

## Colonial Pipeline Hack Crushes Vital U.S. Energy Source, Fuels Panic Among Drivers; Company Refuses to Pay Ransom

Last week, a paralyzing cyberattack, allegedly conducted by a Russian hacker group known as "DarkSide," shut down the entire digital network of the Colonial Pipeline, a 5,500-mile oil-pipeline system that transports an average of 100 million gallons of fuel daily between Texas and New York.

Dubbed "<u>the most dramatic cyberattack on</u> <u>U.S. soil to date</u>," the ransomware assault on a network responsible for nearly 50 percent of the East Coast's oil supply points to what conservative pundit Glenn Beck <u>argues</u> is a national security crisis.



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"Between Russia, China, and Iran — which President Joe Biden is now trying to make another nuclear deal with — it looks like the 'Axis powers' of a 'digital World War III' are lining up," asserted Beck on his radio program.

According to a <u>report</u> obtained by Breitbart, Colonial Pipeline has refused to pay ransom to the criminals assumed to be responsible for the cyberattack on a crucial oil system that services a large segment of the nation's gas supply. The report reads:

[Colonial Pipeline] are working with the cybersecurity firm Mandiant to restore the data from backup systems where possible and rebuild systems where backups are unavailable, said the people, who spoke on the condition of anonymity because the matter is still under investigation.

[...] Mandiant quickly traced the stolen data to a server owned by a New York hosting firm, which over the weekend shut the server down, preventing any data to flow to the hackers, according to several people familiar with the matter. With that extortion avenue sealed off and with Mandiant helping to restore data and rebuild systems, "there's no reason to make the payment," one of the people said. DarkSide ransom demands can range from \$500,000 to more than \$5 million, according to Mandiant.

Since Tuesday, more than 1,000 gas stations in states heavily dependent on the pipeline, including Alabama, Georgia, Tennessee, Virginia, and the Carolinas, have reported shortages in fuel supply, igniting panic in drivers who are buying up the last drops of gas at filling stations across the Southeast.

"Gas stations along the Southeast coast are beginning to feel the pinch from the shutdown of the biggest oil pipeline in the US due to a crippling cyberattack believed to be orchestrated by a Russiabased criminal group... [as the] closure of the 5,500-mile Colonial Pipeline, which carries more than 100

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Written by **Annalisa Pesek** on May 12, 2021

million gallons of fuel from Texas to New Jersey each day, has stretched into its fifth day," the *New York Post* <u>reported</u>.

Twitter users posting images of their experiences dealing with the impact of the fuel shortage tell well the story of present-day Americans, who seem to panic at every crisis, real or imagined.

This is Joe Biden's America <u>pic.twitter.com/zQlNLT4bip</u>

– Petrol Smuggler Poso (@JackPosobiec) May 11, 2021

Georgia [] <u>pic.twitter.com/YbccExcGY5</u>

— Libs of Tik Tok (@libsoftiktok) <u>May 11, 2021</u>

Alabama []] pic.twitter.com/krSWXzp5IS

— Libs of Tik Tok (@libsoftiktok) May 11, 2021

U.S. Energy Secretary Jennifer Granholm cautioned on Tuesday of a gas "supply crunch" affecting "the main spurs of the pipeline" that would continue to impact the effected regions even after the pipelines were fully restored and operating normally again.

"It's about 70% of the supplies of North Carolina, South Carolina, Tennessee, Georgia, and especially Southern Virginia are impacted the most," said Granholm. "And so those are the areas with which we have the greatest concerns. And because of the fact that there's not a whole lot of other supply.... Now, this particular pipeline also supplies other states, but there are other pipelines that supply their states as well."

Granholm later <u>told</u> reporters, "Much as there was no cause for, say, hoarding toilet paper at the beginning of the pandemic, there should be no cause for hoarding gasoline."

Yet Americans have good reason for concern, as restoration of the pipeline's networks isn't likely until the end of this week. The company told <u>Fox News</u> on Monday that segments of its delivery system are being brought back online in a "stepwise fashion."

"In response to the cybersecurity attack on our system, we proactively took certain systems offline to contain the threat, which temporarily halted all pipeline operations, and affected some of our IT systems. To restore service, we must work to ensure that each of these systems can be brought back online safely," said Colonial Pipeline in a <u>statement</u> released Tuesday.

The chaos of the crisis forced many governors on Tuesday to declare a state of emergency, including Florida Governor Ron DeSantis (R), Georgia Governor Brian Kemp (R), and Virginia Governor Ralph Northam (D). North Carolina Governor Roy Cooper (D) called for a state of emergency over the situation on Monday.

To address the challenges of the fuel shortages, and in the wake of a devastating U.S. jobs <u>report</u>, the Biden administration has spearheaded an interagency government <u>response</u>, including issuing temporary waivers for states to use noncompliant fuel to boost supply and greater flexibility for drivers delivering fuel, among other measures.

While the motives and identities of those who launched the attack remain unknown, the incident has

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rightly raised concerns about the national security vulnerabilities of companies that provide critical services to Americans.

University of Notre Dame IT, analytics, and operations professor Mike Chapple, a former computer scientist with the National Security Agency, in conversation with the <u>Daily Mail</u>, said that "systems that control pipelines should not be connected to the internet and vulnerable to cyber intrusions."

"The attacks were extremely sophisticated and they were able to defeat some pretty sophisticated security controls, or the right degree of security controls weren 't in place," said Chapple.

Anne Neuberger, Biden's deputy national security adviser for cybersecurity and emerging technology, told the <u>Associated Press</u> in April that "the government was undertaking a new effort to help electric utilities, water districts and other critical industries protect against potentially damaging cyberattacks."

"To ensure that control systems serving 50,000 or more Americans have the core technology to detect and block malicious cyber activity," said Neuberger, "the White House has announced a 100-day initiative aimed at defending the country's electricity system from cyberattacks by encouraging owners and operators of power plants and electric utilities to improve their capabilities for identifying cyber threats to their networks."

Despite these recent calls for preventive strategies to mitigate unlawful cyber activity, Colonial Pipeline remains mostly non-operational, though some systems were reportedly <u>restarted</u> late today. The company estimates operations will return to normal in a few more days.

This latest national crisis, among a series of troubles plaguing the country, adds yet another distraction for lawmakers, and certainly opens America up to being more susceptible to a foreign attack, a favor we don't want to grant any adversary, at home or abroad.



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