



Global Insights Report

Your reliable source of intelligence for Kidnap,
Ransom, Extortion and Piracy around the world

Honduras, Brazil, Papua New Guinea, Cyber.

June 2023

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The Americas

Mexico and Latin America



Honduras

\$737M USD

Extortion industry in Honduras worth \$737 million USD (Association for a More Just Society).

War on Extortion

Nov 24th, 2022 - Honduras President Xiomara Castro declared a "war on extortion" and imposed a national security emergency.

200,000 Household Extortion

According to surveys, more than 200,000 Honduran households were victims of extortion in 2022, yet 99% of this crime went unreported (UN Institute of Peace).

3,441 Homicides in 2022

3,441 homicides in 2022, a decline of 12.7% on 2021 figures (Honduran government figures).

32.4% Hitmen Homicides

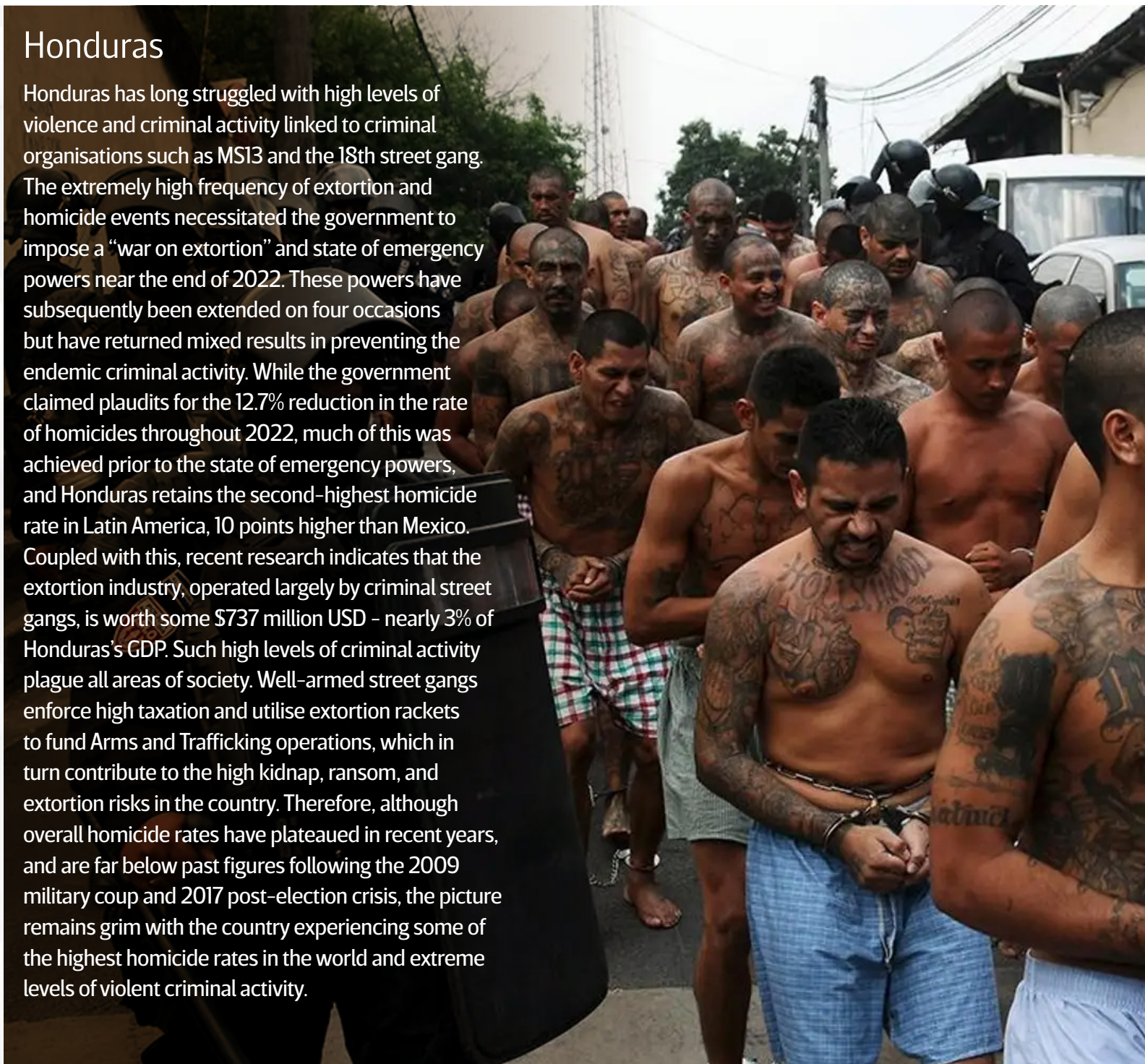
Hitmen were responsible for 32.4% of homicides in 2021 (Honduran government figures).





