

KIDNAP MONTHLY BRIEFING



ISSUE 98 | April 2014

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This is the ninety-eighth issue in a series of kidnap-focused reports prepared by **Control Risks** on behalf of Hiscox. The Monthly Kidnap Briefing is distributed to select clients in order to keep you informed of the trends in kidnapping worldwide and assess the risk of kidnapping to your business.

This issue includes an overview of kidnapping-for-ransom trends worldwide in March, a brief on the anti-kidnap strategies of the Mexican President Enrique Peña Nieto and a focus on extortion in Asia.

Prepared by **Control Risks**

for 
HISCOX

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Americas



In **Colombia**, two armed men on 11 March kidnapped businessman Eduardo Alfonso Vives Lacouture from his estate in Orihueca in Zona Bananera (Magdalena department). Police said that a criminal gang, rather than a guerrilla organisation, was behind the kidnap. A reward of COP 30m (USD 15,000) has been offered in return for information leading to the victim's release. It is not known if a ransom demand was made. Both the Revolutionary Armed Forces of Colombia (FARC) and National Liberation Army (ELN) leftist guerrilla groups have a presence in Magdalena, where they have been known to carry out kidnaps-for-ransom. The family of the victim has been targeted for kidnaps in the past. The ELN kidnapped Lacouture's cousin, Mauricio Vives Lacouture, in 2005. He was held for 19 months before being killed in a stand-off between the military and the ELN.

In **Brazil**, police on 19 March rescued a 15-year-old Italian national who had been kidnapped four days previously from a property in Arraial do Cabo (Rio de Janeiro state). The victim, who has lived in Brazil for the past five months, was kidnapped along with his father, who the kidnappers had released earlier. The police killed two of the kidnappers during the ensuing shoot-out, while one escaped. According to police, the kidnappers had demanded a ransom payment of BRL 720,000 (USD 300,000) in return for the boy's release.

In **El Salvador**, a report published by the Consejo Nacional de la Pequeña Empresa de El Salvador (National Council of Small Businesses of El Salvador – CONAPES) on 3 March revealed that extortion payments by small and medium-sized businesses in the country total USD 200m per year. CONAPES compiled the data from 585 interviews that it conducted with business owners in 40 municipalities across the country. The study primarily attributed extortion to the presence of pandillas and maras (gangs), which force businesses to hand over between USD 500 and USD 1,500 per month in the form of 'personal protection payments'. Of those interviewed, 80% said that they were affected by extortion. Of those, 85% did not report crimes, reflecting widespread popular suspicion and mistrust of the authorities. Business owners expressed their mistrust of the Policía Nacional Civil (National Civil Police), which has allegedly been involved in previous extortion cases. Although the study focuses on small and medium-sized businesses – a definition of which is not provided – the possibility that extortion could affect multinational operators in the country cannot be discounted. Employees of all sectors can be approached for extortion demands, either in person or via threatening telephone calls.

The problem of extortion was also laid bare in **Mexico**, where the Observatorio Nacional Ciudadano (National Citizen Observatory – ONC) on 27 February released a report stating that incidents of extortion have risen by 818% over the past 16 years. The report claims that in 2013 there were 8,042 cases of extortion, a rise of 10.6% compared with 2012. Extortion is a major concern for companies of all sizes operating in Mexico and is a powerful tool for criminal organisations, which use it as a tactic to exert their influence and establish control over certain territories. The study identifies three types of extortion: first, scams over the telephone, in which victims are tricked into believing they have won a prize that can only be received through some form of payment; secondly, threatening telephone calls in which criminals threaten victims with violence if payment is not made to the caller; and finally, 'derecho de piso', loosely translated as 'right of way', or the right to operate in a particular area, in which extortionists make regular demands of companies in exchange for guaranteeing non-violence and allowing commercial operations to continue. The study identifies Baja California Sur, Quintana Roo, Baja California, Guanajuato and Tabasco as hotspots for extortion. However, although the report highlights the extent of the problem, it is unlikely that it reflects the full reality. Rather than using independently

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gathered figures, such as those seen in NGO Alto al Secuestro's recent report, the ONC's study uses statistics taken from the National Public Security System (SNSP) and National Institute of Statistics and Geography (INEGI). Official statistics are widely viewed as unreliable and do not reflect the full extent of extortive crime in Mexico.

