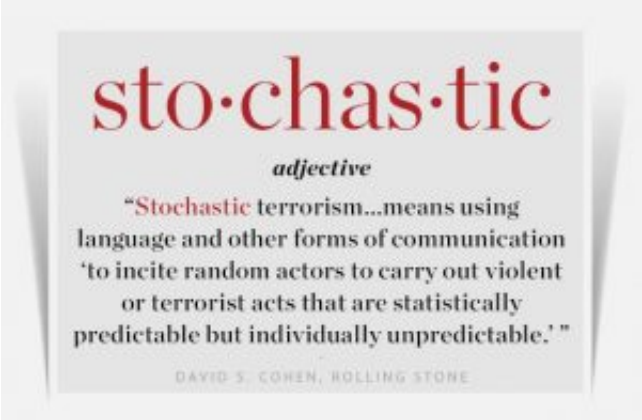
HALF-FULL REPORT 08/23/19



Stochastic Terrorism

Fake News is Just the Surface of the Problem

There is a science behind the fake news media

David Koch Died This Morning

David Koch, aged 79, passed away this morning. He ran against Reagan/Bush in 1980 as the Libertarian Party's vice-presidential candidate. He was a generous philanthropist and influential member of the political donor class.

He was also a chemical engineer, earning his undergraduate degree at MIT in 1962. The senior chemical engineer in my company was David's classmate and spoke quite well of Koch's academic performance and intellectual competence.

As one chemical engineer evaluating another, I concur.

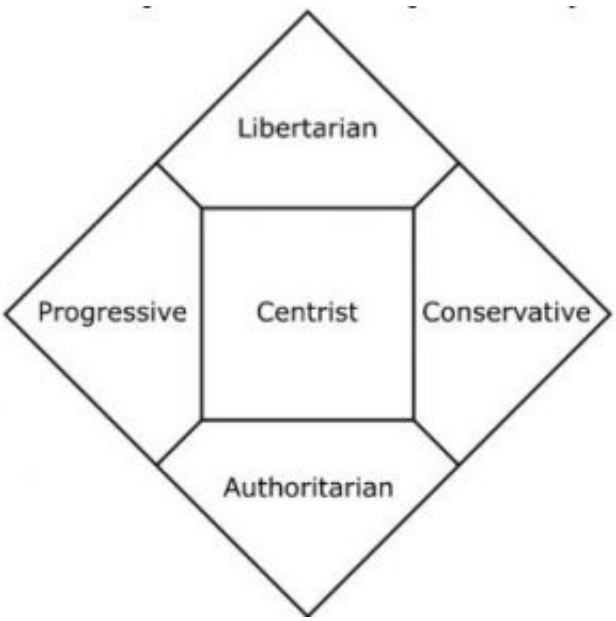
He joined Koch Industries in 1970 as head of Technical Services, an obsolete term for industrial chemical and process engineering that once referred to military nuclear, biological, and chemical weapons specialists.

Koch's petrochemical refineries and their wood fiber-based facilities within their Georgia Pacific Co. holdings are modern, efficient, clean, and have high operating availability. His life's work is visible in his factories. Top quality. The best in class.

His production facilities that were not among the best in class were either rebuilt or closed. It is unusual for heavy manufacturing companies to emphasize technical competency in this age of financialization. But this is how he rolled.

Koch introduced new methods of problem-solving and knowledge engineering emphasizing failure analysis and the institutionalization of findings. His methods are like the way the FAA investigates aircraft crashes to discover root causes of problems. Only better. Much better.

Koch was an advocate of Karl Popper's Scientific Method, which emphasizes technology gaps and information opacity to find novel solutions to problems. It would be fair to call Koch the first knowledge system engineer.



As a political player, David Koch was a Libertarian while his brother Charles is a Republican. Libertarians view Capitalism as a value and price discovery process. Their economic philosophies are a straight-shot from Adam Smith to Friedrich Hayek, Thomas Sowell, Peter Schiff, Milton Friedman, and then to Margaret Thatcher.

However, their social policies attempt to apply scientific analysis to cultural problems. Libertarians, including David Koch, see liberty as their highest value but can drift into Critical Theory.

Critical Theory originates with the Frankfurt School and supports the notion that ideology often stands in the way of human liberation. The concept is central to the Progressives and a bit left of center for the Libertarians.

Ever wonder why David Koch and George Soros collaborated from time to time? They shared Critical Theory.

