

# Kidnap for Ransom

Examination of the crime and crisis management from different perspectives



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## Kidnappings – an increasing and complex risk

Kidnapping is a cruel crime, not only for the victim, but also for the family members. Many victims and families continue to struggle with the psychological consequences long after their release.

The main persons at risk of becoming kidnapping victims abroad are local employees and their families. Statistically, expatriates and business travellers are kidnapped far less often, but when it happens, with significantly higher ransom demands. Crisis management in the abduction of Western employees is also more complex, as more stakeholders are involved and the media often shows greater interest.

This guide is intended to help affected families, companies and NGOs, but also brokers and insurers, to better understand this often misleading topic and to know which initial measures must be taken in the event of an abduction. We point out legal problems and shed light on the topic from different perspectives. We will also show you what needs to be considered when selecting an insurer and crisis response provider.



## Types of kidnappings

The term "kidnapping" is used to describe various forms of kidnappings. Essentially, the following types of kidnappings exist worldwide:

### ■ **Classical kidnapping**

A classical kidnapping lasts from days to months or years. Most often the motive is financial. However, political and other motives are also possible. Kidnappings are committed by individual criminals, organised crime groups, tribes and terrorist organisations or even state actors.

### ■ **Piracy**

Maritime piracy (also known as hijacking) is the abduction and/or hostage-taking of a ship's crew. While piracy cases in the Gulf of Aden usually involve the crew being detained on the ship, ship crews in the Gulf of Guinea are taken ashore (usually to the Niger Delta).

### ■ **Express kidnapping**

Express kidnapping is a short-term kidnapping, which usually only lasts a few hours. The perpetrator uses the credit card owner's PIN to withdraw money from ATMs until the limit is reached. The victim is then usually released. An express kidnapping often begins when money is withdrawn from ATMs or you get into an unregistered taxi.

### ■ **Virtual kidnapping**

Virtual kidnapping is in fact not a kidnapping, but fraud, in which a kidnapping is simulated. The perpetrators use cunning tricks to create or exploit situations in which the victim cannot be reached by telephone or can only communicate to a very limited extent. They call the employer or the family and give the impression that they have kidnapped the employee or family member. In more recent variants, the perpetrators even provide "proof of life", which is why it is increasingly difficult to distinguish these from real kidnappings.

### ■ **Other related types**

In a hostage taking (barricaded situation), however, the perpetrator and victim are together in a known place.

An unlawful detention is also a form of deprivation of freedom, which is covered in most kidnap insurance policies. Often a pretext for the arrest is fabricated.

Staged kidnappings in which the "victim" plays a part or a kidnapping for the purpose of murder or to cover up another crime are also possible.

In the so-called "Tiger Kidnaps" one or several family members are taken hostage in order to extort money from the family. Or a family member is forced to commit a crime.

## The trends in kidnappings

### Statistics on kidnappings worldwide

It is very difficult to find reliable numbers on kidnaps. According to police crime statistics in Germany, kidnapping cases (kidnapping with the aim of ransom extortion) amounts to 50-80 cases per year - including attempted kidnappings. The German Federal Intelligence Service (BND) estimates that there are at least 50,000 kidnappings worldwide. Weekly magazines such as SPIEGEL quote figures of several hundred thousand cases per year. The reasons for the very differing kidnapping numbers can be found in the fact that it is often not defined whether it is an express kidnapping, the abduction of children by a spouse, virtual or classical kidnapping. In many countries, people do not report the problem, because they are afraid of the perpetrators or because the police are part of the problem rather than the solution. The number of unreported kidnappings is therefore very high.

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# > 50,000

**kidnappings worldwide**

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The following trends have emerged over the last few years, although there are slight annual differences:

### Type of victims

Most of the victims are locals or local employees of companies. Estimates assume these people make up a

good 95% of the victims. In contrast to expatriates, they have no or only little protective measures and are therefore easier to kidnap. The number of potential victims is also much larger. This is often underestimated by Western companies, which often concentrate on the expatriates too much when it comes to protection against kidnapping. Such kidnappings also do not attract international attention and exert less investigative pressure on the perpetrators.

### Chances of survival

To pre-empt this, the chances of survival are very high, even in the rare cases of terrorist kidnappings.

Surprisingly, the highest death rates are in industrialized countries. In contrast to countries such as Mexico and Nigeria, there is no "kidnapping industry" and the perpetrators are often overwhelmed by the high investigative efforts of the authorities. This can lead to panic actions by the perpetrator and is what makes kidnappings so dangerous in Western countries.

### Statistically, insured victims have the highest chances of survival

According to a study by a researcher (Shortland) from the renowned King's College in London, the chance of survival for insured customers is 97.5%. For both insured and uninsured cases together, the survival rate is around 90%. While the negotiation path is the safest, the most frequent cause of the hostage's death is an armed rescue by special forces - including highly trained Western special forces. The reason for the high



chances in insured cases is the use of experienced response consultants and the resolution through negotiation tactics that have been tried and tested for decades.

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# 97.5 %

**chance of survival for insured victims**

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## Regional development

In recent years, the risk of kidnapping in Africa - for locals, expats and business travellers - has increased considerably. This applies to criminally motivated kidnappings, but also and in particular to abductions by terrorist groups. Some African countries, where there were no terrorist attacks before, are now the target of various forms of violence, including kidnappings.

Over the coming years, large parts of Africa - including Mali, Nigeria, DR Congo and the Gulf of Guinea - but also countries in other regions, such as Afghanistan and Mexico, will continue to be high-risk regions. The phenomenon of virtual kidnappings has also spread far beyond Mexico - including the USA - and will continue to spread.



## INTERVIEW – Kidnapped! Peter Moore about his long-term kidnapping

**Peter Moore, a British citizen, worked as an IT consultant in an Iraqi ministry when he and his four bodyguards were abducted by around 100 perpetrators in police uniforms. In the 31 months of his imprisonment, he had to endure several mock executions and for some time daily beatings. His four security guards were gradually executed by the perpetrators. Peter Moore was the only one to survive. The aim of the kidnappers was the release of several terrorist leaders from US captivity.**

**Did you think, when you deployed to Iraq protected by a security team, that you could get kidnapped?**

*Yes, I thought on that. I had never had a security team within my previous work. The risk of being captured was discussed, but at the time I arrived in Iraq, the risk was being captured at a fake checkpoint. We did spend about half a day going through procedures in the event of coming up to a road block and subsequent ambush.*

**Can you describe the situation of your captivity?**

*The first few months were very scary - we thought that we would be out within six months - dead or alive. We felt that being held for six months in Iraq was a long time. Different Iraqis treated us differently and the treatment changed as I was moved around. For the first six months we were chained, handcuffed and blindfolded for most of the time.*



*The second six months, I was separated from the other British security operators who had been kidnapped with me. During this time, I was laying down for most of the time, chained to a grill in the window, but only handcuffed and blindfolded at night. I was*

*I was moved to a different house about once every two months, and I also realized that the Iraqis did not speak to each other. So when I was moved and had new Iraqi guards, I was able to question why they were blindfolding me. I said that the*

*Iraqis like this, so why are they treating me like this?*

**What was the hardest part of the captivity for you?**

*Apart from the actual abduction, I think the worst part was about two years in, when I saw on the*



*also in the room with all the Iraqis – and there were two other American hostages in other rooms. This situation allowed me to start talking to the Iraqis and I was able to get different foods to eat.*

