybe they did, but if so, they screwed up yet again!

Now that I am home and my refrigerator is still not working, I am confident that American Express has done the job that Citi and Visa were apparently unable to do. Of course the American Express card was from Costco, and the new Citi card is also from Costco, because Costco decided to abandon American Express in favor of the Citi Visa card. So I can expect major problems from Costco when I start to use the card there as well. Rest assured I will not be buying anything expensive from Costco now either. To be clear, that's:

- COSTCO – why do you go with the company that doesn't do the job well?
- CITI VISA – why use your card instead of Apple Pay when I need my phone anyway?

I urge all of my readers to get in touch with them and ask them why their heads are so far up their posteriors that they cannot seem to get anything right when AmEx seems to have no problem at it. They stole at least 30 minutes of my time, lost \$30 in cash income, spent time and money, and got to the wrong answer, offending one of their historically better customers, and letting all of you know that they screwed up. All because they didn't recognize the pattern of my normal use, reacted to it poorly, used a ridiculous method to try to validate me, depended on an unreliable authentication method in any case (if they stole my wallet they might have also stolen my cell phone), all because they won't use the chip **AND PIN**.

**But my story is not what this article is about!**

Did I mention that security is getting stupider still? There was more stupid security today. And it came from the pundits on the major networks in response to the horrific mass shooting in Florida. The worst in our nation's history. Some asshole who was listening, apparently but we still don't know for sure, to social media decided that ISIS was right, any homosexual deserved to die, and that he was the one that was going to do it. So as a security guard, even though apparently of concern but not a lot of concern to the FBI, he was trusted to protect others, had a firearms license, and recently purchased at least one of the guns he used to kill 50 people and wound another 53 (as of the last time I heard the news on this).

The media then tells us that we should be afraid and increase our level of paranoia. The advice was that people going to a bar to listen to music on a Saturday night should be more vigilant, know where the exits are, be cognizant of their situation at all times, and respond in specific ways, none of which were relevant to the circumstance at hand, and none of which would have worked at all in the actual shootings that took place. But apparently we are now blaming the victims and expecting that people at a party somewhat drunk and listening to music while dancing with each other at 2AM on Sunday morning should somehow be at a high level of alertness to their surroundings and somehow then jump the gunman with at least one semi-automatic weapon. Some of them, at first, thought it was just part of the band's gig.

No doubt someone will tell us that if more people were armed in the room, that would have helped things, but there was apparently an armed off-duty policeman present, and within a few minutes several more. We still don't know how many of the people present were killed or wounded by the hail of bullets from the police, at least one of whom was also wounded in the process, and I certainly agree that they had every reasonable basis to shoot the original shooter, but it seems clear that more guns being shot by more people didn't stop the 100+ casualties from happening.

We also heard from the pundits and media that this will produce changes in our society. We will have to harden the bars, restaurants, every place of business, everywhere that people gather, search more people more of the time, and all of this sort of thing to fight against hatred and terrorism. But only a few days earlier, in Tel Aviv, in a newly constructed highly secured marketplace designed with all of these things in mind, and with detectors and detectives in place, had a shooting that could easily have been as severe in numerical consequence if there were just more people in a larger room. So the argument that fortress everything in America will stop this from happening is just a fallacy.

Better trained security guards was another assertion, but this now-dead "lone wolf" shooter was a security guard, trained, licensed to carry firearms, and so was the off duty police officer at the location. The background checks were ineffective, apparently, as were those done on Edward Snowden and the Ft. Hood shooter, which is to say that background check improvements are not likely to do the job either. We aren't going to do Top Secret type background checks on all of the security guards in the US, and even if we did, it wouldn't solve the problem. And are we really going to get to full employment by adding armed guards to every place of business in the US? Putting more guns in the hands of more people with low wages and unable to get better skilled jobs won't solve the problems we face.

Come the politicians. A direct question about gun control to the Florida State governor, a republican, produced two evasions, not unexpected. And then you have the "if you see

something say something” meme, which apparently also doesn't apply here. Yes, we know he was anti-gay and offended by seeing two gay men kiss on the lips. But that doesn't mean he is going to go out and kill people. His religion does not in fact teach this, even though some of its representatives apparently do, as do some of the representatives of at least one other major religion in the world that also doesn't teach this. What about mass surveillance? We already apparently have that, and it didn't work, but even if it worked a lot better, so far there is no evidence that it had any meaningful indicators that would not apply to millions of others who did not go and shoot people. But he did apparently call 911 and declare he was going to do this in the name of ISIS just prior to doing so. How much warning do we need? Clearly more than was available, because I doubt if anyone was waiting around to act after that call.

### **Some basic notions**

I don't claim to have all the answers to these things, or even some of them. I have emotional responses just like everyone else. My first reaction was that this constitutes an act of war by ISIS (the social media campaign that drove the idiot to this insanity). Why doesn't the US act like it, the congress declare war, and we bomb the crap out of the area they occupy using the least targeted ammunition we have (think Dresden or Hiroshima), claiming that they started it and we will finish it. My first response to the people who stand up and say that they have forgiven the gunman is that I simply don't understand how they can do this. I think we should act a bit more like Howard “mad as hell” Beale from “Network” (look it up on youtube). We need to act and do so harshly and quickly!

But neither of those responses will likely work in today's context, any more than the list of stupid responses I identified earlier are going to work.

Getting rid of all the might work to reduce mass shootings, but it won't stop mass murder (which happened before and without guns involved) and it won't work, at least in the US for now. And if we only give guns to those with firearms licenses, we will have exactly what we had earlier today in Florida because every gun involved was apparently being wielded by someone with a license to carry it and purchased legally. Increasing the requirement for gaining licenses for guns wouldn't apparently help either.

There are people in the US who are openly applauding the shooting in Orlando, and there are most surely people in the security community openly applauding the new chip-no-pin send me a text view of multi-factor authentication. And both of these make the same thing clear to me.

The problem is with people and perceptions, and it won't be solved by propoganda or by televising standard dogma that doesn't apply to what we just observed.

### **Conclusion**

I don't know all of the things we need, but I do believe there is at least one thing we need, and that is a cultural shift. And I am not advocating here for any political candidate. I'm advocating for a more serious attempt to gain actual insight, not over-react, control our fear, uncertainty, and doubt, and tell those inflicting it upon us to stop it. At the same time, I want those who claim to have the answer to be subject to detailed review and serious open counter-consideration by experts in their field. Whether it is counter-terrorism or cyber-security, we need rational consideration by real experts rather than shoot and point approaches that wound more people in the process than they help.