The theory maintains that society has a base of individual people which support the superstructure of the nation-state. True liberation comes by eliminating the nation-state along with many other institutions that have suffered mission creep.

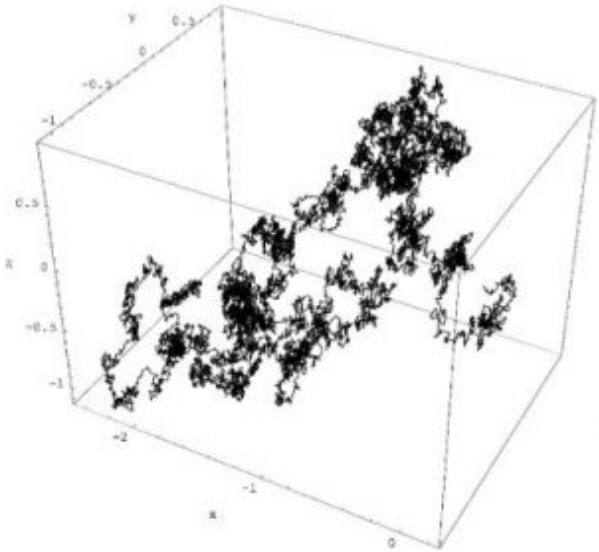
There are certainly problems with this worldview. An example is found in the desire for “limited government’ or “smaller government.” Just what does someone mean when they say “smaller government?” How small is small? No government?

In the case of David Koch's political contributions, it often meant the contraction of the United States as a geopolitical entity and the elimination of defined borders.

The United States would be reduced to a collection of economic zones more consistent with the original Articles of Confederation than the Constitution.

The Libertarian worldview assumes that people are inherently virtuous.

Not everyone gets up in the morning intending to act with prudence, efficiency, tenacity, and effort. Reality puts a big hurt on the Libertarian dream.



Koch's worldview did not need everyone to act with virtue, just a majority.

Social pressure and financial controls would eventually drive society towards an ever more virtuous condition.

The secret sauce is to determine what drives behavior that appears random but is not.

Pushing and pulling social levers converts behaviors into a guided walk towards liberty and wholesomeness. Or so the Libertarian worldview hopes.

His political contributions were intended to unlock value in society by using operations research and systems analysis to identify best practices. He tried to magnify those best practices through his own private funding.

Libertarianism is a great idea for the faculty lounge. However, it does not work in the real world because people are too complex to be reduced to actions without also causing unintended consequences.

Koch was not the first brilliant industrialist to apply these concepts to government. David Koch followed in Secretary of Defense Robert McNamara's footsteps. McNamara and his whiz kids tried similar methods. History has not been kind to McNamara. He got a lot of good men killed.

Both men had the best of intentions for the United States.

Both men attempted to apply scientific analysis to problems outside of the domain.

Google is a true believer in the power of these methods. Not for liberty, but for raw power.

Stochastic Terrorism

Shortly after President Trump began to question the ethics of Google, leftists around the world began accusing conservatives of stochastic terrorism.

We all know that the left always projects their actions onto others. Then they double down.

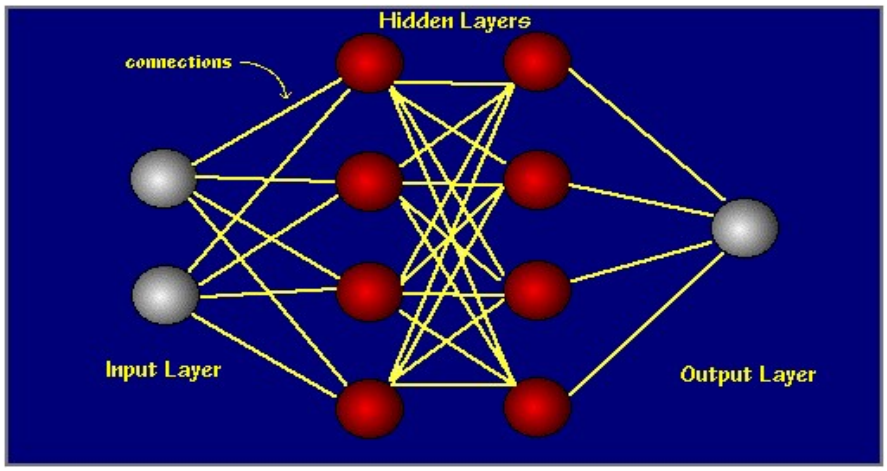
Stochastic comes from the Greek *Stochastikos,* which means skillful in aiming. In the modern sense, stochastic analysis is a decision-making tool based on probabilities instead of hard numbers.

