

Dentons Flashpoint

Daily Global Situation Report

August 27, 2021

Global Situation Update: August 27, 2021

KEY TAKEAWAYS

ISIS-Khorasan claimed responsibility for a terrorist attack on the Kabul airport that killed at least 12 US troops and 60 Afghan civilians.

The spread of the Delta variant is weighing on emerging market debt across Asia.

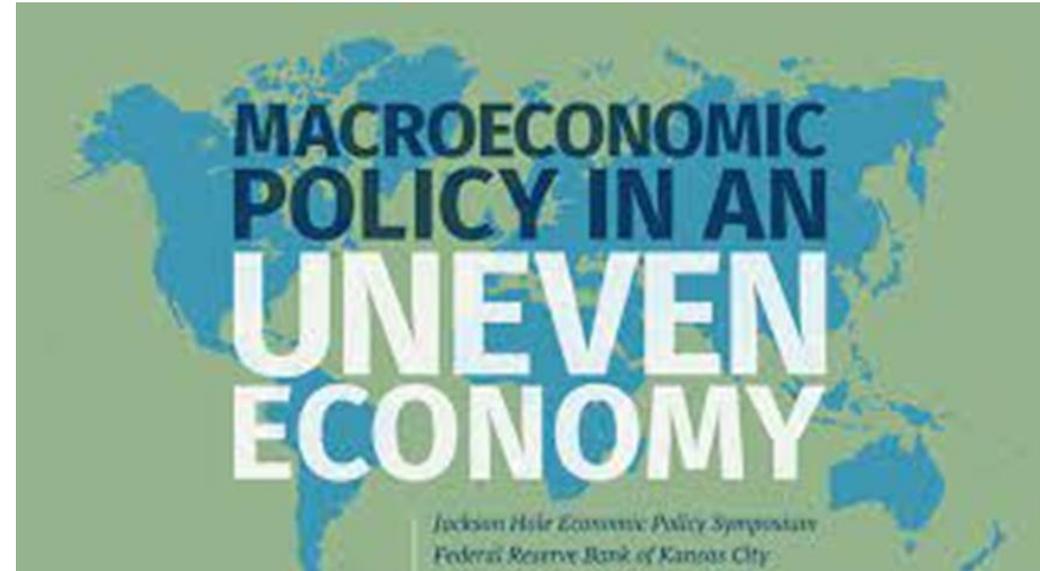
Researchers at the National Autonomous University of Mexico have created a facemask using silver and copper nanolayers that neutralizes SARS-CoV-2.

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WHAT WE'RE WATCHING

Today, the Jackson Hole economic symposium will take place online with key speakers to include US Federal Reserve Board Chairman Jerome Powell and other prominent members from banking, government, the private sector and more. The Federal Reserve's biggest annual conference would normally be held over multiple days in Jackson Hole, Wyoming but is not once again due to the present surge in Delta variant cases.

The theme of this year's event is 'Macroeconomic Policy in an Uneven Economy' and the Fed is expected to outline plans to start the tapering of bond purchases next month and its support of the US economy. Markets will be looking for signals on the trajectory of the current \$120 billion-a-month asset purchase program. Powell may also make the case for interest rates to stay near zero for even longer.



Note: This report is based on sources and information deemed to be true and reliable, but Dentons makes no representations to same.

Global

Globally, confirmed coronavirus cases topped 213.7 million with 4.4 million deaths; more than 4.9 billion vaccine doses have been administered.

- Researchers at the National Autonomous University of Mexico have created a **facemask using silver and copper nanolayers** that neutralizes SARS-CoV-2, the virus that causes COVID-19, per new report.
- A new peer-reviewed study published in the Lancet medical journal has found that 49 percent of COVID-19 survivors still have one or more **long-term symptoms** 12 months after the original onset.
- Condolences and condemnation poured in from world leaders following the twin blasts outside **Afghanistan's** Kabul's airport Thursday.

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COVID-19 Vaccine

Spanish pharmaceutical company Rovi said that a “*manufacturing incident*” in one of its production lines may have caused the contamination of Moderna doses in Japan.

- **Pfizer and BioNTech** announced a new deal with Brazil’s Eurofarma to manufacture their mRNA vaccine for **Latin America**.
- The WHO’s **Covax program** plans to ship 100 million doses of the **Sinovac and Sinopharm COVID-19 shots** by the end of next month, mostly to Africa and Asia, in its first delivery of Chinese vaccines.

