This is the fifty-first in a series of kidnap-focused reports prepared by Control Risks on behalf of Hiscox. The *Monthly kidnap news* is distributed to a select number of 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 notable trends in April, a focus on kidnapping in China and an analysis of ‘419’ kidnaps. It also includes a country preview on Haiti.

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

**Table of contents:**

**Global insight – April 2010**

**Country focus – China**

- Risk areas ................................................................. 6
- Statistics ....................................................................... 6
- Groups ........................................................................... 7
- Tactics .......................................................................... 7
- Victims ......................................................................... 8
- Authorities .................................................................... 9
- Forecast ......................................................................... 9
- Sample cases .................................................................. 10

**Thematic focus – ‘419’ kidnaps**

- Risk areas ..................................................................... 11
- Tactics .......................................................................... 12
- Victim profile .............................................................. 13
- Preventative measures .................................................. 13
- Sample cases .................................................................. 14

**Country preview - Haiti**

- Control Risks ................................................................. 15
- Hiscox ........................................................................... 17

Control Risks defines kidnap-for-ransom as the abduction of a person or persons with the intent of their detention in an unknown location until a demand is met
Global insight - April 2010

Kidnap-for-ransom cases involving foreign nationals in Africa and Asia dominated the headlines in April. In Latin America, statistics released in Mexico showed a continued deterioration in the kidnapping situation and a soldier was released in Colombia after 12 years in captivity. Somali pirates continued to be extremely active and were responsible for several new hijacks.

Statistics released by the Mexican public ministry showed a large increase in kidnap-for-ransom cases in 2009. It recorded 1,181 cases compared to 838 in 2008. According to the government's National Development Plan (PND), the number of kidnap cases reported to police rose significantly during the first three years of President Felipe Calderón's term which started on 1 December 2006. A total of 2,593 reports were filed during former president Vicente Fox's 2000-06 term, while 2,455 were reported between 2007 and 2009. Cases continued to be reported nationwide on a regular basis last month. On 30 March, a woman from a wealthy family and her fiancé, 25-year-old José Leonardo Vela, were kidnapped in Tijuana (Baja California Norte state). The kidnappers demanded a ransom of US$300,000. When the family did not pay, the kidnappers tried to kill both victims. They left them for dead in a remote area but the woman survived despite receiving multiple stab wounds to the neck. Police arrested two US citizens and a Mexican, who were reportedly friends of the victims. On 8 April, Guadalupe Vera Alvarez, aged 16, was kidnapped in Villahermosa (Tabasco state). The kidnappers contacted the victim's family and made a ransom demand of 5m pesos (US$408,000). Following negotiations, the kidnappers agreed a settlement of 50,000 pesos (US$4,000). The money was paid on 12 April and the victim was released in Huimanguillo (Tabasco state). Four members of the Gulf Cartel were arrested.

The Revolutionary Armed Forces of Colombia (FARC) released Pablo Emilio Moncayo, aged 31, on 30 March. The Colombian army officer had been kidnapped by the guerrillas in 1998 as a 19-year-old soldier. He was handed over to a humanitarian mission in the jungle regions of southern Colombia and was flown to Florecia (Caquetá department) to be reunited with his family. The FARC, after releasing its longest-held kidnap victim, said no more hostages would be released until the government agreed to negotiate a humanitarian exchange. The leftist guerrilla group wants to exchange rebels imprisoned by the Colombian government for the 21 police officers and soldiers it still holds in captivity. The National Liberation Army (ELN) was believed to be responsible for a kidnap-for-ransom on 25 March. A rancher identified as 22-year-old William Contreras was abducted by three gunmen as he drove home near Aguachica (Cesar department). The kidnappers demanded a ransom of 200m pesos (US$105,000). Police investigated the incident and traced the victim to a location in the El Carmen municipality of Norte de Santander department. On 1 April they launched a rescue operation. On seeing the police approach, the kidnappers fled the scene, abandoning the victim in a hut. The case may signify an increase in activities by the ELN in the lead-up to presidential elections in May.

Elsewhere in South America, Amadeus Michael Novak-Ferrari, a 19-year-old Austrian national, was kidnapped while driving from his family's factory to his grandfather's ranch in Santa Lucia (Miranda state), Venezuela, on 13 April. The kidnappers contacted his mother and demanded 700,000 euro (US$927,000) for his safe release. Local police found the victim's incinerated car in the outskirts of Santa Lucia on the same day. The victim's body was found on 14 April in the same region in what Austrian media reports described as a highly decomposed state. No ransom was paid. A case with a high ransom demand was recorded in Peru.
on 16 April. Diego Armando López Jara, a 20-year-old university student, was kidnapped by six armed men near his home in the Los Olivos district of the capital Lima (Lima province). The kidnappers demanded US$500,000 from his family for his safe release and were aware that his mother was a successful real estate entrepreneur. López was released unharmed by national police officers on 19 April from a house in Callao (Callao region), to the west of Lima. No ransom was paid.