It is an important tool in chemical engineering where conditions must be managed to maximize desired reactions and minimize side reactions. MIT trained engineers like Koch speak the language of stochastics. It is central to the profession.

Just as McNamara brought the concepts to the military, Koch's Libertarianism brought stochastic analysis from the industrial sector to the body politic.

Recent shootings in El Paso and Dayton are examples of stochastic methods used for political ends.

The media, and especially search engines and social media, employ artificial intelligence algorithms to increase the likelihood that a viewer will purchase a promoted item or concept. The item might be heroin. The action might be terrorism.

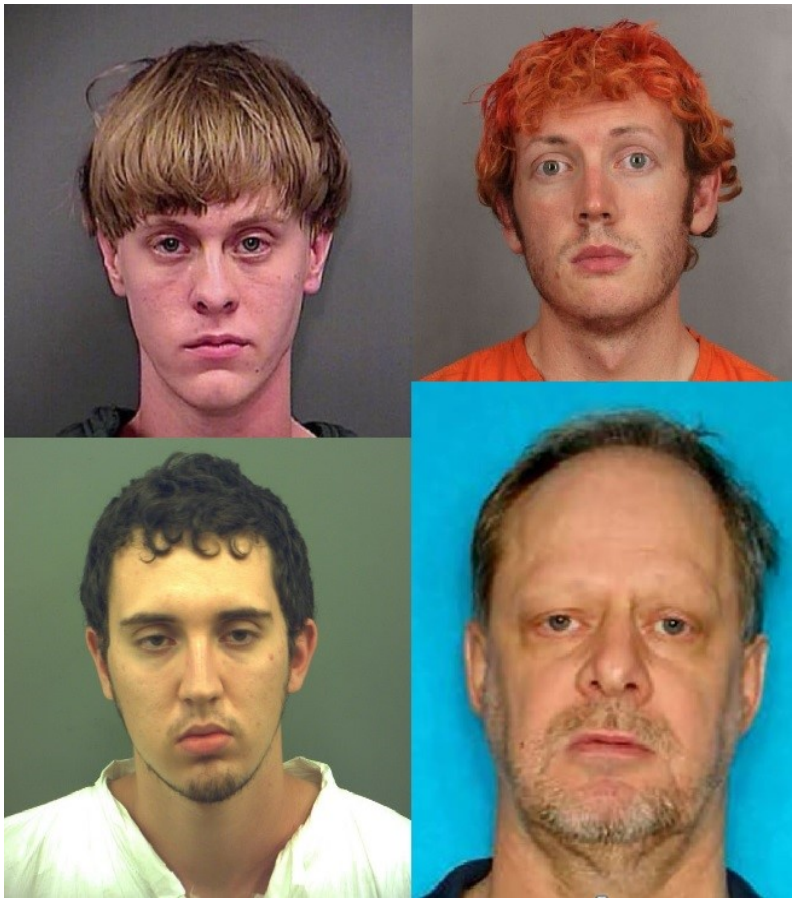


Artificial Intelligence, when used in this way, means a probability-based decision-making tool that measures inputs and decides which outputs are most appropriate.

Google search results employ artificial intelligence, a form of stochastic analysis. They also use it to manipulate ideas.

If a foreign country wants to cause political turmoil in the United States, or a certain pantsuited politician wanted to drive voters like cattle, then they have a friend in Google's algorithms.

For a fee, Google can identify people with mental instability or radical beliefs and then filter their information to create outrage, even insanity.



Google can and does create mass shooters. They probably can't predict the who, where, or when but they can increase or decrease the likelihood of terrorist events.

Search engines and social media are managing the conditions for reactions and side reactions. Google does not directly buy the rifle or pull the trigger, but it alters the probability that someone will.

Google's core business collects fees from clients desiring to modify the behavior of Google users utilizing these probabilistic methods.

Speaking of McNamara, not so long ago, a flight of his legacy F-111 strike aircraft and a squadron of Navy jets bombed Tripoli in response to Pan Am 103.

Khadafi did not put the bomb on the Pan Am aircraft, but he directed the conditions that led to the bombing.