Markets & Business

Microsoft warned thousands of its cloud computing customers, including some of the world's largest companies, that intruders could have the ability to read, change or even delete their main databases, though a vulnerability in Microsoft Azure's Cosmos DB database.

- Three US Federal Reserve officials said it is time to taper the central bank's **bond buying**, in separate television interviews.
- The spread of the Delta variant is weighing on **emerging market debt across Asia**.
- **Dollar Tree and Dollar General** posted pessimistic earnings forecasts as high shipping and product costs hurt profits.
- **British Airways** is considering creating a new short-haul subsidiary to help offset pandemic-related declines in long-haul flights.
- German publisher **Axel Springer** will buy **Politico** in a deal valued at \$1 billion.
- The hacker responsible for **T-Mobile's** recent security breach accused the company of having “*awful*” security.

How do You Manage Political Risk?

Today, the economic and political changes affecting international business are more complex than ever. Conflicts, coups and the coronavirus pandemic continue to impact governments and people worldwide and shape the business landscape in 2021.

Dentons offers business leaders routine and one-off political risk assessments on specific interests. Many clients also retain our team of attorneys and former intelligence and military professionals, equipped with the latest big data analytics tools, deep substantive knowledge and extensive networks of contacts, to provide services, including:

- ❖ Political and country risk forecasts and analysis
- ❖ Comprehensive project analysis
- ❖ Market-entry assessments
- ❖ Coronavirus vaccine tracker and return-to-work monitoring
- ❖ Legislative and government action forecast
- ❖ Investment risk analysis

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To learn more about the bespoke intelligence and risk services from Dentons, contact [Karl Hopkins](#).

Africa

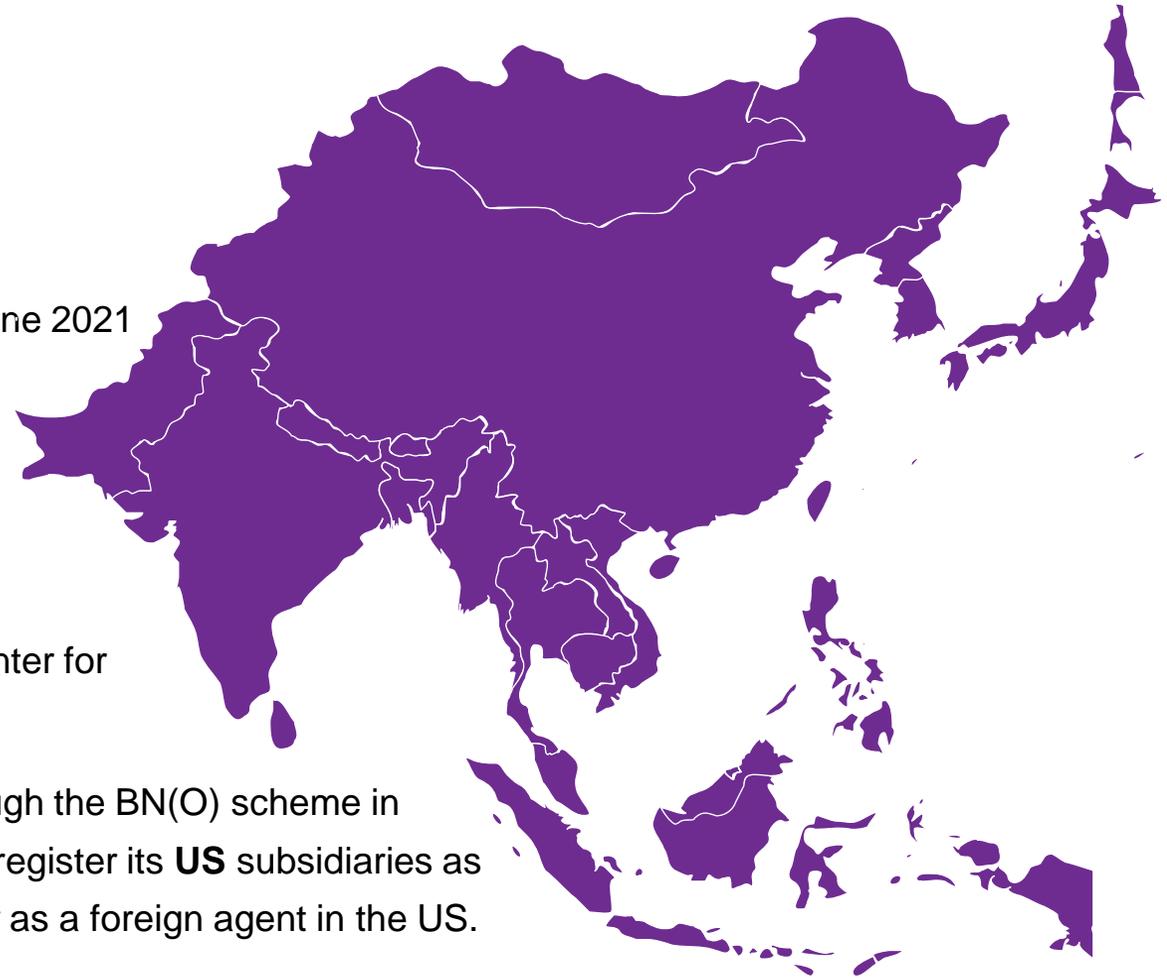
- **Zimbabwe** approved vaccinations for those aged over 14, and concurrently opened most schools for in-person instruction.
- More than 1,500 houses were washed away by flooding in the **Democratic Republic of the Congo**, which experts linked to decimated plant life following the recent eruption of Mount Nyiragongo.
- **Nigeria and Russia** signed a military cooperation agreement providing for training and equipment.
- The **US** said that the ongoing war in **Ethiopia** could endanger the country's trade benefits with the US.



