

# Risk Universe

## NEWSLETTER

In this edition of *Risk Universe*, guest opinion columnist Annie Searle shares her views on the US election and the residual risk from the previous administration; we update you on recent industry compliance failures; and our latest report is now available to download - *AML: the regulatory landscape*.



### America's residual risk tops the charts

Americans have, by significant popular and electoral college votes, selected a new president and vice-president. We know that in another 50 or so days that President Trump will be out of office, and we will no longer have to deal with risk magnified by the chaos and impulse-driven behavior that has characterised his term in office.

We are already dealing with the impacts of residual risk that cannot be mitigated by the election itself. Since Election Day, the current president has viciously undercut critical infrastructure military leadership by firing the US Secretary of Defence and three senior Pentagon officials, replacing them with political appointees. He refused until last week to allow the orderly transition of power to begin – holding up office space, peer meetings, security briefings and background checks. He fired Chris Krebs, the director of the Cybersecurity and Infrastructure Agency (CISA), who worked in partnership with state and local officials to harden the voting infrastructure, and who deemed this election the safest that had ever been carried out.

According to the Washington Post, after creating an executive order last month, his Office of Management & Budget is moving to reclassify 88% of its workforce to new job classifications that would make it easier to

fire civil service employees who are in policy positions without going through an appeals process. Just as the president has more firing to do (rumors include the directors of the FBI and CIA), he has more pardons to grant than the one to Michael Flynn. On a global front, the president is spoiling for action with Iran; and by backing out of the Open Skies Treaty and dismantling the planes used to conduct unarmed observation flights, he has crippled intelligence gathering on other countries in the treaty, in particular Russia.

On the positive side, the Dow topped 30,000 on November 25 on word that the orderly and peaceful transfer of power to President-Elect Biden had begun, and that Biden has selected former Fed chair Janet Yellen as his new Secretary of the Treasury, and that at least two or three vaccines under development have promising results. Trump reminded us that he gets the credit for the vaccines and said nothing about the rapidly spreading number of infections and deaths at a time so close to the availability of a vaccine. January 20th cannot come too soon.

**Annie Searle is an Associate Teaching Professor at the University of Washington's Information School, where she teaches risk, cybersecurity, privacy information ethics, policy, and law. She is a former senior executive at Washington Mutual Bank, heading its Enterprise Risk Services and Crisis Management Team for 10 years. ASA, her private risk advisory firm, focuses primarily on advocacy around critical infrastructure policy and on research publications.**

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