

MONTHLY
KIDNAP
NEWS



Issue_71 January 2012

December kidnapping-for-ransom overview

An overview of the security situation in Mexico in 2012

The kidnapping-for-ransom situation in Pakistan and the threat to British Pakistanis

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This is the seventy-first in a series of kidnap-focused reports prepared by **Control Risks** on behalf of **Hiscox**.

The Monthly Kidnap News 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. The issue includes an overview of December, a focus on the security outlook in Mexico in 2012 as well as a thematic section on the kidnapping threat to British-Pakistanis in Pakistan.

If you would like to provide us with feedback on the Monthly Kidnap News or inform us of your interest in a specific country or theme that you would like us to cover in a subsequent issue, then please write to kr.guernsey@hiscox.com

GLOBAL INSIGHT

Latin America

The government of **Venezuela** announced drastic measures in mid-December in an attempt to curb the high kidnapping-for-ransom risk in the country. The minister of interior, Tareck El Aissami, revealed on 21 December that the country would ban the import and sale of weapons from March 2012. The ban will last for one year and will exclude arms imported for public security forces as well as private security companies. A study published by Mexican human rights group *Seguridad, Justicia y Paz* indicated that Caracas is the fourth most dangerous city in the world behind Ciudad Juárez, in Mexico, Kandahar, in Afghanistan, and San Pedro Sula, in Honduras. The measure also seeks to contain the high levels of kidnapping in the country. The country's judicial police (CICPC) registered 686 cases of kidnap-for-ransom in Venezuela in 2010, against 113 registered in 2001.

In neighbouring **Colombia**, where the kidnapping risk has improved in the past decade and is now medium, the Revolutionary Armed Forces of Colombia (FARC) pledged on 6 December to free six of the 11 members of the security forces it still holds captive after thousands of Colombians marched in the country's cities to demand the freedom of all hostages. President Juan Manuel Santos responded that he would not trade hostages for imprisoned guerrillas, but stated that he was open to dialogue with the FARC if the group freed all hostages unilaterally and without conditions. Many of the protesters also called on the military not to carry out any further rescue attempts. The marches came ten days after the assassination of four captives, among them José Líbio Martínez, the FARC's longest held hostage, captured in 1997. The four were executed by their guards when a jungle camp came under attack.

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Middle East and Africa

During December al-Qaida militants admitted responsibility for three abductions in the **Sahel region**. Al-Qaida in the Islamic Maghreb (QIM) claimed responsibility for the kidnapping of five Europeans in two separate incidents on 24 and 25 November in central **Mali** and the previously unheard of QIM offshoot Jamat Tawhid Wal Jihad Fi Garbi Afriqqiya (Unity Movement for Jihad in West Africa), admitted the kidnap of three aid workers in western **Algeria** on 22 October. In addition a 'Nigerian group inspired by al-Qaida' reiterated they were holding a British national, 39-year-old Christopher Hachan, who was kidnapped along with an Italian national in Kebbi state on 12 May. A video, sent to the Mauritanian news agency Agence Nouakchott Informations (ANI) on 1 December, claimed the British government was aware of the group's demands and had two weeks to comply, though no mention was made of the Italian national. Al-Qaida affiliated militants are now understood to be holding 13 foreign nationals kidnapped in five separate incidents in the Sahel.

Headlines in the **Lebanon** were dominated by the kidnap of Ahmad Zeidan while driving near Talia (Beqaa governorate). Zeidan, who is the chief executive officer of Lebanon's largest dairy farm, Liban Lait, was released on 11 December after four days in captivity. While local media reports claimed no ransom was paid for his release, a number of high profile kidnaps-for-ransom have occurred in isolated areas of the Beqaa Valley. Despite these incidents the region remains popular with tourists and wealthy locals and large areas, including the major thoroughfares into **Syria**, are considered to be low risk. However the remoter areas and those close to militant groups' strongholds are high risk, with groups able to exploit the lack of effective law enforcement and the porous border with Syria

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to evade detection.

Asia and the Pacific

One notable trend in the final half of 2011 was a spate of abductions in mainland South-east Asia, an area which has historically recorded few incidents. Between October and December, two kidnaps were recorded in **Vietnam**, one in **Burma** and one in **Cambodia**.



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BRIEF ON LATIN AMERICA

An overview of the security situation in Mexico in 2012

Mexico has a persistent kidnapping problem. Following a significant increase in 2009, there was a continued escalation of the crime in 2010 and 2011 with cases perpetrated by both criminal gangs and cartels. Kidnapping is closely linked to other security problems, such as drug-trafficking. Corruption and impunity are prevalent, further complicating the security situation, and these issues are likely to continue into 2012, a presidential election year.

