EXECUTIVE SUMMARY

SUMMARY

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Statistical analysis of data for the fourth quarter of 2016 is included on page 22, which graphically displays K&R trends by region, victims by nationality and employment sector, as well as identifying the Top 10 counties for kidnapping of foreign nationals over Q4 2016.

The global piracy update provides an annual overview of the piracy threat by region, providing statistical and trend analysis for 2016. It also offers sample cases occurring through the months of November and December 2016, as well as the beginning of January 2017, which provide an illustration of the identified trends.

The Cybersecurity section examines current issues affecting companies and individuals in the realm of IT security. This month’s edition examines the expansion of ransomware globally, now the fastest growing form of malware, affecting both individual users as well as corporate institutions.

The Focus Article offers analysis of the security implications of the peace deal between the Colombian state and the Revolutionary Armed Forces of Colombia (FARC). A particular focus is given to the implications for the kidnap for ransom market in Colombia, which has seen a major shift in terms of both the number of incidents, as well as the background of perpetrators.

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GLOBAL OVERVIEW

AMERICAS

The Americas region registered an increase in the number of kidnapping incidents of foreign nationals recorded by Constellis during the fourth quarter of 2016. Growth in kidnap for ransom cases was driven by activity recorded in Mexico, Brazil and Colombia, together accounting for over 61% of the incidents in the region. Almost 70% of recorded cases targeting foreign nationals were of longer durations, typically between one and four weeks. At the same time, express kidnapping and virtual kidnapping, which have a higher under-reporting rate, remain a serious concern in the region. Although 55% of total incidents were finalised with the intervention of local authorities, of note is the general increase in the number of reported deaths in captivity. This was reflected in Constellis’ global statistics, with a doubling of kidnap-related fatalities in Q4 compared to Q3. Noticeable this quarter was also the number of non-Latin American nationals kidnapped in the Americas, accounting for 83% of the victims, many of them long-term expatriates.

According to the Institute for Economics and Peace, during the last decade, more than 2,700 foreigners were kidnapped or disappeared in Mexico, amid a deterioration of the wider security environment over 2016.

CASES:

- O’Neil Patrick McGean, an American businessman and 10-year resident of Sinaloa, Mexico, disappeared on 25 October 2016 after he went to a meeting at a hotel in Mazatlán. His bank cards had been used at various ATMs in the city and his bank accounts emptied in the hours following his disappearance. Although McGean was found dead after 10 days, it is believed he was killed on the second day of his captivity. Three men were arrested for the suspected abduction and murder, including an acquaintance of the victim who is suspected to have been the mastermind behind the abduction.
AMERICAS

In Brazil, favela violence, especially in Rio de Janeiro, has been aggravated in recent months due to the increasing activity of criminal gangs and their control over slum areas. Part of this deterioration has been linked to the reduced presence of Police Pacification Units (PPU), installed since 2013 in the favelas to fight gangs and to restore the rule of law, which over 2016 have faced a number of funding issues from the central government leading to a corresponding loss of territory to armed criminal syndicates.

CASES:

- On 8 December, two Italian tourists mistakenly entered the Santa Teresa favela in Rio de Janeiro after being misled by their GPS. The pair were subsequently intercepted by a local gang, who fired at their vehicle before kidnapping the visitors for a period of two hours. One of the victims died as a result of his wounds. In a similar incident in August 2016, three Swedish tourists were victims of an express kidnapping when they visited the outskirts of a favela in Rio.

- In Colombia, Benny Osorio Mejia, an American citizen of Colombian origin and a court judge in the US, was kidnapped by criminals in a “honey-trap” scheme while on holiday in Cartagena on 11 November 2016. He was rescued by the Colombian security forces after seven days in captivity, reportedly while family members were in the process of making the USD 33,000 cash ransom demanded by the group responsible.

- Meanwhile in Venezuela, an Italian and a Spanish businessman, long-term expats in Caracas, were kidnapped on 8 December from the Italian’s car dealership by criminals disguised as police officers who claimed to be investigating foreign exchange activity. The Spanish victim was rescued in Miranda state by the authorities after 28 days in captivity. The Italian had been released by his captors five days earlier. No details were provided regarding the ransom demand.
A heightened risk of terrorist attacks remains throughout Western Europe, with Europol and other security agencies issuing advisory notices in December amid concerns of jihadi sleeper cells preparing to launch a new wave of mass-casualty attacks over the holiday season. According to Interpol, tactics of IS-linked or inspired terrorists could potentially include kidnapping and car bomb attacks in major European cities. The warnings followed a number of intercepted plots targeting commercial centres in mainland Europe, as well as the deadly Berlin Christmas market attack on 19 December when a Scania truck was deliberately driven into crowded shopping stalls, killing 12 people and injuring as many as 49 others. To date however, the majority of kidnap for ransom activity in Europe remains predominantly criminal in nature.

