THE EVOLVING KIDNAPPING THREAT IN VENEZUELA
The Cyber Security section examines current issues affecting companies and individuals in the realm of IT security. This edition will examine the importance of cybersecurity for the maritime industry, one of the cornerstones of the global economy. With an increasing reliance upon digital systems, the risk of cyber-attacks has grown accordingly, with wide-ranging consequences for operators.

The Focus Article offers an overview of the kidnapping threat in Venezuela, a country which has recorded an exponential rise in abduction incidents over recent months amid an ongoing political and security crisis. Notably, kidnapping incidents in Venezuela have witnessed an increase in both frequency and levels of violence used against victims. Ransom demands have also soared, with attackers now primarily demanding payment in foreign currency amid ongoing depreciation of the Venezuelan Bolivar.

Statistical analysis of data over 2017 is included on page 13, which graphically displays K&R 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.

The Global Piracy Update presents an overview of the piracy threat by region, providing trend analysis for the fourth quarter of 2017 and a roundup of activity over the past 12 months. It also offers sample cases occurring through the months of November and December, which provide an illustration of the identified trends.
Over 2017, the Americas saw a noticeable increase in kidnapping for ransom activity targeting foreign nationals, a 47% rise in incidents from 2016. This increase, which was also mirrored in its share of the total pool of incidents recorded worldwide, reflects a general increase in criminality and the deterioration of security conditions in many countries across the region. Of particular concern is Mexico, which over 2017 recorded one of the worst years in its recent history in terms of violent crime. Reflecting a wider proliferation of cartel-related violence, Mexican authorities recorded a total of 1,564 kidnaping incidents between January and November 2017. As of November 2017, with less than a year before the end of the Presidential tenure, since 2012 the Peña Nieto administration has seen at least 10,397 kidnappings, a staggering 58% more than the total number of incidents recorded in the six years of the previous administration.

CASES:

Two Spanish nationals, working for a European company based in Puebla City, were kidnapped on 27 November on their way to work just after leaving their living quarters in the city of Cholula. Another Spanish colleague was in the car at the moment of the abduction but managed to escape and report the incident to the police. The kidnappers reportedly demanded 30 million pesos (over USD 1.6 million) to be paid within 48 hours, after which they would murder one of the victims. The Mexican authorities found that the mastermind of the kidnapping was the former security manager for the victims’ employer. The victims were rescued unharmed on 29 November from inside a cold room in Atlixco City, and four kidnappers, including the leader of the gang, were arrested.

On 6 October, a businessman investing in the Bitcoin market was kidnapped from a hotel in Uberlândia, Minas Gerais, Brazil. The incident took place after a conference on cryptocurrencies he organised. The bitcoin trader was taken by several men with assault rifles, who according to the victim also made him drink a liquid to render him unconscious. The businessman was released the next day after he reportedly made a transfer of an undisclosed amount of bitcoins to the kidnappers. Relatives of the victim believe the incident may have been staged by one of the attendants at the conference, who knew the businessman’s prolific financial activities.

In Colombia, a high residual abduction threat remains, in spite of the authorities’ claim of a continuous decrease in kidnapping numbers over recent years (only 190 cases were reported by police agencies in 2017). Kidnappings are a particular challenge in rural areas of western Colombia, (a known support area for guerrillas), where traders, ranchers and other businessmen are frequently targeted. In these areas, kidnappings attributed to the ELN continue to be reported despite the peace negotiations with the Colombian government. Likewise, while the majority of incidents are attributed by the authorities to “common criminality”, it is believed that many of the gangs responsible are well organised, and often composed of former or active guerrilla members. An additional threat in the country stems from a spillover of Venezuelan gang activity on the eastern border, with localities such as La Guajira department currently showing the highest incidence of kidnapping in the country.

CASES:

On 1 December, members of the Gaula unit of the Colombian Police rescued a prominent 69-year-old rancher from a rural area between the departments of Huila and Caquetá. The man was kidnapped on 26 November outside his state, by men who pretended to be FARC dissidents. The kidnappers, who were actually Venezuelan nationals, had demanded 500 million Colombian pesos (USD 164,000) for the rancher’s release. The perpetrators are currently being investigated for their possible participation in other kidnappings in the region.

