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Location of Response cases, 2017

It is important to note that the U.S. contributed to the second highest caseload for Control Risk in 2017. Threats and Extortions comprised almost half of the response cases. This highlights the increased domestic exposure for Insureds.

Mexico 56
USA 33
Nigeria 19
Venezuela 12
UK 11
China 7
Guatemala 5
Australia, France, Peru, South Africa 4 each
Brazil, Congo (DRC), Germany, India, Libya, Turkey 3 each
Ecuador, El Salvador, Finland Honduras, Indonesia, Iraq, Russia, Spain 2 each
Afghanistan, Belarus, Canada, Central African Republic, Colombia, Dominican Republic, Egypt, Ghana, Italy, Netherlands, Oman, Papua New Guinea, Romania, Serbia, South Sudan, Thailand, Togo, United Arab Emirates, Vietnam, Zimbabwe 1 each

Total: 213 Cases

Response case breakdown, 2017

- Threat extortion: 31%
- Threat: 27%
- Missing person: 11%
- Cyber: 6%
- Detention: 7%
- Kidnap: 20%
On Tuesday, near his office in Ukraine, an armed gang wearing ski masks snatched cryptocurrency expert Pavel Lerner. It was a kidnap-for-ransom scheme, but with a high-tech twist. Instead of asking for easily traceable paper money, the kidnappers demanded to be paid $1 million worth of bitcoins. Turns out, New York County District Attorney Cyrus Vance was right when he said we could expect cryptocurrency-related crimes, outside of cyber-attacks, to be more common as its value surges. Vance made the statement after armed robbers held up a victim at gunpoint earlier this month to steal $1.8 million worth of virtual coins in New York.

For the robbers, Lerner was a great target. He’s a known bitcoin authority in Ukraine and is an executive at Exmo, a cryptocurrency exchange. Released a couple days later, it remains unclear who made the transfer for him, and whether he did it himself. His company has assured users, though, that their coins are “absolutely safe” and that the kidnappers wouldn’t have gained access to their wallets and personal data since Lerner himself has no access to him.

We’re going to assume the criminals have already sold or moved their stash whatever the source was, since they’d have to deal with the virtual currency’s fluctuating prices otherwise. Ukraine’s National Police already launched a criminal case to investigate Lerner’s abduction. It is the first bitcoin-related one in the country, but it will probably be just one of the many we’ll hear about going forward.

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**Top 10 Countries for Kidnaps (2017)**

Top 10 countries for kidnap-for-ransom in absolute terms.

1. Mexico
2. India
3. Nigeria
4. Iraq
5. Colombia
6. Brazil
7. Pakistan
8. Venezuela
9. Afghanistan
10. Argentina

**Global Kidnapping Hotspots**

- Libya
- Mexico
- Venezuela
- The Sahel
- Nigeria
- Sudan
- Yemen
- Afghanistan
- Pakistan
- Iraq
- Syria
- Southern Philippines & Southeastern Malaysia

**Regional Kidnapping Trends, first half of 2018**

<table>
<thead>
<tr>
<th>Region</th>
<th>% of Kidnaps</th>
</tr>
</thead>
<tbody>
<tr>
<td>Americas</td>
<td>31%</td>
</tr>
<tr>
<td>Asia and the Pacific</td>
<td>34%</td>
</tr>
<tr>
<td>MENA</td>
<td>18%</td>
</tr>
<tr>
<td>Sub-Sahara Africa</td>
<td>16%</td>
</tr>
</tbody>
</table>

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Security Incident Response

Organizations continue to expand their global presence, and the landscape of today’s risk environment is increasingly complex and changing. Our Insurees face needs to respond to this challenging risk environment. Working with Control Risks, we are able to offer a product to provide extensive crisis management, strategic advice and recovery services.

The Security Incident Response endorsement provides unlimited expenses for Control Risks. Specifically, unlimited response for kidnap, detention, extortion, as well as where there is a threat to life within any of the Insured perils.

Insured Perils

Criminal Risks: Abduction, assault, bribery demand, competitor malfeasance, criminal facilitation, murder, product tampering, stalking, suspicious death, threat and workplace violence.

Information Risks: Cyber compromise, cyber extortion, cyber threat and industrial espionage.

Kidnap, Detention and Extortion Risks: Blackmail, detention, extortion, hijack, hostage crisis, kidnap, missing person and products extortion.

Political Risks: Confiscation, deprivation, illegal seizure and occupation.

Terrorism and Political Violence Risks: Act of terrorism, civil commotion, civil war, coup d’état, insurrection, malicious damage, rebellion, revolution, riots, sabotage and war.

The Great American Advantage:

- Highest limit in the industry at $65 million
- $0 deductible
- Coverage for worldwide territories
- Includes unlimited fees and expenses for the services of Control Risks, one of the industry’s most experienced crisis response teams
- Coverage extends beyond a traditional kidnapping to cover domestic exposures, such as threats, child abduction and extortion
- Broad definition of Insured with the ability to tailor coverage to meet the Insured’s specific needs
- Excellent client service