Middle East



Kidnapping continued to affect both local and foreign nationals in **Lebanon**. The crime was particularly prevalent in Beqaa governorate. Among the victims in Beqaa were a local national currency dealer and a nine-year-old boy. Both were released, but it was unclear whether a ransom was paid in either case. In a separate case, Georges Kahmazian was kidnapped in Baalbek (Beqaa governorate) on 20 March against a ransom of USD 50,000. He was released later that night after a reported payment of USD 12,000. The highest-profile incident to occur was the release on 6 March of a Danish journalist and his Lebanese colleague. The two were kidnapped in Beqaa governorate in early February, but the incident was not reported until they were released. The pair believed they were held in Syria. They had rented a car in Beirut and driven towards the Syrian border. The kidnappers reportedly demanded an unspecified ransom, but it was not clear if a ransom was paid.

A Spanish journalist kidnapped in **Syria** in September 2013 was finally released in early March. Marc Marginedas, who was working for El Periodico, was kidnapped when the vehicle he was travelling in was stopped on the outskirts of Hama (Hama governorate). It was not clear whether his driver was also taken. There were no details on how Marginedas came to be released or whether any ransom had been paid. Meanwhile, 12 nuns who had been kidnapped from St Thecla monastery in Maaloula (Rif Damashq governorate) on 2 December 2013 were released on 10 March in exchange for the release of an unknown number of imprisoned women and children in Syria. In an interview after their release, one of the nuns said that the kidnappers, thought to be members of the al-Nusra front, had given the nuns everything they had asked for.

A Jordanian national was kidnapped in Kubaisah (Anbar governorate) in mid-March, highlighting that foreign nationals remain at risk of kidnapping in **Iraq** if they do not take appropriate security measures. The Jordanian was abducted from a cement factory, along with the director of the plant. The kidnappers also stole a vehicle from the installation. The fate of the victims remained unknown.

Asia



Kidnapping continued at a high rate in **Pakistan**. Among the victims were three businessmen kidnapped in Lahore (Punjab province) against a demand of PKR 10m (USD 100,000). The incident was thought to be linked to a monetary dispute. The fate of the victims remained unknown. Additionally, 16-year-old Ali Hamza on 3 March was kidnapped from a construction site in the Police Foundation Housing Society in Islamabad (Federal Capital Territory). His father ran a property business and was building a new office on the site. The kidnappers demanded PKR 2m (USD 20,000) and threatened to kill the boy if their demands were not met. The police traced the kidnappers to Lahore and rescued the boy on 6 March. They did not arrest any suspects. The following day, two traders named Hidayat Ullah and Kamal Khan were kidnapped in Peshawar (Khyber Pakhtunkhwa province). The kidnappers demanded PKR 50m (USD 500,000), but police rescued the victims the following day. The crime also affected foreign nationals. A South Korean businessman on 9 March was kidnapped from outside his house at an unknown location in Pakistan. The victim said that the kidnappers placed a hood on his head and drove him to an unknown location for one-and-a-half hours. The kidnappers questioned him in a building about his reason for being in Pakistan. After his

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release, he reported the incident to the embassy before returning to South Korea. The embassy said that the kidnappers did not demand money.

Kidnappers continued to target aid workers in **Afghanistan**. The Afghan Taliban on 5 March kidnapped three officials employed by the Rural Rehabilitation and Development Department in Badghis province. The Taliban was reportedly attempting to disrupt reconstruction efforts in that province. Election-related kidnaps were also noted. Five members of the Afghan Independent Election Commission (IEC) were abducted in Haska Mina district (Nangarhar province) on 12 March. The Taliban claimed responsibility, while calling on all Afghans to keep away from the election process. One of the victims was reportedly freed, while the fate of the remaining four remained unknown.