On 2 December, the Gaula rescued a farmer from a ranch located near the border with Venezuela. The victim had been kidnapped on 29 August by six unidentified gunmen in La Guajira department. Reportedly, the kidnappers called the victim’s relatives after 15 days of the incident, demanding a ransom of 2 billion Colombian pesos (over USD 657,000).
Europe in 2017 experienced an increase of 76% in the number of recorded kidnapping cases involving foreign nationals. The significant rise in attacks on expatriates was linked in large part to a series of mass kidnappings of migrants on their way to Western Europe, many of them travelling on tourist visas at the moment of abduction. A number of kidnappings of Middle Eastern businessmen and their dependents were also recorded in this period. In spite of the increases, Europe remains the region with the lowest levels of kidnapping for ransom in the world, in particular Western Europe, due to the efficiency of their security services and operational rule of law, which considerably lower the commercial attractiveness of these crimes.

**CASES:**

- **On 1 December**, two men were arrested and prosecuted in Spain for the kidnapping of a Moroccan national who was in the country on a shopping trip with his wife. According to case reports, the incident took place in the locality of Tarajal in Ceuta, where the suspects tried first to rob the foreign national. After realising the man only had 20 euros on him, the criminals kidnapped the victim and demanded an undisclosed ransom from his wife. In addition to suffering serious injuries from beatings inflicted by his captors, the victim also attested to having seven teeth pulled out during the ordeal. The conditions of the victim’s release are unknown. The Spanish authorities are currently investigating if the case is linked to a series of other crimes targeting Moroccan nationals in the area.

- **On 2 October**, Greek police rescued businessman Michalis Lembidakis, who was abducted on 30 March 2017. The rescue took place at an industrial site in the city of Rethymno in Crete, where the emancipated Lembidakis was found tied to a mattress. Police arrested two men in the premises, who appeared to have been tasked with watching the victim. Five more people were arrested in follow-up operations, including two of Lembidakis’ former employees and a Macedonian (FYROM) national. Police estimate that up to 15 people were involved in the kidnapping. According to investigations, Lembidakis had been transferred only recently to the industrial site by his captors, who were preparing to set him free on 8 October. According to media reports, Lembidakis’ kidnappers had initially demanded €100 million although it is unknown if any payment took place prior to the rescue.

Rates of violent and organised crime in Ukraine and Russia are among the highest in Europe and have increased in recent years. These increases have also been manifested in the form of higher levels of kidnapping for ransom, extortion and cybercrime in excess of European averages. While the targeting of foreigners is less common, targeted attacks have occurred in the past, being either politically motivated, financially driven or occurring as part of a criminal vendetta. Wealthy nationals of central Asian nations are commonly targeted, perceived to be more vulnerable than locals to such gangs.

**CASES:**

- **On 29 December**, Russian national Pavel Lerner, CEO of the UK-registered cryptocurrency exchange Exmo Finance, was released by his abductors in Ukraine after three days in captivity. According to an adviser to the Ukrainian interior minister, Lerner was released after his kidnappers received a ransom payment of USD 1 million in Bitcoins. It is unclear who paid the ransom. Mr Lerner was kidnapped by a group of masked men on 26 December while leaving his office in Kiev’s Obolon district. According to Ukrainian officials, this is the first kidnapping case in Ukraine linked to Bitcoins. The release took place a day after Exmo reported it had been the target of a cyberattack on 28 December.

- **On 27 October**, the wife of an expatriate Azerbaijani businessman reported the kidnapping of her husband to the police in St. Petersburg, Russia. The victim was reportedly abducted from the busy Engels Avenue in plain daylight by a group of armed people. A few hours after the incident, his wife was contacted by the kidnappers, who demanded a transfer of 1.5 million euros to the bank account of an intermediary. A few days later, the businessman was allowed to call his wife to convince her to quickly gather the ransom. After investigations, Russian police traced the calls to a village outside the city and determined that the SIM card used was registered to a Ukrainian national. Authorities continue to investigate the case.

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Overall numbers of kidnapping incidents involving foreign nationals in the Middle East over the past 12 months remained in line with levels observed in 2016. By far the most significant change in activity was a rise in the total number of abducted individuals, increasing 38% as a result of a number of mass kidnappings registered across the region. Even accounting for such incidents however, the total number of abducted expatriates in 2017 was significantly lower than 2014 and 2015. This is especially the case of Syria, where only five incidents were recorded in the last two years, in comparison to 11 in 2015. Regional conflict zones however continue to exhibit high kidnapping threat levels, particularly in the case of Syria where despite territorial reversals, the capability and intent of armed groups to abduct western hostages remains intact.