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Asia

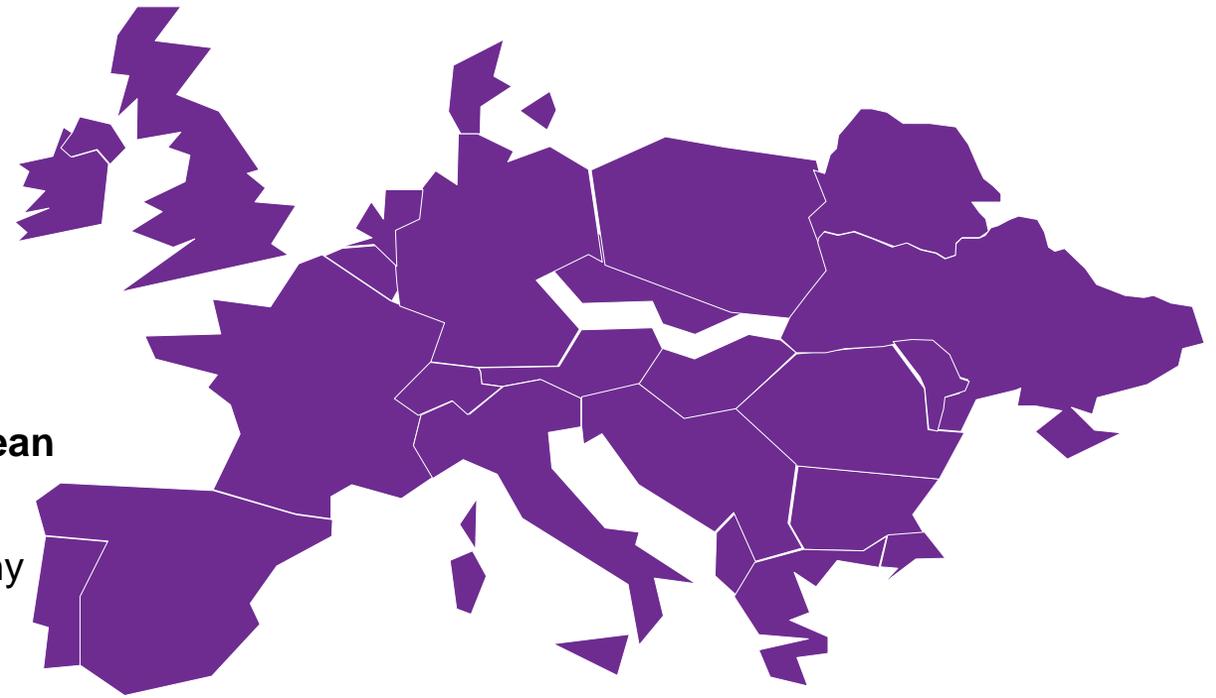
- **Indian** GDP growth likely hit 20 percent, a record high, in the April-June 2021 period.
- **Taiwan** will hand out stimulus coupons worth about \$150 again this year, after easing restrictions following the recent COVID-19 wave.
- **Malaysia** reported a record 24,599 cases of COVID-19 on Thursday, overtaking its more populous south-east Asians to become the epicenter for the region.
- About 64,000 Hong Kongers have applied for British citizenship through the BN(O) scheme in its first five months. **Hong Kong** newspaper Sing Tao was forced to register its **US** subsidiaries as foreign agents, becoming the first Hong Kong media outlet to register as a foreign agent in the US.
- The head of **China's** central bank called on lenders to boost credits to small- and medium-sized businesses in the face of an “*unstable and uneven*” economic recovery. China is framing rules to ban internet companies whose data poses potential security risks from listing outside the country, including in the **US**, per media report.