*previous Iraqis did not do this, so why are they? I knew this wasn't true, but this confirmed to me that they did not communicate with each other. I also realized that they wanted to appear better at holding prisoners than the Americans, so I pointed out that Americans did not treat the*

*BBC that the bodies of my security operators had been handed over. A couple of weeks afterwards, the number 2 commander of the militia - Laith Al Khazali (brother of Qais Al Khazali) had been released from an American military prison in exchange for the bodies. Laith*



*explained to me that I was the only one still alive and that all the others had been killed.*

**Looking back, how could the kidnapping have been prevented?**

*I think we had the preparation, the problem was more the operating procedures and the general assumptions about security teams. We had been told that when we were in the car, we were not to speak to the security operators and to do whatever they said. When we were leaving the Green Zone in Bagdad on the day of the kidnap, there were an abnormal amount of Iraq police vehicles*

*outside the entrance of the Green Zone. I never said anything - because that was procedure - and my security team never said anything. Therefore I assumed that everything was ok. It was only after we got captured that the security team talked about the large amount of Iraqi police vehicles, so we all saw it but no one said anything about it.*

*The ironic thing about this is that, if we had said something and then turned back, we would not have known that we had avoided being captured. I now know that if something looks wrong it is because it is wrong*

*and should be reported by anyone. Additionally, my security team would have been told off because they would have acted on my instruction, and I would have been told off for wasting money on a journey that never happened.*

**What did you do to increase your chances of survival and to keep your hope up?**

*I realised that my immediate safety and survival depended on getting on with the Iraqis around me, so it was important to try and build a rapport with them. In my mind, I was thinking that I have to show that I am a human being and not some animal.*



*In my mind I used to negotiate buying a motorcycle and do job interviews by talking to my pillow. I also used to make mathematical calculations using the shapes within the curtains and carpet. I designed a portable computer without a keyboard, developed a metro train system and planned an autobiography.*

*During the last year, when I was no longer chained, handcuffed or blindfolded, I used to play games with the Iraqis such as chess and table tennis - but without the table.*

*In order not to give up hope, I treated every day I lived as a step closer to my release.*

#### **What were your initial thoughts when you knew that you were free?**

*I could not believe it. I thought at best that I was going to be handed over to another militant group. I could not believe it when I was driven to the British Embassy. I just wanted to think it through on my own, so I asked to go to the toilet and spent*

*some time in there just trying to work out what had happened.*

#### **What helped you after the release to return to normal life?**

*For me, it was getting back to South America - where I was living before going to Iraq - and travelling around for six months. I had spent my time as a hostage negotiating the purchase of a motorcycle in my mind, so I eventually flew to the USA and actually purchased a Honda ST1300 motorcycle, and then spent two years travelling around all of the states of the USA, some of Canada and a bit of Mexico.*

#### **How has life changed for you since the release?**

*I work a lot less and just the minimum amount of work to pay the rent. The rest of the time I spend relaxing, studying and travelling. I also keep my computer skills up to date by lecturing in software development, and I am currently in the process of trying to develop a Virtual Reality*

*simulation for Conduct After Capture (CAC) and hostage survival. I also do talks for various military CAC training courses and lecture a military psychological course at a couple of universities.*

#### **What do you recommend to people who travel to countries with elevated security and kidnapping risks?**

*Definitely undertake some sort of hostage survival and security awareness training as this will help you deal with difficult situations when working in hostile countries. Do not assume that it will not happen to you. Remember that statistically you will survive a hostage situation, but this does not mean that you will be released quickly or that you be released in good health.*

*If you have a security team, then if you see that something is wrong, it is because it is wrong. Pull over, have a talk about and pull back if it feels wrong. Do not put the doing the job above personal safety.*

## Aspects of legal duty of care in relation to kidnaps

In addition to the employer's moral and ethical duty pertaining to care for employees sent abroad, the legal dimension also plays an important role.

Now, even in midsize companies, the workforce is from different countries and is deployed worldwide. Therefore, not only the legal duty of care, which applies to the company headquarters, must be observed but also numerous foreign legal regulations.

There have been some internationally notable legal cases, also in relation to kidnappings:

- In early 2019, an Italian court sentenced a group's executive board members to imprisonment for lack of preventive measures, which lead to the kidnapping of employees. In addition, the company had to pay EUR 150,000 in damages.
- In February 2019, BP reached an out-of-court settlement with the family members of two employees who died in the hostage-taking in In Amenas, Algeria (2013). The family members had sued BP for inadequate security measures and incorrect assessment of the risks.
- In 2016, after a kidnapping of a Western employee in Kenya, a court sentenced a Norwegian NGO to pay the equivalent of EUR 465,000 in compensation for a breach of the duty of care for employees after a high-profile trial.
- In the United States, the NGO Samaritan's Purse and a former employee reached an out-of-court settlement. The former hostage, who had been kidnapped in Sudan for 105 days, had filed a

lawsuit against the NGO. She accused her then employer of not having received preparation training and that the organization had ignored warnings about kidnappings. The lawsuit was also directed against the crisis response consulting firm, as the kidnapping lasted much longer than comparable cases in Sudan.

- A French court sentenced a travel agency that specialized in diving trips to pay over one million Euros for three travellers. The travellers were kidnapped in 2000 by terrorists from the Abu Sayyaf group and held for several months. The court accused the organizer of failing to inform travellers about the risks at the destination.

### Lessons from the legal disputes

The court cases, or at least the lawsuits that led to out-of-court settlements after kidnappings show:

- The employer or organiser must disclose risks to the traveller at the destination and be able to prove that he has done so.
- The greater the risks at the destination, the more intense the preparation and protective measures must be.
- An incorrect risk assessment is often the reason for a lack of protective measures or for a trip not being cancelled.
- The courts compare how other organisations in the region have dealt with the risks (Benchmark).

After an incident, the experience of the crisis response consultants is also assessed. Even if the victim is

released, the employer is at risk if the victim believes that the crisis management was too unprofessional.

At this point, a response consultant and the owner of the consulting firm will have to disclose their own actual experience and qualifications.

The employer's duties with regard to legal duty of care can be divided into four areas:

**Duty to disclose risks  
at the destination**

**Duty to prevent  
and mitigate risks**

**Duty to monitor  
the situation**

**Duty to respond and  
assist in emergencies**

## Ransom payments to terrorist groups

Although it is estimated that terrorist kidnappings account for less than one percent of kidnappings worldwide, this is a very complex and legally sensitive issue for many companies, organizations and insurers.

In the Anglo-Saxon countries, there are very clear anti-terrorist laws that prohibit the payment of ransom and protection money. On the other hand, the US Anti-Corruption Act allows the payment of protection money and bribes to avert an imminent danger.

terrorist groups or make other concessions (e.g. Iran-Contra affair, Bergdahl prisoner exchange) - not companies or private individuals.

In Germany, there is no clear law on this subject. So far, § 129a StGB (supporting a terrorist organisation) has never been applied to ransom payments against families or companies. Never before has a company been prosecuted for violating § 129 StGB (supporting a criminal organization) after paying a ransom to criminal



Great Britain in particular has pushed the ban on ransom payments to terrorist groups internationally. UN Resolutions 2133, 2161 and 2462, among others, served as a basis for this. In an extension of the UK Terrorism Act 2000, insurers commit a criminal offence under British law by reimbursing policyholders who pay ransoms to terrorists.