CASES:
- On 3 December, the Jordanian Armed Forces said they rescued Jordanian farmer Manhal Hamdan from an armed group in southern Syria. After his release, Hamdan said he was abducted near the border with Jordan and that he was held for over a month. This statement contrasted with that of the Jordanian military, which said he was rescued after a few days in captivity. Hamdan could not identify the group holding him, but said the rebel Free Syrian Army helped in his release. According to the victim, in addition to a USD 250,000 ransom, Hamdan’s kidnappers intended to use his capture in order to apply pressure the government in Amman.
- In Lebanon, Saudi national Ali al-Bishrawi was kidnapped on 9 November after leaving his house in the locality of Adma, Mount Lebanon governorate. Shortly after the incident, al-Bishrawi’s wife received a call from a man demanding a ransom of USD 1.5 million “in return for goods that her husband had taken from them”. Lebanese media speculated the case could have been linked to the drug trade. A week after the incident, the Saudi Embassy in Beirut reportedly received phone calls by individuals claiming to be part of a group named ‘Mulathamoun’ (the masked), threatening to abduct 15 Saudi nationals in Lebanon. Embassy officials said that in addition to taking due security measures, the embassy would investigate whether the threat and the group were linked to al-Bishrawi’s abduction. Al-Bishrawi’s release was reported on 15 November, following his recovery by the Lebanese Army in the desert Al-Sayyid Ali region. According to local reports, the victim was rescued after being abandoned by his captors at the site. It is unknown if a ransom payment took place.
- On 20 October, suspected Islamic State militants released a man in Diyala Province after two weeks in captivity, allegedly following a ransom payment of USD 50,000. Reportedly, the captors had initially demanded USD 150,000.
- On 29 October, three Lebanese businessmen were released after seven days in captivity, allegedly during a security operation coordinated between Iraqi and Lebanese authorities, which resulted in the arrest of several suspects. However, Iraqi media affirmed that the men were released after an undisclosed ransom was paid to the kidnappers. The three businessmen were abducted on 21 October. According to Lebanese media, two of them were taken just after arriving in Baghdad, while the third victim was an acquaintance, who was kidnapped as he went to negotiate the release of the other two.

While surpassed by Yemen in the number of foreign nationals kidnapped over 2017, Iraq remains the country with the highest overall incidence of kidnappings in the Middle East. Kidnapping has historically been a widespread phenomenon in Iraq, and although occurring for a variety of motivations, kidnapping for financial gain has become more prevalent in recent years. Common targets include wealthy local businessmen, politicians, and the relatives of these individuals. Workers in the oil and gas sector have also been particularly targeted. It is believed that former militants -who once carried out these activities for political and sectarian motives- are becoming increasingly involved in kidnappings for ransom. This is also the case of the pro-Iranian militias attached to the Popular Mobilisation Forces, who have been repeatedly accused of complicity in these crimes.

CASES:
AFRICA

Although representing the top region for kidnapping of foreign nationals globally in 2017, overall levels of kidnap for ransom activity in Africa remained in line with 2016 trends, with Africa accounting for approximately 50% of expatriate abductions over the past 12 months. Libya and Nigeria continued to lead statistics in the continent for a third year in a row. In Nigeria, kidnap for ransom activity continues to expand, both in frequency and scope, affecting all strata of society and virtually every Nigerian province. Foreigners continue to represent a special target of both criminal and militant groups who are stimulated by past ransom payments. This is particularly true in the southern territories, where members of militant organisations undertake kidnap for ransom activities alongside wider criminal enterprises, blurring the lines between criminal and militant groups. Nigerian kidnappers, including those considered “professional”, can be in some cases very violent towards victims, and are known to be commonly under the influence of psychotropic substances, increasing the overall likelihood of injury or death for captives.

CASES:

- Portuguese civil engineer Jose Machada, was kidnapped on 23 October by armed men along the Obajana-Kabba road in the central Kogi State. Machada, who was employed by the Dangote industrial group, was abducted while inspecting construction work along the road. Two police officers assigned to protect him were killed in the attack. After weeks of negotiations, Machada’s death was announced by the Nigerian authorities on 1 December. The kidnappers responsible were later arrested by Nigerian police. During interrogation, the suspects admitted to the killing of the Portuguese hostage six days after the abduction, allegedly because the ransom offered to them, N600,000 (USD 1,600), was considered “too small”. This was not the first time an employee of Dangote group has been kidnapped and killed in Nigeria. In 2016, Istifanus Gurama, HR Manager for Dangote Industries Limited, was killed by kidnappers while allegedly trying to pay a ransom for the release of five other employees.