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Europe

- **Russia** recorded a record daily death toll of 820.
- The **UK** will ease COVID-19 travel restrictions for six **European** countries and Canada. The Reading and Leeds music festivals will offer vaccines for attendees. Eight times as many people are being admitted to UK hospitals with COVID-19 compared to this time last year.
- **Denmark** is dropping all remaining COVID-19 restrictions from September 10.
- **British** regulators fined **Chinese** state-owned broadcaster Star China Media Ltd \$274,000 for failure to comply with fairness and privacy rules.
- The **EU** threatened to end its data-sharing agreement with the **UK** if London continues with its plans to rewrite data laws.
- **Turkey's** President Erdogan told European Council President Michel that “*Turkey cannot handle an additional burden of migration*” in a discussion of **Afghan** refugees.



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Middle East

- **Russian** Foreign Minister Sergei Lavrov told his **Iranian** counterpart that talks on the Iranian nuclear deal in Vienna should restart as soon as possible.
- Opposition fighters were evacuated from the anti-regime **Syrian** stronghold of Deraa under a **Russian** deal to allow the Syrian army to enter with minimal casualties.
- A **Lebanese** judge issued a subpoena for caretaker Prime Minister Diab after he failed to appear for questioning in an investigation of last August's Beirut port blast.
- **Israel** will allow some good into **Gaza** in a bid to ease tensions amid renewed clashes between Palestinian protesters and the IDF.
- **Tunisia** has issued travel bans to 50 politicians in the month since President Saied seized power in what some considered a coup.
- In **Afghanistan**, ISIS-K claimed responsibility for a terrorist attacks on the Kabul airport that killed at least 13 **US** troops and 85 Afghan civilians. The US warned of risks of additional attacks and pledged to retaliate. The US will press on with evacuations despite the threat of further attacks. New **Iranian** President Raisi called for collaboration with **Pakistan** to promote peace in Afghanistan. **Qatar** will offer COVID-19 vaccines to Afghan refugees in transit.