**CASES:**

- On 29 December, in the Greek city of Thessaloniki, police arrested a Bulgarian national responsible for the abduction of two foreign nationals. During the captivity, the suspect had demanded a sum of 1,300 euros for each of the captives, later identified as an Iraqi and a Syrian man. The pair were ultimately freed during a police raid on the kidnapper’s apartment in the Ambelokipi district of the city. Investigations were not able to ascertain a link between the two victims, suggesting the gang may have been specifically targeting Middle Eastern travellers.

- In Turkey, investigations over the past three months have shed light onto criminal networks operating in the country targeting Pakistani immigrants as part of complex kidnap for ransom plots. On 12 December, two Pakistani expatriates were reportedly kidnapped in Istanbul, with relatives stating that criminals subsequently demanded 5 million rupees in US dollars (USD 47,500) for their release. Meanwhile, in early December, the kidnapping of a group of six Pakistani men who had been on their way to Europe was reported. The kidnappers reportedly sent footage of the group to the victims’ relatives, showing the Pakistanis being subjected to torture, before demanding a ransom of 2 million rupees each (USD 19,000). In this later case, all six victims were rescued by the Turkish police on 4 January 2017, while four Afghan nationals along with two Turkish accomplices were arrested, during a raid in the Usman Pasha area of Istanbul.

- In Spain, police authorities reported an increase in virtual kidnapping scams over late December, recording over 30 calls demanding payments of between 1,000 and 10,000 euros. In most cases, ransom calls continued to originate from Chile, with callers requesting funds to be transferred through “locutorios”, shops used by individuals to make international calls.
During the fourth quarter of 2016, the Middle East increased significantly its share of global kidnapping events involving the abduction of foreign citizens. This shift was mainly driven by events in Yemen, where nationwide conflict continues, despite renewed efforts by the UN and other international actors to establish a lasting ceasefire agreement between the Hadi government and rebel Houthi coalition militants. With a humanitarian crisis affecting large areas of the country, rebels have turned to kidnapping as a political tool, targeting opposition figures, journalists and civilians, including foreign nationals.

Meanwhile in late December, a new video emerged showing Indian priest Tom Uzhunnalil who was kidnapped by suspected IS militants in Aden in March 2016. In addition, during the past two months, 14 Egyptian workers were kidnapped in Hodeida, western Yemen and three American nationals were released; in both cases the developments were linked to Houthi rebel fighters.

**CASES:**

- During the reporting period, new information emerged regarding the cases of 18 foreign nationals who were being held captive in Yemen. Notably, two videos were released featuring Australian Bruce McAllister, who was kidnapped in September during a raid on his workplace in the Yemeni capital, Sana’a. The latest video was released on 10 January 2017 which again showed his captors demanding a ransom payment, of a so-far unspecified amount, for his release.

  ![](https://via.placeholder.com/150)

  Screenshot of second hostage video featuring Australian Bruce McAllister, kidnapped in Yemen (SITE Intel Group)
MIDDLE EAST

Similarly, against the backdrop of protracted armed conflict, Iraq and Syria remained a focal point for abductions by both terrorist and criminal groups in the Levant, exploiting the effective absence of law enforcement in a number of contested territories. Although almost exclusively targeting local, rather than foreign nationals, in the Iraqi capital Baghdad alone, Interior Ministry sources confirmed the reporting of at least 745 kidnapping incidents in the first nine months of 2016. Most criminal kidnappings in Baghdad over the past year took place in Rusafa, the Shia-dominated commercial district of central Baghdad, with ransoms typically ranging from USD 10,000 to USD 100,000.

CASES:

- On 19 November, an Indian national was kidnapped by a criminal group, believed to be involved in human trafficking, who demanded USD 14,500 from his family in Kolkata.
- In Syria, Russian tourist Konstantin Zhuravliov, who was kidnapped near the Turkish border in 2013, was reported to have been released in unspecified circumstances in mid-October. Zhuravliov had been held by the Liwa al-Tawhid brigade, accused of being a spy for the Syrian government.
- In late November, a video, allegedly filmed on 15 November, showed Italian businessman Sergio Zanotti, who has been in captivity for seven months, appealing to his government to save him from being killed. His captors have claimed to have been responsible for the murder of a Norwegian journalist a year ago after the victim’s government refused to accept their ransom demands. According to the Italian authorities, no ransom demand has been made for Zanotti’s release.
- Meanwhile, aid organisation Gift of the Givers reported the kidnapping on 10 January of a South African journalist who was travelling, along with two of their staff (both of whom were later released) towards the border with Turkey. At present the identity of his captors and their motives are unknown.