- In Libya, the most notable case of 2017 was the kidnapping of four expatriate construction workers in Ubari. On 3 November, four foreign engineers, three Turkish nationals and a South African with German citizenship, were kidnapped near the Ubari power plant, located in the southwest of the country. A local national, part of their security staff, was also abducted with the group, but released soon after. The foreign engineers remain missing, believed taken across the border with Algeria. No group has so far claimed responsibility for the kidnapping and it is currently unknown if the kidnappers have articulated any demands for the release of the engineers. According to Libyan media, Turkish authorities had informed the Government of National Accord (GNA) and the General Electricity Company of Libya (GECOL) that an armed group would attack the Ubari power plant, just 48 hours before the kidnapping took place. As a result of the evacuation, construction work at the plant was halted, having severe effects on Libyan electricity production.

Although a moderate kidnapping threat exists for Madagascar, reports of kidnappings for ransom have increased since mid-2014, following a pattern that appears to mirror that recorded in neighbouring Mozambique. Wealthy locals of foreign origin, a number of them with French citizenship, have been the primary targets of these attacks. While the majority of the victims continue to be among the Indo-Pakistani business community, past incidents have seen other nationalities affected, including German, Chinese and Mauritian citizens. Kidnappers in Madagascar are commonly armed and well organized, with a particular focus on attacks in major urban areas such as Antananarivo and Toamasina.

CASES:

- On 20 December, a French national of Indian origin was kidnapped in the Ankorondrano area of Antananarivo when he was driving back home from work. According to witnesses, the victim was dragged out of his car by five armed men. The victim was released on 11 January, after 23 days in captivity. The kidnappers’ demands were not made public and it is unknown if a ransom was paid for the victim’s freedom. According to the Collective of French nationals of Indian Origin (CFOIM) group, this is the third such incident since October 2017.

- On 19 December, Omar Carrim, an elderly Pretoria businessman of Indian origin, was released after 137 days in captivity. Carrim was kidnapped outside his retail business in Pretoria on 3 August. No information was published on the circumstances of his release, but it is strongly understood he was freed after the payment of a large ransom. It is believed that Carrim was kidnapped by a transnational crime syndicate which is also responsible for a series of kidnappings targeting wealthy businessmen in South African cities.

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Antananarivo, Madagascar (Kayak)
Asia observed an increase of 22% in the number of incidents recorded by Constellis in 2017 with respect to those in 2016. However, participation levels remained largely unchanged, representing about 20% of the total incidents recorded worldwide. Such figures place Asia as the region with the second highest number of foreign kidnapping incidents since 2016. Within Asia, regional statistics continued to be led by the Philippines, with a record high of foreign victims in the last three years. Although the kidnapping threat in the Philippines is commonly associated with its Islamic militancy, since May 2017, no major militant abductions have occurred, with all recorded incidents instead carried out by criminal entities. This shift is a clear reflection of the government’s enhanced security posture against terrorism in the country, particularly against the Abu Sayyaf Group (ASG) and the Islamic State-linked Maute group. The Philippine criminal landscape in 2017 was dominated by the activity of Asian organised criminal groups, with attacks conducted primarily against expatriates of the same nationality. Additionally, many reported cases involved the participation of individuals linked to the Philippine security forces, illustrating the reality of corruption and poor rule of law in the country.

CASES:

- On 27 November, Manila Police rescued a South Korean national who had been kidnapped by a gang comprised by fellow countrymen and rogue members of the Bureau of Immigration (BI) and National Bureau of Investigation (NBI). Businessman Lee Jung Dae was rescued from inside a car parked at a BI compound in Manila. Lee was kidnapped from his home in Angeles city, on 24 November, alongside three of his Korean employees. The employees were released after the businessman’s relatives made an initial payment of P1.2 million (USD 23,800) to the kidnappers. According to police information on the gang’s modus operandi, the Korean members of the gang would typically choose the target and with aid of its Filipino police associates, conduct surveillance on the victim while the BI personnel would prepare an unofficial arrest warrant. It is suspected that a total of three BI employees and three NBI agents were involved in these activities.