Police on 18 March rescued a Vietnamese businessman who had been kidnapped during a business trip to Nanning (Guangxi Zhuang Autonomous Region) in southern **China** in mid-February. The kidnappers had demanded USD 300,000, but ceased communication with the family at the end of February after the family had paid approximately one-third of the ransom demand. Kidnapping also continued to affect local nationals. A woman in mid-March was kidnapped as she approached her car in Fuqing (Fujian province). The kidnappers took her to a hideout in the suburbs of the city. They demanded CNY 5m (USD 800,000), but she managed to escape ten hours later. Two suspects were later arrested and said that they had realised that the victim was a wealthy woman after seeing a high-heeled shoe inside the luxury car.

Africa



Libya continued to experience a high rate of kidnapping this month against the backdrop of a deteriorating security situation across the restive north-east. Although local nationals remain the primary targets, foreign personnel were targeted in a number of incidents. An Italian engineer on 22 March was kidnapped near Tobruk (Butnan district), while unidentified gunmen on 18 March kidnapped two Egyptian workers from the Sidi Younis neighbourhood in the north-eastern city of Benghazi (Benghazi province), after reportedly opening fire on the workers from a passing vehicle. A further incident involved a member of diplomatic staff at the Tunisian embassy in Tripoli, who was abducted on 22 March in the Ain Zara suburb of eastern Tripoli (Tripoli district). The fate of the victims in all incidents remained unknown.

Nigeria continued to account for a high proportion of the kidnaps recorded in Africa in March, though the incidents were dispersed over a larger geographic area than in previous months. In particular, Bauchi – a northern state that has historically recorded low levels of kidnapping – experienced a spate of high-profile kidnaps. Samaila Ilalee Ahmed, a prominent local politician linked to the All Progressives Congress, on 17 February was kidnapped from his home in Darazo local government area (LGA). He was released five days later following the payment of a NGN 2.5m (USD 11,000) ransom. Subsequently, gunmen on 2 March abducted three polio vaccination workers in Darazo LGA. Two of the victims were released the following day, but the fate of the third remained unknown. Finally, unknown gunmen on 3 March kidnapped Alhaji Yusuf Nuhu, a member of the Bauchi state House of Assembly, in Zalau. Police officers reportedly pursued the kidnappers, but were unable to rescue the victim, who remained in captivity. In contrast with the situation in the Niger delta, where criminal gangs carry out the majority of kidnaps, northern states are also exposed to the threat posed by Islamist militant groups, which sporadically employ kidnapping as a means of generating revenue and making political demands.

Swaziland recorded a rare kidnap of a foreign national when Japanese businessman Hiro Maeda was abducted on 11 March outside his home near Mbabane (Hhohho region). According to Swazi media reports, six South African and two Swazi nationals carried out the kidnap and demanded ZAR 500,000 (USD 47,000) for the victim's release. Maeda was kept blindfolded for two days before being released. It was not known whether a ransom was paid.

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BRIEF ON LATIN AMERICA



ENRIQUE PEÑA NIETO'S ANTI-KIDNAP STRATEGIES REVISITED

On taking office in December 2012, President Enrique Peña Nieto promised change. In addition to his ambitious programme for economic reform, EPN, as he has become known, vowed to alter the tack taken by the government in response to the deterioration in the security situation since 2008.

Among his promises for improved citizen security was a bold pledge to halve the number of kidnaps carried out in the country in his first year in office. However, 15 months into his administration, it has become clear that his campaign against kidnap has failed spectacularly. Once again, Mexico came first in Control Risks' global ranking of countries for kidnap in 2013, increasing its share of global kidnaps from 16% to 18% between 2012 and 2013. These figures have been echoed domestically; both independent and official data show that kidnap has become even more of a concern for both Mexican families and businesses operating in the country.