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Americas

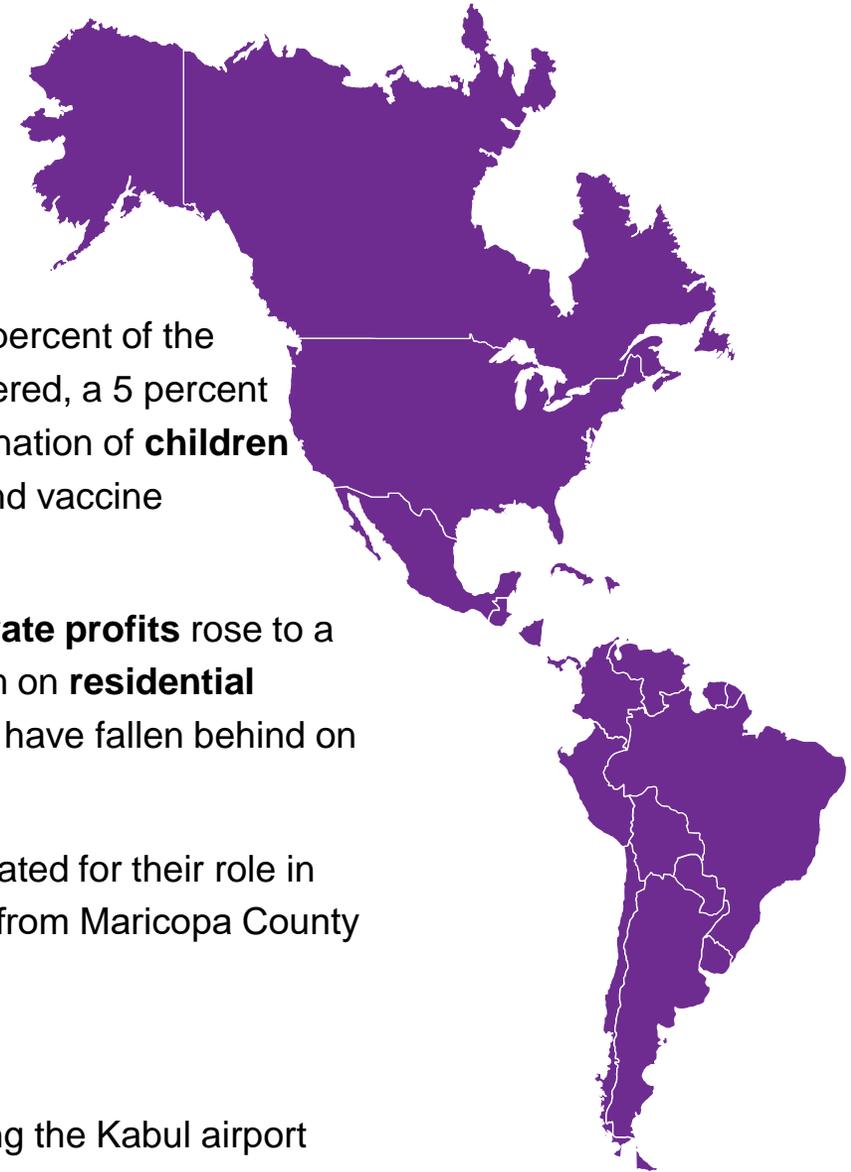
- **Argentina's** President Fernandez is facing political backlash over leaked photos of him at an indoor, mask-less party last July, which are adding to broader criticisms of his government's pandemic response.
- Indigenous **Brazilians** from more than 170 ethnic groups protested in the capital ahead of an expected decision on a land rights decision that could invalidate indigenous land claims in Santa Catarina.
- The **US** called on **Mexico** to clear migrant camps along the border.
- A blob of warm water in the southern Pacific is fueling a decade-long megadrought in **Chile**, and climate change is at least partly to blame, per new research.



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Americas: US

- Across the nation, 203 million have received at least one dose of the **vaccine**, or 61.1 percent of the total population. In the last week, an average of 877,800 doses per day were administered, a 5 percent increase over the week before. Pediatricians are reporting a surge of demand for vaccination of **children** prior to the start of the school year. **Illinois** issued a statewide indoor mask mandate and vaccine requirements for educators and health workers.
- New **weekly jobless claims** rose for the first time in five weeks to 353,000. **US corporate profits** rose to a record high in Q2. The Supreme Court ended the pandemic-related federal moratorium on **residential evictions** imposed by the CDC under White House direction. Millions of renters in who have fallen behind on payments could face eviction in the coming months.
- Seven Capitol Police officers filed a lawsuit against former President Trump and associated for their role in the **January 6 Capitol riot**. Arizona's attorney general is threatening to withhold funds from Maricopa County if it does not comply with a partisan audit of the **2020 election results**.
- Offshore oil workers fled rigs in the Gulf of Mexico ahead of a potential **hurricane**.
- President Biden postponed his first meeting with **Israeli** Prime Minister Bennett following the Kabul airport attacks, rescheduling for today. The Biden Administration is considering extending tariff exemptions for **Chinese**-made medical products, including masks and gloves.