Screenshot of hostage video of Sergio Zanotti, allegedly kidnapped in Syria in April 2016 (Sputnik News)
AFRICA

Africa recorded a reduced incidence of kidnapping of foreign nationals during the fourth quarter of 2016, accounting for just over 30% of the incidents recorded by Constellis globally. This shift is primarily linked to the limited numbers of successful mass kidnappings of foreign nationals in the region, especially in incidents attributed to pirate activity. Historic high risk areas for the abduction of foreigners, such as Nigeria, also reported a lower than average rate of attacks, amid enhanced measures by national security agencies to secure remote districts and vulnerable areas for maritime piracy groups such as coastal territories and the Delta river basin. The measures followed warnings issued by Nigerian security agencies in October to senior government officials and businessmen of an elevated kidnapping threat to them and their families.

CASES:

- Kano-based industrialist, Alhaji Ismail Zubairu, was kidnapped on 30 December along the Okene-Akure federal highway in Kogi State. His kidnappers are reportedly demanding a ransom of 150 million naira (USD 470,000) for his release. As of the time of writing, Zubairu remains in captivity. Meanwhile in November, the Nigerian police declared that they had dismantled a major kidnapping gang operating in the southwest of the country. Reportedly, the group had planned to abduct a number of high profile local nationals, including oil magnate Femi Otedola, for whom they intended to demand a ransom of one billion naira (over USD 3 million). Those arrested in connection to the case included a soldier and an official of the Nigeria Security and Civil Defence Corps, who used state resources for the tracking of the victim.

- In a continuation of the identified trend of kidnapping for ransom of wealthy South Asian men in South Africa, a businessman of Bangladeshi origin was kidnapped outside his business in Cape Town on 4 December. His kidnappers originally demanded 11 million rand (USD 803,000) for his safe return, but after negotiations the sum was brought down to 10 million rand (USD 730,000). Mustafa Goolam was rescued three days later by the police in Western Cape. Two Pakistani nationals and two South Africans - including a police officer - were arrested. During the same month, another victim, Naushad Kahn, was released in Thornton, central Cape Town, two months after his abduction in the city. It is believed a ransom payment took place. His kidnappers originally demanded £20 million.
AFRICA

A high kidnapping threat for foreign nationals continues to be recorded in the Sahel, where Al Qaeda in the Islamic Maghreb (AQIM), al-Mourabitoun, MUJAO and local cells of IS retain both capability and intent to mount attacks. In 2016, at least four western expatriates were kidnapped in the region. Of cases known, all victims shared similar profiles; being engaged in humanitarian work with smaller NGO organizations and fully integrated into local communities.

CASES:

- In the latest incident, French aid worker Sophie Pétronin, was kidnapped in Gao, Mali, on 24 December. It is believed that the jihadist faction al-Mourabitoun was responsible for the attack, although so far no group has claimed responsibility. Pétronin had previously suffered an attempted kidnapping by Islamic militants in 2012. No information has so far been released regarding the existence of a ransom demand. Meanwhile, Swiss national Beatrice Stockly, abducted in Timbuktu, Mali, in January 2016, appeared on a new video released on 10 January 2017, stating that she remains in good health.
ASIA

The position of Asia and the Pacific in global kidnapping figures remained unchanged over the course of late 2016, with the region accounting for almost a quarter of the occurrences recorded by Constellis between November and December. Regional kidnap for ransom activity of foreign nationals continues to a large part to be driven by the actions of the Abu Sayyaf Group (ASG) in the Philippines and Malaysia. Such fighters have primarily focused on the abduction of sailors over Q4 2016 as the military offensive launched by the Philippines government against the group has restricted its mobility inland. Unlike other terrorist organizations which draw support from international donors and alternative revenue streams, ASG has mostly survived on the profits of kidnap for ransom extortion, fuelling the group’s large support network within local communities in the Philippines. The Manila government has assessed that the group acquired at least USD 7.3 million from kidnapping ransoms in the first half of 2016 alone.

