



## Just in case it matters to you:

CLIENT / CONTACT BULLETIN 10-24

- **CYBERTHIEVES ARE INFESTING SMALL BUSINESSES** “as large enterprises do more to lock down their infrastructure and less-secure businesses become the low-hanging fruit for cybercriminals looking to cash in on stashes of intellectual property, unprotected credit card numbers or simply the computing power of unprotected computers. And as these bad guys hone their technological tool sets, they’re building more and more automated attacks that make it easy to scan the Internet for unsecured small-business computers to infect, take over and plunder... Anti-virus software and basic network firewalls aren’t enough... Malware has gotten so automated that all a bad seed needs is to figure out how to get an infection onto machines...through email attachment , or putting it into peer-to-peer networks and making it look like the latest Taylor Swift MP3...to take control.” The premise that small businesses ‘can’t afford’ the cost of protection is erroneous – since costs are surprisingly low – but, more important: the risk of devastating loss can be so great that many businesses can’t afford NOT to implement protective measures. DCG can provide cost-efficient and effective solutions. Call us. [ENTREPRENEUR – June 10]
- **MUNICIPAL BONDS, HELD 80% BY MUTUAL FUNDS AND INDIVIDUALS, MAY SOON BE IN TROUBLE.** Historically considered among the safest of investment holdings, the likelihood of municipalities declaring bankruptcy is increasing. Last year only one Wisconsin city actually defaulted, but 183 borrowers (“mostly risky municipal issuers, such as suburban developers in Florida”) were unable to make \$6.4 billion in payments. Currently several majors are now on the precipice – including Detroit, Harrisburg (capitol of Pennsylvania) and Alabama’s most populous county (Jefferson). The Nat’l League of Cities forecasts up to \$83 billion of shortfall as “the tab for decades of binge spending... Rampant unemployment, tepid consumer spending and deeply underfunded public pensions are the leading causes. But years of political chicanery and poor financial decision-making by municipal officials are what led to this problem.” [CNN-MONEY.COM/ FORTUNE – May 28, 10]
- **‘POLICING FOR PROFIT’ INVOLVES AGGRESSIVE USE OF ‘CIVIL ASSET FORFEITURE LAWS** – where legal authorities can “seize property they suspect has been used to commit a crime... but typically do not have to prove beyond reasonable doubt that a crime was committed, or even charge anyone with an offense. Moreover, the money raised by auctioning seized houses, boats and cars is often used to boost the budgets of the departments that did the seizing. That can mean fancier patrol cars, badass hardware or simply keeping the budget plump in lean times... This conflict of interest has predictable consequences, spurring attention to cases that are likely to involve seizable assets.” State data is not available, but federal seizures exceed \$1.8 billion annually. “By and large, police do a dangerous job honorably. But they are human, so giving a financial incentive to seize a citizen’s property without proving him guilty of anything” is rough law. [THE ECONOMIST – May 29, 10]
- **REGARDING THE POLITICS OVER ARIZONA’S ATTEMPT TO CONTROL ILLEGAL ALIENS, protesters ignore the fact that California has essentially the same law on its books:** [Excerpts from CA Penal Code sec 834b]: (a) Every law enforcement agency in California shall fully cooperate with the U. S. Immigration and Naturalization Service regarding any person who is arrested if he or she is suspected of being present in violation of federal immigration laws and (b) shall: (1) Attempt to verify the legal status of such person... The verification process may include, but shall not be limited to, questioning...and demanding documentation to indicate his or her legal status... (3) Notify the Attorney General of California and the U.S. Immigration and Naturalization Service of the apparent illegal Status... (c) Any legislative, administrative, or other action by a city, county, or other legally authorized local governmental entity with jurisdictional boundaries, or by a law enforcement agency, to prevent or limit the cooperation required by subdivision (a) is expressly prohibited. [also sec 834c (a)(3)]: The law enforcement official in charge of the custodial facility... shall ensure that the arrestee is allowed to communicate with, correspond with, and be visited by, a consular officer of his or her country.
- **OVER A THIRD OF PEOPLE LEND/SHARE PRESCRIPTION MEDS** with friends or family, according to a recent study by American Public Health Ass’n. But more than 25% of Rx borrowers “experienced adverse side effects, and one-third of those ended up needing to see a doctor anyway...causing more harm than good.” [PREVENTION – May 10]
- **ANOTHER SURPRISE FROM THE HEALTH CARE BILL:** Starting 2012, form 1099 reporting must cover not only independent contractors, but also “include all companies, and cover goods as well as services – nearly five times today’s estimated average, meaning basically all suppliers who are paid \$600 or more each year.” [BLOOMBERG BUSINESS WEEK – June 6, 10]
- **THOUGHT FOR THE WEEK: A brilliant discussion by Dennis Prager of the biggest single threat to our country. You owe it to yourself and your future to listen:** <http://www.youtube.com/watch?v=XNUc8nuo7HI>