Can improving US – Pakistan relations open up investor opportunities in the Indian Sub-Continent?
This issue of Constellis’ Kidnap for Ransom Insight Report covers global kidnapping incidents and trends for the months of May, June and July 2019. The information is derived from multi-source analysis of kidnap for ransom activity and where known, the outcome or resolution of the events. The report covers current kidnap for ransom hotspots at regional, national and provincial levels, with a particular focus on areas where kidnap for ransom activity is increasing.

Statistical analysis of data for May and June 2019 is included on page 13, which displays kidnap for ransom trends by region, victims by nationality and employment sector, as well as identifying the Top 10 countries for kidnapping of foreign nationals over the reporting period. Additionally, 12-month statistical information (July 2018 – June 2019) can be found on page 17.

The Global Piracy Update provides an overview of the piracy threat by region, providing trend analysis for May and June 2019. It also offers sample cases that took place during those months to illustrate identified trends.

The Cybersecurity section examines current issues affecting companies and individuals in the realm of IT security. This edition will provide an overview of the recent cybercrime trend seemingly targeting the governments of North American localities. The vast majority of these attacks has involved ransomware, delivered via spearphishing emails and social engineering techniques. These attacks have grown exponentially in recent years as a result of weak cyber security measures employed by small councils, which are linked to their budgetary constraints and mean that they can be more easily infiltrated by cybercriminals. Hand-in-hand with the growth in these attacks has been an escalation of the ransoms demanded of local governments, rising from around USD 600 in 2016 to USD 600,000 in 2019. Despite state and local governments actually being less likely than other organisations to pay ransom demands, high profile payments reported in the media have led hackers to perceive a higher chance of success.

The Focus Article examines the turbulent relationship between the US and Pakistan, analysing its impact on security and on investor confidence in the Indian subcontinent. Since its inception, the US - Pakistan alliance has been unstable, which has had a negative impact on regional security and economic development. More recently, US President Trump has assumed a belligerent stand towards Islamabad since taking office in 2017. Yet, his first meeting with Pakistan Prime Minister Imran Khan this July indicated relations between the two countries are on the mend. This has raised hopes that a rehabilitated alliance can bring about greater stability and open up investor opportunities in the Indian sub-continent. Nonetheless, the situation remains precarious, largely due to Pakistan’s ingrained anti-Indian agenda. As long as Islamabad views India as a threat to its existence, it will continue to regard regional instability as an advantage, thus casting a shadow over prospects for security and prosperity.
Mexico-US border. (Infobae)

Migrants protesting against their targeting by criminal groups at the trafficker they had hired to take them to the US. On the migrants were abandoned there by the human trafficker they had hired. This incident took place in the Mexican state of Veracruz, after two children - were kidnapped by armed men claiming to be members of Los Zetas cartel. The incident took place in the Mexican state of Veracruz, after the migrants were abandoned there by the human trafficker they had hired to take them to the US. On 1 July, relatives of the victims received a phone call from the kidnappers, who demanded USD 12,000 for the release of the group. The relatives reportedly paid USD 8,000, but the migrants were not released. A few days later, the beheaded corpse of one of the adults was found in a town of Morelos state. The deceased's son was found badly injured next to the corpse. The other two victims were later found in Mexico State, having escaped their captors. On 29 June, Houston police arrested five men for allegedly holding 16 Latin American immigrants for ransom. The investigation started on 5 June, after relatives of one of the victims reported the incident to the police. According to the relatives' report, the kidnappers were demanding USD 4,700 for the man's release, in addition to the USD 300 he had already paid in Mexico to be taken into the US. The kidnappers threatened to kill the hostage if the money was not paid. Houston police tracked the victim, deploying to the location, where they arrested several suspects and rescued the man and another victim. There, the police learned of another safe house where a number of migrants were also being held. At the second location, the authorities found 16 other victims, all female, in “deplorable conditions”. Investigations determined that the women had been held captive and sexually assaulted for 25 days.

Meanwhile, Colombia continues to observe declining kidnapping numbers. According to the latest statistics from the Colombian Ministry of Defence, between January and May 2019, only 26 kidnaps for ransom were reported, the lowest level recorded in the country in the past 10 years. This is compared with 35 events reported over the same period in 2018 and 87 in 2011. According to the authorities, about 90% of kidnappings for ransom in Colombia are carried out by common criminals, while only 10% can be attributed to organised crime groups such as the Clan del Golfo, Los Rojos or Los Pelusos, FARC dissidents, or the ELN. While the notable decrease in kidnapping numbers can mostly be attributed to the demobilisation of the FARC, other important elements have also contributed to this trend. These include consistent under-reporting of this crime, a situation which is more common in rural settings, where organised criminal groups and militants (dissidents and active) operate. Additionally, experts in the region have noted a strengthening of such groups, particularly in the border regions with Venezuela. For example, according to the commander of the Colombian Army's Fourth Forces, between 45% and 47% of the ELN's forces are currently operating inside Venezuelan territory. This not only offers the group a safe haven from the Colombian security forces, but also allows them to develop their criminal enterprises, and thus their funding. In this context, future trans-border kidnaps carried out by organised groups, particularly the ELN, should not be ruled out.

