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Pittsburgh is home to the country's first motion-picture theater, oil refinery and commercial radio station. The city is now emerging as a front line in the global fight against cybercrime.



Over the past year and a half, federal agencies operating out of Pittsburgh have unveiled a string of landmark cybercrime cases, including the July takedown of Darkode, described by U.S. officials as one of the most sophisticated computer-hacking forums online. The Federal Bureau of Investigation and U.S. attorney's office in Pittsburgh helped coordinate a 20-country effort to arrest dozens of alleged members. A big factor in the city's success is an unusual level of private-public collaboration in fighting cybercrime. In the past, the government and the private sector were separated by a wall of secrecy. But in Pittsburgh, what officials describe as a unique collaboration, the National Cyber-Forensics & Training Alliance, has helped break those barriers down.

Formed as a nonprofit by the FBI in the early 2000s, the organization allows field agents and other investigators to sit alongside analysts from banks and other companies to identify cyberthreats. They work in a nongovernment building to make it easier for company employees to share information without worrying about classification levels or national-security clearances. That approach has been key to cracking big cases, according to law enforcement. "You can't build a wall between us and private industry...and expect them to open their books and doors to you," said Scott Smith, head of the FBI's Pittsburgh division.

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Allentown Morning Call
What's wrong with attorney general's 'whole story'

Pittsburgh Tribune-Review
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The attraction for the private sector is that law enforcement can do things that companies can't, such as obtain court orders to seize computer servers and prosecute cybercrime suspects. "We can write detections to block malware, but if we can help law enforcement arrest the people behind it, we don't have to block it anymore," said Aaron Hackworth, an engineer at information-security firm Dell Secureworks Inc., which partners with law enforcement in Pittsburgh.

Federal agents had been accustomed to being the "800-pound gorilla bull in the china shop" who could subpoena companies without offering much in return, said Dan Larkin, a retired FBI agent who helped create the NCFTA and some of the FBI's first cyber task forces. But if "the FBI and other agencies allow private industry to advise them candidly, there's a better path," Mr. Larkin said. Earlier this year, in an effort to fight cybercrime, President Barack Obama signed an executive order aimed at making it easier for the government to share classified cyber threat information with companies.

A 2½-year probe of a network of hacked computers called GameOver Zeus, which the FBI said it disrupted last year, began with a tip from analysts at PNC Bank who noticed an unusual wire transfer from a local plastics firm to a bank in Atlanta. With analysts from the private sector, the FBI learned that the botnet—a series of infected computers controlled by hackers—was stealing money from businesses across the country, not just Pittsburgh. FBI agents then worked with computer experts from security-research firms and antivirus companies to figure out a way to destroy the botnet. They helped create an online sinkhole, which took control of the botnet away from the hackers and redirected traffic from infected computers to a command center controlled by law enforcement.

As the network was being dismantled, criminal charges were announced last summer against a Russian man suspected of being the botnet's administrator. Agents in Pittsburgh and elsewhere say they still face pushback from firms who fear that sharing information with the FBI will force them to go public with their security vulnerabilities. "A lot of times, companies feel like they have to commit time and resources to an investigation...and they're not sure what the benefit would be," said Ed Stroz, a former FBI agent who is chairman of Stroz Friedberg LLC, an investigative consulting firm.

Cyberthreats have become increasingly sophisticated. Thomas Grasso, an FBI agent based at the alliance, has a whiteboard that ranks the top-priority botnets being investigated, based on input from private-sector analysts. A simulation lab at the center contains computers infected with malware, where agents and analysts can study them together.

The FBI in Pittsburgh also works with computer experts at nearby Carnegie Mellon University. The university, along with the private sector, fills in knowledge gaps for FBI agents, who often don't have computer-science backgrounds. Mr. Grasso, for instance, studied music education and geology. Keith Mularski, who supervises the FBI's cyber squad in Pittsburgh, managed a furniture store before joining the FBI.

Pittsburgh's big cyber prosecutions followed the arrival of David Hickton as Pittsburgh U.S. Attorney in 2010. He reorganized the office to create a national-security cyber group. His work with clients at a private law firm made him realize fighting cybercrime was a priority, he said. In a breakthrough case, prosecutors and the FBI in 2012 identified the main suspect—who is now undergoing court proceedings in the U.K.—behind a series of online bomb threats against the University of Pittsburgh. That boosted the office's confidence in its ability to pierce the Internet's anonymity and attribute cybercrimes to individual suspects, Mr. Hickton said. Pursuing international cyber prosecutions does generate controversy, especially because they often involve defendants who live in countries that don't extradite criminals to the U.S.

Last year, after Pittsburgh unveiled the first criminal charges in the U.S. for government-sponsored hacking against five Chinese military members, former Homeland Security Secretary Tom Ridge criticized the move as a "public-relations stunt." In a recent interview

with The Wall Street Journal, Mr. Ridge said he appreciates prosecutors' efforts, but the indictment is of "little value" as it is unlikely to deter Chinese hackers in the future.