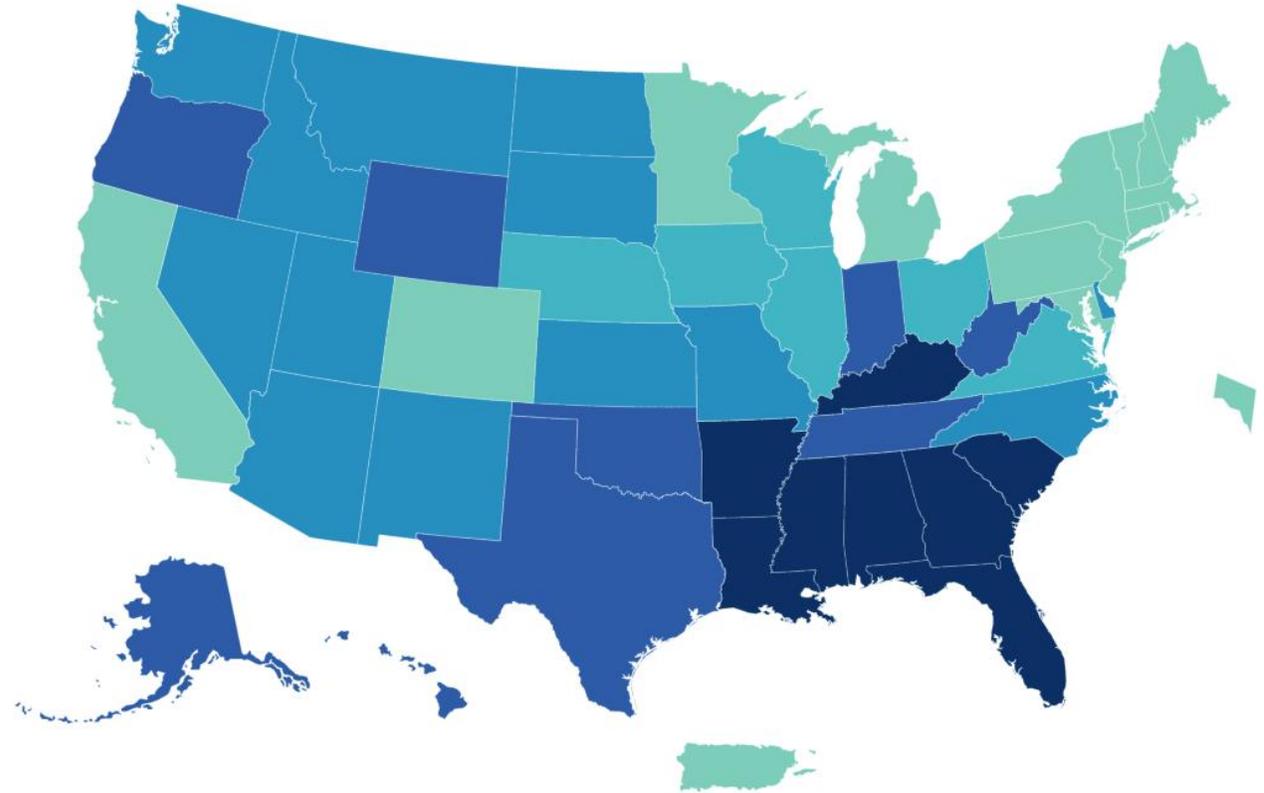
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Americas: US

Across the US, new COVID-19 infections increased 11 percent over the past week, with Alaska, Indiana, Michigan, North Dakota, Ohio, South Dakota, Tennessee and West Virginia reporting increases over 30 percent.

Daily reported deaths, nationwide, rose 40.9 percent and hospitalizations rose 6.3 percent.

US COVID-19 7-Day Case Rate per 100,000, by State/Territory



7-Day Case Rate per 100,000



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Key Takeaways from T-Mobile Breach and Potential AT&T Hack

By Scott Muir

Does it feel like you are receiving a lot of spam phone calls and texts lately? Hackers already in possession of a vast quantity of stolen phone numbers now have access to even more after T-Mobile was breached and AT&T targeted over the past two weeks.

More than 120 million individuals who have done business with the mobile companies are estimated to be at risk as the breaches, one confirmed and one suspected, involved the theft of a plethora of personally identifiable information. Often times, one or two data points are stolen in a hack, but purportedly many gigabytes of data that include numerous aspects of one's personal identity, such as full names, phone numbers, drivers' licenses, Social Security numbers, dates of birth, phone PINs, home addresses, and more were stolen in these breaches. Since smart phones today are gateways to personal banking and investment accounts via apps, the availability of this information on the DarkWeb is especially worrisome. It

can be expected that victims of the breaches will see an increased risk of account takeovers, credential stuffing, identity theft and email harvesting for spam lists in the coming weeks.

A Tale of Two Hacks

T-Mobile was alerted to its fourth known breach over the past four years when two posts offering to sell 30 million customer records with personally identifiable information were discovered on a popular DarkWeb cybercriminal forum. A threat actor using the aliases "SubVirt" and "Антон Ляшевский" noted that this batch of records was just a subset of approximately 100 million stolen in total.