CASES:

- On 21 May, a Venezuelan topographer and his local driver were kidnapped while carrying out a project in a rural area of Colombia’s Antioquia department. The event was attributed to suspected demobilized members of the FARC, who lured them to the site by engaging their services. Two local assistants and another driver, all part of the Venezuelan’s team, were also kidnapped but managed to escape and report the incident. According to the police investigation, the kidnappers took photos of the hostages and later demanded COP 100 million (nearly USD 30,000) for their release. Colombian authorities believe the victims may have been killed on the same day that the demand was communicated. Two member of the responsible group were arrested on 25 May.
- On 7 June, Colombian businessman Germán Plata Palacio was abducted in Venezuela along with two of his workers while transiting in a rural area of Táchira state, near the border with Colombia. The businessman and his driver were released on 27 June. Although official statements said the hostages were rescued by Venezuelan authorities, it is believed a ransom was paid. The female employee, a Colombo-Venezuelan, remains missing. According to the driver, who was held with her, she was in very poor health at the time of his release. While the identity of the kidnappers was not made public, uncorroborated reports citing propaganda allegedly distributed in the area said Colombian paramilitary group Los Urabeños had claimed responsibility for the kidnapping. The group cited the businessman’s close relationship with the Venezuelan Special Forces (FAES) as the reason behind the abduction.
Europe

Unusually, Europe accounted for over 23% of the victims recorded by Constellis over May and June, ranking as the region with the second largest number of foreign victims. This was directly linked to a large number of kidnaps of migrants in the region. After a relative lull, this trend saw a resurgence over the past reporting period, exponentially increasing over since. This was once again particularly noted in Greece, where 87 migrants were rescued in May alone. Meanwhile, in Spain, the security forces continued to dismantle kidnapping gangs targeting migrants, particularly from Morocco. These arrests have been documented since 2017, evidencing the endurance of these activities in spite of continuous law enforcement efforts to disrupt them. According to recent reports by the International Organization for Migration, more than 22,400 people arrived in Spain by sea in 2018, nearly triple the number for 2017. As such, Spain is ranked as the third busiest gateway for migrants arriving in Europe, just after Greece and Italy.

CASES:

On 16 May, two Greeks and a foreign national were arrested by Greek police in the northern port city of Thessaloniki. The men were accused of holding 11 migrants for ransom, who were also rescued during the operation. It was not immediately known how long the migrants had been held for. Later, during a second police raid on 18 May, 74 migrants were rescued from a warehouse in the outskirts of Thessaloniki. Four suspects, all foreign nationals, were arrested during the raid. Police said the suspects in this case are members of the same group that kidnapped the migrants rescued on 16 May. The nationalities of the victims were not specified. All victims in both cases had reportedly arrived in Greece by illegally crossing the Turkish border, and being then transported by the suspects to Thessaloniki.

Spanish authorities announced on 16 May the arrest of four Moroccans and a local national, suspected of being members of a gang kidnapping migrants for ransom. The gang’s members allegedly waited for migrant boats to land on beaches near the southern port of Algeciras, and then promised to help them find their family members in Spain. Victims were then taken to a house in the city, where they were locked up in rooms and forced to give up their mobile phones and other personal items. Gang members would phone the victim’s family members and demand between 500 and 2,000 euros to secure their release. The specific ransom demand would be determined after interrogation of the victims to assess their family financial situation. It was not specified how many migrants are believed to have been kidnapped by the gang. The police said investigations into these crimes are ongoing and they did not rule out further arrests.

On 24 June, an Argentinian tycoon, who had been held hostage for a seven days in a residential area of Madrid, was rescued by Spanish police. Five kidnappers, including four French nationals and a Russian, were arrested during the rescue operation. The rescue took place soon after Argentinian consular authorities in Spain alerted the police, following a report made in Argentina by the family of the hostage. According to the report, the kidnappers demanded USD 2 million for the release of the magnate and threatened to kill him and his whole family in Argentina if their demands were not met. The kidnappers were arrested as they were about to transfer the hostage to another location. Sources allegedly close to the investigation said the suspects had been contracted to kidnap the businessman and extract the payment of a debt. It was also reported that the case was linked to the Russian mafia.

On 2 July, the Portuguese Judicial Police (PJ) arrested four men accused of the abduction of an Angolan university student in May. According to the PJ, the unnamed student was abducted with violence in the streets of Lisbon at dawn. He was reportedly held for several hours, during which he was tortured and threatened, before his captors demanded a ransom.

On 26 June, an elderly man in Madrid, Spain, was victim of a phone extortion attempt. The caller, who reportedly had a Maghrebi accent, claimed to be holding the man’s son hostage while a person could be heard in the background crying and asking for help. The alleged kidnapper demanded 10,000 euros for the release of the victim, but soon agreed to an immediate payment of 1,500 euros. The payment was not made as luckily, the man’s daughter managed to reach her brother over the phone.

Europe is a major destination for foreign nationals, both for travel and residence. Although every year millions of foreign nationals travel to Europe with minor or no issues, a number of violent crime incidents, including kidnapping, have affected visitors and expatriates in the past. Criminally-motivated kidnapping in the region often affects individuals linked to criminal activities, especially organised crime. Instances motivated by personal or business disputes are also often recorded. While traditional kidnap for ransom remains limited, a number of instances of express kidnap have been recorded in recent years. Virtual kidnapping has also observed a recent increasing trend in Spain. Claiming to hold a loved one hostage for a ransom, these telephone scams have in their majority been identified as originating in Latin America, particularly from prisons in Chile. However, these crimes may increasingly originate in-country and elsewhere as these crimes popularise, being low-risk and effective.
MIDDLE EAST

The Middle East has maintained its low rate of kidnapping of foreign nationals since the beginning of 2019, with less than 5% of all victims recorded by Constellis in each reporting period. Notably, the region has seen an important escalation in tensions since May, as the Trump administration toughened sanctions against Iran. Since then, a series of hostilities have been exchanged in the region, not only between the two countries, but also involving other international actors. In this context, concern has been raised throughout the Middle East regarding an increased threat of kidnapping in the region, not only by Iranian regime forces, but also by Iranian proxy actors, particularly targeting American citizens and those seemingly linked to American interests. The Iranian regime has been particularly known for carrying out arbitrary detentions of foreign nationals, often for political reasons. Iranian dual nationals are at a much higher risk, as the Iranian authorities do not recognise dual nationality and therefore do not grant consular access to those detained. Also in this context, the US Department of State issued an updated Travel Advisory for Iraq on 15 May, warning of the risk of kidnapping to US nationals in Iraq. The update mentions that in addition to numerous terrorist and insurgent groups, the threat also emanates from anti-US sectarian militias. There is also a high risk of kidnapping from criminal groups operating throughout Iraq.