- Meanwhile in Myanmar, the Kachin Independence Army (KIA) kidnapped a group of 60 people from villages in the Sadone area of Kachin state on 5 October. Eight Chinese nationals were among the hostages released on 7 October, following negotiations between Myanmarese authorities and KIA leaders. Seven other villagers were released on 10 October. Police said not knowing the status of the remaining hostages. The insurgents’ demands were not made public.

- In mid-October, a US-Canadian couple and their three children who were born in captivity, were freed by security forces in Pakistan, nearly five years after the couple’s abduction in Afghanistan. The rescue reportedly took place in Pakistan’s Kurram tribal agency with no recorded arrests. A senior intelligence official in Islamabad said that the Haqqani network had demanded a ransom of 15 million Pakistani rupees (about USD 135,000) and the release of captives from Afghanistan in exchange for the family’s release. The source said the ransom was not paid, although it was unclear whether any other concessions were made prior to the rescue. American Caitlan Coleman and her Canadian husband, Joshua Boyle, were kidnapped by the Haqqani network while backpacking in Afghanistan’s Ghazni province in 2012. Details of the Boyles’ kidnapping, captivity and rescue remain unclear.

- On 6 December, the Pakistani Army said it recovered a Pakistani engineer who had been held by an Afghan group for 105 days. Malik Faiz Ahmed was abducted in the Nangarhar province of Afghanistan on 21 August as he was working for a Pakistani construction company on the Torkham-Jalalabad road project. It is not clear under what terms and circumstances the engineer was released, but it was said that his Afghan kidnappers had demanded the release of fellow militants held in Pakistan. The place where the recovery allegedly took place and the identity of the kidnappers was not made public. Following the engineer’s release, the Pakistani authorities issued a travel warning, cautioning its citizens on the abduction risk in the country. The warning mentioned a number of recent incidents targeting senior professionals working in Afghanistan.

Afghanistan continues to show one of the highest threat levels for kidnapping in the world as militant groups continue to use this activity as an important tool to further their political/ideological goals, as well as obtain funding. These incidents are more common in rural areas, where armed groups enjoy freedom of action, although incidents can also take place in large urban areas such as Kabul. In this context, staff working on development projects have been frequently targeted by local militants. While the majority of victims remain local nationals, foreign contractors have also been victims in the past.

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### Statistics JAN-DEC 2017

#### Kidnapped Foreign Citizens*

**Global and Regional Geographical Distribution of Victims**

- **Africa**: 54.9%
- **Americas**: 19.3%
- **Asia & Pacific**: 14.2%
- **Middle East**: 6.5%
- **Europe**: 5.1%

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**Statistics for 2017 are drawn from Constellis' record of 726 kidnapped foreign nationals. Over 2016, Constellis recorded a total of 541 foreign nationals kidnapped across the world.**

### Top 15 Countries for the Kidnapping of Foreign Citizens in 2017

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*Results do not include the kidnapping of illegal migrants.*
2017

KIDNAPPED FOREIGN CITIZENS

REGIONAL ORIGINS OF VICTIMS

1. SOUTH EAST ASIAN 24.5%
2. NORTH AFRICAN 12.5%
3. SUB-SAHARAN AFRICAN 11.9%
4. UNKNOWN 9.5%
5. NORTH AMERICAN 2.6%
6. CENTRAL ASIAN 5.1%
7. LATIN AMERICAN 7.2%
8. SOUTH ASIAN 8.4%
9. MIDDLE EASTERN 8.4%
10. EUROPEAN 9.9%

MOST VICTIMISED SINGLE NATIONALITY

1. Tunisian
2. Chinese
3. Indian
4. Thai
5. Iranian
6. Filipino
7. Vietnamese
8. Egyptian
9. Turkish
10. Tanzanian

MOST VICTIMISED OCCUPATIONAL SECTOR BY REGION

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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.
Maritime piracy incidents rose for Q4 2017 in the Gulf of Aden, the Gulf of Guinea and South East Asia, amid an otherwise continued decline of global activity. From 2011 onwards, numbers of attempted and actual attacks have dropped year on year (apart from a negligible increase in 2015), from the 439 incidents recorded in 2011 to 180 in 2017. The majority of piracy incidents over the past three years were recorded in Indonesia, although Nigeria has reported the greatest expansion of activity during this timeframe, rising from 5.7% of the total incident pool in 2015 to 18.3% in 2017. Other areas particularly targeted over the past year include Malaysia, the Philippines, Venezuela, and Bangladesh.

