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**Article by CGF Research Institute (Pty) Ltd**

**KIDNAPPED: PROTECTING YOUR KEY ASSETS**

There is no doubt that there is a direct correlation between the manner in which technology has changed our world; and the manner in which the acts of crime are perpetrated by the many modern-day thugs who use anything from high tech surveillance equipment, recording devices and cell phones to execute their crime. Sure, we will continue to have the common-day petty criminals who in most cases, have to steal a cell phone, or stealthfully lift a wallet in order to survive. These criminals are not our source for major concern, whilst they are frankly speaking 'light weight opportunists' as compared to those who are linked with international syndicates. Most particularly, those criminals who specialise in high-net worth kidnapping of key executives for ransom have become a nightmare for employers, especially for those employees who travel to kidnapping hotspot countries.

Make no mistake, the perpetrators involved in this type of kidnapping know what they are doing, and they also know the high stakes involved. The planning of a kidnap for ransom will in all cases involve many hours -- even weeks or months -- to meticulously survey and calculate with military precision, every detail of the target kidnap victim. Of course the more valuable the 'prize', the greater the reward. In this vein, corporate executives have become 'fair game' to professional kidnapers, who understand not only the intimate detail of their target, but also their worth to organisations either materially, financially or their strategic importance to the success of the organisation by which they are employed.

Although executive or high-net worth kidnapping is known to be a common occurrence in countries such as Iraq, Mexico, Pakistan, Venezuela, Brazil and the Philippines, countries such as South Africa, the DRC and Tanzania are quickly becoming the new danger zones. There are many reasons for this phenomenon, however the most common reasons which increase the risk of a corporate executive being kidnapped may be linked to countries which have a history of political and social instability, the presence of extremist groups, high crime rates, large disparities between the affluent and the poor, topped by governments which are notorious for either inefficient or corrupt practices. Clearly, an executive sporting a Breitling wrist watch and driving a Bentley for example, is a statement made all on its own -- particularly in countries known to be kidnapping hotspots -- and this type of attention will most certainly increase the chances of an attack.

While accurate figures for kidnapping are sketchy, according to experts, kidnapping for ransom is on the rise in an increasingly globalised market. And as the operations of sophisticated internationally based kidnap syndicates expand into more vulnerable countries such as South Africa (now considered a medium to high risk kidnapping country), so the risks attached to a high-net worth individuals being kidnapped increases. The incident itself is usually very traumatic and the shock in itself can have devastating impacts on the health of the victim, as well as the victim's family and business associates. Bear in mind that there can also be dire implications on the business and its morale, not least the severe interruptions in the operations and its financial impacts. Clearly when a kidnap incident occurs, particularly if it is drawn out for a long period of time, huge strain is placed on the business, giving the hostage takers greater power to extort higher ransoms and more demands.

While there are certain laws that protect the basic rights of an individual, be these found within various international treaties, international conventions or even those criminal laws found within our own country (e.g. Prevention of Organised Crime); kidnapers simply don't care! The price tags attached to high-net worth executives runs into millions and the perpetrators have become quite brazen about their business.

As governments worldwide find themselves increasingly under pressure to find solutions to provide more employment, reduce crime and balance their societal inequalities; and while the gap continues to widen between the have and have-nots, we can most certainly expect to see more kidnapping cases of high-net worth executives being reported. Business and their executives need to seriously consider their pre-emptive measures to safeguard their key employees, further understanding that the kidnapping methods deployed may range from high surveillances of the victim, to snatching victims at ATMs. These types of incidences will most often occur when the victim is in transit. Employees should be taught what to do - and what not to do - in the event that they are kidnapped. Moreover, employees should know what type of action the company will take to secure their release, including the fact that it could take months to free them. The risks associated with rescue are high, given the fact that in some countries there are poorly trained law enforcement officers and rescue attempts could result in the death of the victim. Experts from executive protection agencies believe kidnapping is on the increase, with most law enforcement agencies losing the battle against this scourge. Accordingly, in order for companies to protect their employees, they will need to proactively train their people to manage and survive a kidnapping ordeal. In addition to these measures, employers are realising the critical importance of providing their key executives kidnap and ransom (K&R) insurance cover, particularly for those executives who travel and deal in high risk kidnapping countries. According to Assurex International, the world's largest privately held commercial insurance brokerage group, executives who have K&R insurance in place, are four times more likely to survive a kidnapping ordeal than those without. Moreover, according to Thomas W. Harvey, CEO of Assurex, "60 percent of Fortune 500 companies and even fewer smaller businesses carry a kidnap and ransom insurance cover."

Undoubtedly, kidnapping of any sort is not a situation to be taken lightly and lives are literally at stake -- victims should always leave negotiations to the security consultants and insurance professionals hired to handle the situation.

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### ***About CGF Research Institute (Pty) Ltd***

CGF specialises in conducting desktop research on Governance, Risk and Compliance (GRC) related topics. The company has developed numerous products that cover GRC reports designed to create a high-level awareness and understanding of issues impacting a CEO through to all employees of the organisation.

CGF's capabilities extend to management consulting, executive learning and facilitation of Corporate Governance and Risk awareness workshops, which caters for large corporates to small and medium sized businesses.

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