What is interesting in this context, however, is that it is primarily governments with ransom payments often running into the millions that financially support

cyber extortionists - which would be the logical consequence, if one would apply this in a terrorist kidnapping case. It is also questionable whether § 89c StGB (financing of terrorism) would be applicable against family members who collect and pay a ransom.

### The underlying conditions are changing

Internationally, there have been two significant developments recently:

- Governments that have been willing to pay ransoms to terrorist groups (especially EU



countries) now have a much more restrictive approach (including France) than in the past. However, this does not mean that ransom payments by families would not be tolerated.

- The United States, which has taken a very hard line so far and openly threatened families with criminal consequences in the event of ransom payments, has reassessed its approach. Families are now more likely to be able to pay ransoms. The Presidential Policy Directive PPD-30 (Hostage Recovery Activities) for the first time instructed the US administration not to threaten families of abduction victims with criminal prosecution if they attempt to pay ransom to a terrorist group.

Countries such as Australia, which makes ransom payments to terrorists a criminal offence, have never accused a family member on this matter previously. According to high-ranking representatives of the Australian Attorney General's Office, family members could possibly invoke self-defence/emergency intervention.

Although the payment of ransoms by families is more likely to be tolerated by governments (with the exception of the UK, although there have been no criminal charges against families so far), the situation may be different if companies are involved.

### Major risks and uncertainties persist

If there is clear evidence that the recipient of the ransom is a terrorist group, insurers cannot pay or reimburse the ransom.

Some insurers or crisis response providers question their overall support for the affected policyholder in the event of a terrorist kidnapping - also with regard to crisis management support - or at least delay it through a lengthy legal review.

While US families who pay ransoms may not be held legally accountable, those who finance terrorist organizations may be sued under civil law by victims of terrorism and their families in the US. For example, there are currently lawsuits against the banana



producer Chiquita, based in Switzerland, because the company is said to have paid protection money to a terrorist organization.

It gets complicated when a company has locations in several countries, the kidnap victims possess different nationalities and therefore several jurisdictions must be considered.

In addition to anti-terrorist laws, UN resolutions and EU financial sanctions regimes, money laundering laws and foreign currency import regulations must also be taken into consideration. Further, there are different lists of designated terrorist groups, which are not always identical.

As there are numerous legal pitfalls and uncertainties, professional response consultancies work very closely with international law firms during a kidnap in order to protect the interests of their clients from a legal point of view as well. Close coordination with the authorities may also generate some room to manoeuvre.

### **Do citizens of countries that do not pay ransoms to terrorists get kidnapped less often?**

*Several studies contradict the argument that citizens are less likely to be abducted when their countries do not make concessions. While kidnappings in industrial nations are often long-planned, the victims of kidnappings abroad often are "in the wrong place at the wrong time".*

#### **Rand Corporation (2018), a US think-tank:**

There is too little historical evidence to support the claim that a policy without concessions reduces kidnappings. The available data show no correlation between the refusal to make concessions to kidnappers and the nationality of the kidnappers.

#### **Study from the University of Texas (Mellon, 2017):**

Firstly, countries that make no concessions experience far worse consequences for their kidnapped citizens than countries that do. Secondly, there is no evidence that American and British citizens are better protected than other Western citizens by their governments' refusal to make concessions.

#### **Study from CTC (West Point) in 2015:**

While the nationality seems to be important in determining the fate of people following a kidnapping, it does not seem to have any influence on who is kidnapped.

## The role of the response consultant in kidnap cases

An insurance policy covering special risks usually includes a designated crisis response consultancy. The response consultant is an important tool that immediately supports the affected organization or family with his case experience and international network.

The tasks of the response consultants are essentially:

- Guaranteed availability at all times (24/7) and immediate crisis response (worldwide)
- Assistance in gathering information and assessing the situation
- Independent advisor for negotiation strategy and tactics - without emotional proximity and without the political pressure to which authorities are subject
- Identification of problems to be expected and early development of solutions
- Providing support in communication with the various internal and external actors - including family members
- Use of the collective experience of the crisis response team
- Advice and support for operational measures (e.g. ransom handover, repatriation of the released victim)

**However:** The response consultant is not a decision-maker. You as the affected organization or family make the decisions - the crisis response advisor supports you and your crisis management team in making the decisions and implementing the necessary measures.

Pay attention to the case experience of your response consultant. Just because an insurer recognizes a crisis response provider does not mean that the consultancy



has solid experience in this specialist area. Ultimately, the actual experience of the crisis response team in kidnap cases is critical to the positive outcome of the event - from a human, financial and legal point of view.

### The aim of the crisis response

The goal of professional crisis response consultants in the event of a kidnapping is to secure the release of your employee as quickly and unharmed as possible

through negotiations - usually against payment of a reasonable ransom.

But response consultants also want to protect your reputation as a company, organization and employer. In addition, they want to protect you from follow-up threats. These arise, for example, when too much money is offered too quickly. Our experience clearly shows that in these cases the kidnap case lasts longer, because the perpetrators sense more money. A kidnapping only ends when the kidnappers are convinced that no more money can't be squeezed.

If you give in too easily during negotiations with the perpetrators, you will also become a very attractive target for future kidnappings and extortions.

### Our approach to crisis response

Our course of action after you have called our 24/7 emergency hotline in case of an incident:

