

Hackers Force Shutdown of Europe's Largest ETS Carbon Con

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A digital attack in Europe's fledgling \$100 billion carbon market netted hackers over \$38 million in carbon credits. The attack forced the shutdown of Europe's entire ETS trading apparatus. To state that computer network security in various EU member States is uncoordinated and inadequate would be stating the obvious. Securing systems uniformly in diverse European States presents as a nightmare/joke.

The EU is essentially a loose knit group of nations that continue to distrust and compete with each other at the top; achieving uniform security in a 'Swiss cheese' environment is simply impossible. The greatest weaknesses exist at the 'social' (engineering) level and service/maintenance/control levels. It is widely known that EU political elites -- placed in power by bribes from the Corporate criminal USA -- are inherently 'bent,' a hardly surprising Fact.

Most EU politicians are self-serving criminals, the most glaring example of which is the installed PM of the illegal statelet of Kosovo, Hashim Thaci, a US/NATO darling and known (by Interpol) organised crime boss!

While the remainder of EU leaders may not have Interpol files, they nevertheless share the same criminal disposition; the only way these types cooperate fully is under the tight and harsh control of ONE criminal overlord, a type of Mafia, 'boss of all the bosses,' which, coincidentally, is exactly what Goldman Sachs and the Banking cartels are attempting to achieve with their ETS plan - O, what tangled webs ...!

In today's anarchic digital world, implementing uniform controls of any type is impossible; if I were to make a prognosis or estimate the chances of success for an ETS scheme known widely for what it is - a Carbon Con, I would make it in the range of a 'snowflake's chance in hell' or 'Buckley's and none!'

Hacker and aware activist groups derive endless laughter from observing politicians - errand boys -- attempting to implement impossible strategies and plans for the Corporate Banker elites. Our personal favourite from the recent past was former Oz PM, Kevin Rudd, doing the ETS bidding of CFR, Trilateral and Bilderberg aficionados in 'No-hopen-Hagen.' Watching Rudd fail was almost as entertaining as watching him fail in his attempt to implement Rupert Murdoch's 'NATO of the South Pacific' plan!

Needless to say, Rudd disappeared down his rodent hole for weeks after his abysmal failure at Copenhagen. We could have saved him a lot of face and trouble with a little lesson on human nature and common sense - but the elites he serves are truly desperate and all puppet politicians are forced to perform evermore absurd antics on their behalf. The current Oz PM, Julia Gillard, is incapable of any action without external directives - and on it goes straight to hell in a hand-basket!

Expect more hacking and increased activity on the Cyberfront in future.

Experts have finally realised it is far more 'profitable' to serve themselves than to become enslaved

to a corrupt, criminal and increasingly DEPENDENT ruling elite - they lack the expertise required for survival in today's world.

In conclusion I offer greetings and salutations to all the crewz and digital warriors of the world, 'we own the joint' - we are No One, therefore, Everyone!

Report for the WSJ follows:

EU Orders Members to Boost Security on Carbon-Trading

by Sean Carney, Alessandro Torello and John W Miller

The European Union ordered its 27 members to shore up security in its Emissions Trading Scheme following a spectacular digital heist in the Czech Republic by computer hackers that temporarily shut down trading in the European Union's \$100-billion-a-year market in carbon permits.

The ETS will be closed until at least Wednesday, said regulators for the European Commission, the EU's executive arm.

The commission said it would use that time to conduct an in-depth investigation and pressure regulators in the EU's member nations to shore up their cyber defenses. It also said the theft had exposed cracks in the ETS's functioning, underscoring the need for a planned central clearinghouse in Brussels, which will begin operations in 2013.

Representatives from EU member nations and the commission will meet Friday to assess which security measures must be taken to ensure trading can safely resume. "We expect member states to notify the commission about security measures they intend to take," said Maria Kokkonen, a commission spokeswoman.

The shutdown, the first ever in the six-year history of the scheme, will affect only the two-million-ton-per-day spot market, which accounts for between 10% and 20% of total volume, traders said. The 20-million-ton-per-day market in trading carbon futures will remain unhindered.

The Czech Republic heist is the third such theft in central and Eastern Europe in as many months. The latest theft means that some two million allowances to emit carbon dioxide, currently worth €28 million (\$37.7 million), are unaccounted for, said Jos Delbeke, the commission's director general for climate action. Mr. Delbeke said that represents only 0.02% of the total allowances on the market.

However, traders and analysts said the theft risked damaging the credibility of the European system, which has often been called a model for a possible cap and trade scheme in the U.S., Japan and Australia.

The ETS, inaugurated in 2005, covers some 12,000 installations, accounting for half of all of Europe's greenhouse-gas emissions.

In the first phase, until 2007, the credits were allocated free of charge to companies. Since then, they have been sold, although many are still given out for free. A third reform, starting in 2013, will place them at auction.