Honduras

Honduras has long struggled with high levels of violence and criminal activity linked to criminal organisations such as MS13 and the 18th street gang. The extremely high frequency of extortion and homicide events necessitated the government to impose a “war on extortion” and state of emergency powers near the end of 2022. These powers have subsequently been extended on four occasions but have returned mixed results in preventing the endemic criminal activity. While the government claimed plaudits for the 12.7% reduction in the rate of homicides throughout 2022, much of this was achieved prior to the state of emergency powers, and Honduras retains the second-highest homicide rate in Latin America, 10 points higher than Mexico. Coupled with this, recent research indicates that the extortion industry, operated largely by criminal street gangs, is worth some \$737 million USD – nearly 3% of Honduras’s GDP. Such high levels of criminal activity plague all areas of society. Well-armed street gangs enforce high taxation and utilise extortion rackets to fund Arms and Trafficking operations, which in turn contribute to the high kidnap, ransom, and extortion risks in the country. Therefore, although overall homicide rates have plateaued in recent years, and are far below past figures following the 2009 military coup and 2017 post-election crisis, the picture remains grim with the country experiencing some of the highest homicide rates in the world and extreme levels of violent criminal activity.





The Americas

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Honduras

Extortion operations have been reported to be especially common in the transport industry but operate throughout Honduran society. While foreign nationals have not been notably targeted, they remain exposed to the domestic risks experienced by local citizens and could be sort after due to their perceived wealth. Well-armed street gangs, based in the extensive poor urban communities, operate with relative impunity, extorting businesses for security protections and guarantees. When ransom demands are not met, gangs' resort to violence, with hitmen responsible for over 32% of all homicides in 2021, according to government data. The threat of such

violence is widespread, with the UN Institute for Peace reporting a calculation that over 200,000 households witnessed extortion throughout 2022.

Government measures have led to some isolated successes; a recent example was the arrest of 8 members of a kidnapping organisation, including four corrupt police officers on June 1st, 2023. However, the measures deployed by the government have been incomparable to those in El Salvador and have fallen short of tackling the issue. In the first month of emergency powers, the Honduras police force made approximately 650 arrests, compared to El Salvador's 16,000 +. With high levels

of police corruption and heavily armed street gangs, the country continues to struggle with endemic levels of kidnap, ransom, and extortion threats and violent crime. The continuation of state of emergency powers, including the curtailing of human rights, has proved of limited success to date, with the continuing risk posed from decades of impunity over extrajudicial killings and the criminal activity of street gangs.





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Brazil

Foiled Kidnappings

In March 2023 Brazilian Federal Police foiled the planned multiple kidnapping of political elites to be conducted across at least five of Brazil's 26 states

São Paulo High Rate of Kidnapping

Kidnappings in São Paulo state reached the highest level in 15 years, with 165 recorded incidents between January and September 2022

Source: O Estadão de S. Paulo

Most Online Extortion Threats in the World

Brazil is reported to send the most online extortion threats in the world, notably within the USA but increasingly targeting domestic personnel.

Source: Trend Micro 2023

Tinder Kidnappings

Over 90% of kidnappings that occurred in São Paulo during 2022 were perpetrated through fake profiles on dating apps such as Tinder

Source: Public Secretary of São Paulo





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Brazil

While Brazil has witnessed significant declines in its overall crime rate in recent years, it still maintains one of the highest crime levels in the world, particularly concerning the risks of violent crime and kidnapping. Although crime tends to be concentrated in poorer urban regions and favelas across the country, there is a growing concern for foreign nationals due to the rising trend of express kidnappings. These kidnappings have been facilitated through online dating platforms like Tinder, with the Public Secretary of São Paulo stating that as many as 9 out of 10 kidnappings in the city in 2022 were conducted using these means. While data is less conclusive for other areas of the country, media coverage suggests that this recent trend in São Paulo is also present, albeit to a lesser extent, in other urban areas of Brazil. This prevalence can be attributed to the advancement of technology.