These damning statistics have sparked an evolution in the government's strategies to curb kidnap rates during its tenure. This report examines the evolution of strategies regarding kidnap under EPN, and analyses the likely impact of the latest measures over the short and medium term.

FROM CALDERÓN TO EPN

To consider the current government's attitude to kidnap, it is necessary to understand EPN's wider security policies and how they compare with those of his predecessor, Felipe Calderón (2006-12), and therefore the context in which kidnapping has reached the levels seen today.

First, the focus of security policy has changed under EPN. Instead of 'fighting a war against organised crime', EPN stated that his government would focus on reducing violence and the crimes that most affect the general population. This shift in the message surrounding security has seen the new government almost downplay security concerns. Rather than grabbing headlines with arrests and parading high-profile detainees before the cameras, EPN has attempted to change the narrative and in doing so shift the focus, preferring instead to talk about economic reform.

The institutional apparatus regarding security has also been altered. Most notably, the Department of Public Security, a cabinet agency under Calderón, has been folded into the interior ministry. This has been seen as an effort to streamline Mexico's myriad law enforcement and defence bodies, thus centralising security policy under the auspices of one government agency.

Lastly, EPN's reform agenda has also included the country's numerous police forces. Efforts to restructure federal law enforcement institutions, the cleaning up of municipal police forces and the creation of a new gendarmerie were the cornerstones of EPN's programme.

Nevertheless, while there have been differences between Calderón and EPN, these have been mostly cosmetic rather than substantive. EPN spoke more of 'adjustments' to security policy rather than wholesale 'changes' and there have been important continuities from the Calderon presidency.

The use of federal and military forces in areas where the deterioration of the security situation is most acute continues to be central, confirmed by EPN's deployment of troops to Michoacán state in January 2014. Furthermore, while EPN has downplayed developments in security policy, the strategy of targeting high-ranking criminal leaders has continued, exemplified by the arrests of 'El Chapo' Guzman and 'El Chayo', leaders of the organised crime group known as the Sinaloa Cartel and the Knights Templar respectively.

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Finally, and most important, the lack of a dedicated strategy and policy to tackle kidnap-for-ransom is a problem carried over from the Calderon presidency. Under both administrations, the kidnap issue has been subsumed into wider security concerns over higher-impact crimes, notably homicide. As a consequence, the issue of kidnap-for-ransom has fallen under the radar in the corridors of the Palacio Nacional.

THE BATTLE OVER STATISTICS

The government's attitude only began to shift with the release on 6 November 2013 of official statistics on kidnap. The National Public Security System (SNSP) announced that levels of kidnap-for-ransom, as well as extortion, increased by 23% during EPN's first nine months in office. Between January and September 2013, a total of 1,205 cases were reported, compared with 936 during the same period the previous year. However, SNSP statistics are widely seen as unreliable, and as failing to reflect the full extent of the problem. The perennial issues of mistrust in law enforcement agencies, direct or indirect collusion by police in kidnaps, and fear of reprisals if incidents are reported mean that the majority of cases continue to go unreported.

The unreliability of SNSP statistics notwithstanding, the figures did accurately reflect the trend. The extent of the increase in kidnaps was further exposed in February 2014, when two leading anti-kidnap NGOs published a study stating that there had been a 61% increase in kidnaps-for-ransom during EPN's first calendar year in office. The drastic rise highlights the shortcomings of the long-held position of successive administrations regarding kidnap. By failing to adopt a dedicated approach to dealing with kidnap, and merely viewing it as one issue among many that could be tackled through a one-size-fits-all approach, the government has significantly under-estimated the kidnap problem.

COORDINACIÓN NACIONAL ANTISECUESTRO

Following the release of official figures regarding kidnap, the government was forced to publicly acknowledge that Mexico had a serious problem with the crime. In a public address in December 2013, EPN announced that he had instructed his interior minister, Miguel Angel Osorio Chong, to devise a specific strategy to counter the problem.