**Gulf of Guinea**
A total of 76 maritime incidents were recorded in the Gulf of Guinea (GoG) over 2017, including kidnappings/hijackings, armed attacks, criminal boardings, and suspicious activity/sightings. Of these, the highest pertained to armed attacks, accounting for 38% of total incidents. Piracy in the GoG surged in Q4, reaching its uppermost level for the year with 28 recorded incidents. Activity was particularly prevalent off the coast of Nigeria, where 15 attacks against commercial vessels were reported over the last two months of the year alone. The majority of these attacks took place within a 60nm radius of Bonny Island, where at least 65 mariners were kidnapped over 2017. This region is likely to see continued activity in 2018 owing to the large presence of international navies in the area, which has since largely repelled further large-scale attacks. However, the number of armed attacks and criminal boardings in Q4 are clear evidence of the enduring threat. While the lack of activity over the two previous years and the containment of attacks over the second half of 2017 certainly indicated greater levels of success in combating piracy in the region, events this year have demonstrated that many of the root causes behind the phenomenon, including extreme poverty, are yet to be tackled. The Gulf of Aden in 2017 witnessed additional armed attacks derived from the ongoing civil war in Yemen, which will continue to threaten maritime interests into 2018.

**South East Asia**
Activity in South East Asia increased by 100% in Q4 2017, with 31 incidents recorded – the highest of the year. The most significant of these were criminal boardings, with 26 recorded for the quarter. Over 2017, most activity in the region comprised of maritime crime, with 78% of the total pool of 91 maritime incidents recorded. Nonetheless, overall hostile activity has dropped significantly since 2015, with a continuing decline over 2017. An improvement of maritime security this year was observed at ports and anchorages in India, Indonesia, Malaysia and Vietnam. However, compared to 2016, there was an increase in the number of incidents reported at ports and anchorages in Bangladesh, the Philippines and on ships while underway in the Straits of Malacca and Singapore. There was also an increase in criminal boardings in South China Sea anchorages, where vulnerable vessels were targeted whilst anchored outside the port limits to avoid paying port dues. The Malacca Strait, the Java Sea, the Celebes Sea and the Sulu Sea also recorded high incident levels in 2017 and retain a significant threat due to the presence of insurgent groups. Despite the efforts of maritime enforcement agencies, high levels of criminality and violence are expected to endure, particularly off the Southern Philippines.

**CASES:**
- On 12 November, Nigerian pirates released six sailors who were held for 22 days in captivity. The seafarers were part of the crew of the German-owned containership Demeter, which was boarded by a group of eight pirates some 50 nautical miles south-west of Bonny, Nigeria, on 21 October. After an exchange of fire, the pirates managed to abduct the six staff members; four Filipinos, one Ukrainian and one Hungarian. The responsible group is thought to be behind an attempted boarding of a supply vessel in the region in the days prior to this attack, as well as a number of other kidnapping for ransom incidents. No information was released as to whether a ransom was paid for the Demeter’s kidnapped crew.
- An Italian Navy frigate, the ITS Virgilio Fasan, thwarted an attempted pirate attack against a 52,000-tonne container ship and fishing vessel in the Southern Somali Basin over 17-18 November. The attack was conducted in a skiff from a motor whaler used as a mother ship, from where the six pirates reportedly launched a number of rocket propelled grenades, before being apprehended by Italian marines. Both vessels were also seized.
- On 22 November, a Malaysian vessel carrying 3,700 tonnes of palm oil with a value of approximately USD 4.5 million, was hijacked near Singkawang, Indonesia. The Ever Omega was hijacked by a group of machete-wielding pirates, who restrained its crew and transferred them to the Ever Prosper, the barge’s tugboat. The following day, the Ever Omega was found, robbed of its cargo.
The maritime sector has been a long-standing cornerstone of the global economy, supporting approximately 90% of the world’s trade in goods. With an ever-increasing reliance upon digital systems, the risk of cyber-attack in this sector has grown in parallel, producing wide-ranging consequences, from the loss of sensitive information to the enabling of attacks against vessels by criminal groups, including pirates. According to IBM’s ‘Cyber Security Intelligence Index’, the transportation industry has been the recipient of the fifth largest number of cyber-attacks since 2015.