CASES:

During the reporting period, ASG has been attributed with the kidnapping of at least 12 foreign nationals, including one South Korean, one German, four Indonesians, and six Vietnamese nationals, all of them at sea. On 6 November, German tourist Jurgen Gustav Kantner, was kidnapped while sailing his private yacht in the waters off Sabah, Malaysia. During the incident, Kantner’s wife was reported to have been killed. It is believed the victim is being held in the group’s stronghold in Sulu, where his boat was found abandoned at the Sulu coast. Police Anti-Illlegal Drugs Group (PNP-AIDG). The kidnappers originally demanded a ransom of 8 million pesos (USD 161,000), with the victim’s family paying a final amount of 5 million pesos (USD 100,000) after two weeks. However, the victim was not released and the family was demanded additional 4.5 million pesos (USD 90,600). Kantner’s wife was reported to have been killed. It is believed the victim is being held in the group’s stronghold in Sulu, where his boat was found abandoned at the Sulu coast. Police Anti-Illlegal Drugs Group (PNP-AIDG). The kidnappers originally demanded a ransom of 8 million pesos (USD 161,000), with the victim’s family paying a final amount of 5 million pesos (USD 100,000) after two weeks. However, the victim was not released and the family was demanded additional 4.5 million pesos (USD 90,600). Kantner’s remains were found on 17 January 2017. According to investigations he was killed the day after his abduction. Seven people were arrested, including two police officers, a former officer, and one of Jee’s household employees in connection to the case. According to local press sources, since 2013, an average 10 Koreans are kidnapped and killed in the Philippines each year. In addition to Jee’s case, in 2016 at least eight Koreans have been killed and three others kidnapped.

Over the same period on 11 January 2017, the South Korean captain of a commercial vessel, was released by the group along with one Filipino crew member, after three months in captivity. According to the local press, their employer paid the ASG 25 million pesos (over USD 500,000) for the pair’s release.

In other developments, on 18 October, South Korean businessman Jee Ick-joo was kidnapped near his home in Angeles City, 80km north of Manila by men posing as members of the Philippine National Police Anti-Illlegal Drugs Group (PNP-AIDG). The kidnappers originally demanded a ransom of 8 million pesos (USD 161,000), with the victim’s family paying a final amount of 5 million pesos (USD 100,000) after two weeks. However, the victim was not released and the family was demanded additional 4.5 million pesos (USD 90,600). Jee’s remains were found on 17 January 2017. According to investigations he was killed the day after his abduction. Seven people were arrested, including two police officers, a former officer, and one of Jee’s household employees in connection to the case. According to local press sources, since 2013, an average 10 Koreans are kidnapped and killed in the Philippines each year. In addition to Jee’s case, in 2016 at least eight Koreans have been killed and three others kidnapped.

On 5 November 2016, an Australian woman working for the Agency Coordinating Body for Afghan Relief and Development (ACBAR) was kidnapped in the Qala-e-Fathullah area of central Kabul. The abductors’ identity and motive remain unclear. Later, on 19 December, a Spanish employee of the Red Cross was kidnapped in Kunduz, northern Afghanistan. The abduction occurred when the ICRC convoy, which was not employing a security escort, was intercepted by gunmen on its way to Ali Abad district north of the city. All four employees were initially taken, but later released with the exception of the Spanish man. No group has so far claimed responsibility for the abduction, however, local sources believe the kidnapping was carried out by a local criminal organization seeking a ransom payment.

Security challenges were heightened across Afghanistan in 2016, in particular in northern and southern provinces of the country where Taleban fighters reported a series of territorial gains at the expense of the Afghan National Security Forces (ANSF). Ground campaigns also occurred against the growth of Islamic State (IS) activity in Kabul and eastern cities, primarily focussed on sectarian violence. Already under considerable pressure, such challenges have contributed to a revival in kidnap and extortion activity nationwide, witnessed most prominently in the abduction of a number of expatriate workers by both criminal and insurgent actors.

On 11 January 2017, the Taleban released a video showing two foreign professors kidnapped from the American University of Afghanistan in Kabul in August 2016. The video, shows US national Timothy Weeks and Australian Kevin King pleading for their governments to cooperate with their captors for the release of prisoners. US authorities, which set up an unsuccessful Navy SEAL rescue operation in September to free the pair, stated that they believe the hostages are being held by the Haqqani Network, an established militant faction in the east of the country which has long profited from kidnapping Westerners.
Statistics for Q4 2016 are drawn from Constellis’ collection of 93 foreign kidnapping incidents between the months of October and December 2016. In Q3 2016, Constellis recorded a total of 176 foreign kidnapping incidents.

*Results do not include the kidnapping of illegal migrants.