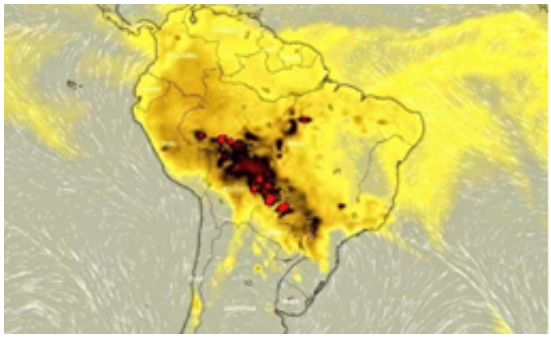
Is it time to apply accountability to search engines and social media? We hold bankers responsible as well as heads of state.

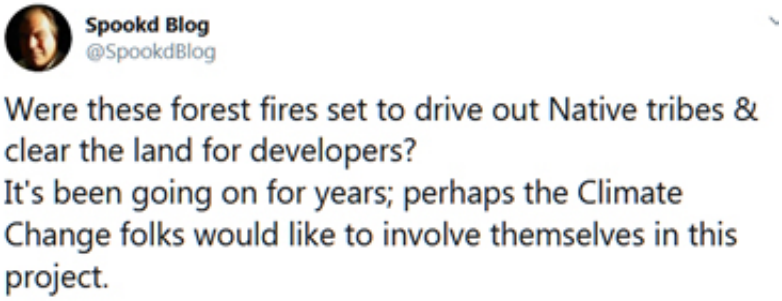
Google and the paid media push fictitious white supremacy, racism, tales of economic doom, and all the rest to cause people to shift behavior. For some people, stochastic behavior modification algorithms cause them to shoot up Wal Marts and schools. For others, it leads totalitarian governments to their doorstep to discuss their social credit score. Real people are dying real deaths. These algorithms are responsible.

Just for fun, we are going to look at this past week's events from the stochastic perspective. It is a tip of the hat to David Koch.

Fires in the Amazon Basin

There are some seriously large fires burning along the Amazon. They appear to be man-made.





Creating conditions that support the global warming argument are always a fun way to drive panic among the millions that believe the world is about to end. The El Paso shooter specifically listed global warming and the plight of native peoples in his manifesto. If a hostile government wants to jinn up more mass shootings in the USA, then their treating of a nut job's manifesto as best-practice increases the probability of another mass shooting.

CNN Hired Andrew McCabe

Now, why the heck would they do that?

Oh, I get it now. Dan Bongino explains, Here that they need someone willing to lie.

Yup, we can check the stochastic box. They are seeking to cause some people to go crazy by pushing false narratives. McCabe's audience is likely unionized federal employees that confuse tenure with integrity.

Patrick Byrne Fired From Overstock.Com
He Has a Few Things to Say

Patrick Byrne was CEO of Overstock.com, and he created quite a few enemies when he made Overstock Bitcoin-friendly. Customers can purchase items using Bitcoin and avoid taxation. Overstock became a major bridge between the crypto economy and the paper dollar economy.

Byrne formerly dated Maria Butina, the alleged Russian spy used by friendly intelligence agencies to penetrate and corrupt Republican political campaigns during the 2016 election. The Trump campaign was the primary target, although the Rubio and Cruz campaigns were also targets.

He alleges that Peter Strzok and perhaps James Comey of the FBI directed him to rekindle his relationship with Butina. He was to provide her with cover while she infiltrated the campaigns.

If this turns out to be true, then James Comey perjured himself Bigly as this means that Comey

directed Strzok to commit espionage against Trump and the other Republicans to collect Kompromat sufficient to blackmail the president.

When blackmail quality material was not collected, the FBI allegedly launched the coup against President Trump.

If the allegations are true, then it begs the question: How many other presidents faced blackmail from the FBI?

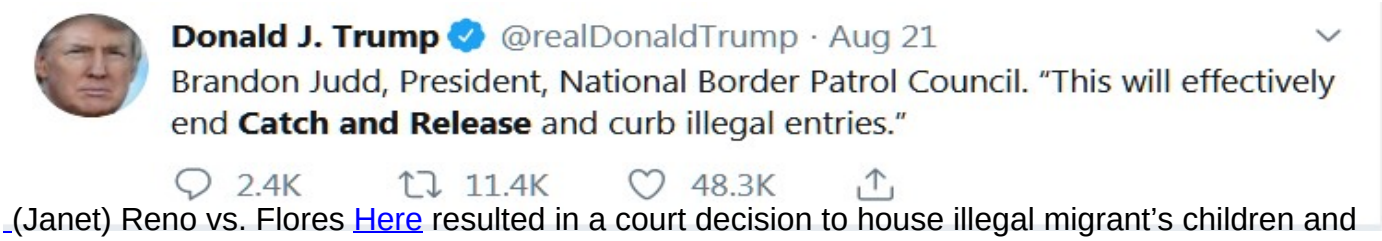
How many corporate CEOs, how many military officers, how many heads of major media outlets might also be on the list?