A number of foreign nationals were seized in Nigeria during April. Two Germans were kidnapped as they visited the Azumini beach strip on the Imo river in Abia state on 18 April. The victims were abducted as they headed back to their car from the river bank. Unconfirmed media reports suggested that the kidnappers demanded a ransom of 30m naira (US$199,000). The victims were released on 24 April. It was not known whether a ransom was paid. On 8 April, a Lebanese national and three Syrians working for the Macro engineering company were kidnapped by an unidentified gang on a project site near Afara (Rivers state). The kidnappers, wearing military uniforms and numbering more than ten, killed a police guard during the attack. They reportedly fled across the Abia state border with the victims. The four victims were released on 12 April. It was not known whether a ransom was paid to secure their release.

In the Sahel region, the foreign ministers of Algeria, Mali, Mauritania, Niger, Chad, Libya and Burkina Faso met on 16 March to discuss joint efforts to deal with al-Qaida in the Islamic Maghreb (QIM). The seven countries agreed to activate extradition agreements and declared a firm rejection of ransom payments to QIM. A further meeting between the top military officials of the seven countries was hosted by Algeria on 13 April in order to discuss how to activate the pan-Sahelian initiatives discussed by the politicians in March. Meanwhile an Italian couple kidnapped by QIM in Mauritania in December were released in Mali on 16 April. The group had called for the release of four prominent radical Islamists from Mauritanian prisons but the Italian government responded to the message by stating it would not negotiate with a terrorist organisation under any circumstances. Official sources denied that a ransom was paid, stating that tribal leaders in the north of Mali secured the unconditional release of the victims. Reports in late April suggested that QIM may have carried out a further kidnap-for-ransom in Niger. An unidentified French national, thought to be a tourist, was kidnapped alongside his Algerian driver by gunmen near Tiguidan Tessoun (Agadez region) on the evening of 21 April. Although the identity of the kidnappers remains unconfirmed, Nigerien security officials stated that the gunmen were members of a faction of QIM headed by Taleb Abdoulkrim. The fate of the victim remains unknown.

Kidnapping-for-ransom is an established crime in Algeria. Both criminal and militant gangs use the tactic, principally to demand financial ransoms, though political demands have also been made in the past. The majority of kidnaps occur to the north-east of Algiers, predominantly in the northern Kabylie region which encompasses land in Tizi Ouzou, Béjaïa, Bouïra and Bourmerdès provinces. QIM’s northern branch is active in this region and uses ransom payments to fund its terrorist activities. An 80-year-old former businessman identified as Hassani Ali was kidnapped by an unidentified armed gang while driving between Boghni and Aït Kouffi (Tizi Ouzou province) on 23 March. The kidnappers contacted the victim's son who is a local businessman, and demanded a ransom of 30m dinars (US$410,000). Local residents protested against the kidnap and held a general strike and demonstration on 30 March in which they threatened to launch a community rescue operation targeting the kidnappers in their mountain hideout. The kidnappers responded to this threat by inviting Ali's son to come to Maatka (Tizi Ouzou province) and collect his father. However, sensing that this could be a trap, the son refused to meet with the kidnappers. The local communities continued to refuse to negotiate with the militants and eventually secured the victim's release on 18 April.
Four South African nationals working in Sudan for the United Nations’ African Union Mission in Darfur (UNAMID) were kidnapped by approximately ten gunmen as they drove from a worksite to their accommodation in Nyala (South Darfur state) on 11 April. The victims, two men and two women, were reportedly forced out of their vehicle before being taken away to an unknown location. The kidnappers identified themselves as the Movement for the Struggle of Darfur People (MSDP), led by Mohamed Abdallah Sharar. The group is reportedly a splinter movement of the Sudanese Liberation Movement (SLM), a Darfuri rebel group which signed up to the peace accord in Abuja in May 2006. A spokesperson for the kidnappers issued a demand of 1m Sudanese pounds (US$450,000) as well as a call for the release of an unspecified number of detainees from local government custody. In return, a UNAMID spokesperson denied that they had been contacted by the kidnappers. Press sources indicated that the kidnappers appeared to be a renegade element within the MSDP. The leadership of the group reportedly opposed the abduction and assured Sudanese authorities that it would endeavour to secure the release of the victims. The victims were released on 26 April. It was thought that a ransom was not paid.

Elsewhere in North Africa, the Israeli Counter-Terrorism Bureau on 14 April advised Israeli nationals to leave the Sinai peninsula in Egypt immediately as a result of the elevated threat of terrorist groups attempting to kidnap them. In Israel, an armed criminal gang dressed as security guards kidnapped a 60-year-old Israeli businesswoman and her housekeeper from an apartment in central Jerusalem on 11 April. The kidnappers forced the victims to pack clothes into a bag while they ransacked the businesswoman’s house before taking both victims to an apartment in Petah Tikva (Centre district). The gang contacted the businesswoman’s accountant in Luxembourg and demanded a ransom of US$3.5m. Police investigated the incident and launched an operation on 16 April during which the victims were rescued and the kidnappers, believed to be Bulgarians, were arrested.