CASES:

On 15 July, the French Foreign Ministry called on Tehran to allow consular access to a Franco-Iranian researcher who was arrested in Iran. Fariba Adelkhah was reportedly detained in June on unknown charges. One of Adelkhah’s colleague said she was arrested on 5 June and is being held in Elvin prison, north of Tehran. Unconfirmed reports suggested Iran’s Islamic Revolutionary Guards Corps (IRGC) arrested her on suspicion of spying. According to Paris, no satisfactory response has been given to their requests for access to the detainee. Meanwhile, an Iranian government spokesman said on 14 July that although he had heard reports about Adelkhah’s arrest, he did not have any further information. This arrest comes amid efforts by France to reduce tensions between Tehran and Washington. In recent years, several westerners and dual nationals have been jailed in Iran on alleged espionage charges. According to open sources, at least four other western citizens have been arrested in the country in the last 12 months.

On 2 June, Kurdistan Security Forces published the confessions of three suspects involved in the kidnapping and extortion of an Indian national in Erbil’s Ankawa district. The incident took place on 28 May and was caught on CCTV camera. The Indian restaurant owner was held captive for three days, during which he was tortured, both physically and mentally. The kidnappers contacted the victim’s brother to demand USD 100,000 as ransom, which was later negotiated down to USD 50,000. Kurdistan security forces uncovered the gang’s location and rescued the Indian businessman before any money was transferred.

Outside Iraq, the Gulf region presents very permissive security environments, with low levels of criminality, particularly violent crime. While kidnaps for ransom may occur, these remain limited in number and generally unprofessional. Kidnap incidents in the Gulf mostly expatriate, with victims commonly being of the same nationality as their captors, and often in situations linked to personal or business disputes. On the other hand, kidnapping in the Levant continues to be one of the main security concerns, with a number of professional syndicates active and able to act across borders. This is in addition to a myriad of armed groups that may use ransoms to finance their militant activities.

CASES:

An Egyptian expatriate was abducted and assaulted with knives by six compatriots in the Khitan area of Kuwait city on 11 June. According to the victim, he had been lured by one of the perpetrators, who was his acquaintance, saying he would lend him KWD 2,000 (approximately USD 6,600) he needed to pay some loans. After meeting the man, he was forcefully taken to a field, where two other suspects were waiting, armed with knives. The victim said the perpetrators assaulted him and forced him to sign four promissory notes. The criminals subsequently fled, abandoning him in the field, injured. The victim reported the incident to the police and identified three of his attackers, who were later arrested. The three other perpetrators are still at large.

In the UAE, on 23 June, 10 Asian men were tried in a Sharjah court, accused of defrauding and kidnapping a businessman for ransom. The accused reportedly lured the businessman, who was also Asian, via fake internet advertisements, offering a building for rent. The man was invited to visit the offices of the fake real estate company the suspects had created to finalise the documentation and pay the lease. When the businessman arrived at the meeting, he demanded to visit the building before handing over the money. The suspects then tied the man up and forced him to hand over the money, amounting to AED 480,000 (USD 131,000) before fleeing.

On 29 May, the Jordanian Foreign Ministry announced they were following up on the kidnapping of two Jordanians in the Syrian city of Suweida, just after their entry into the country the previous day. The father of one of the victims confirmed that he had received a phone call from the kidnappers demanding a ransom of JOD 90,000 (around USD 127,000) and threatening to kill his son if this was not paid within 72 hours. Reportedly, the kidnapping was linked to a financial dispute with a Jordanian man residing in Ramtha. The victims were released by Syrian security forces on 30 May.
AFRICA

Over May-June 2019, Africa saw a decrease of 14% in the recorded number of foreign kidnap victims, compared to the March-April period. This downward variation was linked to a reduction in the number of kidnaps in Nigeria, both inland and offshore. Nigerian authorities have attributed the decline to the effectiveness of ‘Operation Puff Adder’, a security programme established in April 2019 aimed at curbing kidnapping and other violent crime in the country. In the first month of its inception, this operation reportedly resulted in the rescue of at least 63 kidnap victims and the arrest of 852 kidnappers. Despite this decrease, the perception of a kidnap epidemic remains, particularly as high-profile kidnap cases continue to receive great media coverage. Nonetheless, the Nigerian threat is not limited to Nigerian territory, with an increasing criminal migration being observed in recent years throughout West Africa. This trend had already been observed at sea, reaching as far Ivory Coast to the west and Congo-Brazzaville to the south. inland, there have been a number of high-profile kidnaps in other West African countries attributed to Nigerian gangs. This has included Ghana, where a number of Nigerian gangs have been dismantled in 2019. These gangs have been attributed with a series of serious crimes, including high-profile kidnap for ransom incidents targeting foreign nationals.