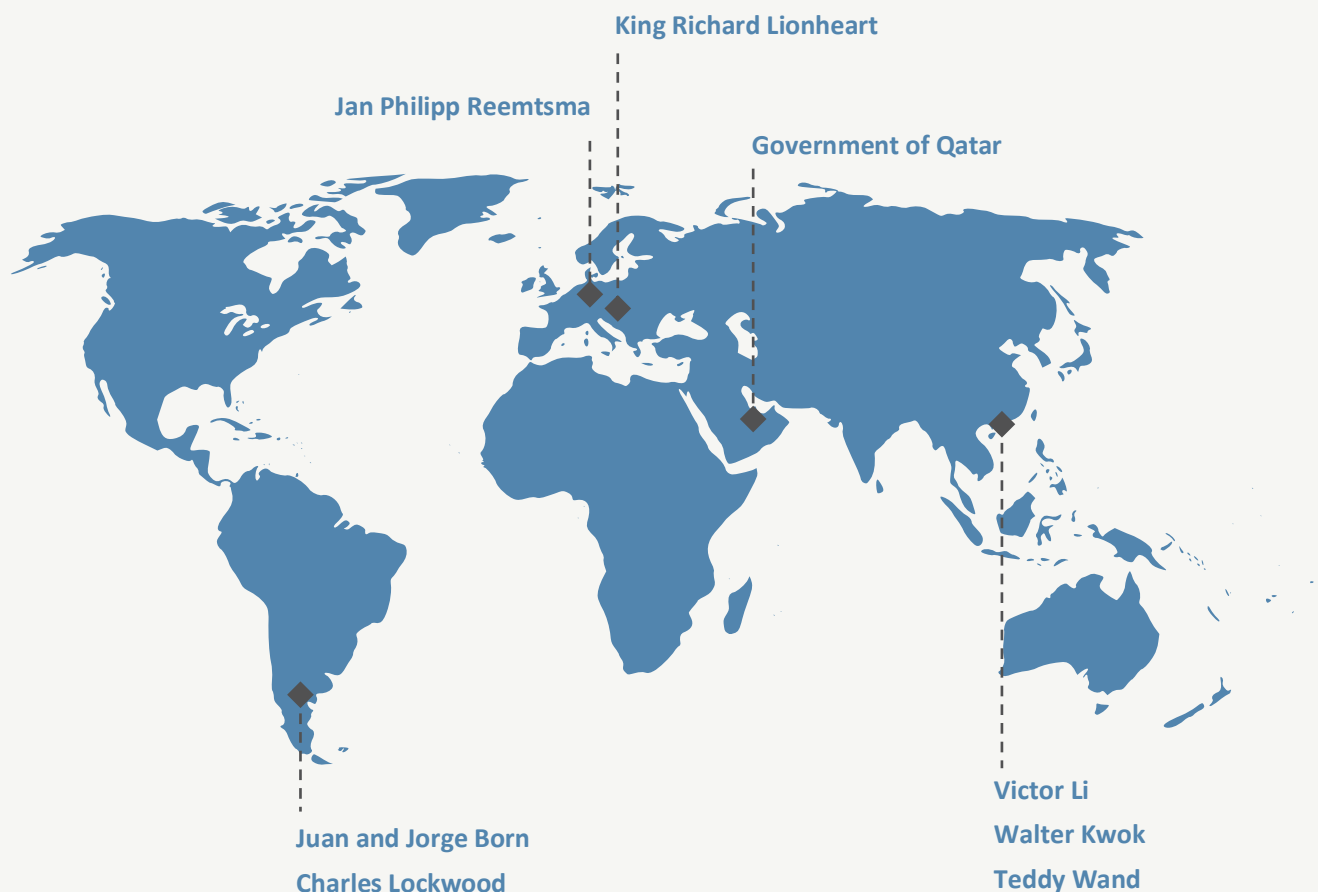
- First advice and support with initial recommendations over the phone
- Activation of our response consultants and global network so that we can provide rapid on-site assistance.
- Collect further information together with our local contacts and analysts in order to refine and verify your situation.
- Monitoring traditional and social media

- Development of options and implementation in close consultation with you
- Providing advice on an efficient negotiation strategy
- Provision of local contacts, e.g. to authorities
- Deployment of consultants to the crisis management team at your head office and, if necessary, to the location of the incident
- Operational measures on site to avoid further damage
- Assistance during the negotiations with the kidnappers
- Providing advice on suitable internal and external crisis communications and reputation management
- Coordination of the collaboration with the involved authorities at home and abroad
- Support for the ransom delivery, the repatriation of released employees and the care of victims and their family members
- Follow-up of lessons learned during the crisis and improvement of your crisis management structures and processes

Ideally, we have set up your crisis and incident management in advance, implemented preventive measures and are already familiar with your internal processes and specifications.

## Some of the most expensive kidnappings in history

In Hong Kong and Argentina, very large ransoms were paid during kidnappings. It is difficult to imagine the logistical challenges of such high ransom payments. For the perpetrators it is a very rewarding business - unless they are caught later. In South America today, no one would pay such sums any more - this too is the merit of the response consultant model. Some victims were kidnapped twice - presumably because the quick payment of a high ransom made them attractive targets. These high ransom payments are also an indicator of mistakes being made during the negotiations. The payments did not always save the lives of the victims.





### King Richard Lionheart

The king was captured by Duke Leopold V while traveling through Vienna. The Austrian duke demanded a ransom of 150,000 Marks, which was paid after one year. This would correspond to approximately 3.3 billion US\$ today.

### Government of Qatar

The government of the Gulf state allegedly paid one billion US\$ to the Shiite abductors for the release of a hunting party of the ruling house kidnapped in Iraq. Another US\$150 million went to middlemen. Apparently there were also political demands. In 2017 the hostages were released after 16 months of captivity.

### Businessmen Juan and Jorge Born

After nine months, the two businessmen and sons of an entrepreneur were released in Argentina for US\$ 60 million (1974). This corresponds to a current value of over US\$ 290 million.

### Victor Li

The son of a Hong Kong industrial magnate was kidnapped in 1996. He was released for a ransom of 134 million US\$ - today this corresponds to 197 million US\$. A year later, the same perpetrators kidnapped Walter Kwok.

### Walter Kwok

The son of a very wealthy Chinese businessman was kidnapped in Hong Kong in 1997. He was released after paying 77 million US\$ - which today is about 110 million US\$.

### Teddy Wand, real estate mogul from Hong Kong

He was kidnapped for the first time in 1983. His wife paid 11 million US\$. Seven years later he was kidnapped again. After a demand of US\$ 60 million and despite the payment of US\$ 30 million - which corresponds to US\$ 59 million today - he was not released. His body was never found.

### Charles Lockwood

The manager of the company Roberts was kidnapped twice within 26 months by the same group in Argentina (1973 and 1975). The first kidnapping was US\$ 2 million, then US\$ 10 million. Both ransom payments together now amount to nearly US\$53 million. He was probably an attractive victim due to the lack of negotiations over the ransom.

### Jan Philipp Reemtsma

The heir of a cigarette manufacturer was kidnapped in 1996 from his Hamburg premises and released after one month. The family paid a ransom of 30 million DM (over 15 million in Euros). The perpetrators had increased their demand by 50% after several failed ransom deliveries.

## INTERVIEW – A crisis response consultant

**Marc Brandner is the head of crisis management and co-owner of SmartRiskSolutions. After serving as an officer in the German Special Forces (KSK), he was the Head of Security and Crisis Management for the EU project EUPOL in Afghanistan. He has been working as a crisis response consultant for insurers in the K&R sector for many years and has been involved in numerous kidnapping cases worldwide, including in Nigeria and Afghanistan. As a response consultant, he has advised companies, NGOs and wealthy families during kidnaps. Here he describes the perspective of the crisis response consultant.**

### **What is the most stressful during a kidnap case for the response consultant?**

*During a kidnapping, stress arises for the response consultant and other participants, if there is fundamental disagreement among the stakeholders regarding the negotiation or communication strategy. This can happen at the beginning, but also repeatedly during a kidnap case. This main stress element, which can be accompanied by strong emotional feelings, usually leads to wrong decisions. These in turn usually lead to an intensification of the stress spiral and*

*consequently to an extension of the abduction.*

### **Which mistakes are often made by the victim organization or family in the early stages of a kidnap?**

*In the early stages of an abduction, it is not uncommon for family members or employers to make hasty decisions and take hasty action. Particularly critical is when promises are already made to the kidnappers. It also happens that communication takes place with other stakeholders without being clear in advance about the negotiation and communication strategy. Conflicts of interest often arise with other players -*



*including authorities - which are only a hindrance in the early stages of an abduction. In the worst case scenario, the crisis management can be uncoordinated or even conflictual.*

*negotiating strategy. In addition, the next communication with the kidnappers must be prepared, trust between all parties has to be built up and, in addition, utmost discretion should be maintained.*

*of view, the relatives also have the final say and may decide, for example, whether a fulfilment or non-fulfilment strategy should be pursued. As an employer, it is therefore a good idea to quickly work alongside family members*



#### **What is in most cases identical, what is often different?**

*With kidnapping cases, it is particularly important to structure and arrange many things simultaneously under time pressure. This applies to all kidnap cases.*