Brazil

Express kidnappings allow criminals to exploit deceptive dating app profiles to target individuals, predominantly men aged 30–65. After kidnapping their victims, the criminals force them to make payments at local ATMs or exploit PIX—a popular instant QR payment system embraced by 67% of the Brazilian population—to extract money. The rise of express kidnappings across Brazil contributes to an increasing risk of kidnapping, as evident in São Paulo, which experienced its highest level of kidnappings in 15 years in 2022.

Many of the crimes and kidnappings in

Brazil are linked to organised criminal gangs that undermine the country’s security. While express kidnappings are increasingly carried out by individuals in poverty, instances of violent crime and prolonged kidnappings are primarily orchestrated by Brazil’s numerous criminal gangs. Such crimes typically target the local population, but criminal syndicates have been known to extort foreign nationals as well. Moreover, the recent foiling of an attempted simultaneous kidnapping of political elites across five of Brazil’s 26 states in March 2023 demonstrates the escalating audacity of criminal gangs, notably Brazil’s most

powerful gang, the First Capital Command (PCC), believed to be responsible for the plot. The targeting of political elites, including Senator Sergio Moro, a former judge who spearheaded Brazil’s most extensive corruption case, not only highlights a political and economic motive behind these crimes but also the large-scale nature of the plan. Such meticulous nationwide kidnapping scheme could potentially pose an increasing risk to individuals perceived to have influence, power, or wealth across Brazil throughout 2023.





APAC

Asia Pacific



Papua New Guinea

\$27,000 Ransom Paid

An archaeologist from New Zealand, three Papua New Guinean colleagues, and their guides were seized at gunpoint by an armed group and later released following the payment of 100,000 Kina (\$27,000) by a third party.

28% Of women in PNG will be raped

28% of women in PNG will be raped or sexually assaulted in their lifetime, while 56% of women will be subject to physical violence.

Source: National Parliament of Papua New Guinea

Crime Ranking

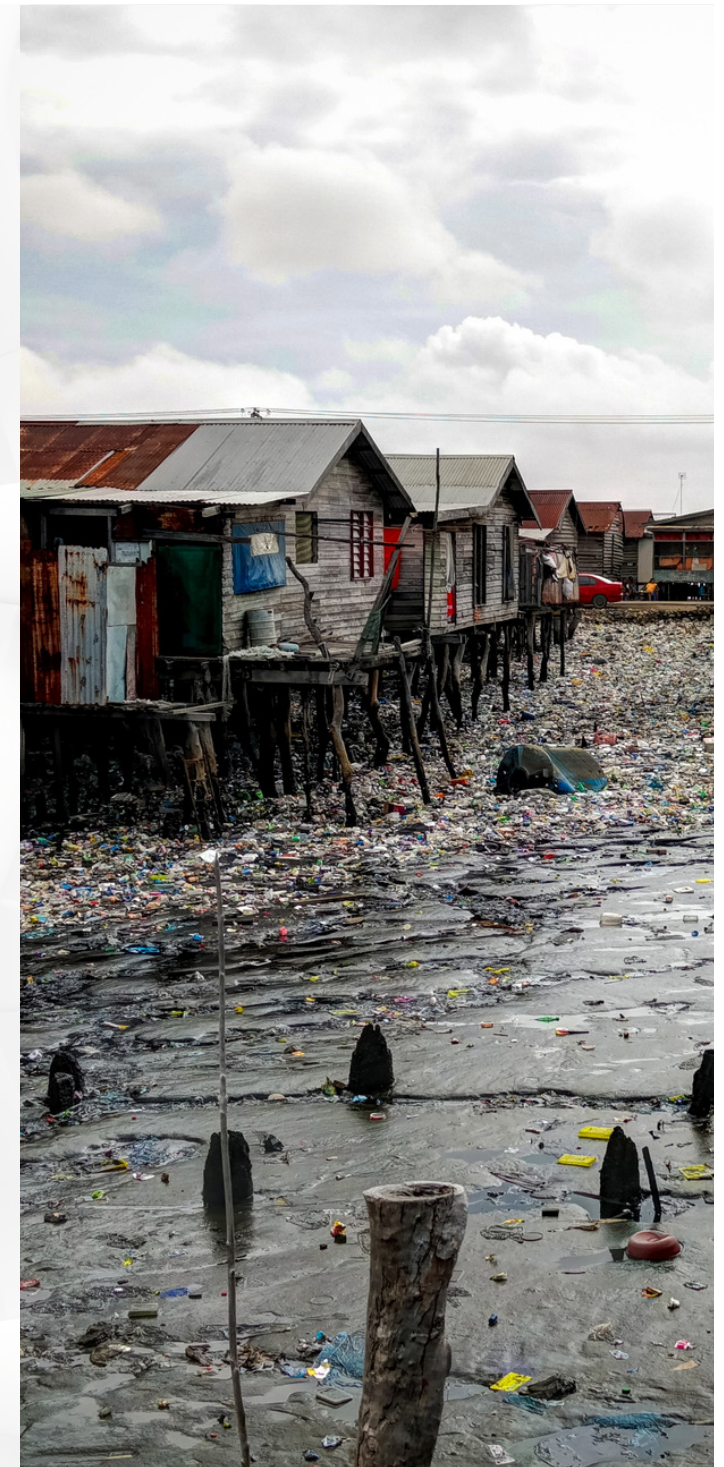
Papua New Guinea ranks 1st out of 14 Oceanian countries for criminality and 14th for resilience