Security vulnerabilities

Until recently, most of the computerised systems used by the industry were outdated and therefore susceptible to exploitation. According to a 2016 survey by IHS Markit & BIMCO, 65 of 300 industry players claimed they were the victims of cyber-attacks such as malware, phishing, and theft of credentials, among others. Deficiencies in keeping pace with the ever-evolving cyber threat is assessed to be due to a perception that most marine businesses possess a relatively low public profile and are thereby less likely to be the subject of a cyber-attack than financial institutions or energy firms.

Additionally, the maritime industry has been widely regarded as ill prepared to counter cybercrime because of its slow trend towards digitisation, especially when compared to aviation. Large ships take a long time to build and stay operational for decades in some cases, therefore many of those currently in operation were built prior to the threat of cyber-crime. Furthermore, it is often difficult to integrate new software with older hardware, and so outdated software systems are often retained.

There is also a perceived general lack of cyber security and safety policies within the maritime industry. In this regard, human error is deemed by experts as the most significant vulnerability to the sector. According to Futurenautics’ 2015 survey, only 12% of crew members had received any form of cyber security training, while only 43% were aware of any cyber-safe policy.

Threats and Threat groups

The UK government, in its ‘Code of Practice: cyber security for ships’, has identified seven potential threat actors to the maritime sector: activist groups, commercial competitors, cyber criminals, insiders or disgruntled employees, terrorists, nation states, and state-sponsored actors. These groups have a variety of motivations, including direct financial gain, indirect gains by disrupting operations, or political goals. Attacks may target a port, a company, a particular vessel, or a ship subsystem.

Less overt cyber-crimes may involve the extraction of sensitive information, such as intellectual property, commercial information, corporate strategies, personal data etc. which can be held to ransom, or cause disruption for political or commercial purposes.

Additionally, these threats have the potential to pose a physical risk to crew members, becoming an issue of duty of care for maritime companies. For example, via cyber espionage, pirates could potentially detect a ship’s movements and permit them to stage a boarding and hold crew to ransom. Other attacks targeting a ship’s navigational or operational infrastructure, could impact its planned route, speed or manoeuvrability, which could potentially cause a grounding or again enable hostile parties to commit criminal acts against it.

Although there have been only few documented cases of state-sponsored maritime cyber-attacks, there exists an important underlying threat, particularly for ships travelling near conflict zones. This is reported to have been the case in April 2016, when South Korea stated that approximately 280 vessels were ordered to return to port after experiencing problems with their navigation systems allegedly linked to North Korea.

Recognising the threat, and in an effort to mitigate the threat of cyber-attacks to the maritime sector, a number of governments and specialist bodies have produced a wide range of security-related standards and best practice guidance for operators.

Although there is now better awareness and maritime cyber security has grown in resilience over recent years, a perception of vulnerability persists. This is in large part the result of shipping companies not keeping pace with cyber threats and updating their security systems accordingly. Further hindering the uptake of such systems are the vast costs associated with their implementation. For the protection of the sector however, it is integral that maritime businesses begin updating existing ship systems, and over the longer-term, designing ships with cyber security in mind.

CASES:

- In December 2017, British shipbroker Clarkson Plc confirmed it was the victim of a cybersecurity incident which involved unauthorised access to the company’s computer systems. As a result of the attack, the London-based company warned that the perpetrators may release company data with a potential affect on clients. A criminal investigation into the incident is currently underway.

- In June 2017, the NotPetya data-wiping outbreak struck a number of companies in the US and Europe, including Copenhagen-based shipping giant A.P. Moller-Maersk, which moves about one-fifth of the world’s freight. The total cost to Maersk in dealing with the virus is estimated to have been between $200 and $300 million, having been forced to halt operations in 76 global port terminals.

- In 2013, it was discovered that a drug smuggling gang hacked the cargo tracking system of the Port of Antwerp. This breach enabled them to gain an in-depth knowledge of security details and locations of arriving containers which had consignments of drugs hidden within them. With this information, the traffickers were able to steal the appropriate containers prior to the arrival of the official recipients. By covering their tracks, this criminal activity continued for two years until a joint action by Belgian and Dutch police.

Image: Maritime executive
THE EVOLVING KIDNAPPING THREAT IN VENEZUELA

Venezuela is currently among the most dangerous states in the world as the country’s political, economic and social crises continue to fuel rampant crime and illegal economies. Within this context, kidnapping is the fastest growing crime in Venezuela, with incidents believed to have more than tripled since 2009 in spite of claims by the authorities that overall figures are decreasing.