*A clear and comprehensive picture of the situation needs to be developed quickly, an appropriate crisis management structure needs to be established and the relevant stakeholders have to agree on an appropriate*

*Even if - similar to a chess game - the principles are always the same, the "game" changes due to the diversity of the players. Sometimes stress components described above lead to irrational behaviour and then things become "difficult".*

#### **What are the risks of poor care for the family members of the kidnapped victim?**

*From the point of view of the employer, the family members of the victim are of vital importance. From a legal point*

*and agree on key issues. The prerequisite for this is building-up a strong relationship based on trust. If the victim family has doubts that the employer is pursuing the same goals and can solve the kidnapping competently, it will not cooperate. Trust can only develop if the employer actively and sincerely cares for the family. A response consultant can be very helpful in this and can help family members to overcome uncertainties about*

*how to deal with the situation and instil confidence in a face-to-face meeting. If, however, the gap between employer and family widens, the relatives often turn to the media, start their own communication with the kidnappers or sue the employer. Close and proper care*

*clear at the beginning of an abduction which authorities are involved and what their competences and objectives are. Although authorities can provide support during a kidnapping situation, they are not service providers. The police and public prosecutor's office in particular*

*authorities and to openly address any conflicts of interest.*

### **What is the biggest challenge for the response consultant during a kidnapping?**

*During a kidnap case, the response consultant's first priority is to establish a trustful*



*of the families is a pre-condition to prevent this.*

### **What do I need to consider when working with the police and authorities?**

*Employers and victim families should be clear as soon as possible as to which authorities already know or should be involved regarding the incident. Particularly in kidnapping cases abroad, it is often not always*

*have the task of ensuring criminal prosecution. A goal that can sometimes collide with the goal of a safe release. It is not uncommon for confidential information to flow from the authorities to the media and sometimes even to the kidnappers themselves. One should be aware of this. The aim should therefore always be to have a clear agenda vis-à-vis the*

*relationship between the main actors - usually the employer and the victim's family, and depending on the circumstances also the authorities involved - and to adopt a joint negotiation strategy. In the course of the kidnapping - especially if it lasts longer - it is essential to keep all parties in line with the strategy. This can be extremely challenging, as experience has shown that some actors may*



want to pull out for different reasons.

**You are one of the few crisis response consultants who have advised family members of High-Net-Worth Individuals (HNWI) who faced kidnap situations in Europe. What is the main difference in working with wealthy families compared to corporate crisis management teams?**

*Supporting wealthy individuals and families in cases of an extortion and or kidnapping places greater challenges on the response consultant than is the case with corporate clients or other organisations. Companies usually have - at least on paper - a crisis management organisation that can handle a kidnapping case professionally.*

*Even if the kidnap victim is a close employee, the individual members of the corporate crisis management team can usually maintain the necessary emotional distance despite all the strain. In "family cases", on the other hand, the emotional moment usually predominates, which can lead to ill-considered and emotional actions and decisions.*

*This plays into the hands of the perpetrators, who often have a good mastery of the repertoire of psychological manipulation and tricks. As a result, it can happen that an abduction, which is negotiated under the leadership of the affected families, often lasts unnecessarily long.*

*Families at risk of kidnappings are therefore well advised to prepare themselves well in advance.*

*This includes establishing a crisis management team in terms of composition and mandate and formulating essential negotiating principles. Wherever possible, the crisis management team should also include entrusted family members or suitable company employees (if available) who do not run the risk of acting too emotionally during the crisis.*





## First actions in case of a possible kidnap

If there is a kidnapping, the first "golden" hours are crucial for response to the incident. Mistakes made here can, in the worst case, have a negative effect on the whole case. Frequently, abductions begin with the disappearance of an employee or family member. Or the respective organization and family will only learn about it when the kidnappers call.

Based on our experience, we recommend the following procedure if an employee or family member has been abducted:

- Verify it's actually a kidnapping. What are the indicators?
- Prepare an exclusive phone number or SIM card for future communication with the kidnappers.
- If possible, get a new (unused) mobile phone.
- Designate a communicator who will be trained to communicate with the perpetrators. The communicator will be available to the perpetrators at the dedicated telephone number.
- Prepare to record the abductors' calls.
- Channel all the kidnappers' calls to this dedicated phone number. The perpetrators are likely to call family, work colleagues or company headquarters.
- All other recipients of calls should direct the kidnappers to the dedicated phone number. They should not start negotiations.

Our recommendations for the designated communicator's first phone call with the kidnappers:

- Indicate that you are interested in finding a solution to the situation without making any specific commitments.
- Insist that the caller proves that he has the victim and that the victim is "ok".
- Try to set a time window for the next call from the kidnapper.
- Don't make any concessions on the phone or under pressure. Try to gain time.

As a company or family, you should activate your crisis management team or assemble a project team. You should also call upon the support of an experienced crisis response consultant to obtain independent advice to what the police would suggest. As far as possible, keep the circle of people who know about the incident to a minimum. Always assess the situation with your response consultant before informing the authorities.

If the kidnapper contacts you by mail or email, you will have more time to react, even if the points mentioned above also apply here.

You can also find these initial measures in an explanation video produced by us:

<https://www.youtube.com/watch?v=LovIFNVuckg>

## INTERVIEW – The perspective of a family member of a kidnap victim

In this interview, the brother of a hostage who was kidnapped for several weeks in the Middle East describes the family perspective. The family lives in Europe. The response consultant, who was supporting the family at that time, is part of the crisis response team of SmartRiskSolutions. The brother asked to remain anonymous, which we respect. We are very thankful for his insights.

### How did you learn about the kidnapping of your brother?

*It all started with my brother's girlfriend calling my father telling him that something is very wrong and that she did not know what to do. A man had called her telling that her boyfriend was held captive, and that the group demanded a huge ransom for not killing him. My father got hold of me – I was in Asia on holiday – and I tried to*

*guide my parents as good as I could – having no experience at all in this matter.*

### The police helped you in this difficult situation?

*The police were involved and they sent two officers to assist my parents – but with the clear message that they would not be able to handle a negotiation with the kidnappers. Private consultants had to be brought*



*in. Through our network, I managed to engage a private security consultant with experience in kidnap cases and the consultant went to my parents. This was the biggest relief for our family. Somebody who knew what to do could take over.*

#### **What was the situation when the response consultant met the family for the first time?**

*My parents were already exhausted at that time and could not do anymore. The kidnappers showed my brother directly on skype – beating him.*

*The consultant was very experienced and gave us all a sense of calmness. He made a plan and explained what was most likely to happen. He helped to manage the contact to the kidnappers and gave small tasks to the family members – and first of all – gave hope. The response consultant was a good listener and it was clear that apart from the fact that he himself had experience – he also had a professional team behind him that could support.*

*During the case he was reachable at all times. We could always get in touch with him,*

*and if there were times when he knew he would be out of reach – we always could call his team. This gave us a good sense of stability. The fact that he had the same nationality and native language was also a positive factor – mostly because my parents are not that fluent in English.*

#### **How did you manage to have your brother released, and how was the aftermath?**

*We managed to find the money for my brother's release – the consultant and his team handled everything regarding contact to authorities and also the exchange of money – and when my brother came back we had the consultant around us as much as we needed. This was essential for my brother's recovery. Even today – years after the incident – I know that the consultant is in contact with my brother and with me as well. It is very helpful – especially in times when flashbacks arose.*