Reports in the Pakistani press in April revealed a Taleban plot to kidnap Indian diplomats for ransom. The reports were attributed to two Pakistani military deserters, who revealed the plans during an interrogation. The men further disclosed a plan to target Pakistani Prime Minister Yousuf Raza Gilani and an attack on the Dhodak oilfield in Punjab province. In a further development, a Greek national abducted in September 2009 in Pakistan was released in Afghanistan. Athanasios Lerounis was seized from his home in the Kalash valley area of Chitral district (North-West Frontier Province) on 8 September. Reports identified the kidnappers as 20 to 30 Taleban militants. The victim has spent 15 years in the Kalash valley working as a volunteer for health and education projects. The kidnappers demanded 2m rupees (US$24,000) and the release of three jailed militants. A delegate involved in the negotiations on 23 January told a Peshawar-based newspaper that the kidnappers had dropped the 2m rupee ransom demand but were still stipulating the release of two militants. The source revealed that the individuals in question were two high-profile Taleban commanders: Rahmatuddin and Ustaad Yassir. According to the same source, the local authorities were willing to release Rahmatuddin, but had denied holding Yassir. Little was heard of Lerounis’ fate until 8 April, when the Greek ambassador to Islamabad, Petros Mavroidis, confirmed the victim’s release. Mavroidis stated that the unconditional release was the result of tribal mediation, and did not follow a prisoner exchange or the payment of a financial ransom.

A proof of life video was released in Afghanistan on 11 April showing two French journalists who were kidnapped in the Shinkai district of Kapisa province on 30 December 2009. The victims, Herve Ghesquiere and Stephane Taponier, were working for the public broadcaster France 3 and were abducted along with three locals. The kidnappers demanded the release of a militant commander held by the US and an undisclosed cash ransom in exchange for the victims, according to an Afghan security official quoted by Reuters on 16 January. In the video, Ghesquiere and Taponier pleaded for their release and urged French President Nicolas Sarkozy to negotiate. The pair alluded to a threat by the Taleban that they would be killed if
the video was not aired on French television and if the ransom demand was not met. One of the journalists also alluded to a third victim, who did not appear on camera. The French foreign ministry declined to confirm the video's authenticity. The fate of the victims remains unknown. Another journalist, 40-year-old Japanese national Kosuke Tsuneoka, was reportedly kidnapped in Kunduz (Kunduz province) in late-March. The victim, a Muslim, had recently arrived in the country. A Japanese government official on 2 April confirmed the incident but refused to disclose any further details. Subsequent unconfirmed reports in the Japanese media suggested the victim was in fact being detained in a prison in Baghlan province. No ransom demand was reported and the fate of the victim remains unknown.

In the Asia-Pacific region, two cases were reported involving foreign nationals. A Swiss-Filipino dual national was abducted in the Philippines on 4 April. Gunmen wearing police uniforms stormed the Zamboanga City residence of Charlie Reith, aged 72. Reith's German friend, Karl Reichling, managed to fight off his abductors. The kidnappers escaped with the victim by boat and headed towards Pilas island (Basilan province). Initial statements from the Philippine military suggested the Abu Sayyaf group (ASG) was responsible for the abduction. No ransom demand was reported and the fate of the victim remains unknown. In Thailand, a Dutch national identified as William Alexander, aged 41, was kidnapped in Pattaya (Chonburi province). The victim was approached by a former friend, Polish national Robert Stirring, while eating at McDonalds. Alexander was asked to accompany Stirring to his car to collect some money that the latter owed. Upon reaching the vehicle, Alexander was bundled into the car before being blindfolded, gagged and driven to an unknown location. The kidnappers held the victim in a house in the city and demanded 90,000 euros (US$122,000) for his release. Alexander was forced to contact his family in the Netherlands, who subsequently electronically transferred the money to a designated bank account. Alexander was released and immediately reported the abduction to police. Two men, both Czech nationals, were later arrested in connection with the incident.

A number of piracy attacks were recorded during the month, with seven hijacks up to 29 April. The vessels included an Indian dhow and a South Korean-owned oil tanker. On 7 April, a Turkish bulk carrier identified as the MV Yasin C was hijacked approximately 250 nautical miles off the coast of Kenya. A 25-man crew was on board. Pirates abandoned the vessel on 9 April. The crew had locked themselves in the engine room throughout the ordeal. The Dutch Navy stormed and rescued a German vessel, the MS Taipan, shortly after it had been boarded in the Indian Ocean on 5 April. The German crew had shut down the vessel's engines and locked themselves in a secure cabin, allowing Dutch commandos on board a nearby frigate, the Tromp, to mount a rescue operation. Ten pirates were arrested. The 15-man crew of the Taipan were released unharmed. In other developments, the Kenyan government announced on 1 April that it would no longer accept Somali pirates handed over by international forces for prosecution in its courts. Kenya's foreign minister, Moses Wetangula, said the decision was made in light of the international community's failure to keep its promise to help Kenya with the 'burden' of prosecuting and imprisoning pirates. It is likely that levels of pirate activity will remain high until May when the weather worsens and attacks become less feasible.
Country focus – China

Control Risks records significant numbers of kidnaps-for-ransom in China annually, despite data collection being hindered by press censorship. Rising urban unemployment, rural to urban migration and a growing gap between the working and middle classes in China have contributed to the growth of criminal activity in the country in recent years. Kidnapping-for-ransom is carried out by both organised syndicates and small-scale amateur groups. Abductions frequently result from failed business deals and family disputes. Virtual kidnaps, threat extortions, product contamination and hostage situations are also common. Control Risks recorded a significant rise in the number of kidnaps recorded in 2009, following a lull in 2008, and actual figures are likely to be far higher.

