

COMPANIES SHOULD PREPARE FOR KIDNAPPING SITUATIONS

By Steve Macko, ERRI Risk Analyst

According to two experts who spoke at the annual Risk and Insurance Management Society Inc. conference, corporations who are seen as being vulnerable to kidnapping plots should think about how to avoid becoming victims and what to do should precautionary measures fail. Companies that have operations abroad, especially in the high-risk countries of Latin America, should be ready to deal with kidnap and extortion attempts when they arise.

Past experience shows that most companies are not ready.

Andrew J. Duffin is the managing director of the Crisis Management Services Group of Pinkerton Consulting & Investigation Services in Miami. Duffin said, "You can't do this on the fly. Corporate executives have a lack of preparedness, but one thing they do not lack is confidence."

The motivations for kidnapping can vary, but Duffin says that it now all boils down to money. He said, "All kidnapping now is for money. Even politically motivated kidnapers are in the kidnapping business to finance their cause."

Duffin was speaking about groups such as the Revolutionary Armed Forces of Colombia (FARC) who conduct countless kidnappings to finance their war chest to do battle with the Colombian government.

The director of Latin American operations for CIGNA International, Scott Nelson, agreed with Duffin. Nelson said, "In most cases, kidnapers are businessmen and they have what they consider to be a product -- the kidnapped executive -- whom they're ready to sell back to a market." Or in other words, sell the victim back to his company.

ERRI in past reports has listed the countries where kidnapping is a virtual cottage industry. They are: Colombia -- where more kidnappings occur than anywhere else in the world -- Mexico, Brazil and Costa Rica.

Pinkerton's Duffin said, "Colombia has the highest rate of kidnapping in the world. Statistics from Pinkerton and Kroll Information Services say that about 5,000 kidnappings a year occur in Colombia. Most of the victims are Colombian nationals and fewer than 100 foreign nationals were kidnapped there in 1996. High on the list of victims are employees of energy or oil companies.

CIGNA's Nelson said that countries like the United States and Australia are hot spots for product tampering and trade secret extortion, threats against company computer systems and child abductions.

The Middle East and Africa present high risks of government detention of executives, hijacking and unrest that could require evacuation out of a country.

Insurance coverage is available for these risks. But just as important is that companies should have a crisis management plan in place and should have a consultant who is an expert in these situations ready to assist when the crisis occurs.

Duffin says that the first thing that companies need to do is assess their vulnerability to the risk of kidnapping.

A number of factors are examined to evaluate the level of risk. Some of the factors are: (1) The countries that the companies operate in; (2) Whether or not the company has a high-profile; (3) Knowing if company executives live overseas or if they travel frequently abroad; (4) The wealth of the executive; (5) The type of lifestyle the executive maintains; (6) Potential enemies.

Executives can take measures to make their homes, offices and travel routines more secure. That is why the ENN Daily Intelligence Report has been running the series of Business Security Safety Tips from the U.S. State Department's Overseas Security Advisory Council.

Past abductions provide helpful data for risk analysts. Duffin said, "Prior kidnappings show that 90 percent take place in the morning." They usually involve a vehicle and occur as the victim is on the way to his place of employment.

Duffin advises that if an executive is kidnapped, companies should have guidelines and contingency plans in place to be able to respond quickly.

Companies need to decide how they will respond to ransom demands ahead of time. Options include refusing to negotiate or pay ransom, but this position is something that very few companies would take. Another option, of course, is paying the ransom in full, but this could increase the risk of future kidnappings.

Duffin says that the process can contain many pitfalls. However, Duffin added that "the success rate for negotiated release of kidnapping victims is over 95 percent. The real danger in kidnappings is in the first few minutes of the thing going down, something happening that even the kidnappers do not want to happen."

ERRI analysts strongly advise that multinational corporations that have operations abroad acquire kidnapping insurance, which usually includes the services of professional crisis managers who are highly experienced in these matters. Some companies in this field handle as many as two kidnapping cases a month.

(c) Copyright, EmergencyNet NEWS Service, 1997. All Rights Reserved. Redistribution without permission is prohibited by law.

The ENN DAILY INTELLIGENCE REPORT is a subscription publication of the EmergencyNet NEWS Service, which is a part of the Chicago-based Emergency Response and Research Institute. This publication specializes in Security/Terrorism/Intelligence/ Military and National Security issues.

Emergency Response and Research Institute
6348 N Milwaukee Ave, Suite 312, Chicago, Illinois 60646 USA
773-631-ERRI Voice/Voice Mail
773-631-4703 Fax
773-631-3467 Computer/Modem - EMERGENCY BBS
Internet e-mail: enn@emergency.com
WWW page: <http://www.emergency.com>
Telnet: [emergency.com](telnet://emergency.com)