*The shock of suddenly being involved in the kidnapping of my brother and the fight for his freedom is still very alive inside me.*

#### **What are the needs of a family who got victim of the kidnapping of their loved one?**

*Families need to feel safe and secure – this includes safety from the media. As a family we want to understand what is going on and how a kidnap case normally develops. Aside from emotional support, families need practical support in handling daily life.*

*As a family, we want to be given choices and feel involved. We want to trust the response consultants and the authorities, but they must build the trust and demonstrate that we can trust them. They need to be a reliable partner and keep their word. If they say “we will call you at a certain time” we expect that call. And we want honest answers to the many questions we have.*

*It is essential that the response consultant is involved immediately in order to take over planning and giving advice on communication. It is very hard for the family members to try to handle calls and mails - desperately trying to do their best.*



**What would you recommend to families who must select a kidnap response consultant – based on your experience?**

*Experience is key. It is of utmost importance that the response consultant is experienced and knows what he is doing. As a family fearing for the life of a loved one, you do not want to have a consultant on your side who has never handled a kidnap case in the relevant region or has never handled any kidnap case at all.*

*You will quickly notice, if he has the experience he states. It is vital that the consultant and his team can be reached at all times and that there are no periods with no contact.*

*The consultant must be a good 'listener' and NOT just come with an 'I know all' attitude. During a kidnap, a lot of problems and challenges will come up. The consultant and his team must be able to handle these.*

*It is vital that the consultant is ready and able to support the victim and the family for quite some time after the case is solved.*



## The return of kidnap victims to normal life

**Professor Neil Greenberg helps kidnap victims recover from psychological difficulties. Here he describes what needs to be considered from his experience and based on the latest scientific research. It is also important not to overlook the fact that family members have a similarly high risk of traumatization as the victim himself.**

Being taken hostage is a very stressful experience for everyone. Although in general a significant proportion of those who have been exposed to traumatic events - including capture - regenerate well over time, some ex-hostages find life particularly difficult after their release. All traumatic events have the potential to negatively affect the quality of life and in some, but not all cases, to cause strong emotional or physical reactions. In the short term, stress symptoms can be quite normal. Although many people who have

experienced a traumatic event experience psychological aftereffects, most recover completely.

### What can be expected

Sometimes emotional and behavioral reactions occur immediately after being released, but in some cases it may take days or even weeks for them to occur. Former hostages often report experiencing a "pendulum of emotions" with waves of enthusiasm or happiness followed by feelings of being overwhelmed, anxiety or despair. There may be no obvious reason why the "pendulum" swings in one direction or the other, but it is likely that the various stress factors that occur after returning home are the cause.

Often former hostages don't realize that they are actually having difficulties, but people who know them well, such as family, colleagues or friends, can see





what's really going on with them. Stress reactions can last days, weeks or months, and occasionally longer, depending on the circumstances of being held hostage and, probably more importantly, what happens after release, including the way people close to the victim behave. Experience suggests that good social support from the victim's immediate personal environment increases the likelihood that stress responses will subside more quickly.

Occasionally, professional help may be needed, although even those who have severe and persistent difficulties often fail to recognize the need for professional intervention.

headaches or difficulty with sleep are symptoms that can manifest themselves in the physical area.

### What helps victims

What can former hostages and their friends and family members do to facilitate reintegration? First and foremost, avoidance behavior must be prevented.

Former kidnap victims should talk to people they trust. It is not important to tell the whole story at once, nor should they tell anything at all to those who are only interested in the highlights or the 'bloody details'. A short, but polite answer (e.g. "Most of the time it was rather boring.") can deter too curious people from



Typical stress reactions after release include emotional problems such as negative thoughts about the event and the future, excessive alertness, anxiety, depression, feelings of guilt or increased alcohol consumption. Cognitive difficulties also occur, for example memory difficulties, concentration problems or word-finding difficulties. Chest pain, fatigue,

asking further questions.

Furthermore, ex hostages should not assume that trauma symptoms disappear immediately. During the first few days, recurring thoughts, nightmares or anxiety can be normal. In most cases, however, such symptoms will decrease over time and be less

problematic. If this is not the case, it is time to seek professional advice.

It is also important to define a routine for each day. This means that it is important to think about work, sports, shopping, paying bills, etc. Ultimately, ex-hostages should avoid being defined as someone who has been kidnapped. Instead, they should focus on what they want for their future and try not to dwell on the negative aspects of their past.

However, it is very important that when progress is slow, however slow, or when loved ones continue to worry about the victim's mental condition, the ex-hostage is examined by an experienced healthcare professional. An untreated condition can lead to mental health problems such as post-traumatic stress disorder, depression or substance abuse. Such problems affect not only the victim but also people in

the immediate personal environment, such as friends, family members and colleagues at work. Most mental health problems are eminently treatable if the right help is sought.

*Professor Neil Greenberg is an academic psychiatrist at King's College in London and a consultant in forensic psychiatry. He is Managing Director of March on Stress in the UK. His experience also includes assisting victims of internationally high-profile terrorist attacks. He has helped a number of released kidnap victims manage their mental stress.*



## The K&R insurance industry



### The history of its origin

Historically, the insurance for kidnappings has its origins in the kidnapping of Charles Lindbergh's son (1932). After the tragic outcome of the abduction, the insurance industry developed an associated product - primarily for wealthy families and high-net-worth individuals.

It became evident, however, that the policyholders who were affected paid too much too quickly - and also that mistakes in the negotiations by the families led to the preventable death of kidnap victims. For this reason, the crisis response consultant model was introduced as part of the policy in the mid-1970s. Without this concept with the support of an experienced response consultant, kidnap insurance would no longer have been affordable due to the high

financial losses. From then on, the response provider ensured that professional negotiations took place, and that preventive measures were implemented. The case duration decreased. With a good 97 percent success rate in insured cases - significantly higher than in uninsured cases - there is much to be said for the success of this model.

This period also witnessed an increase of national and international terrorism, in which kidnappings represented an effective means of refinancing for these groups. In countries with a limited or weak law enforcement presence, criminal groups were also increasingly active in this area.

In 1987 the premium volume for K&R insurance worldwide was US\$ 60 million; today it is estimated at

US\$ 300 million, despite lower annual premiums for policyholders.

### Special characteristics of the K&R insurance

In Germany, such insurance products were prohibited until 1998, when the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BAFIN) finally came to the conclusion that kidnap insurance does not lead to more kidnappings.

K&R insurance policies are subject to certain terms and conditions. For example, only a very limited group of people are allowed to know that such a policy exists within the company; in the event of an insured incident, an independent crisis response provider is assigned by the insurer. The authorities must also be notified, but this does not mean that the local authorities must be informed, if a Western employee is kidnapped in Nigeria.

The policyholder must fund the costs, especially the ransom, in advance and is reimbursed later.

The insurer invests a part of the premium in preventive measures and the policyholder must be instructed by a qualified K&R response consultant on how to deal with a kidnapping or extortion. Certain security measures need to be introduced anyway for high-risk regions - also from the point of view of duty of care laws.

In some countries such insurances are completely prohibited - this includes Italy. Only the Italian authorities are permitted to negotiate with the kidnappers. In certain circumstances, however, the responsible investigating judge may authorize the use of private response consultants for the negotiation process.