CATEGORIES:

Three Lebanese nationals working for an engineering company were kidnapped in Nigeria by unknown gunmen on 8 June. The abduction took place in the Adoni locality of Rivers State, where the expatriates were working on the construction of a road. After the incident, the governor of Rivers State threatened the community with a number of sanctions, including the cancelation of the road project, if the victims were not released within 72 hours. The governor additionally directed other communities in the state to take measures to protect contractors executing projects in their areas. The expatriates regained their freedom on 25 June, allegedly rescued by the Nigerian security forces.

Two Canadian women who were volunteering with a Canada-based development organisation were kidnapped in Nigeria by unknown gunmen on 8 June. The abduction took place in the Adoni locality of Rivers State, where the expatriates were working on the construction of a road. After the incident, the governor of Rivers State threatened the community with a number of sanctions, including the cancelation of the road project, if the victims were not released within 72 hours. The governor additionally directed other communities in the state to take measures to protect contractors executing projects in their areas. The expatriates regained their freedom on 25 June, allegedly rescued by the Nigerian security forces.

Security threat levels in Libya remain very high, with a number of Western governments advising against all travel to the country. Armed conflict, terrorism and violent crime, including kidnapping, are all significant concerns throughout the country. Despite counting with the backing of the UN, the Government of National Accord (GNA) enjoys very little support in-country. Particularly, since the offensive against Tripoli by General Khalifa Haftar’s Libyan National Army (LNA) in April 2019, the GNA has seen its support further eroded. The fact that multiple foreign governments are providing support to the various warring factions in Libya increases the great instability in the country and the complexity of the conflict. During the reporting period this has resulted in a series of kidnappings and arbitrary detentions. These have also targeted foreign nationals, including Canadian and Bangladeshi nationals.

CATEGORIES:

On 1 July, six abducted Turkish sailors were reported safe and back on their ship after being released by Libyan rebels connected with General Khalifa Haftar. It is not clear when and how the alleged militant kidnappers demanded the Turkish nationals. The kidnapping was said to be linked to the general’s resentment of Ankara’s support for the GNA army, and followed Haftar’s threat to treat any Turkish aircraft and ships, whether military or commercial, as hostile. Likewise, the release followed a threat made by the Turkish authorities on 30 June, warning of attacks against Haftar’s forces if they did not release the six sailors, or if further Turkish ships or interests were threatened.

On 24 May, Libyan police arrested four Bangladeshis in Tajoura, suspected in the abduction of five Bangladeshi migrants. The suspects reportedly demanded USD 32,500 for the release of the hostages. At the time of the victims’ release, Bangladesh diplomatic authorities said that as a result of the intense fighting in Tripoli and its environs, they had not been able to retrieve the victims and initiate the procedure for their repatriation.
ASIA

Asia maintained the increasing trend observed over the past two-month period, recording 78% more kidnapped foreigners than in March and April. More than half of the victims logged over May and June were abducted by Chinese loan shark gangs as a way to extract the payment of debts. While most of these incidents take place in the Philippines, they are a growing concern throughout Southeast Asia, especially in countries with a flourishing gambling industry, where these syndicates are most active. According to Philippine police figures, 23 Chinese nationals were kidnapped in instances linked to gambling debts in 2018, compared to eight in 2017. In the first half of 2019, Constellis recorded 34 Chinese kidnapped by loan sharks in the Philippines, in addition to two Australians of Chinese origin and a Taiwanese. Local experts, basing their comments on anecdotal evidence, assess that the actual number of victims could be five times higher than the official figures as a result of high levels of underreporting of these crimes. This type of kidnap has increased exponentially in the country amid an influx of Chinese tourists and workers, in part driven by the boom of metropolitan Manila as a regional gambling destination. This has further been enhanced by the expansion of the online gambling industry in the archipelago.

CASES:

- Three Chinese nationals were arrested on 31 May for kidnapping three compatriots in Parañaque City, Metro Manila. According to police investigations, three victims were kidnapped to pay their gambling debts. The two suspects were loan sharks working at a Chinese-owned casino in Poipet city. The men were arrested and the victims rescued during a police raid on a rental house in Poipet City, on 26 May. The four Chinese victims had been abducted on 23 May, and had been forced to request a ransom payment from relatives and friends living in Phnom Penh. The relatives did not pay, instead reporting the incident to the authorities. A total of 12 Chinese suspects have been arrested so far in connection with the case.

- On 23 May, Banteay Meanchey Provincial Court charged two Chinese nationals over the kidnapping of four compatriots who had failed to pay gambling debts. The two suspects were loan sharks working at a Chinese-owned casino in Poipet city. The men were held hostage after they failed to pay their loans. The loan sharks demanded $7 million (over USD 135,000) from the victims’ families in exchange for their release. Their victims were held in a hotel room in Parañaque for 10 days, until their rescue by Philippine authorities.

- On 28 May, Banteay Meanchey Provincial Court charged a Chinese man and four Vietnamese for abducting a local man in Vietnam’s Tien Giang province in order to collect a debt of VND 350 million (approximately USD 15,000). The victim, a fruit merchant, was held on 29 June as he went to meet the Chinese suspect to “talk business”. On the same day, the suspects called the victim's wife to demand VND400 million (over USD 17,000) for the merchant’s release. She informed the police and later went to a coffee shop in the province to pay the kidnappers. One of the Vietnamese suspects was arrested while receiving the money. He subsequently led the police to the victim, where the other men were arrested.

- On 27 June, the Australian government said it was “urgently seeking clarification” on the fate of an Australian citizen who had been detained in North Korea. The detained person was identified as Alek Sigley, an Anglo-Australian man of Chinese origin, who was one of the few Western students at Kim Il-sung University. He also ran a company specialising in tours of North Korea and had written articles on North Korea for foreign media outlets. According to reports, Sigley’s last social media posts and communication with his family had stopped three days prior to the reports of his disappearance. On 4 July, Australian authorities reported Sigley had been released and was safe in China, thanks to mediation by a Swedish delegation. After Sigley’s release, the North Korean government said he had been detained on suspicion of espionage.