Achievements of the PAN

The ruling National Action Party (PAN) has made very little headway in tackling kidnapping. In February 2011, Eduardo Gallo, president of the civic association Mexico United Against Crime (*México Unido Contra la Delincuencia*), stated that only one in ten kidnaps-for-ransom are reported because of a lack of confidence in the authorities. The latest kidnapping figures released by the government showed that rates remain stable but their accuracy is questionable. According to figures from the National System for National Public Security (SNSP), a government department, 1,017 kidnaps were reported between October 2009 and September 2010 compared to 1,016 between October 2010 and September 2011. The states with the highest number of reported cases during the past year, according to the SNSP figures, were Chihuahua, Michoacán, Mexico, Tamaulipas and Durango.

Fight against the cartels

There are mounting security challenges posed by drug-related violence and President Felipe Calderón's military-led strategy against the cartels seems to have had little effect on crime rates. At least 40,000 people are thought to have died in drug-related violence in Mexico in the past five years. More than 50,000 troops and federal

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police are actively involved in the fight against the cartels. The Mexican government says record amounts of drugs have been seized and a number of senior cartel leaders have been jailed or killed in operations. However another consequence has been an explosion of violence, as the drug cartels fight both the army and each other. Drug cartels with significant resources at their disposal have repeatedly managed to infiltrate the underpaid police, from the grassroots level to the very top. Efforts are under way to rebuild the entire structure of the Mexican police force, but the process is expected to take years. There are also concerns about the military's lack of accountability.

Impunity

Impunity rates are high, largely as a result of inefficiency in the legal system, which is simply unable to cope with the wave of kidnapping affecting the country. Harsher penalties for kidnappers were approved by the lower house of Congress on 29 November 2011. The reforms, which must still be approved by the Senate, call for terms of 40 years to life imprisonment to be imposed in cases where the victim dies while being abducted or during captivity. Prison terms of 35 years will apply in cases involving torture or sexual violence and terms of between 20 and 40 years could be applied to those convicted of express kidnapping or extortion. Large fines could also be levied against convicted kidnappers. Federal and state prosecutors would be allowed to ask federal judges for authorisation to intercept private communications in kidnap cases. Even if the reforms are passed, it is unlikely that these harsher penalties will deter kidnappers, given the fact that few of them are ever captured and those that are, are frequently released without charge.

Prospects of the PRI

The main opposition Institutional Revolutionary Party (PRI) achieved a landslide victory in the key Mexico state elections in July

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2011 and is the main political force ahead of the presidential poll in July 2012. Security problems continue to undermine the ruling PAN government, boosting the PRI's election prospects. It is likely that Enrique Peña Nieto will be elected as the PRI presidential candidate in February 2012, but he remains vague about how he would address the country's problems, including kidnapping. He stated in a meeting in December with Coparmex, the Mexican Employers' Association, that he would tackle the root causes of poverty, prepare a national strategy to combat insecurity and create an independent police unit in every state. It remains to be seen whether a successful PRI president would make any headway with Mexico's kidnapping problem and its underlying causes.



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_The kidnapping-for-ransom situation in Pakistan and the threat to British Pakistanis

Kidnapping-for-ransom in Pakistan involving British nationals of Pakistani descent has increased steadily since the country's descent into insecurity in 2006. According to figures released by the United Kingdom Serious Organised Crimes Agency (SOCA), 22 Britons were abducted there in 2010, compared to eight in 2006. While the number of British nationals represented a small proportion (2%) of total victims kidnapped in Pakistan in 2010, British Pakistanis accounted for 63% of foreigners abducted in that year, according to Control Risks' records.

The number of Pakistanis living in Europe is estimated to be in excess of 2 million, approximately half of whom reside in the UK. Many individuals maintain close links with their ancestral homeland, often through family and business ties. An estimated 1.4m Pakistanis travel between Pakistan and the UK each year. The high number and frequency of British nationals travelling to Pakistan has created ample opportunities for kidnapping groups.

The issue began to attract attention in the UK press following the kidnap of Sahil Saeed, a five-year-old boy, in March 2010. Saeed was snatched in Jhelum (Punjab province) as he and his father were getting into a taxi to go to the airport before flying home. Both were in the country visiting relatives. The kidnappers demanded a £100,000 (US\$154,000) ransom from the victim's family in the UK and insisted the drop took place in France. The victim was recovered by local police in the town of Kharian (Punjab province) later the same month.

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The abduction of Sahil Saeed exhibited a number of themes that have now become commonplace in cases involving British Pakistanis, specifically: the perception among Pakistani kidnapping groups that British Pakistanis are high value targets, the complicity of family members in abductions, and the globalisation of Pakistani kidnapping networks. Given the ongoing insecurity in Pakistan and the entrenchment of the kidnapping-for-ransom industry, it would not be unreasonable to assume that the trend will continue, and possibly increase, in the short- to medium-term.