Chong on 28 January 2014 unveiled the National Anti-Kidnap Organisation (Coordinación Nacional Antisecuestro) and called for greater co-ordination and data sharing among local and federal officials, in an effort to bring a measure of coherence to tackling the issue across the country. The strategy requires state governments to adopt standardised procedures to conduct investigations and provide specialised attention to victims. It also provides for the creation of an oversight panel to evaluate performance, whose membership will include leaders of Mexico's non-government anti-crime organisations, such as Isabela Miranda de Wallace of NGO Alto al Secuestro. Furthermore, the strategy establishes dedicated anti-kidnapping units to operate in ten focus states. These units will be equipped with new technology to streamline procedures. Lastly, it will also bring a focus on to prisons, from which many kidnappers operate using mobile (cellular) telephones to make extortive threats or carry out 'virtual' kidnaps.

The establishment of the plan is significant insofar as it represents an official response to the alarming statistics on kidnap and recognises the fact that kidnapping requires a focused response from the state. The inclusion on the oversight panel of NGO leaders, who have not hesitated to criticise the government, its statistics or its efforts since being admitted to the plan, demonstrates a measure of plurality and openness, and is likely to clarify the extent of the problem.

Nevertheless, there is a distinct danger that the initiative could turn out to be nothing more than a symbolic gesture to placate an ever more concerned citizenry. Two months after the creation of the strategy, little discernible detail has emerged as to how exactly the plan is going to work. What is more, the creation of yet another law enforcement agency to add to the numerous existing police forces is unlikely to help to make agencies more transparent or effective. Given widespread collusion by police officers in kidnaps – Control Risks estimates

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that seven out of ten kidnaps in Mexico involve collusion by the police, either directly or indirectly – the need for meaningful and effective police reform remains key to the long-term success of attempts to tackle kidnapping, a factor that the new strategy does not acknowledge. Finally, there is a danger that the plan is too institution-centric, thus ignoring the significant social factors that have contributed to the increasing numbers of people who engage in criminal activities. In addition to the high numbers of people joining large criminal organisations, the number of small, dedicated kidnapping groups with no apparent connection or affiliation to the notorious drug trafficking organisations is striking. Although EPN has stated that social programmes to give young people alternatives to crimes are on the agenda, no concrete plans have been forthcoming.

LOOKING FORWARD

With the establishment of the Coordinación Nacional Antisecuestro, Mexico may well have turned a corner with regard to dealing with kidnap. Although it remains to be seen whether the new strategy is more than merely an exercise in realpolitik, it undoubtedly represents recognition by the government of the severity of the problem.

Nevertheless, we should remain sober about the impact the plan is likely to have. With two major contributing factors to the endemic levels of kidnap omitted from the strategy – those of police reform and social programmes – the outlook remains bleak in the short-to-medium term, with Mexico's kidnap risk rating likely to remain high for the foreseeable future. However, with the foundations to tackling the issue finally being laid, there is a possibility that progress will be made.



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EXTORTIVE THREATS TO BUSINESSES IN ASIA

Kidnapping-for-ransom affects several countries in Asia. According to Control Risks' records, in 2013 the top five countries in Asia for kidnapping were as follows:



The kidnapping threat from country to country is diverse. Kidnappers in countries such as Malaysia and China tend to be criminals motivated purely by financial gain. Meanwhile, a blend of criminality and militancy shapes kidnapping trends in other countries, such as India, Pakistan, Afghanistan and the Philippines.

Some businesses are forced to confront various extortive crime scenarios in Asia, ranging from the kidnap of senior employees, to the kidnap of family dependants of staff and extortion demands related to business disputes.