Many companies and wealthy families could afford the ransom even without insurance. The added value in the policy lies in particular in the 24/7 access to the crisis response consultants.



## Criteria for selecting a K&R insurer

A number of insurers offer insurance solutions for special risks such as kidnapping and extortion. It is not easy for potential policyholders to see the differences and pitfalls. The cheapest provider is not always the most suitable.

Such insurance products often appear as kidnap for ransom insurance, kidnap insurance, K&R or KRE insurance.

In addition to typical insured events such as kidnapping, unlawful detention, extortion or the hijacking of means of transportation, there are now insurances that offer further and significantly more comprehensive coverage outside the aforementioned events.

Crisis management solutions are then also available in the event of industrial espionage, sabotage, natural disasters, serious traumatic accidents, suicide, active shooter or terrorist attacks and help the policyholder to remain in control of the situation.

We recommend that you critically assess the insurer on the basis of certain criteria. Pay particular attention to the following:

- The insurer pays directly to the crisis consultants. Otherwise, you first have to sign a contract and the response in the event of a crisis can be delayed by hours. This saves you further administrative work during the crisis and does not tie up any additional funds. In addition, you avoid the risk that the insurer will not reimburse you for the costs of using the response consultancy afterwards, or that there will at least be discussions about this.
- The use of the crisis response provider is not limited in the policy - neither the duration of the support during the case, the number of consultants used nor the consultant fees.
- Ideally, cyber extortion is also covered by the policy, or can at least be booked as an additional





extension. Unfortunately, some insurers now rule this out.

- The insurer's reputation in claims settlement and reimbursement as well as the insurer's strength from the point of view of financial analysts (rating).
- Select an insurer who responds quickly to your request for a proposal. This is also a good indicator for fast support in the event of a claim.
- An experienced team of underwriters who have in-depth specialist knowledge in this field, who react quickly and are also flexible in adapting the insurance conditions to your individual needs.
- An insurer who does not sell you unnecessary insurance cover, but advises you fairly on the needs you actually have.

- If the insurer also offers crisis management products that go beyond the classic K&R insurance, they may also be purchased independently of a K&R insurance.
- The quality and experience of the K&R response provider with whom the insurer cooperates and their network are key for you in case of an insured incident. This is where you should ask specific questions.

We will be happy to name insurers that we believe meet these criteria, but your personal impression is also important. You must feel comfortable with the insurer and be able to trust them.



## The importance of prevention and risk mitigation

Preventive measures, e.g. for international travel, are implemented at the level of the employer and at the level of the individual employee. Which framework does the company set and how can travellers contribute to their own security? These are the key questions here.

Key measures taken by the employer including the issue of a travel risk policy, the provision of security information and medical advice about the destination and a 24/7 emergency hotline for travellers. A 2019 SAP Concur study revealed that it takes an average of five hours for a company to contact an employee in a hazardous situation. This is definitely too long.

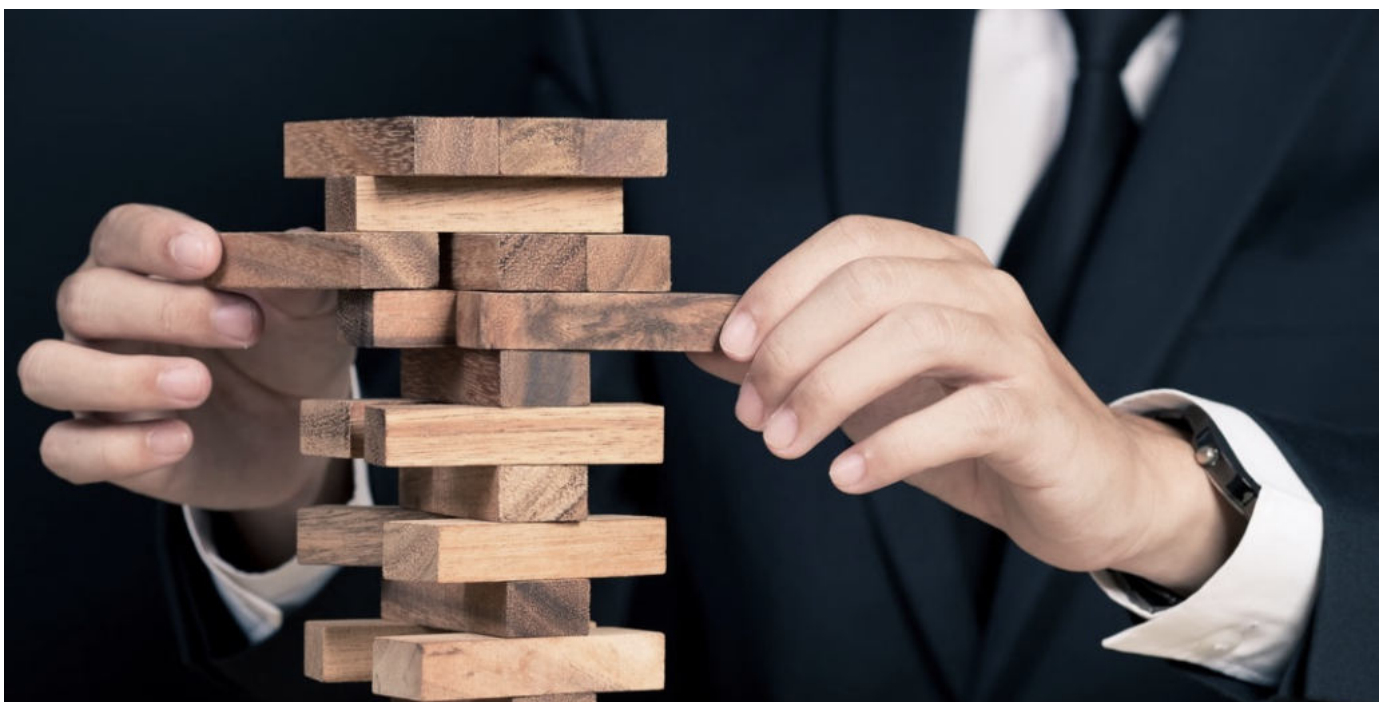
Employees can be trained to act correctly when travelling abroad by means of security awareness training.

Professional preventive measures help the employee to evaluate risks correctly, to apply protective measures and to react appropriately and effectively in the event of a critical event.

Prevention also means, that the organization has established structures that help to manage critical situations for employees and the organization. This includes, in particular, organization-wide crisis and incident management with a crisis management team (CMT) that can be activated.

More information on travel risk management can be found on our website in the white paper "Modern travel risk management - better safe than sorry".

However, preventive measures are also practicable and reasonable for high-net-worth individuals (HNWI) and



wealthy families who are at risk of kidnappings. These measures range from an analysis of visibility and vulnerability from the perpetrator's perspective, through residential security to discreet personal protection and family emergency plans.

Prevention is important to the insurer as well. For this reason, insurers usually reinvest a part of their premium income in security measures.

### **Michael Puelmanns on the importance of security awareness training**

Employers achieve the highest form of security awareness for their employees with face-to-face training on travel security. It is not only the transfer of knowledge by the trainer, but also the open discussion among the participants that promotes awareness for dangerous situations and appropriate behaviour.

In practical exercises, the participants deepen their theoretical knowledge and acquire the necessary skills through the demonstrated solutions in order to spot suspicious behaviour at an early stage and react correctly to the situation. This reduces shock or panic during critical events and increases the ability to react.