- On 23 July, human rights groups and relatives expressed concern for the wellbeing of Van Kham Chau, a 70-year-old Australian citizen who has been imprisoned in Vietnam for six months without charge and denied a lawyer and family visits. Chau, who is a vocal member of Việt Tàn, an international pro-democracy group deemed by the Vietnamese government to be a terrorist organisation, relocated to Australia from Vietnam in the 1980s. He was arrested in Ho Chi Minh City in January 2019 for allegedly trying to overthrow the government and for entering the country on false documents. According to his relatives, Chau had been meeting a member of prohibited pro-democracy group Brotherhood for Democracy when he was arrested.

Around the world, arbitrary detention is commonly used by non-democratic regimes to suppress dissent and sanction opponents to their rule. This is a common practice in a number of Asian countries such as North Korea, China, Myanmar, Thailand or Vietnam. In North Korea, government surveillance and repression are the greatest security concerns. Moreover, the North Korean authorities are known to be extremely suspicious of foreigners, with arbitrary detentions, confiscations and deportations possible at any time. A number of foreign nationals have been detained in the past, often accused of engaging in espionage or criticising or offending the government, all of which can result in lengthy prison terms. These incidents may occur particularly at times of international tension. Likewise, government surveillance and arbitrary detention are concerns in Vietnam. Having said that, foreign nationals are rarely targeted. This is not however the case for Vietnamese expatriates, many of whom have been detained in the past in Vietnam, despite some of them having foreign citizenship. Vietnamese officials often disregard the current citizenship of these individuals, treating them as Vietnamese citizens and denying them access to consular support.

CASES:

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Statistics for May-June 2019 are drawn from Constellis’ record of 385 kidnapped foreign nationals. Over March-April 2019, Constellis recorded a total of 332 foreign nationals kidnapped across the world.
**MAY-JUNE 2019**

**KIDNAPPED FOREIGN CITIZENS**

**REGIONAL ORIGINS OF VICTIMS**

- **LATIN AMERICAN** (172) 44.7%
- **UNKNOWN** (112) 28.1%
- **SOUTHEAST ASIA** (16) 12.8%
- **AFRICAN** (5) 1.3%
- **NORTH AMERICA** (6) 1.6%
- **EUROPEAN** (12) 3.1%
- **MIDDLE EAST** (16) 4.2%

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**MOST VICTIMIZED SINGLE NATIONALITY**

1. Honduran
2. Salvadoran
3. Cuban
4. Chinese
5. Guatemalan
6. Bangladeshi
7. Filipino
8. Ghanian
9. Turkish
10. French

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**VICTIMS BY OCCUPATIONAL SECTOR**

- **UNSKILLED** 69.9%
- **DEPENDENT** 0.3%
- **JOURNALISM** 0.3%
- **PROFESSIONAL** 0.3%
- **EDUCATION** 0.5%
- **CONSTRUCTION** 1%
- **OTHER** 2%
- **BUSINESS** 3.2%
- **TOURISTS** 4.2%
- **UNKNOWN** 6.2%
- **MARITIME** 11.2%

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**MOST VICTIMIZED ORIGIN BY REGION**

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<tr>
<th>REGION</th>
<th>ORIGIN</th>
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<tr>
<td>Africa</td>
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<tr>
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<td>Latin Americans</td>
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<td>Unknown nationality</td>
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<tr>
<td>Middle East</td>
<td>Middle Eastern</td>
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**Most victimized occupational sector by region**

<table>
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<tr>
<th>REGION</th>
<th>OCCUPATIONAL SECTOR</th>
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<tr>
<td>Africa</td>
<td>Maritime</td>
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<tr>
<td>Americas</td>
<td>Unskilled</td>
</tr>
<tr>
<td>Asia</td>
<td>Tourists</td>
</tr>
<tr>
<td>Europe</td>
<td>Unskilled</td>
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<tr>
<td>Middle East</td>
<td>Unknown</td>
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**DISCLAIMER:** These statistics herein presented are the result of a compilation of kidnapping incidents involving foreign nationals only, which have been reported in the media and other open sources. The information contained and its results are therefore partial as result of the incomplete nature of open-source material. Thus, this report should be taken only as a reference of general trends, taking its limitations into consideration.
Statistics for July 2018 - June 2019 are drawn from Constellis’ record of 1,517 foreign nationals kidnapped worldwide.

**Region**
- **Americas**: 52.1%
- **Africa**: 21%
- **Europe**: 12%
- **Asia & Pacific**: 9.4%
- **Middle East**: 5.5%
- **Rest of the World**: 26.6%

**Countries**

- **Mexico** (671) 44.2%
- **Greece** (126) 8.3%
- **Nigeria** (63) 4.2%
- **Libya** (55) 3.6%

- **Other countries**
  - **Colombia** (25) 1.6%
  - **Cameroon** (25) 1.6%
  - **Malaysia** (25) 1.6%
  - **Venezuela** (30) 2%
  - **Lebanon** (35) 2.3%
  - **Philippines** (55) 3.6%