Figure 1: Victim types in Asia Pacific (including Afghanistan and Pakistan), 2013



BUSINESS OWNERS AND SENIOR EMPLOYEES

The most common extortive threat that business owners and senior members of staff are likely to face is extortion related to business disputes. Various scenarios can occur in the workplace. First, relationships with local service providers can turn sour. Grievances can arise for a variety of reasons; a long-term contract could be awarded to a new provider, or discrepancies could arise in the details of a contract. Secondly, labour disputes could deteriorate and escalate to involve threats against managers or their families. Employees who feel their livelihoods are threatened can be emboldened to take drastic measures, particularly in an environment where there is little threat of repercussions from law enforcement. Disputes of this

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kind are common in several countries in Asia, including China. US businessman Chip Starnes was held hostage for six days from 20 June 2013 at a factory in Beijing (Beijing municipality) when he arrived to make a number of staff redundant. The staff reportedly thought that the company, Specialty Medical Supplies, was closing the entire factory. They also claimed that the company owed some members of staff salary arrears. The workers kept Starnes awake as a pressure tactic. A settlement was reached, but the terms were not made public.

Kidnappers also occasionally target business owners and senior employees for ransom, though much less frequently than they target junior employees and dependants. Kidnappers who target higher-profile victims such as business owners and senior employees tend to be more experienced and capable than those who target dependants. Ransom demands are usually higher because the kidnappers perceive that the victim's family could afford a higher ransom or that the victim's employers would be prepared to make more significant concessions to secure the victim's release. Businesspeople should remain vigilant in countries where kidnapping is a serious problem, even in countries such as India, where kidnapping predominantly affects dependants and lower-level employees. Four kidnappers dressed as police officers on the evening of 13 July 2013 kidnapped 26-year-old industrialist Munish Brara and his driver Hem Lal in Doraha (Punjab province) as they were on their way to the victim's home. The kidnappers demanded a ransom of INR 50m (USD 835,000), which was reportedly paid in full. Both victims were released on 15 July. Police arrested five suspects the following day and recovered arms, vehicles and INR 40.6m (USD 680,000) of the ransom payment.

In general, short-term business travellers are at lower risk of kidnap than long-term residents, but sporadic incidents still occur. A visiting businessman was kidnapped in August 2013 in the Philippines. Kuwaiti businessman Ahmad al-Kandari was kidnapped on 23 August 2013 from a cafe in Manila (Metro Manila). He was investigating a business opportunity with four Filipino men, one of whom offered to take him on a tour of the city. He got into a car with the kidnappers, and after 15 minutes one of them pointed a gun at him. Media articles indicated that the kidnappers demanded PHP 22.5m (USD 500,000) for his release. The victim's brother reportedly paid PHP 500,000 (USD 12,000), but the kidnappers continued to ask for more money. Initial media reporting indicated that police on 4 September rescued al-Kandari, but the victim later said that his kidnappers released him.

EMPLOYEES

Junior employees make up a large proportion of kidnap victims across Asia. Nowhere is the trend more pronounced than in [India](#), where 33% of victims recorded in 2013 were employees. Ransom demands tend to be lower for employees. Nuramin Haque, a mason, was kidnapped on 6 June 2013 from his house in the Purana Bazaar area of Dimapur (Nagaland state). The kidnappers held him captive with his hands and feet bound. They demanded INR 60,000 (USD 1,000), but the victim was rescued on 8 June.

Kidnappers also frequently target employees in countries with a large migrant worker community, such as [Malaysia](#). Foreign nationals accounted for 40% of victims recorded by Control Risks in Malaysia in 2013. Expatriate victims tend to be from the South Asian migrant worker community and are often targeted by compatriots. Kidnappers demand ransoms from family members of the victims, either in Malaysia or in the victims' home countries. Five compatriots on 29 July 2013 kidnapped a 43-year-old Bangladeshi national in the Jalan Putra area of Kuala Lumpur (Federal Territory). They asked for a ransom of MYR 40,000 (USD 12,000) from the victim's family in Bangladesh. Once the kidnappers received a ransom via bank transfer, they asked for a further MYR 60,000 (USD 18,000). Police rescued the victim the following day and arrested five suspects.