Risk areas

Kidnapping-for-ransom is reported throughout China. A number of recent cases have taken place in Guangdong province’s Guangzhou-Dongguan-Shenzhen corridor; a spate of abductions targeting the children of wealthy Shenzhen locals were recorded in the final quarter of 2009. Control Risks also recorded kidnaps in Beijing, Guangxi, Guizhai, Liaoning, Xiamen and Yunnan in 2009. Elsewhere, cases are common in coastal business capitals such as Shanghai and the affluent provinces of Fujian and Zhejiang. Some of the most high-profile cases ever recorded with extremely high ransom demands have occurred in the Special Administrative Region (SAR) of Hong Kong, but fewer have been recorded in recent years.

Statistics

Kidnapping statistics are generally not made public because the authorities consider such information sensitive. Those that are released must be understood in the context of the official Chinese definition of the term ‘kidnapping’, which includes the abduction of women for prostitution and domestic servitude, and of children, particularly boys, to be sold to childless couples. Human trafficking is a significant problem in China and the vast majority of kidnap cases are perpetrated either with the intention of selling the victim on (for use as slave labour or sexual exploitation), or for more macabre reasons such as the sale of human organs. The process of data collection is further hindered by the state-controlled media, which is overwhelmingly biased towards cases with successful resolutions, usually following a rescue operation. Control Risks’ kidnapping statistics for mainland China do not include incidents occurring in Taiwan, which China considers to be its 23rd province.
Groups

Kidnapping-for-ransom in China is notable for largely being perpetrated by individuals or small gangs who are not necessarily linked to larger syndicates. The crime is frequently carried out by individuals on an opportunistic basis, often as the consequence of a failed business deal or a family dispute, and it is common for such cases, which lack the premeditative element of those carried out by gangs, to descend into hostage scenarios where the victim is taken and held in a public place. Information gleaned from recent abductions in Shenzhen (Guangdong province) suggests that most cases are perpetrated by two-man gangs. Such groups have been known to plan their abductions by using surveillance and selecting high-value targets, but are otherwise relatively amateur in their approach.

Kidnapping gangs based in major metropolitan hubs such as Shanghai and Beijing are likely to be larger, more sophisticated and linked to the organised criminal underworld. Few kidnaps have been explicitly attributed to the Triads, which are more likely to resort to extortion and racketeering than kidnapping. Nevertheless, Triads based on the mainland have been known to cooperate with their counterparts in the Special Administrative Regions and Triad involvement has been suspected in a number of cases involving Taiwanese citizens; Triads in the provinces of Guangdong and Fujian are known to maintain links with their counterparts in Taiwan. Cases perpetrated by foreign gangs have also been recorded.

Tactics

Location

Most kidnaps recorded in China between 2000 and 2009 occurred in routine locations, such as the victim’s place of work or at home. A significant number of cases also occurred while victims were travelling on major highways. A number of lorry drivers and residents of Taiwan and Hong Kong have been targeted in this way on the mainland (see Sample cases). Kidnaps also occur at shopping centres, supermarkets and public events. More sophisticated gangs often target victims in their homes.

Ransom demands

Demands made in mainland China tend to be significantly lower than those made in Hong Kong, where some of the highest-ever ransom payments have been recorded. One gang led by Cheung Tsekeung, known as ‘Big Spender’, reportedly collected a ransom of 1.38bn Hong Kong dollars (US$178m) in May 1996 for the release of Victor Li Tzarkuoi, the son of a prominent Hong Kong businessman, Li Kashing.

Significant demands on the mainland include US$12m for a Taiwanese businessman kidnapped in Shenzhen (Guangdong province) in 2004 and US$2.7m for a politician abducted in Guizhou province in 2007. More recently, the highest ransom demand recorded in 2009 was 6m yuan (US$882,000) for a woman kidnapped in Shanghai in August.

Durations and outcomes

Most kidnaps in China tend to be unsophisticated short-term affairs and are resolved within a week of the abduction. A significant proportion (56%) of cases in 2009 were resolved following a rescue, according to Control Risks’ records. However, the figure is more likely to be a reflection of the state-run media’s bias...
towards successful outcomes rather than an indication of accurate numbers. Approximately one-fifth of all victims were released or presumed released and 17% were killed. The authorities’ preference for mounting rescue operations and the proliferation of amateur kidnapping gangs in China are both likely to have contributed to the high percentage of deaths.