- **Others** (402) 26.6%
Incidents of piracy and armed robbery over May and June 2019 decreased by over 40% compared to the previous two months. This decline was driven largely by a reduction in hostile activity in the Gulf of Guinea (GoG). Meanwhile, the International Maritime Bureau (IMB) reported that there were 76 incidents of piracy and armed robbery worldwide in the first half of 2019. In contrast, Constellis recorded 107 incidents, on a par with the number of attacks recorded by the IMB in the first half of 2018. Such data discrepancies are very common as many vessels continue to fail to report incidents. The GoG remained the area worst affected by piracy during the first half of 2019, with this trend (observed since 2014) expected to persist. Underlining the severity of the piracy threat in the region, over 70% of all kidnappings at sea recorded in the first half of 2019 occurred in the GoG. In this respect, piracy in this area will continue to be associated with large-scale human and economic costs. Notably, the UN estimated the total economic cost of piracy in West Africa at USD 777.1 million annually between 2015 and 2017. The figure was certainly much higher for 2018, which saw a drastic increase in piracy and armed robbery in the GoG. Also of note during the first half of 2019, there was a sharp rise in incidents of violent armed theft off Latin America’s coast. This increase in hostility has been driven mostly by the heightened political and economic instability in Venezuela.

In other developments, May and June 2019 saw a dangerous increase in tensions in the Gulf of Oman. Six tankers were attacked in the region in what appeared to be a military escalation of US - Iran tensions. The US and multiple other countries blamed Iran, which has categorically denied responsibility for the attacks. Four tankers were attacked in May after the US sharply tightened sanctions against Tehran. Tension increased further after another two tankers were attacked in June. The US and Iran have since continued to trade hostile actions, such as shooting down drones. The situation escalated further in July, with the involvement of other international actors. In particular, Iran seized an oil tanker owned by the Iraq-based Riah Shipping & Trading Inc at gunpoint in the Strait of Hormuz, amid accusations it was smuggling fuel. The UK was also involved in the crisis, with Iran having seized two tankers linked to the country in late July. These two seizures certainly represented retaliation for the seizure of an Iranian tanker in Gibraltar on 2 July under suspicion of shipping oil to Syria. The recent attacks in the Gulf of Oman and continuing high tensions in the Middle East have raised concerns over commercial operations in the region, prompting increases in oil and shipping prices as well as insurance rates for Persian Gulf shipments. While the likelihood of outright war appears low as neither side is interested in direct conflict, incidents such as the May and June attacks can recur. No major loss of life, trade disruption or environmental damage has occurred thus far, although they cannot be ruled out as a result of future attacks. Thus, commercial vessels are advised to exercise vigilance and review security plans when transiting the region.

No significant incidents were recorded in the Gulf of Aden, and the wider East Africa region over May and June, despite a spike in attacks off the coast of Somalia during the previous two months. While pirate attacks off Somalia’s coast waned dramatically in recent years (from 237 in 2011 to just seven in the first six months of 2019), criminal and militant networks continue to operate in the country, meaning that the threat of a resurgence of piracy remains. Furthermore, enduring instability in Yemen also continues to motivate hostilities in the Gulf of Aden. While in May 2019 the Houthis agreed to withdraw from three key Yemeni ports, including Hodeidah, violence has continued. Over the past two months, Houthi forces carried out live tests of sea mines in Hodeidah port and deployed explosive-laden drones allegedly intended to target international shipping in the area between Hodeidah and Al Sateef port. The boats were destroyed by Saudi-led coalition forces. Such incidents clearly underline the enduring threat to commercial shipping off Yemen’s coast.

Whilst vessels that are not linked to the warring parties are unlikely to be directly targeted, they face a considerable collateral risk.

**CASES:**

- On 13 June, two tankers in close proximity were attacked while underway in the Gulf of Oman, just outside Iranian territorial waters, near Jask. Although the Marshall Islands-flagged Fort Aitara and the Panama-flagged Kokuka Courageous sustained severe damage from explosions on their hulls, they did not sink. All their 44 crewmembers were safely evacuated, with only one sailor sustaining minor injuries. Hours after the explosions, an Iranian patrol boat was recorded approaching the Kokuka and removing an unexploded limpet mine from the tanker. The incident followed attacks on four oil tankers near UAE's territorial waters, east of Fujairah, on 12 May. Each vessel appeared to have been attacked by a sub-surface explosive device placed either by a remotely-operated vessel or a diver. Damage was caused to the vessels, but there were no casualties.

- Five Indian sailors, who were abducted in the outer anchorage of Nigeria’s Bonny Island on 19 April, were rescued on 27 June, according to Indian authorities. No further details were disclosed, but earlier reports indicated the kidnappers had demanded a USD 1 million ransom, which was ‘subsequently’ lowered to USD 500,000. Shortly after the Indian Minister’s statement, the owners of the vessel claimed that Indian and Nigerian authorities did not play a role in the release of the hostages, with a company spokesman saying that a ransom had been paid on 2 June. The spokesman also called for the immediate release of a Ghanaian national who had helped in the release of the crew and who was abducted during the exchange. An additional ransom was being demanded for him. Of note, the Nigerian authorities had accused the MT Apecus of conducting illegal trading activities, arresting 16 crewmembers onboard the MT Apecus and its sister vessel MT Invictus, who remain in detention.

- On 18 June, suspected Abu Sayyaf Group (ASG) militants hijacked two fishing boats off Sabah, Malaysia. The boats, which were heading towards the town of Semporna in Borneo, were reportedly operating during curfew hours without a permit. Nine out of the boats’ 15 Filipino crewmembers were kidnapped and taken to Tawi Tawi, in the southern Philippines. According to the fishermen who were not taken, the assailants wore military uniforms and spoke Malay. All hostages were found on the streets of a town in Jolo Island, Philippines, on 21 June. It was reported the group was released after their captors realised a ransom could not be obtained.
Cybersecurity

The Growth of Cyber-attacks on North American Local Governments

Cyberattacks, particularly ransomware, have seen an exponential growth in recent years, with over 1,000 new attacks recorded every day, with the GandCrab and Ryuk strains as the most prolific viruses in 2019. Hand-in-hand with the global growth in cyberattacks, local governments in Northern America have faced a growing incidence of malware attacks in recent years. Evidence from recently recorded cases seems to suggest that North American local governments are being specifically targeted by hackers seeking to exploit often outdated systems with limited defences. The vast majority of these attacks have involved ransomware, delivered via spear phishing emails and social engineering techniques.