Sporadic kidnaps of employees also occur in Asian countries where kidnapping is less of a problem, such as [Indonesia](#). British oil worker Malcolm Primrose, 61, was kidnapped on 11 June 2013 while being driven to a work site in Aceh (Aceh province). The kidnappers reportedly demanded IDR 1bn (USD 100,000) and when the victim's wife attempted to negotiate they increased the demand to IDR 5bn (USD 500,000) before reducing it to IDR 250m (USD 25,000). However, when the ransom money was not forthcoming and security

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pressure was mounting from local police, the kidnappers eventually released the victim without ransom on 12 June. He was found in a field the following day. The kidnappers in this case were likely unprepared criminals. Although similar incidents in lower-risk countries are likely to remain rare, they cannot be ruled out.

PROFESSIONALS

Professionals – including doctors, teachers, lawyers and dentists – are at risk of kidnapping because kidnappers perceive them to be wealthy. The trend is most pronounced in **Pakistan**, where doctors are particularly at risk. Prof Dr Abdul Manaf Tareen was kidnapped on 17 September 2013 in Quetta (Baluchistan province) while on his way home from the private hospital where he worked. Doctors from the Pakistan Medical Association (PMA) Balochistan chapter and Balochistan Young Doctors Association went on strike between 08.00 and 10.00 every day of his captivity. Tareen was finally released on 1 December 2013. The kidnappers had reportedly demanded PKR 200m (USD 2m). According to the president of the Balochistan PMA, the family paid PKR 50m (USD 520,000).

DEPENDANTS

Dependants are the most common victim type in Asia (accounting for 44% of victims in 2013, according to Control Risks' records). Businesses are not always obliged to respond to the kidnap of a dependant of one of its staff members, and in many cases individuals will choose not to inform their employer if one of their dependants has been kidnapped. Such incidents can nevertheless have an effect on business operations because staff might fail to show up for work or take long periods of absence while they address the issue.

The dependants of junior employees are more frequently targeted than those of more senior employees because some kidnappers perceive, rightly or wrongly, that lower-level kidnaps will attract less attention from security forces. Higher-profile incidents sometimes occur, even in countries where law and order is strictly enforced. The 79-year-old mother of the CEO of a large supermarket chain in **Singapore** was kidnapped on the morning of 8 January 2014 from a street in Hougang (North-East region). The kidnappers demanded SGD 20m (USD 16m) from the victim's son, who negotiated a payment of SGD 2m (USD 1.6m). He left the money where the kidnappers specified, and the victim was released the following morning. Police then arrested two suspects and recovered the ransom money in full.

EXTORTIVE CRIMES PERPETRATED BY MILITANTS

Militant groups use kidnapping as a tactic in several Asian countries. The threat is most pronounced in Pakistan, Afghanistan, the north-eastern states of India and the southern Philippines. Filipino militants occasionally carry out kidnaps by boat on the south-eastern coast of Malaysia. Secessionist militants also use kidnapping as a tactic in the Papua region of Indonesia, while Thai insurgents use the tactic sparingly in the southern provinces of Thailand to target members of the security forces.

Incidents involving militant groups are likely to have the greatest impact on businesses. In some cases, militant groups attract attention to the kidnap by publishing propaganda videos of the victim, who will be forced to cite the kidnappers' demands. It is possible that the victim will be forced to mention their employer in such a video. The reach of security forces is often limited in the remote areas where militants are based so groups are under little pressure to release the victim quickly for a lower ransom. Periods in captivity are therefore often lengthy, negotiations can extend for longer periods, and ransom demands and the subsequent payments are often higher than would be paid if the kidnappers were criminals operating in a relatively well-policed city. One of several examples of militant kidnaps of businesspeople occurred in the **Philippines** in June 2012. Six gunmen kidnapped two Chinese businessmen from the house in which they were staying in Kabasalan (Zamboanga Sibugay province). The victims had lived in the area for two years and were executives of a mineral ore mining corporation. The kidnappers made contact with the victims' families after nine days and demanded a ransom of at least PHP 225m (USD 5m). The first of the two victims was released in late August after the alleged payment of PHP 5m (USD 120,000). Philippine security forces in September rescued the remaining victim.