Figure 1 – Kidnap outcomes, 2009

Source: Control Risks

Victims

Local nationals

Over half of all victims of kidnapping-for-ransom in 2009 were dependants, according to Control Risks’ records. The children of wealthy individuals are particularly vulnerable and are frequently targeted at school. Businesspeople followed, contributing to approximately one-third of the total. Company employees accounted for 8% of victims. Most victims are targeted on the basis of their family’s perceived wealth.

Residents of Hong Kong have been lured to mainland China on the pretext of discussing business, only to be abducted on arrival. Several others have been kidnapped while travelling across the mainland. Such victims are often identified by their car number plates, which display a Hong Kong registration.
Foreign nationals

The majority of foreign victims Control Risks has recorded have been from neighbouring Asian countries such as South Korea, Malaysia, Singapore and the Philippines. Many residents of Taiwan, which is considered a Chinese province under the 'One China' principle, have also been abducted. Other nationalities have included Brazilians, Canadians, Indonesians, Japanese, North Koreans, Pakistanis, Britons and US nationals. There is likely to be a bias towards press coverage of cases involving foreign victims as these are often reported outside of China. Within the country, the state-controlled authorities tend to censor the reporting of kidnap, particularly those involving locals.

Westerners are rarely abducted in China. When such cases do occur, it is usually when a business relationship has deteriorated. In dealings with corrupt and criminal elements, a failure to repay a loan may result in a kidnap, either to force repayment by the relatives or to force the victim into crime or prostitution in order to pay the loan off. Kidnapping is also used as a means to settle disagreements between two parties who have little access to legal recourse. Many of these scenarios may be more accurately described as extortion.

Authorities

The police are responsible for resolving kidnap-for-ransom cases in China. A preference for maintaining strict law and order means that the government rarely hesitates in pursuing kidnappers if the opportunity arises, often leading to rescue attempts that can jeopardise the life of the victim. The authorities' efforts to counter the kidnapping threat have often been undermined by corrupt officials offering to protect kidnapping gangs in exchange for pay-offs. In an effort to make policing more effective, law enforcement authorities in late 2005 created specialist anti-kidnapping squads which operate from Guangzhou (Guangdong province), Shanghai, Beijing and Chengdu (Sichuan province).

A series of kidnap targeting the children of wealthy individuals in Shenzhen (Guangdong province) in November and December 2009 led parents and schools to introduce stricter security measures. Some reports suggested as many as 20 children were kidnapped in the city in 2009, amid accusations that local authorities were covering up the true scale of the problem. The provincial government launched a 70-day anti-abduction campaign in December in response to the kidnaps. The acting mayor of Shenzhen, Wang Rong, commented that rapid economic development and the recent population boom in the city had exacerbated deep-rooted social disputes, leading to rising crime levels.

If caught, kidnappers face lengthy jail terms and in some cases the death penalty. Two kidnappers were executed in Shenzhen and another was sentenced to death on 1 April 2010 for their part in the abductions and deaths of three individuals in March 2006, May 2008 and November 2009 respectively. One accomplice and three individuals charged with another kidnap-for-ransom in November 2009 were given life sentences. Two courts in Guangzhou had earlier sentenced 25 individuals to death in February. The sentences were related to nine separate kidnap-for-ransom cases.

Forecast

Kidnapping-for-ransom is likely to continue in China for the foreseeable future, despite the state's proactive stance towards policing and the severe punishments meted out to would-be kidnappers. Indeed, as the
Chinese economy grows and as the gap widens between the rich, the poor, the urban and the rural classes, crime will remain the only path to social mobility for some. Kidnapping is unlikely to become endemic in a country which is firmly controlled by an authoritarian state, but while the Chinese government is more preoccupied with pre-empting and preventing social and political challenges to its legitimacy, low-level financially-motivated crime will remain unchecked. Moreover, increasing numbers of foreign criminal gangs are likely to be attracted by China’s ascendance as a global financial hub, bringing with them established methodologies and support networks.

Sample cases

April 2010
An unidentified 15-month-old boy was kidnapped by his grandmother in Foshan (Guangdong province) on 17 April. The grandmother, identified only as Wei, demanded 300,000 yuan (US$44,000) for his release and threatened to poison him if the payment was not made. The victim’s parents contacted the police and the boy was recovered later the same day. The grandmother was arrested.

October 2009
The 11-year-old son of two energy company executives was kidnapped while leaving school in Shenzhen (Guangdong province) on 24 October. The kidnappers demanded 500,000 yuan (US$73,000) for his release. The boy’s parents paid the ransom, but he was later found dead by police. The kidnappers were arrested.

October 2009
A 40-year-old man identified only as Lau was kidnapped on 21 October near Shenzhen's Baoan Airport (Guangdong province). The victim was abducted after men in two cars forced him to stop on a highway. The victim was handcuffed and beaten while in captivity and was forced to disclose the pin numbers for his bank cards. The kidnappers telephoned the victim’s family and demanded a financial ransom for his release. Lau was rescued from an apartment in Guangdong province on 30 October. Police commented that he was likely targeted because his vehicle displayed a Hong Kong registration number.