State and local governments in the US have borne the brunt of these attacks, with open source research estimating that at least 169 ransomware attacks have targeted such institutions since 2013. This number is however likely to be far higher due to underreporting, with state authorities not always acknowledging attacks publicly. Moreover, the specific targeting of US local governments appears to have grown recently, with annual figures climbing year on year. At least 21 attacks against US local governments were recorded from January to April 2019, with a number of high-profile cases registered since then. In addition to the growth in the number of incidents targeting local governments, ransom demands have also risen sharply, from around USD 600 in 2016 to USD 600,000 in 2019.

The targeting of local governments is thought to be the result of a combination of factors. Chief of these are weak cyber security measures employed by small councils with budgetary constraints, meaning they can be more easily penetrated. Thus, when hackers profile their potential targets, vulnerable local governments are more likely to meet their selection criteria.

To compound the issue, highly publicised payments over the past two years have likely encouraged cybercriminals to increase the scale and brazenness of their attacks - despite state and local governments actually being less likely than other organisations to pay ransom demands. According to recent reports, approximately 17% of local governments in the US have paid ransom to cybercriminals, compared to 45% of other organisations. With reports on attacks against other organisations often suppressed for reputational purposes, high-profile incidents against local governments are more likely to generate increased media coverage, thereby possibly engendering a perception amongst cybercriminals that they are more likely to pay up. This perception is further encouraged by the criticality of the services they provide, such as utilities and emergency services.

Most attacks in the US have been committed by unidentified assailants. However, of the 12 cases in which cyberattacks have been attributed, most originated from North Korea and Iran. This may suggest that while many of these crimes are likely financially-motivated, given that ransoms have been demanded and paid, some of them may only be intended to cause disruption. Over the past couple of years in particular, with heightened tension between Washington and Tehran, hackers suspected to be working for the Iranian government have increased attacks against US agencies. For instance, an attack that crippled online services in Atlanta in March 2018 was later attributed to two men in Iran. Indeed, while the financial impact on targeted local governments can be great, the operational impact is also often significant, with attacks not only bringing down IT and communications systems, but also sometime severely affecting the operations of police forces and judiciaries, amongst others.

That being said, local governments in Canada have also been increasingly affected by cybercrime over the past two years, with a string of attacks targeting Ontario and Quebec. Therefore, while a political angle may exist for a percentage of attacks on the continent, overall trends would suggest crimes against vulnerable local governments are primarily motivated by financial gain.

Despite security services advising against paying ransoms to hackers, and municipalities scurrying to update their security systems, some local governments will continue to meet ransom demands, even with no assurances their files will be decrypted. There are two reasons for this. One of these is that local governments require a speedy resolution to an attack, given the number of facilities and services that can be affected - from hospitals to law enforcement - due to the sharing of network infrastructure. Additionally, attempts to recover the data by their own means can be deemed too lengthy or risky. For example, the city of Atlanta, which was infected by SamSam ransomware in March 2018, ended up spending over USD 2.5 million in response to the attack, whereas the original ransom demand was USD 50,000. This suggests that it is often cheaper just to pay the hackers, with less of an impact on the tax payer.

With enduring budgetary limitations and the increase of internet-delivered city services opening up new avenues of attack, local governments in North America will need to work quickly to secure their systems against further intrusions.

Cases:

- Over May and June 2019, three Florida cities were the victims of cybercrime. The local government of Lake City was targeted by a variant of the Ryuk ransomware, hijacking the council’s municipal records and paralysing its computer systems. After an emergency meeting held by city leaders, the payment of the 42 Bitcoins (approximately USD 460,000) demanded by the hackers was approved. This followed the payment of USD 600,000 to cybercriminals the previous week by the city of Riviera Beach. Key Biscayne too announced it was the victim of a breach, though it is unclear if the attackers demanded a ransom, with most networks restored fairly quickly.

- On 7 May 2019, hackers infiltrated the computer system of Baltimore’s government, implanting a relatively new strain of ransomware known as ‘RobbinHood’ which encrypted critical files. The hackers demanded a ransom of 13 Bitcoins (approximately USD 102,000). While this was not paid, the local authorities ended up spending USD 18 million to recover their data.
The US and Pakistan have a historically tumultuous relationship, further marred by broken promises and exaggerated expectations. Diplomatic relations were first established following the partition of the Indian subcontinent in 1947. With India committing to non-alignment politics in the wake of the Cold War, the US was pushed towards Pakistan, viewing it as a valuable asset against the Soviet Union. Pakistan accepted the alliance, driven by its need to counter-balance India. This gave birth to an unstable partnership based on differing fundamental objectives rather than shared values.

The end of the Cold War brought about dramatic changes in the global strategic environment, with a negative impact on the US - Pakistan alliance. Washington no longer needed Islamabad, drastically reducing its military support for the country. Meanwhile, Islamabad remained on a militarisation path, continuing its involvement in a proxy war with India over the contested Kashmir region, and also supporting the Taliban in Afghanistan in a bid to counter Indian influence.