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage</th>
<th>Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>30%</td>
<td>Libya... 32.1%</td>
</tr>
<tr>
<td>Asia &amp; Pacific</td>
<td>25%</td>
<td>Philippines 43.5%</td>
</tr>
<tr>
<td>Middle East</td>
<td>22%</td>
<td>Yemen... 85.0%</td>
</tr>
<tr>
<td>Americas</td>
<td>19%</td>
<td>Mexico ... 22.0%</td>
</tr>
<tr>
<td>Europe</td>
<td>4%</td>
<td>Turkey... 50.0%</td>
</tr>
</tbody>
</table>

**Top 10 Countries for the Kidnapping of Foreign Citizens in Q4 2016**

1. Yemen 18.3%
2. Philippines 10.8%
3. Libya 9.6%
4. Nigeria 6.5%
5. Malaysia 6.5%
6. Mexico 4.3%
7. Brazil 4.3%
8. Afghanistan 4.3%
9. Colombia 3.2%
10. Benin 3.2%

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Q4 2016

KIDNAPPED FOREIGN CITIZENS

REGIONAL ORIGINS OF VICTIMS

<table>
<thead>
<tr>
<th>Regional Origin</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>South East Asian</td>
<td>21.5%</td>
</tr>
<tr>
<td>European</td>
<td>18.4%</td>
</tr>
<tr>
<td>North African</td>
<td>15.1%</td>
</tr>
<tr>
<td>African</td>
<td>11.8%</td>
</tr>
<tr>
<td>Latin American</td>
<td>7.5%</td>
</tr>
<tr>
<td>Central Asian</td>
<td>7.5%</td>
</tr>
<tr>
<td>Middle Eastern</td>
<td>7.5%</td>
</tr>
<tr>
<td>North American</td>
<td>7.5%</td>
</tr>
</tbody>
</table>

MOST VICTIMISED SINGLE NATIONALITY

<table>
<thead>
<tr>
<th>Nationality</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Egyptian</td>
<td>15.1%</td>
</tr>
<tr>
<td>American</td>
<td>14.2%</td>
</tr>
<tr>
<td>Chinese</td>
<td>11.8%</td>
</tr>
<tr>
<td>Vietnamese</td>
<td>7.5%</td>
</tr>
<tr>
<td>Turkish</td>
<td>5.4%</td>
</tr>
</tbody>
</table>

MOST VICTIMISED OCCUPATIONAL SECTOR

<table>
<thead>
<tr>
<th>Occupational Sector</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unskilled</td>
<td>22.6%</td>
</tr>
<tr>
<td>Unknown</td>
<td>21.5%</td>
</tr>
<tr>
<td>Maritime</td>
<td>15.1%</td>
</tr>
<tr>
<td>Other</td>
<td>11.8%</td>
</tr>
<tr>
<td>NGO</td>
<td>7.5%</td>
</tr>
<tr>
<td>Construction</td>
<td>3.2%</td>
</tr>
<tr>
<td>Journalists</td>
<td>3.2%</td>
</tr>
<tr>
<td>Businesspeople</td>
<td>2.7%</td>
</tr>
<tr>
<td>Toursistes</td>
<td>1.1%</td>
</tr>
<tr>
<td>Military</td>
<td>0.7%</td>
</tr>
<tr>
<td>Dependents</td>
<td>0.7%</td>
</tr>
<tr>
<td>Education</td>
<td>0.7%</td>
</tr>
<tr>
<td>Professionals</td>
<td>0.7%</td>
</tr>
<tr>
<td>Other</td>
<td>0.7%</td>
</tr>
</tbody>
</table>

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.
**GLOBAL PIRACY UPDATE**

According to the International Maritime Bureau (IMB), global piracy in 2016 reached its lowest level since 1998, with a total of 191 incidents reported, comprised of 150 boardings, 12 incidents of ships being fired upon, seven hijackings and 22 prevented attacks. 2016 also recorded a 22% reduction in piracy incidents compared to 2015. Despite an overall reduction in piracy activity, however, the number of kidnappings at sea actually reached its highest level in over a decade, with 62 people kidnapped from vessels in 2016 in 15 separate incidents. Approximately half of these attacks occurred off the coast of West Africa while some 35% took place in the waters off Malaysia, Indonesia and the Philippines.

**Gulf of Guinea**

The Gulf of Guinea remained the primary maritime kidnapping hotspot in 2016, with an effective doubling of the number of reported incidents (52) compared to the previous year. A total of 34 crew were abducted during these raids, predominantly from the territorial waters of Nigeria.

**CASES:**

- On 27 November 2016, Greek cargo ship Saronic Breeze was hijacked by at least 15 armed pirates while anchored off Cotonou, Benin. The Nigerian Navy located and intercepted the missing ship off Port Harcourt, Nigeria, with 20 crew aboard, including 18 Russians and two Ukrainians. On the approach of naval vessels, the pirates fled from the hijacked vessel, taking three Russian crew members with them. The remaining crew were then able to sail the ship to safety. All three kidnapped crew members were released around 21 December. The conditions of their release were not disclosed.