*Michael Puelmanns is responsible for the successful travel security awareness trainings of SmartRiskSolutions. He is a former member of a German government security agency. He lived in Latin America and the Middle East for many years.*

## Our crisis response experience

When a kidnapping occurs, the experience of the response consultants is crucial for a positive outcome. Therefore we support you with our highly experienced team:

- We have our own staff with many years of experience within international crisis response teams of national and international insurers
- Many of our crisis response consultants were previously with intelligence services and special forces and lived in hostile environments for several years.
- Former members of governmental negotiation teams, including the FBI Crisis Negotiation Unit
- Experience in crisis response on all continents, also in high-risk countries such as DR Congo, Libya, Syria, Afghanistan and Iraq - also in complex cases of kidnappings by terrorist organizations such as the Taliban, Al-Qaeda and ISIS
- Crisis response to maritime kidnaps (hijackings) by Somali and West African pirates
- Experience in crisis response to cyber extortion, product-related incidents, unlawful detention and also in missing persons cases, evacuations due to political unrest, conflicts with employees and labour unions, terrorist attacks, active shooter incidents and business continuity management cases

Only a few response providers worldwide have crisis response consultants with such a broad language profile - including German, English, French, Dutch, Spanish, Portuguese, Danish, Swedish, Russian, Urdu and Mandarin - many of them as native speakers.

Our crisis response team, led from Germany but with an international focus, is present on all continents and strategically located around the globe. From where we are located, we can also quickly reach other countries in the region.

Each of our experienced crisis response consultants has his own networks and strong contacts with the authorities in his region. Our multilingual consultants operate confidently in different cultures.

Our network of service providers to support our response consultants and clients during less critical events is even more tightly knit.

We are retained for the K&R product of one of the world's leading insurers and are recognized by other insurers as a crisis response provider.

## Our Services

SmartRiskSolutions is a consulting company that specialises in security and crisis management. Former members of German government security agencies as well as officers of special forces units, who have been working in the corporate and NGO world for years and have years of experience overseas, form our core team.

Our clients include multinational corporations, midsize companies, the media, public organizations, NGOs as well as associations such as Chambers of Commerce and wealthy families.

### Travel risk management

- Development of a company-wide travel risk management and creation of travel risk policies
- Security awareness training and HEAT courses for travellers and expats
- eLearning travel security
- International country and city risk data base with information on security and health issues.

- Audits and site surveys of plants, construction and project sites
- Evacuation planning
- Secure meet & greet, transportation and close protection
- 24/7 emergency hotline with medical and security assistance

### Security management for high-net-worth individuals and wealthy families

- Risk assessments from the perpetrator's perspective
- Assessments of residences and of vulnerabilities during the daily life
- Training related to personal security awareness
- Emergency planning
- Improvement of the physical security at residences and work sites





- Low profile executive protection and surveillance detection
- Response to threats and other critical situations

### Crisis management

- Review of the existing crisis management and incident management
- Development and design of company-wide structures for crisis and emergency management
- Drafting of crisis management handbooks and emergency plans
- Training for members of incident and crisis management teams
- Planning, execution and evaluation of crisis management exercises and simulations
- Coaching of individual members of a crisis management team (CMT)
- Concepts and advice regarding crisis communications
- Crisis response to various types of critical events
- Advice and support for the care of victims and family members



## Contact

Get in touch with us. We are more than happy to answer your questions.

### **SmartRiskSolutions GmbH**

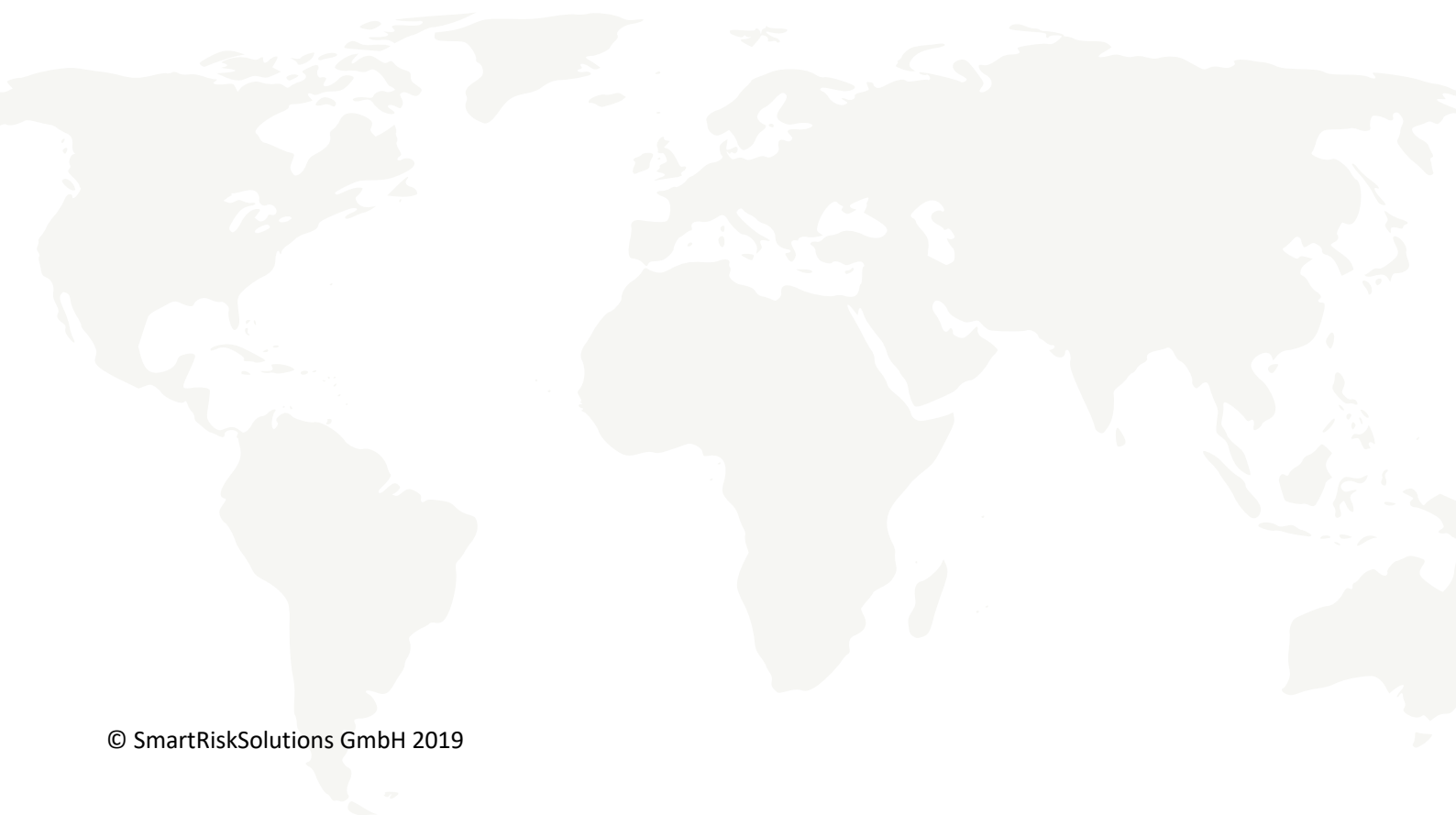
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