The 9/11 attacks in the US changed the relationship once more, with Pakistan emerging as a key strategic partner in America’s Global War on Terror (GWOT). Since 2002, Pakistan has received more than USD 33 billion in US assistance, including over USD 14 billion as reimbursement for costs incurred while supporting Washington’s counter-terrorism operations. Ostensibly cooperating with successive US administrations, Pakistan continued its anti-terror operations, however these were carried out in a selective manner in order to advance its anti-Indian agenda. Throughout the years, Islamabad became notorious for targeting only those fundamentalist groups that posed a threat to its national security while supporting others carrying out attacks in India and Afghanistan. This continued to undermine the foundations of the US - Pakistani alliance.

Since taking office in January 2017, US President Donald Trump has taken a belligerent stand towards Pakistan. In August 2017, Trump noted that 20 US-designated international terrorist groups are currently active in Pakistan and Afghanistan, accusing Pakistan of giving them a safe haven. In a Tweet on New Year’s Day 2018, Trump lashed out at Pakistan for its “lies & deceit.” Since then, the US has suspended military training programmes and cancelled hundreds of millions of US dollars in security assistance to the country. With US support, the Financial Action Task Force (FATF), an intergovernmental monitoring group, has also increasingly attacked Pakistan over its failure to curb terrorism financing. Recently, concerns have grown that the FATF may blacklist Pakistan by the end of this year if the country continues to fail to complete its action plan items. Such a development would deal yet another blow to the unstable Pakistani economy.

In this context, President Trump met with Pakistan’s Prime Minister, Imran Khan, for the first time in Washington, on 22 July. The meeting took a surprising turn when Trump voiced optimism that Khan could help the US exit Afghanistan. The US president also hinted at the possible restoration of USD 1.3 billion in US aid to Pakistan, also offering to mediate in the Kashmir dispute. This seemingly dramatic shift in strategy appears to have been long in the making. Prior to the Trump - Khan summit, Washington listed the Baluchistan Liberation Army, a separatist group active in Pakistan, as a terrorist group. The International Monetary Fund (IMF) also approved a USD 6 billion loan for Pakistan, which was seen as the last resort for the Pakistani economy. Since Khan came to power in August last year, he has had to deal with serious economic issues such as huge budget and trade deficits. Islamabad has secured billions in loans from friendly countries, but this has been far from sufficient to begin addressing the country’s dire financial situation. Thus, Khan had no choice but to turn to the IMF despite the potential nationalist backlash arising from low US approval among the Pakistani electorate. Furthermore, the IMF loan has come with conditions, such as improving tax collection and ending utility subsidies, which could potentially alienate vast portions of Khan’s electorate. Despite this, the IMF loan, which certainly came with the US government’s backing, represented an olive branch.

Shortly after this, Pakistan filed 23 terrorism charges against three US-designated terror groups. Days ahead of the Trump - Khan meeting, Pakistan also arrested Hafiz Saeed, the mastermind of the 2008 terror attacks in the Indian city of Mumbai. Although this prompted a positive response from Trump, this achievement is far from commendable, given that Saeed has been arrested and freed by Pakistani authorities multiple times over the past two decades.

The reversal of Trump’s policy on Pakistan is likely in large part motivated by his desire to withdraw from Afghanistan. It is widely perceived that Pakistan can play a significant role in swaying the Taliban insurgents to sign a peace agreement with Washington and Kabul and as a stabiliser in the region. Indeed, Khan has signaled he is trying to persuade the Taliban to talk to Kabul. Moreover, Khan has also indicated Islamabad may be able to secure the release of two Western professors, an American and an Australian, who have been in Taliban captivity since 2016.

Washington’s new approach to Pakistan must also be viewed in the frame of America’s wider agenda. In the context of poor relations with the US and desperate for cash, Islamabad has been seeking assistance from other countries, particularly China, which is Pakistan’s biggest foreign investor and the US’ economic nemesis. Thus, improved US - Pakistani relations can be seen as a counterforce to China’s influence in Pakistan and in the wider region.

The 22 July Trump - Khan summit has certainly reinvigorated hopes for greater stability in the Indian subcontinent, which has already begun to bolster foreign investor confidence. A possible peace deal in Afghanistan with the aid of Islamabad and a Pakistani commitment to maintaining stability in the region is likely to boost interest in a range of markets previously considered inaccessible due to insecurity, particularly Pakistan. In this context, many expect a boost of the Pakistani economy in the coming years, provided that it continues to take concrete steps towards the improvement of both domestic and regional stability. However, despite the positive recent events, the US - Pakistan alliance hinges on a short-term alignment of interests, rather than shared long-term goals. Particularly, so long as Islamabad seeks to advance its anti-India agenda, its real commitment to anti-terrorism and stability in the region will remain ambiguous. This will in turn continue to represent a major market entry barrier for risk-averse investors.
ABOUT CONSTELLIS

Constellis is a leading provider of risk management, humanitarian, social intelligence, training and operational support services to government and commercial clients throughout the world. Operating in over 45 countries, Constellis’ 20,000 employees bring unparalleled dedication and passion for creating a safer world by upholding the highest standards of compliance, quality, and integrity.

Constellis’ forward thinking services span a broad range of synergistic solutions, from the boardroom to the project site, encompassing risk governance, organizational resilience, business continuity management, crisis management, travel security, global tracking, training, protective security, life support, logistics and specialist support such as K9 services and UAV systems.

At Constellis, our number one mission is to secure success for our customers. Constellis combines the legacy capabilities and experience of ACADEMI, Triple Canopy, Centerra, Olive Group, OmniPlex, AMK9, Edinburgh International, Strategic Social and all of their affiliates. The consolidation of companies under the Constellis name allows our clients to rely on one single partner and project experience that spans the globe.

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