**Gulf of Aden**

Maritime security in the Gulf of Aden remains fragile. Pirate activities are reportedly on the rise, with a number of commercial vessels reported to have been attacked and hijacked recently, following a significant reduction in targeted incidents over the past four years. According to a recent UN report, pirate groups are currently being ‘organised and equipped’ in Mudug and Bosasso in Somalia’s Puntland region. Additionally, the strait of Mandeb is currently recording an increased level of threat as a result of the military conflict in Yemen, where a number of commercial vessels have been attacked in recent weeks.

**CASES:**

- On 22 October 2016, a group of six armed pirates in a skiff, pursued and fired upon the UK-flagged product tanker MT CPO Korea, which at the time was carrying 21 crew members and three security guards onboard. The incident occurred approximately 330 nautical miles off the east coast of Somalia, close to Yemen. The pirates tried to board the ship but failed and eventually broke away after the vessel’s crew successfully implemented self-protection measures. This is the first reported attack on a merchant vessel off the coast of Somalia since early 2014.

- A second such incident was reported on 1 January 2017, when suspected Somali pirates approached and attempted to board commercial vessel “Bob and Kate”. The attack was foiled by a Chinese naval escort flotilla which fired warning shots at the attackers and escorted the vessel to safety.

**INCIDENTS REPORTED TO THE INTERNATIONAL MARITIME BUREAU (IMB) IN 2016 BY REGION**

- **32% AFRICA**
- **14% AMERICAS**
- **53% ASIA**
- **1% REST OF THE WORLD**
Members of the Philippine Coast Guard approach the almost sunken fishing boat where at least eight Filipino crew were killed by suspected pirates in waters near Zamboanga City, southern Philippines, on 9 January 2017.
(Japan Times)

**South East Asia**

The Information Sharing Centre on piracy in Asia, ReCAAP, reported a drop of 60% in piracy incidents in the whole of Asia over 2016, with 77 reported incidents. Much of this decrease was driven by a significant drop in piracy across the Malacca Strait, which recorded just one incident in 2016, compared to 104 in 2015. A similar reduction was witnessed across Indonesia which saw recorded attacks fall from 108 in 2015 to 49 in 2016. Although piracy incidents in Southeast Asia tend to be low level in nature, in most cases, attackers were able to board vessels before attempting to rob crew members and ships’ stores.

Meanwhile, the Sulu Sea between eastern Malaysia and the Philippines saw a notable escalation in attacks, emerging as a high risk route for merchant shipping due to the rising threat of kidnap-related attacks. The Sulu archipelago is a stronghold of the Islamist group Abu Sayyaf, notorious for its kidnap for ransom activity and increasingly, piracy. Tug boats, barges and fishing vessels (all slow-motion vessels) have been targeted previously, but lately merchant ships have also come under attack from militant groups.

**CASES:**

- On 16 November, two thieves wearing masks, and armed with knives boarded a docked bulk carrier vessel at Callao port, Lima. The attackers then proceeded to threat the duty crew before escaping with ship property.

- On 11 November, Vietnamese bulk carrier MV Royal 16, was boarded by suspected Abu Sayyaf militants near Basilan Island in the Philippines, leading to the abduction of six crew members. Later on 3 January 2017, general cargo ship Ocean Kingdom was approached by two speedboats and fired upon in the northern Celebes Sea, east of Basilan Island, Philippines. The vessel suffered damage but managed to evade the attack. Local authorities responded to a radio distress message and dispatched patrol boats to the area.

"Although mostly affected by low-level thefts, Indonesia remained the top hotspot for piracy in the world,“

**Americas**

Meanwhile in the Americas, the IMB recorded a notable increase in piracy activity with a total of 27 reported cases in comparison to eight reported the previous year. This was most significant in Peru, where a total of 11 incidents were reported at the port of Callao in Lima, positioning the country as one of the top countries for piracy activity in the world. Having said this, all the mentioned incidents related to armed robberies at anchorage. Increases in pirate activity across Venezuela and Haiti also contributed to growth in the region.

**CASES:**

- On 16 November 2016, two thieves wearing masks, and armed with knives boarded a docked bulk carrier vessel at Callao port, Lima. The attackers then proceeded to threaten the duty crew before escaping with ship property.