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Militant groups also use extortion as a fund-raising tactic. In many cases extortionists fade away and cease to make demands, but militant groups can be more aggressive and lack of payment can lead to them carrying out kidnaps as a pressure tactic. Engineer Chintala Paidi Raju was kidnapped in Baksha (Assam state, [India](#)) on 18 February 2013 while working on a project for B. Seenaiah and Company, which is based in Hyderabad (Andhra Pradesh state). The company confirmed that it had been contacted by militants from the National Democratic Front of Bodoland who demanded an unspecified ransom amount. The group had reportedly made four or five extortion demands of the company in the past, but this was the first time they had kidnapped one of their employees. The victim was reportedly released on 28 February after his company paid an unspecified ransom amount.

PROTECTIVE MEASURES

The kidnap risk across the Asian countries mentioned in this report is stable; the threat is unlikely to increase or decrease in the short-to-medium term. Businesses operating in environments where the risk of extortive crime is high can take a number of measures to mitigate the threat. As an example, kidnaps often take place during routine journeys, but individuals who leave their house at different times each day and vary the routes they take to and from work deny kidnappers the opportunity to exploit their daily routine. The risk of kidnapping during non-routine journeys can be mitigated by using trusted security providers to travel through high-risk areas, particularly where militants are known to operate.

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ABOUT US



Control Risks' services are exclusively retained by Hiscox. In the event of a kidnap, detention or extortion incident covered by Hiscox, clients will benefit from Control Risks' services as part of their insurance policy.

CONTROL RISKS

Control Risks is a leading international business risk consultancy. It offers a range of integrated political risk, investigative, security and crisis management services to corporate, government and private clients worldwide.

Since its foundation in 1975, Control Risks has advised clients on the resolution of 2,524 kidnap and extortion cases in 127 different countries, with 46,365 person-days aggregate duration. Cases have ranged from traditional kidnaps-for-ransom, express kidnaps, hostage takings, ship and aircraft hijacks to political detentions, product extortion and contamination and other threat extortions. Control Risks has a full-time team of Response Consultants, available for immediate deployment in response to a crisis anywhere in the world. Response Consultants will advise on negotiation strategies and on how to manage the various interests of the victim, family, employers, the media, the government and local law enforcement agencies.

The Response Division has its own dedicated team of research analysts. As well as supporting consultants deployed on cases, they maintain the International Kidnap Online Service (IKOS) which follows the trends in kidnapping worldwide and allows clients to assess the risk to their business. In addition to IKOS, Response Research produces commissioned kidnap and extortion analysis of any country or sector. If you are interested in any of these services, please write to response_research@controlrisks.com

For more information about Control Risks, please visit our website at www.controlrisks.com

HISCOX

Hiscox is the world's largest provider of specialist kidnap, detention and extortion insurance, with a market share of 60-70% by premium income. We cover companies and individuals against all forms of extortion and can protect your assets from illegal demands and the consequential associated expenses.

Our clients include multinational companies operating in high risk regions of the world, key executives working in commercially sensitive positions and individuals whose wealth or fame may attract the attention of criminals.

Hiscox kidnap and ransom underwriters are the most experienced in the field. Our knowledge of the sector enables us to make quick decisions on cover, no matter how unusual the request. We are highly skilled in handling what may be a very difficult and sensitive emergency. Our specialist policies can be tailored to suit individual needs and circumstances.

We have underwriting teams based in Guernsey, Paris, Cologne, New York, Chicago, Los Angeles and at Lloyd's of London.

For further information, please contact us at kr.guernsey@hiscox.com