August 2009
A woman in her 40s identified only as Ma was kidnapped in Shanghai (Shanghai province) on 28 August. The victim was stabbed following a struggle with the kidnappers, who contacted the victim’s husband shortly after the abduction and demanded a 6m yuan (US$882,000) ransom. The demand was subsequently lowered to 3m yuan (US$441,000). Ma was held in an apartment throughout her captivity, with her hands and feet tied. She was rescued by police on 29 August.
Thematic focus – ‘419’ kidnaps

The term ‘419’ is not traditionally associated with kidnapping but rather with the advance fee fraud scam which originated in Nigeria in the 1990s. The scam is named after section 419 of the Nigerian criminal code, which addresses the crime of fraud. In its simplest form, the 419 scam involves a fraudster using mass communication channels such as the internet, fax machines or post to contact a large number of potential victims with a bogus business proposal, distress call or solicitation. The fraudsters frequently claim to be related to well-known African figures or to represent prestigious organisations, companies or governments. The target is commonly asked to invest, make a down-payment or reveal bank details with a view to sealing a lucrative business deal. In other cases, the fraudsters make a distress call or develop a relationship with the target in which they persuade them to send money for some false purpose such as to pay for hospital treatment or a flight to come and meet with the scam target. While the vast majority of targets do not respond to a 419 scam, a small number do, making the crime profitable.

A number of gangs have adapted the scam in order to abduct foreign nationals. Abductions resulting from 419 scams were relatively rare during the height of the crime in the late 1990s but an increasing number of scams have resulted in a kidnap in the past three years, as tactics have evolved. Compared to traditional kidnapping-for-ransom, the crime remains relatively rare though there is evidence that several cases go unreported each year. Whereas the 419 scam is now a worldwide phenomenon, 419 kidnaps have only been recorded in a handful of countries. The crime is particularly prevalent in West Africa and the Republic of South Africa, though isolated incidents have also been recorded in Asia and Europe in the last two years.

In a 419 kidnap, the same scamming technique is used to establish a business or personal relationship with the target who is then invited to visit the gang’s country in order to meet face-to-face. On arrival at the airport, the target is met by a member of the gang who acts as a driver and takes the victim to a location where they are kidnapped. In some recorded cases, the victim travels to the country because they are aware of the fact that the proposed deal is illegal, involving, for example, black market trading of gemstones and minerals or recovering the assets of a wealthy individual who has allegedly died with no heir. Nevertheless, the scenario is the same on arrival in the country; the criminals meet with the victim to discuss the supposed deal before kidnapping them and demanding a ransom.

Risk areas

The overwhelming majority of 419 kidnaps occur in Nigeria and South Africa. Other West African countries including Togo, Guinea, Senegal and Mali have also recorded isolated incidents in the past two years. It is thought that many of the 419 crimes that are committed outside of West Africa are perpetrated by immigrant West African gangs. Such was the case in Malaysia in December 2009 when a 44-year-old Filipino national living in Japan flew to Kuala Lumpur to meet a man she had developed a relationship with online. On arrival in the country, she was kidnapped by a West African gang who demanded a ransom of 3m yen (US$34,000). The woman was released without payment following five days in captivity. Immigrant West African 419
syndicates are particularly prevalent in South Africa where they have carried out a number of kidnapes using the tactic of developing a false long distance business or personal relationship to lure victims to the country. However, not all 419 kidnapes are related to West African gangs. Control Risks has recorded cases in Indonesia, China, Pakistan and Portugal which were perpetrated by domestic groups.

Tactics

In order to prove their authenticity, some 419 scammers and kidnappers have developed extremely sophisticated tactics, with working office numbers and fax machines, headed paper and false documentation. As an example of the professionalism of some West African 419 gangs, a syndicate managed to persuade a senior director in a Brazilian bank, Banco Noroeste, to invest US$242m in a fake project between May 1995 and February 1998. The group posed as senior officials from the Nigerian Ministry of Aviation, seeking investment for the construction of an airport at the new federal capital, Abuja. They formed ‘delegations’ to meet with the banker and provided falsified documents on headed paper. The scam was the third biggest criminal loss in banking history, after Nick Leeson’s bankrupting of Barings Bank and the looting of the Iraqi central bank following the 2003 coalition invasion.

Syndicates also use falsified documents and signatures which give the appearance that the gang represent a respected company or organisation. Business relationships are often developed over the course of several weeks or months and involve both online and telephone contact. On arrival in the host country, the target is met at the airport by a driver who takes them to the kidnappers’ hideout rather than to a meeting place or a hotel.