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Ransomware is the fastest growing type of malicious online software (malware) worldwide, capable of affecting both individual users and large institutions. According to Symantec’s latest Internet Security Threat Report (2016) there was a 35% growth in crypto-style ransomware attacks in 2015. Other sources such as McAfee Labs have also shown an exponential increase in this attack methodology in the last two years. According to the FBI, ransomware payments made in 2016 could total around $1 billion, a substantial increase on the $24 million paid to hackers in 2015. While initially employed by large organised cyber-criminal groups, the profitability of ransomware has seen a proliferation of user groups, including individual attackers, alongside a corresponding increase in the scope and sophistication of attacks.

Ransomware is a form of malware that is covertly installed, most commonly through a phishing email where the victim is tricked into clicking on a link in what appears to be a legitimate email. The software can remain inactive or spread without user interaction until it receives a command from the hacker to encrypt files or completely lock the computer. Unlike other malware, ransomware notifies the victim of its activity and demands a “ransom” in exchange for the encrypted or stolen information. Typically, a countdown timer appears on the user’s screen showing the deadline at which the decryption key will be destroyed, eliminating any possibility of recovery of information. Any attempt to interfere with the malware may result in the remaining time being reduced, and tardiness in payment may lead to increases in the demanded ransom. While the system is typically restored to its original state by the attacker after the payment of a ransom, compliance with the hacker’s demands do not fully guarantee recovery of data, or the repeal of such an attack. According to Kaspersky Labs, one in five smaller targets (small businesses or individuals) never receive their files back after paying the demanded ransom.

Aware that a number of victims are wary of making payments, ransomware technologies by the software industry, in addition to the continuous development of anti-ransomware technologies by the software industry, will play a significant role in reducing the volume and effectiveness of attacks by the end of the year.

The most common mode of ransomware ransom payment is Bitcoins, a digital currency that allows anonymous online transactions and the beneficiary to remain untraceable. While in 2012 it was estimated that 2.9% of ransomware victims globally paid the ransoms demanded by attackers, in 2014, these figures jumped dramatically to approximately 40%. According to an IBM 2016 survey, 70% of respondents stated having paid a ransom to regain access to their business data and systems. Half of these companies paid more than USD 10,000 and 20% paid more than USD 40,000. According to Symantec, the average ransom demanded in 2016 was USD 679, more than double the amount demanded at the end of 2015.

Ransomware will certainly remain a very significant threat throughout 2017, with the sale of ransomware as a service in dark markets an increasing concern. Having said this, it is believed that a higher focus by law enforcement agencies throughout the world to counter cyber-threats, including ransomware, in addition to the continuous development of anti-ransomware technologies by the software industry, will play a significant role in reducing the volume and effectiveness of attacks by the end of the year.

**INCIDENTS:**

- **United States: January 2017.** The Valley Springs School in Arkansas discovered a ransomware breach which shut down its digital operating systems. The message appearing on the school’s computers demanded the payment of 7,000 British pounds. The school has refused to pay, acknowledging that some data may be lost.

- **United States: January 2017.** E-Sports Entertainment Association (ESEA), a company that hosts competitive video game tournaments, said that hackers had released stored user data after it refused to pay a ransom of USD 100,000. Reportedly, hackers first contacted ESEA on 27 December, threatening to leak the information or sell it in the black market if the payment was not made. It is believed that roughly 1.5 million ESEA users have been compromised.

- **US: December 2016.** Los Angeles Community College District confirmed it paid USD 28,000 in bitcoins to hackers in an effort to regain access to a large number of computer files which were encrypted by malware. After meeting the hacker’s demands, a digital key was sent to the college, allowing it to start accessing its locked files.

- **Singapore: December 2016.** Two staff members of a subsidiary of maritime supply chain management company BH Holdings tried to open an email attachment from an unknown source. On attempting to open their files, the victims discovered that they had been replaced with a message by hackers stating that ransomware had removed their documents and demanding a payment of USD 100,000 to restore the original data. The company did not pay the ransom and instead went through a process of rebuilding around 3,000 infected files based on pre-existing account information and document hard copies.
After a half-century of conflict and four years of tense negotiations, the conclusion of a peace accord between Colombia’s government and the country’s largest guerrilla army, the Revolutionary Armed Forces of Colombia (FARC) came to a conclusion on 24 November 2016. Despite the considerable achievement of President Juan Manuel Santos in delivering the deal, the historical importance of the accord could be quickly undermined if the security, economic, and political implications of the agreement are not fully implemented in the post-war era.