An estimated five billion tons of carbon emissions were traded in 2010. The market remains somewhat stagnant, with prices remaining flat, around €15 per ton.

ETS credits are freely traded. The EU's 27 member nations, as well as Norway, Liechtenstein and Iceland, track all ETS transactions on electronic registries.

"Member states have wanted to make the registries part of their national enforcement policies," Ms. Kokkonen, the commission spokeswoman, said. "But the problem is there have been varying levels of security."

Only 13 of the EU's 27 members have national registries with adequate levels of security, Ms. Kokkonen said.

While the ETS has been effective in reducing carbon emissions, it has also been subject to a litany of problems. The leaking of confidential trading data has caused volatile swings in the market. Companies have lied about their emissions to cheat on their taxes. Traders have played off differences in value-added tax rates in different EU member nations to make millions, according to Europol, the continental union of police forces.

Last year, hackers in Denmark and Britain stole millions of dollars worth of certificates they had gained access to by obtaining security codes from traders. They had stolen the codes by persuading traders to submit confidential data, a classic Internet scam known as "phishing."

Some companies in the developing world have also made a business of generating greenhouse gases for the sole purpose of destroying them and then selling the credits at a bargain price to European companies.

That could change. The commission has been embarrassed by the recent thefts, which include credits stolen from the Austrian registry in early January and €24 million worth of allowances stolen from the account of Holcim Ltd., the Swiss cement maker, at the Romanian National Registry for Greenhouse Gases in November. In particular, the hacking in the Czech Republic this week was strikingly bold and served to highlight the system's vulnerability.

It started when an anonymous caller on Tuesday morning told Czech State Police that explosives had been placed at the offices of OTE AS, a private company that manages the Czech Republic's national registry. The police evacuated the registry for five hours.

During that time, the computer network wasn't monitored, OTE officials said. Hackers stole 475,000 allowances, worth €7 million, from a company called Blackstone Global Ventures, an environmental consultancy that trades carbon credits for industrial companies.

The thieves changed account-ownership information and executed illegal trades, said Nikos Tornikidis, a portfolio manager at Blackstone Global Ventures.

The theft was discovered Wednesday morning when Blackstone Global Ventures logged into its account at OTE, Mr. Tornikidis said.

Mr. Tornikidis said he alerted OTE and was sent a list of the stolen allowances. "But then

they shut down the system and others couldn't" access their accounts to determine whether further allowances had been stolen, he said. "I would be surprised if it was only us."

The credits were immediately transferred to Estonian registry accounts, according to Czech media reports.

Zuzana Zahorovska, OTE's registry administrator, said it wasn't clear if allowances were stolen from other accounts. The registry has suspended trading indefinitely until the cause of the theft has been identified, she said.

The threat of further attacks caused Greece, Estonia, Poland and Austria to also shut down their registries on Wednesday.

The shutdowns "shatter confidence on two levels, for political decision makers and traders," said Emmanuel Fages, head of power, gas, carbon and coal research at Société Générale Commodities in Paris. However, "guys who trade in the market will have to trade in the market and manage their risk," Mr. Fages said.

Trading in futures will continue. "As long as the shutdown doesn't drag on and on, we'll be OK," he said.

However, on Thursday, the volume of futures trade was around half of what is normally seen, traders said. Prices closed flat, with EU permits for December 2011 delivery trading on the ICE Futures Europe Exchange at €14.38 per metric ton.

Operators don't understand why the markets in each European country had to be shut down, said Alessandro Vitelli, director of strategy and intelligence at IDEACarbon, a carbon strategy and research consultancy in London. "It's a bit of an over-reaction," he said.

The big companies in the trading have already made sure their transactions are safe, independently from government decisions, Mr. Vitelli said.

Environmentalists said that, despite the problems, the EU system remains a model for the rest of the world.

"The EU's common market has successfully put a price on carbon," said Joris den Blanken, Greenpeace's director for EU climate and energy policy. "And companies take these markets seriously, and now make investment decisions based on the carbon markets."

EU regulators insisted that the new model, which takes effect in 2013 and will run until 2020, will be clean of the issues that have dogged the current model. The overhaul will include new sectors, such as aviation, which will be added next year. It will also limit the number of allowances handed out for free.

The European Commission said it would take pains to reopen ETS trading gradually. The Czech registry will remain closed indefinitely for now.

Re-opening "will depend on the action and the speed of reaction of the member states,"

Ms. Kokkonen said. "The sooner they increase the security measures, the sooner we can reopen the systems."

EU governments "have been complacent," said Simone Ruiz, European policy director for the International Emissions Trading Association. "It's alarming if you can't trade for an undetermined amount of time."

"This is a hiccup, but it's one you should know how to fix. Policing security will be much easier if you have a single registry," Ms. Ruiz said.

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