Source: Global Organised Crime Index 2021

3201 Miles of Coastline

With 3201 miles of coastline to police, piracy has been noted as a growing threat by authorities.

Source: Royal Papua New Guinea Constabulary





Papua New Guinea



Many kidnappings and abductions perpetrated in Papua New Guinea are organised by criminal gangs prevalent in urban areas across the country. These organisations tend to target wealthy local business owners who are often forced to open office safes, while others are held hostage until a ransom has been paid. The use of violence in

such events is frequent, with the carrying of machetes and access to firearms, including military-grade weapons, are commonplace within criminal gangs and tribal fighters. In 2021, an armed gang abducted the manager of a hotel in the resort town of Tufi, forcing him to open a nearby shop, which they subsequently robbed before abandoning the manager

on a nearby island. Criminal gangs can operate in such a brazen fashion because the Royal Papua New Guinea Constabulary has a limited presence outside of the capital and major towns and remains under-resourced in dealing with escalating levels of crime and violence.



APAC

Asia Pacific



Papua New Guinea

In February 2023, a New Zealand national, Australian University professor, three Papua New Guinean colleagues, and their guides were seized by an armed group in the Central Highland province. Their kidnappers demanded 3.5 million Papua New Guinean Kina (\$955,000 USD) for their release and were freed after seven days of captivity when it was reported that a smaller ransom of 100,000 Kina (\$27,000 USD) was paid to ensure their safety. The incident gained global media attention and was resolved through a third-party ransom payment. While the incident is believed to have been a spur-of-the-moment decision,

the kidnapping of a foreign national deviates from the usual behaviour of the country's criminal organisations. The successful ransom may incentivise other criminal gangs, notably in rural areas, to attempt similar kidnappings for ransom, increasing the risk to foreign nationals across the country.

The prevalence of armed criminal gangs has been facilitated by police corruption and underfunding. This challenge is also seen in the issue of piracy along the northern and eastern coasts of Papua New Guinea. In recent years, there have been several small-scale piracy cases

involving pleasure craft, and piracy poses “a growing threat,” according to Police Senior Sergeant Justus Baupo. The policing of these waters falls to the maritime element of the Papua New Guinea Defence Force. With a coastline extending over 3000 miles and an exclusive economic zone of 927,529 square miles, policing is almost non-existent. Closer to the shore, the patrolling of rivers and waterways is conducted by a small team of just 16 officers from the Royal Papua New Guinea Constabulary, forming the country's undefended water police, which allows the threat of piracy to thrive.



Cyber

\$8 trillion USD

The global annual cost of cybercrime is predicted to hit \$8 trillion USD in 2023 and will grow to \$10.5 trillion USD by 2025 Source: Cybersecurity Ventures

34.5% Organisations Targeted in 2022

34.5% of organisation were targeted by cyber activity through 2022 in polling data

Source: Deloitte Centre for Controllershship poll

AI Security Risks

71% of senior IT leaders believe generative AI will introduce new security risks to data Source: Salesforce Survey

36,000 Imposter Scams

36,000 reported incidents of imposter scams were witnessed in the United States through 2022, with \$11 million in losses

Source: Federal trade Commission)

AI Clone Kidnapping

AI technology increasingly used in virtual kidnappings as seen in the case of Jenifer DeStefano in April 2023, whose daughters voice was cloned by AI technology





CYBER

Cyber

Every year, the threat and financial losses associated with cybercrime continue to rise due to its expanding criminal activity. In 2023, one of the notable developments in this field has been the increased awareness of artificial intelligence (AI). The advancements in generative AI technology during the first few months of 2023 have brought about both potential cyber defences and risks. Attackers can now employ generative AI to create sophisticated forms of malware, phishing schemes, and other cyber threats that can evade traditional security measures.