With FARC guerrillas likely to begin disarming soon, the deal’s unintended security consequences are starting to affect the Colombian threat environment. Recent months have seen the worst wave of violence in the country in recent years, particularly targeting social leaders and human rights defenders, the majority of whom have alleged links or are sympathisers of the FARC, casting doubts on the future of ‘post-conflict’ Colombia. According to statistics provided by local NGO, Ideas for Peace Foundation, at least 71 homicides and 17 homicide attempts have been registered against social leaders in the wake of the accord. According to the NGO’s findings, the vast majority of these incidents have taken place in territories of large FARC presence, particularly in Valle del Cauca, Cauca, Caquetá, Antioquia and Norte de Santander. The UN and the UNHCR, the Organisation of American States (OAS), the US government, as well as local organisations such as the Centre for Historical Memory, have also issued statements of concern with regards to this wave of violence, in some cases comparing it to the massacre of FARC-linked Patriotic Union party members in the late 1980s-early 1990s by paramilitary groups. A number of organizations have noted that the violence has increased significantly around key dates in the peace process, especially when the Colombian government and FARC declared a bilateral ceasefire at the end of August, at the end of September when the first peace accord was signed, and during the period around the 2 October 2016 plebiscite when the first peace accord was rejected by the population.

The kidnapping environment in the country has also seen a drastic change as the country moved towards the peace accord. While more than 3,500 kidnappings were reported in the country in 2000, the figure was 188 in 2016, the lowest number in almost 30 years. In a historical analysis of the evolution of the Colombian armed conflict and kidnapping, it is clear that both phenomena are closely interlinked. Kidnapping has historically been used by armed groups as a means of funding as well as to intimidate the population, exert political pressure and consolidate territorial control. In line with this, in the last four years, coupled with the peace process, there has been a noticeable and stable decrease in the levels of kidnapping in the country.

The dynamics of the conflict not only have affected kidnapping numbers, but also the configuration of actors behind those incidents. While the FARC and ELN were responsible for more than 50% of the kidnappings between 1970 and 2008, since 2009, the vast majority of kidnappings, are being committed by common criminals, with a steady decrease in the participation of the Colombian militant groups in the crime. In 2016, common criminality was responsible for 88% of the reported incidents, 11% were committed by the ELN, and 1% by the “Bandas Criminales” (BACRIM) - a synonym for organised crime in the country. According to NGO Pais Libre, since 1970 the FARC have kidnapped a total of 8,991 people, the ELN over 7,107, and common criminals over 7,368.

Another characteristic of the current Colombian kidnapping environment, is that half of the reported abductions in 2016 were for ransom. According to Colombian officials, the vast majority of victims were released after the payment of a ransom; 57 were rescued by the authorities and seven remained in captivity as of the end of December. In addition, the decrease in kidnappings has followed reduced incentives for the group to conduct the practice amid increased effectiveness and experience achieved by the authorities in disrupting plots and detaining those responsible. While kidnapping for ransom has declined, other forms of extortion, including threats of attacks against targeted individuals have increased. Figures by the Ministry of National Defence show that cases of extortion have quadrupled between 2008 and 2015, from 830 to more than 5,000.

Although the FARC are in the process of demobilisation, it is believed that, even as a majority of low-rank FARC members disarm, many of them, in addition to mid-level commanders, may refuse to leave Colombia’s lucrative illegal economies—not only narcotics but also illegal mining, kidnap
Colombia could see a steady flow of FARC members into criminal activities for ransom and extortion. A clear example of this phenomenon has already been witnessed during the demobilisation of the paramilitary United Self-Defence Forces of Colombia (AUC), whose militants later formed the foundation for BACRIM, becoming highly active in the trafficking of narcotics.

It is therefore critical that demobilisation programmes are not only effective in providing former militants with legitimate means of making a living, but also that they are closely monitored by the government. If these conditions are not met, Colombia could see a steady flow of FARC members abandoning their encampments, perhaps to pursue profitable criminal activities, including kidnap for ransom, and opening spaces for other criminal groups to establish a stronger foothold in territories of historic FARC influence. Future disputes between anti-government groups for control of illegal economies in the country will also play a determining role in the future of the Colombian security environment.

Alongside this challenge is the existence of interest groups, particularly large landowners and other local political figures, who see demobilisation as a threat to the so-far favourable status quo, in the form of encouragement of small-scale agriculture, increased political participation, and exposure of past abuses. It is believed these actors are behind much of the wave of violence recently experienced in the country, allegedly employing the BACRIM to eliminate these “threat sources”.

Finally, the economic situation in the country will also have an important role as a significant quantity of resources will be necessary to address the pressing issues of integration of former militants. In a context of low oil prices for a country where up to 57% of its foreign exchange earnings and over a fifth of its government’s revenue is based upon the oil industry, the Colombian government may be faced with serious limitations in the implementation of the deal in its extended form.
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