False economy

As an ethnic minority, British Pakistanis have some of the highest income poverty rates in the UK, but still enjoy a comparatively higher standard of living than those in Pakistan. The socio-economic disparities between the two countries have contributed to a widely-held perception among kidnapping groups that British Pakistanis represent high-value targets, which has in turn driven the increasing number of abductions and the scale of the ransoms demanded.

The disconnect between the expectations of kidnapping groups, on the one hand, and the ability of British Pakistanis to meet elevated demands, on the other, is most dramatically illustrated through a comparison of average demands and settlements in Pakistan (see Figure 1). While there is a marked difference between the average demand for a Pakistani national and a British Pakistani, average settlements are similar. Pakistani kidnapping groups have, therefore, frequently had to revise their financial strategies once it has become apparent that their expectations were unrealistic.

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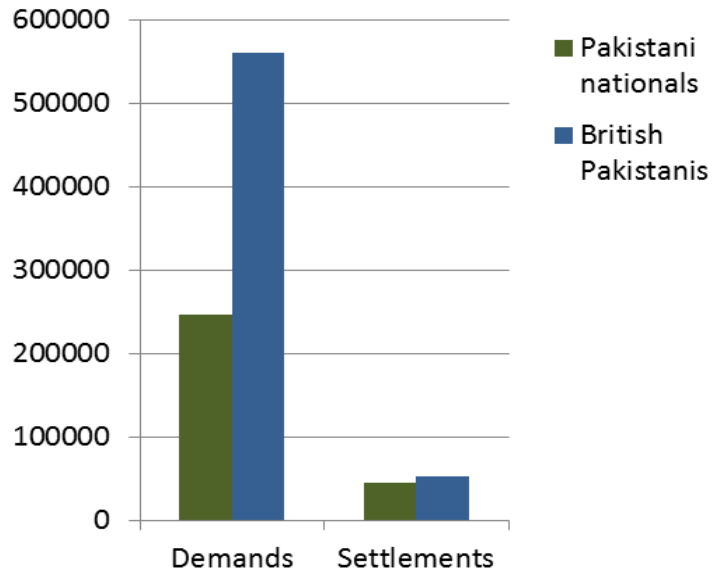
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Figure 1 - Average ransom demands and settlements in Pakistan, Pakistani nationals vs. British Pakistanis, January 2008-December 2011 (US\$)



Keeping it in the family

Unlike other foreign businesspeople and travellers to Pakistan, British Pakistanis frequently travel to the country with little or no security measures in place. Journeys are often for the purpose of visiting family. Security vulnerabilities are exacerbated by the fact that family members in Pakistan may know details of the trip prior to departure, thus enabling kidnapping groups to gather valuable intelligence on victim movements and their potential value before the abduction. In some cases, family members have also provided information to kidnapers during the course of negotiations, on aspects such as law enforcement involvement and efforts to collect the ransom.

In one instance, Malik Iqbal was kidnapped in Pakistan while on holiday with his family on 4 September 2011. The victim was

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abducted by eight men and held for 20 days before being released.

The kidnappers contacted the victim's family in the UK and demanded a £1m (US\$1.56m) ransom for his release, later lowering the demand to £50,000 (US\$78,000), before agreeing a settlement of £15,000 (US\$23,000). Iqbal was released following payment on 24 September. In an interview following his release, the victim revealed that two members of his extended family had been complicit in the abduction.

Globalisation and its discontents

Transnational criminal networks are common throughout south Asia. Pakistani kidnapping groups frequently operate in neighbouring countries such as Iran and Afghanistan. In several cases, victims have been abducted in one country and transferred to another. Transnational activity is facilitated by factors such as geographical proximity, porous borders and, in some cases, shared cultural values. This is particularly true in areas of south-east Afghanistan and north-west Pakistan, where a strong ethnic Pashtun identity often supersedes notions of the state.

Though different in terms of character – the UK is considerably farther away than Afghanistan – the existence of family and community networks spread across Europe and Pakistan has also amplified the scope of Pakistani kidnapping groups and created subtle nuances in terms of modus operandi. For the most part, victims and kidnap negotiators continue to be located in Pakistan, but other aspects of the process have been globalised. Kidnapping groups with contacts or family in the UK are effectively able to open up a new channel of communication and exert pressure upon the families of British Pakistanis. On more than one occasion, ransom drops have taken place in European cities.

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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 2,145 kidnap and extortion cases in 122 different countries, with 42,773 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@control-risks.com

For more information about Control Risks, please visit our website at www.control-risks.com

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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.

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

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