A number of syndicates have targeted individuals on online dating websites. Typically, scammers will develop an online relationship with an individual before asking for money to fly out and visit them, often claiming flights were cancelled or there was some visa issue in order to repeat the scam. Control Risks has also recorded a number of incidents in which individuals have gone to meet with their online acquaintance only to be kidnapped on arrival. In one such case, an Australian farmer identified as Des Gregor was kidnapped from Bamako airport in Mali after being lured to the country by a scammer posing as a woman who promised him a hand in marriage and a dowry of US$85,000. Gregor was met by a group of men at the airport who indicated that they were there to take him to his bride. He was abducted and beaten by his captors who demanded a ransom of US$85,000 from his family. The victim was rescued after a number of days in captivity. Control Risks has not recorded any incidents in which a victim has been kidnapped-for-ransom after meeting someone on a social networking website such as Facebook. However, criminals are known to operate on such sites and could conceivably attempt to lure individuals to locations in which they could be kidnapped-for-ransom.

Given the fact that 419 kidnapes tend to involve foreign nationals kidnapped by professional gangs in countries which typically have a high rate of criminality and poor law enforcement capabilities, ransom demands and settlements can be extremely high. The average demand in 419 kidnapes recorded between January 2008 and April 2010 was US$820,000. As a result of the high-profile and sensitive nature of the abductions, very few settlements have been recorded. Those that have been made public run into tens of thousands of US dollars.
Victim profile

Although 419 scammers target an extremely wide range of businesses and individuals, the majority of 419 kidnap victims are individuals seeking to expand their business in emerging markets. The most common targets have been business executives or employees from small- to medium-sized companies with limited exposure to the country in which they are hoping to do business. A number of victims have also been individuals seeking to travel and meet partners, typically in West Africa, that they have met through online dating chatrooms. In the last two years, Control Risks has recorded 419 kidnap victims from Belgium, Japan, Sweden, Holland, Australia, Russia, the Philippines, Spain, Kenya, Nigeria and the Democratic Republic of Congo. French, British and US nationals are also known to have been kidnapped by 419 syndicates in the past.

Preventative measures

The recommendations outlined below do not constitute any form of guarantee against 419 kidnapping, but are intended as practical advice to help readers avoid unnecessarily exposing themselves to the risk of falling victim to the crime.

- Ensure the legitimacy of a business proposal or solicitation. This can be done by:
  - Verifying company email addresses and telephone numbers. If the email address is from a free webmail address then this is suspicious. Furthermore, if the company lacks landline telephone numbers this is also dubious.
  - Requesting further information from the company. Legitimate businesses will understand that you want to have more information about their company and will likely be happy to provide this.
  - Carrying out due diligence internet searches to find company details. If the point of contact purports to be a senior executive in the company or organisation, an internet search should confirm this claim.
  - Establishing contact with the company through alternative channels to your original point of contact. This is particularly important if a suspicious individual claims to represent a respected company or organisation.
  - Checking if the business is a member of a professional association.

- If doubts remain, under no circumstances agree to travel to the host country, particularly if it is considered a high-risk country for traditional or 419 kidnapping.

- Many 419 scammers operate on online chatrooms. Individuals should be extremely wary of any solicitations or invitations made through these sites, particularly if the online acquaintance is based in a country which is known to have high crime rates.
Sample cases

**Nigeria - March 2009**
Two Catalan businessmen were kidnapped on 15 March during a business trip to Nigeria. The entrepreneurs were lured to a bogus meeting to discuss a business proposal. The kidnappers claimed to represent a Nigerian cosmetics firm called Zan, which was interested in buying a plastic packaging machine. They maintained contact with the Spaniards over the course of several months, eventually persuading them to travel to Nigeria to discuss the matter further. On arrival in Lagos, the two businessmen were driven to a location in the tropical forest near Aba (Abia state) and informed that they had actually been kidnapped. A ransom of €200,000 (US$270,000) was demanded. After more than two weeks in captivity, the two men were freed on 29 March during a police operation involving 60 officers. During the rescue, four of the kidnappers were arrested without putting up resistance, while others managed to escape.

**Togo - January 2009**
Two Dutch nationals, Jan de Baar, aged 65, and Marcel Fransen, aged 46, were kidnapped after landing at the airport in the capital Lome on 6 January. The two foreign nationals, who work for a Dutch greenhouse building company called Dalsem, fell victim to a 419 kidnap in which a gang contacted them over the internet with a bogus business proposition. Following a month of discussions, the two Dutchmen were encouraged to fly to Togo to explore the possibility of constructing three commercial greenhouses. On arrival, they were met by a car which they believed would take them to the project site. However, instead they were abducted and taken to a house where they were bound and gagged by men armed with knives. The victims were forced to call their families and demand an unspecified amount of money for a safe release. Both men were released three days later after a ransom of approximately 20,000 euro (US$26,000) was paid.

**South Africa - September 2008**
A Japanese national was kidnapped in Johannesburg (Gauteng province) on 26 September. The 56-year-old employee of a Japanese trading company was abducted shortly after he arrived at Johannesburg airport, having flown in from Tokyo on a business trip. He was kidnapped by six Nigerians and one South African who were running a 419 syndicate which had direct links with other kidnap-for-ransom cases including that of a Swedish national earlier in September. His kidnappers used his mobile (cellular) telephone to contact his company director in Tokyo and demand a US$5m ransom. However, on 28 September Johannesburg police rescued the victim from a house on the outskirts of the city. Police later arrested the seven gang members in connection with the kidnap.