Traditional kidnappings of short duration, also known as express kidnappings, account for the majority of incidents in Venezuela. Such attacks are particularly common in Caracas and its environs, where gangs can kidnap, extort and release multiple victims within a single night. During these abductions, criminals often initially demand up to USD 50,000 in ransoms, with victims generally paying around 10% of the original figure. While express kidnapping has been a concern for several years, there was a sharp increase in the last quarter of 2017, when at least 80 people were kidnapped each month in metropolitan Caracas.

In view of the country’s wider economic collapse, hyperinflation and continuous depreciation of the national currency, the bolivar, kidnappers are now regularly demanding payments in foreign currency, specifically US dollars and euros. According to open source reporting, the average value of recorded ransoms in traditional kidnappings in Venezuela in the last two years reached around USD 450,000. However, in recent months, kidnappers have been known to initially demand as much as USD 10 million for high-profile victims, with payments commonly surpassing two million dollars. This exorbitant increase in the amounts demanded is believed to be linked to the rapid deterioration of the national economy, which has led wealthy individuals to hold a vast amount of dollars outside the banking system, a fact known by kidnappers. For targets with less access to foreign currency, payments have been known to be made also with other valuables such as jewellery, cars or property. Given the proficieny of these gangs and their logistical capabilities, victims can be held for a number of weeks.

Kidnapping for ransom is also of particular concern near Venezuela’s border with Colombia, where organised crime has soared in recent years. In this region, a number of Colombian rebel and organised crime groups are becoming increasingly active. The FARC, EPL, and criminal fraternities comprising former militants (BACRIMs) such as Los Rastrojos are among the groups with a known presence in Venezuelan territory. This phenomenon has been a result of the decreasing operational space in Colombia and the increasing opportunities in these largely ungoverned Venezuelan areas. While most of the victims abducted in these regions are wealthy cattle ranchers, expatriates have also been abducted in the past. Kidnapping groups in these rural areas are known to be capable of holding hostages for months and demand large ransoms.

Although most kidnapping victims are released after the payment of a ransom, kidnappings in Venezuela have been reported to be increasingly violent as a result of the greater availability of arms in the country. The use of high caliber weapons and hand grenades during kidnapping bids are increasingly being reported in Venezuelan media as well as the number of kidnappings ending in the death of the victim, in some cases in spite of payments made to kidnappers. With the economic and political situation in continued decline and a steady deterioration of security conditions in the country, the prospects for a reduction in the kidnapping threat within Venezuela in 2018 remains bleak, contributing to what some observers are already beginning to call a “humanitarian” rather than security crisis.
CASES:

- Two officers of the Bolivarian National Police (PNB) were apprehended on 2 December in the municipality of Libertador, metropolitan Caracas. The officers were accused of participating in the kidnapping of two merchants on 1 December. The victims’ relatives reported the incident after receiving a phone call from the kidnappers demanding USD 5,000 as ransom. The two suspects were arrested in downtown Caracas on their way to collect the ransom money. Official investigations have linked another 13 officers of the PNB to this gang.

- Reinaldo Herrera, a Venezuelan businessman and nephew of the famous fashion designer Carolina Herrera, was found dead inside a vehicle along with a colleague on a road between Caracas and La Guaira. The bodies were discovered on the night of 11 May, after their kidnapping on the same day. Both victims had been taken by a group of armed criminals outside a restaurant in the vicinity of their business’ offices in Caracas. The businessmen were killed in spite of their families having paid the ransom demanded by the kidnappers, believed to have been USD 15,000. Venezuelan police said the incident was the act of an express kidnapping gang operating in eastern Caracas, whose modus operandi was to target their victims when leaving restaurants and other upscale locations.

- A kidnapped merchant was found dead on 14 March, after 23 days in captivity. He was killed by the kidnappers although relatives paid USD 25,000, just below the sum originally demanded by the kidnappers. Oscar Rojas was kidnapped in the San Martin area of Caracas on 19 February, by men who claimed to be members of the Colectivo Brujas. A friend of the family, who is a member of the Colectivo Alexis Vive, offered to deliver the ransom. The body of the victim was found with a message stating that the ransom did not reach the kidnappers. It was suggested that Rojas’ murder may have been the result of conflict between colectivos.
About Constellis

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