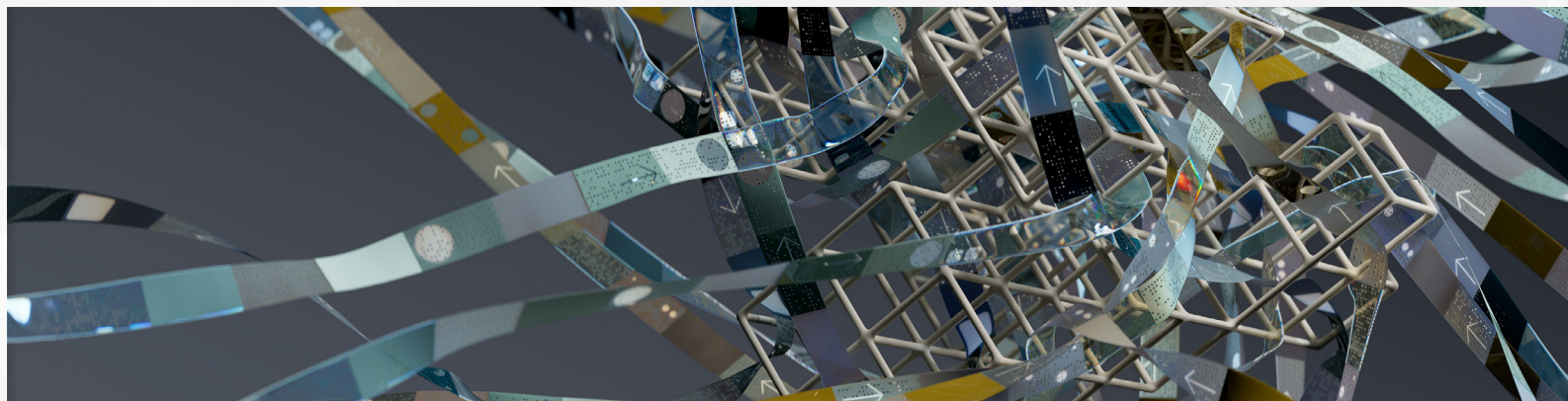
Cyber

One emerging trend is the threat of virtual kidnapping, which has prompted the FBI to issue warnings due to the assistance of AI voice cloning technology. In the United States alone, there were approximately 36,000 reports of imposter scams in 2022, with 5,100 of them executed through phone calls. The improved, and more affordable capabilities of AI voice cloning were demonstrated in a recent widely publicised case involving Jennifer DeStefano, a mother who was the target of an AI-assisted virtual kidnapping. Hearing her daughter's voice, the perpetrator demanded \$1 million but later reduced it to \$50,000 for her daughter's supposed release. Despite the ransom amount, Jennifer stated that "she never doubted for one second it was her [daughter]" as hackers had exploited AI voice cloning technology. This cloning technique can be increasingly

derived from short videos commonly shared on social media platforms like TikTok or Instagram, allowing for the false impersonation of someone's voice and intensifying the risks of virtual kidnapping. This global trend is expected to be further exacerbated with the release of the iPhone 15 by Apple, as the device is rumoured to feature AI capabilities enabling voice cloning. Although the security measures of the device are as yet unknown, experts fear that it may lead to a significant increase in successful virtual kidnappings.

Moreover, the use of artificial intelligence poses risks in other cyber activities. Generative AI, such as Chat GPT, can be utilised to craft more convincing phishing campaigns. Most phishing attempts are easily identifiable due to frequent errors, especially those originating from foreign

countries requiring translation. However, services like Chat GPT empower hackers worldwide to communicate fluently in English and potentially other languages in the future, enhancing phishing campaigns by seamlessly interacting with their targets. Furthermore, generative AI may be exploited to generate malicious code. While many open-source AI products have security measures in place to prevent such abuse, future AI advancements may enable or be misused to create computer code capable of bypassing common security measures, risking cybersecurity defences. While the risks of artificial intelligence to cybersecurity remain largely unknown, 71% of senior IT leaders believe generative AI will introduce new security risks to data, highlighting the growing awareness of potential future risks.





Propriety Information

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