**Indonesia - December 2008**
Alexander Kovalenko, a Russian businessman, was rescued by local authorities in the capital Jakarta on 18 December. He had been abducted soon after arriving at the city's international airport on 12 December by his supposed Indonesian hosts, who had invited him to the country to negotiate a bogus business deal. The kidnappers had telephoned his wife in Moscow shortly after the abduction and asked for US$60,000 for his safe release. His wife then contacted Russian authorities, who liaised with Indonesian counterparts in order to rescue the victim. The gang was arrested and subsequent investigations revealed the same individuals were responsible for the kidnap of a Russian businessman earlier in the month.

> Back to index
Country preview - Haiti

This section gives a brief introduction to countries which are not kidnapping hotspots but where the crime is common enough that individuals should take precautions to reduce their chances of being abducted. In this issue, the focus is on Haiti.

General security environment and kidnapping risk

Kidnapping emerged as a serious problem in Haiti during the social unrest caused by the exile of former president Jean-Bertrand Aristide (2001-04). Since then, the country has ranked among the top 20 kidnapping countries worldwide in per capita terms.

The country has an understaffed police force, an inefficient judicial system and an abundance of cheap weapons, making kidnapping an easy way to make money in this chronically poor country. Kidnapping levels decreased markedly in 2009 in comparison to previous years with the authorities able to regain control of several kidnapping hotspots in the capital, Port-au-Prince.

This improvement is unlikely to continue in the future. The January 2010 earthquake destroyed the work carried out by the UN Stabilisation Mission in Haiti (MINUSTAH) and the Haitian National Police (PNH). More than 4,000 inmates escaped the National Penitentiary in the first chaotic hours following the earthquake and locals fear a return to the bleak security situation present before the arrival of peacekeeping forces in 2004. Recent press reports indicate that gang leaders have taken control of their former strongholds.

High risk areas

The hub of kidnapping activity in Haiti is the capital Port-au-Prince and the surrounding areas in Ouest Department. More than 90% of all kidnaps-for-ransom recorded by Control Risks between January 2006 and April 2010 occurred in Ouest Department (which includes Port-au-Prince).

Most kidnaps in the city take place along the side of Route National 1 that skirts the Cité Soleil shantytown and the majority of victims are held within the area. Other areas that continue to represent a high security risk in Port-au-Prince are: La Saline, Cité Militaire, Solino, Cité Boston and Saint-Martin, Drouillard, Sarthe and Delmas.

In other parts of the country, Cap-Haïtien (Nord department) recorded 2% of cases between January 2006 and April 2010. Artibonite and Nord-Est departments each registered 1%.

Victim profile and kidnapping tactics

Most kidnap victims are locals and members of the middle-class, particularly mid-level employees and small store owners, and often lack the personal security measures employed by wealthier individuals. Businesspeople and mid-level employees comprised 40% of all kidnap victims in Haiti between January 2006 and April 2010, according to Control Risks’ records. Over the same period, 28% of victims were dependants and 9% of victims were aid workers.
Foreign nationals are also at risk in Haiti. Thirteen per cent of kidnap victims between January 2007 and April 2010 were foreign nationals, and of these, 41% were US nationals. Twenty-three per cent of victims were French and 12% were Canadian. The last foreign kidnap victim recorded by Control Risks in Haiti was a Belgian businessman in March 2010.

Kidnappers use a variety of tactics in abductions. Victims are often seized from their homes or places of work or while travelling, either on foot or by car.

Although traditionally kidnapping gangs tend not to carry out mutilations, threats to mutilate the victim to expedite ransom payment are becoming increasingly common. Articles published by the local media in 2008 suggested that half of all female victims are raped. Between January 2006 and April 2010, 7% of victims were killed. Seventy per cent of victims were released or presumed released and 21% were rescued by the PNH or MINUSTAH. A small number of victims, less than 2%, successfully escaped.

The kidnapping industry is a lucrative enterprise in Haiti. According to Control Risks’ records, average ransom demands from January 2007 to April 2010 were of US$200,000 with US$1m being the highest demand recorded in the period. Settlements over the same period were usually much reduced with, on average, only 10% of the demand paid. Settlements averaged of US$12,000 and US$40,000 was the highest figure recorded. Most ransom payments and victim releases occur during the early evening when the kidnappers know that police shift changeovers take place.
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 1,813 kidnap and extortion cases in 109 different countries, with 39,498 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: ikos@control-risks.com

For more information about Control Risks, please visit our website at: www.control-risks.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, New York and at Lloyd’s of London.

For further information, please contact us at kr.guernsey@hiscox.com
Control Risks’ statistics are based on those cases about which Control Risks has obtained reasonably reliable information and do not purport to represent the full extent of the problem.

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