Maybe.

Maybe not.

Either Byrne is telling one heck of a whopper or the FBI has a real problem.

Catch and Release Ends



(Janet) Reno vs. Flores Here resulted in a court decision to house illegal migrant's children and families in separate quarters. The decision was reached in 1997 and modified in 2001. It set standards of detention for the entire United States.

The Flores Decision ruled that children could only be housed in non-secure, state-licensed facilities. The states did not provide such facilities, forcing the feds to release unaccompanied minors into the United States.

The decision was challenged in 2015 in the 9th Circuit and not only upheld but expanded to include adults. This decision led to the vast waves of migrants into the United States.

The Flores settlement originally agreed upon in 1997 and modified in 2001, established that the government would only house alien children in "non-secure, state-licensed" facilities or release them "expeditiously."

Given that there are no such state-licensed facilities, and the feds, until now, have not created their scheme, it forced them to release unaccompanied minors in 20 days. In 2015, a California judge applied Flores to children accompanied by a parent as well, and the Ninth Circuit agreed the following year.

In actuality, the media invented the 20-day release period, and everybody went along. If not it something is said often enough…

President Trump declared that the time limit is a fraud designed to lure illegals, and he is spot on.

His decision nixed the 20-day holding period and changed it to indefinite hold or until states build and use their detention facilities.

Strong Dollar

We have to give President Trump a round of applause.

When the week began, the media was declaring that we were heading into a recession and perhaps another Great Depression. Everyone was advised to liquidate assets as quickly as possible, buy gold and head to the bunker in the basement. This was supposed to be the big one.

However, as of today, after only a week, the recession is over and the second Great Depression averted.

That's pretty good.

Either the media was trying some of their stochastic terrorism voodoo or President Trump is the greatest economist in the history of the world. It is one or the other. You decide.

The Trump Curse and Our Pals at Disney

Not only is General Electric accused of grossly overstating earnings and having a breakup value significantly greater than the value of the company as-is, but Disney is also facing fraud allegations.

Funny how GE, strong supporter of the Iranian nuclear deal, and significant owner of NBC during Trump's run on *The Apprentice*, a seller of defense secrets to China, promotor of wind farms and gas turbines at the expense of coal-fired power plants, - that GE – has run into problems with

accounting fraud.

So too, Disney.

Sandra Kubra, a former 18-year Disney employee, filed a whistleblower complaint against Disney claiming that the company overstated revenue from low taxed items at its resorts in place of high taxed revenue such as hotel rooms. They did this by overstating receipts from gift cards and booking promotional giveaways as sales.

Disney denies the charges.

Didn’t Disney’s ABC fire Roseanne Barr for supporting Trump?

Nice little companies you got there. Hate to have an SEC investigation ruin things for you.

Antifa

President Trump is considering declaring Antifa as a terrorist organization.

This modern version of the old school KKK is the Democrat's hammer that they use to silence opposition.

They seem to have two purposes. The first is intimidation of normals, and the second is to be a pool of crazies manipulated by social media.

Try an experiment.

Go to a public library computer. Google Antifa.

Review the results.

Then Google Antifa and Trump. The search results turn noxious and violent as the algorithm responds as if you are one of them.

Google anything else that you like within the same session, and the search engine will continue to dish up hatred, suggestions for violence, weapons fabrication, and bomb-making.

That's a wrap. This week was one continuous example of the adoption of stochastic methods by the media, search engines, and social media that are intended to cause someone, somewhere to go critical. How do we know that there is coordination among the public opinion-makers? Easy. They universally accuse conservatives and President Trump of using these methods. Sorry to tell them, but the media assets in play are all owned by leftists.

So many events this week are either media creations designed to cause stochastic terrorism or the

result of stochastic terrorism.

Mike Ryan is an engineering consultant to the primary metals, fibers, and chemicals industries.