Part of Pittsburgh's advantage is the town itself. Many agents in Pittsburgh were born and raised there. Unlike more expensive and transient cities like New York or D.C., the relatively stable team of government agents means the public-private partnerships have years to build up trust. "If I'm going to work the biggest organized crime cases in the FBI, I'm going to go to New York," Mr. Mularski said. "If I'm going to work the biggest national security and spy cases, I'm going to Washington, D.C. With cyber having no borders, why can't Pittsburgh work the biggest cyber cases?" – *Wall Street Journal*

Big Bird is heading over to HBO.

Known for its dramas and risqué comedies aimed at adults, including "Game of Thrones," "True Detective" and "Girls," Time Warner Inc.'s HBO has formed a five-year partnership with Sesame Workshop in the hopes of becoming a major player in children's television. The move is the latest by HBO to better position itself against competitors including Netflix Inc. and Amazon.com Inc., each of which have moved aggressively into children's television through original content and rerun acquisitions. "When we had an opportunity to put an iconic show like 'Sesame Street' on the network, we jumped on it," said HBO Chief Executive Richard Plepler.

Under the terms of the deal, starting this fall HBO will become the first stop for new episodes of the children's classic "Sesame Street" before they appear on their traditional home of PBS nine months later. The agreement will allow Sesame Workshop to nearly double the number of new episodes of "Sesame Street" it makes yearly to 35 from 18. Sesame Workshop will also produce a "Sesame Street" spinoff and another educational series for the premium television service and its online platforms HBO Now and HBO Go that could end up on PBS as well.

In addition, HBO is acquiring the subscription online video rights for older episodes of "Sesame Street" after current agreements with Netflix and Amazon expire later this year. HBO is also licensing repeats of "The Electric Company" and "Pinky Dinky Doo," a cartoon for preschoolers from Sesame Workshop. Although "Sesame Street" and the other children's programming that HBO is getting will be available on its traditional TV channels, the real motivation is to have content available for its online services HBO Go and HBO Now. Children are increasingly watching shows via streaming services instead of traditional television.

According to Jeff Dunn, chief executive of Sesame Workshop, two-thirds of children now first experience the show on video-on-demand and streaming services. "We're thinking about the different ways people are watching and thinking about different audiences," said Mr. Plepler. He played down the idea that a motivation for the pact was the success Netflix and Amazon are having with children and families. "What informs all our decisions is we want to put great programming on the network," he said.

For Sesame Workshop, the HBO deal is a life raft. Mr. Dunn, a former top executive at Viacom Inc.'s Nickelodeon who became CEO of the nonprofit educational organization last October, said he started thinking about finding a partner soon after he joined. "It quickly became clear to me that the economics of the organization needed to change," he said. Sesame Workshop was operating a deficit and last fall he let PBS know that "we can't continue to lose money like this."

In fiscal 2013 Sesame Workshop had total revenue of \$130.5 million and expenses of \$120.2 million, according to its IRS filings as a nonprofit organization. Its programming services revenue was \$30.9 million and programming expenses were \$96.1 million. Contributions from PBS account for only 10% of Sesame Workshop's revenue. The bulk comes from licensing and DVD revenues. However, the latter has diminished as more children get their entertainment from online platforms. "If this is where the children

are, we have to recognize that shift and have more than just a home on PBS," Mr. Dunn said.

Mr. Dunn said he briefly considered launching a subscription video-on-demand service for Children's Television Workshop but ultimately decided the economics were "not very compelling" and that the organization would be better off teaming up with a premium brand. However, a completely exclusive deal was never on the table. "Our number-one issue was to remain with PBS," Mr. Dunn said. In a statement, PBS said the HBO arrangement wouldn't mean a reduction in its commitment to children's programming. But it will make things easier on the wallet. As part of the agreement with HBO, PBS and its member stations will no longer have to pay for episodes of "Sesame Street."

Sesame Workshop will retain all editorial control over the content of "Sesame Street" and its other shows. Not everyone is thrilled about the new partnership. The Parents Television Council, a media watchdog group that is often critical of racy content, said HBO should offer the new episodes free so people don't have to pay for the service if they don't want it or can't afford it. "Many families have eschewed premium cable networks—like HBO, Showtime and Cinemax—because of the explicit content. But now they must subscribe to the very content they abhor in order to get original airings of Sesame Street for their children," said PTC President Tim Winters. – *Wall Street Journal*

Senate Majority Leader Jake Corman was not been in attendance at Wednesday's budget talks or at Thursday's negotiations with Gov. Tom Wolf. Instead, he participated over the telephone. The reason: The Centre County Republican injured his back.

Corman, 50, fell at his Bellefonte home within the past week, causing the injury, said spokeswoman Jennifer Kocher. He has had previous back problems. He continues to recuperate at home and Kocher said, "he is feeling a little better." She said Corman has called into this week's budget negotiating sessions and directed staff to attend them in person. "He hopes to be back participating in person next week but it's unclear at this point," Kocher said. "It depends on how he's feeling." – *pennlive.com*



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