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Key Takeaways from T-Mobile Breach and Potential AT&T Hack

In response, T-Mobile confirmed the hack to the public, closed a vulnerability found in its servers and began an investigation, but did not initially reveal the full scope of the damage. The mobile company announced early on that *“we have no information that indicates any passwords, postpaid PIN numbers, or financial or payment information have been compromised.”* However, a few days later, T-Mobile confirmed that more than 40 million records of current, former and prospective customers who had previously applied for credit with T-Mobile were impacted. Several more updates have been provided on a website dedicated to the breach, each with an increasing number of estimated victims and more details of what was seized. The small remedies being offered to those affected, such as online threat protection service, could not prevent the filing of two lawsuits against T-Mobile last week alleging that by failing to protect sensitive data, the California Consumer Privacy Act and the Washington State Consumer Protection Act were violated. Federal authorities such as the FBI and FCC are investigating the matter and will further scrutinize T-Mobile.

AT&T executives, likely following news about the hack of a major competitor, soon after learned that notorious cyber gang ShinyHunters is claiming to offer for sale on the DarkWeb personally identifiable information from 70 million of their own customers. Similar to T-Mobile, the data reportedly stolen from AT&T includes account PINs, full names, phone numbers, Social Security numbers, and birth dates that could be leveraged to gain access to customer accounts. Most strikingly, AT&T has thus far publicly denied that it was breached, while the prolific ShinyHunters group rebutted the denial with a statement to media that it will find an online buyer or dump the stolen data for free no matter what the telecommunications company may claim. A spokesman for the cybercriminals has offered to negotiate directly with AT&T for a payment to take the data off the black market. It is possible the supposedly hacked data could have originated from another source, but if it is soon confirmed to be a real breach, then the heavyweight mobile carrier may wish it had accepted accountability and then moved forward with actionable steps for customers. It would not be surprising to see lawsuits filed following such a development.

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Key Takeaways from T-Mobile Breach and Potential AT&T Hack

High Value Targets at Risk

While hundreds of millions of accounts are likely compromised by both breaches, it is high-value targets like cryptocurrency traders, corporate leaders, government officials, and other influencers that may be most in danger. Hackers can use stolen personally identifiable information to convince a phone carrier's support representative to switch a phone number over to a SIM card they own. Known as a SIM-swap attack, the hacker can then reset a phone password or account PIN so only they have access to financial apps and accounts. Cyber criminals can select high-value targets for a SIM-swap attack in many ways. For example, hackers could cross-reference the names of cryptocurrency account holders seized in breaches on crypto platforms like Coinbase with personally identifiable information taken in the T-Mobile and AT&T hacks. They could take over phone accounts and siphon cryptocurrency, for which transactions are not reversible. Similarly, cyber criminals could scan LinkedIn and company websites for the names of business leaders or government officials and then search through stolen phone data troves to gain access to their phone

accounts and extract sensitive information or money. High value targets should be aware that if you unexpectedly completely lose service on your phone, it may be a SIM-swap attack and you should find a way to contact your mobile carrier to alert them.

What Can be Done?

With so many phone accounts currently at risk, there is sure to be a corresponding uptick in fraud, hacking, phishing, and identity theft. There are some things consumers and companies can do to mitigate this problem from reoccurring in the future.

- End SMS as 2FA - Cybersecurity experts have called for an end to using text messages as a component of Two-Factor Authentication (2FA). Once hackers gain access to a phone account via SIM-swap, they can access apps and other accounts by verification through text messages. Some have called for using app-based authentication instead of having codes sent to you by text message. A move to Time-based One-Time Password (TOTP) authenticator apps is advisable.

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Key Takeaways from T-Mobile Breach and Potential AT&T Hack

- Remove SSNs as Account Keys - Companies should consider no longer using Social Security numbers as keys to account access, because once stolen they can be used to open other accounts and take out loans. There may be heightened legal liability for companies that fail to protect such sensitive personally identifiable information.
 - Delete Old Data - In the case of T-Mobile, tens of millions of records of previous and prospective customers were stolen. Consumers should request that all personal data be removed from the servers of companies they are no longer with to prevent sensitive information from being eventually caught up in a data breach.
 - Invest in Personal Protection - High-value targets may want to consider software or personal digital security managers to monitor the DarkWeb or DeepWeb for any threats.
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Dentons offers business leaders a full complement of counseling and advice, regulatory and litigation services, analysis and intelligence products for cyber risk management that helps them thrive in complex operating environments, including:

- *organizational cyber risk assessment*
- *crisis management for cyber incidents*
- *privacy law and compromised data advice*
- *self-reporting, liaising with law enforcement following cyberattack*
- *ransomware attack guidance*
- *cybersecurity readiness and remediation*
- *cyberattack source and method identification*

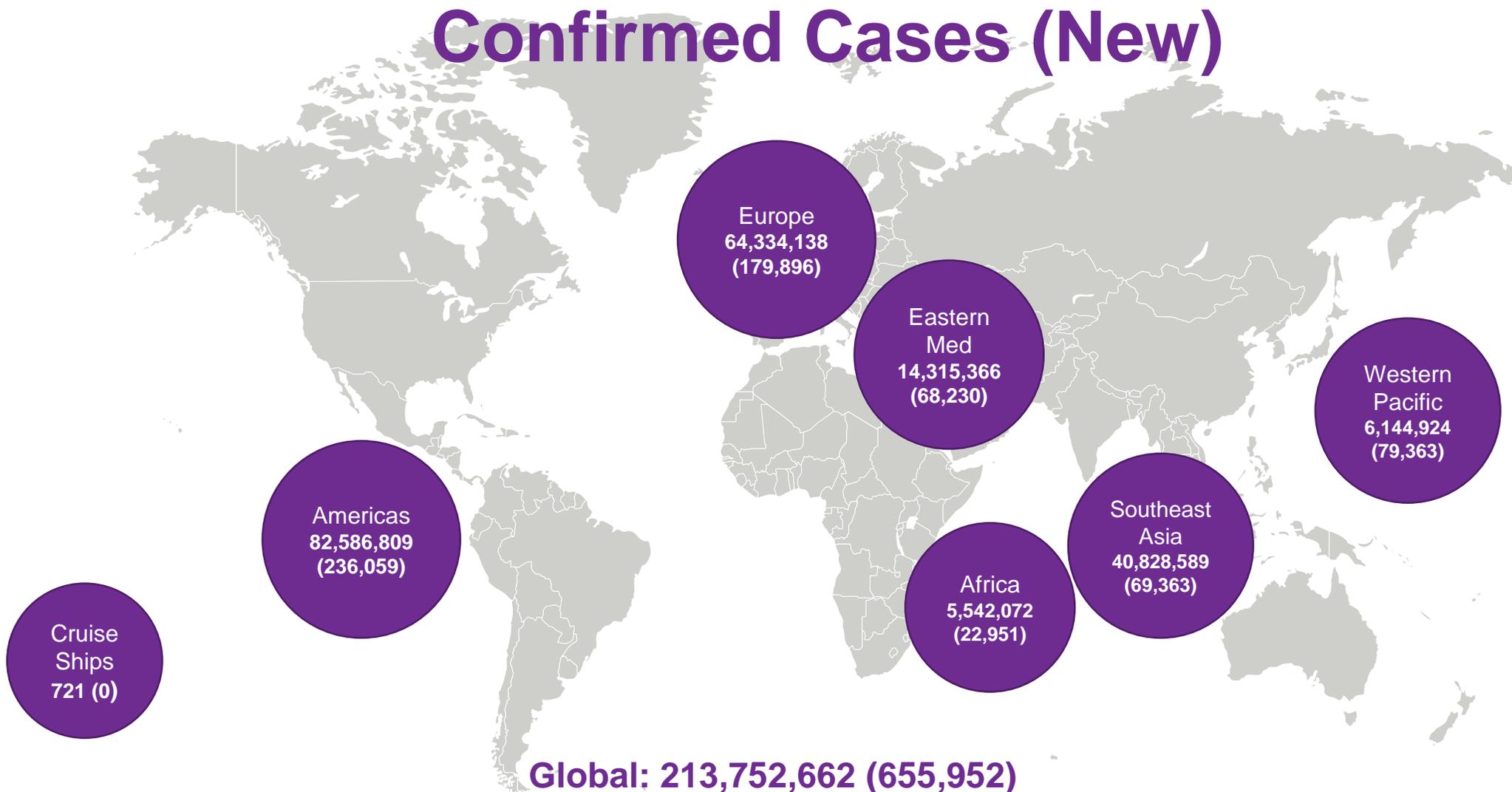
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Coronavirus Condition Updates

As of 5:51 pm CEST on August 26, 2021

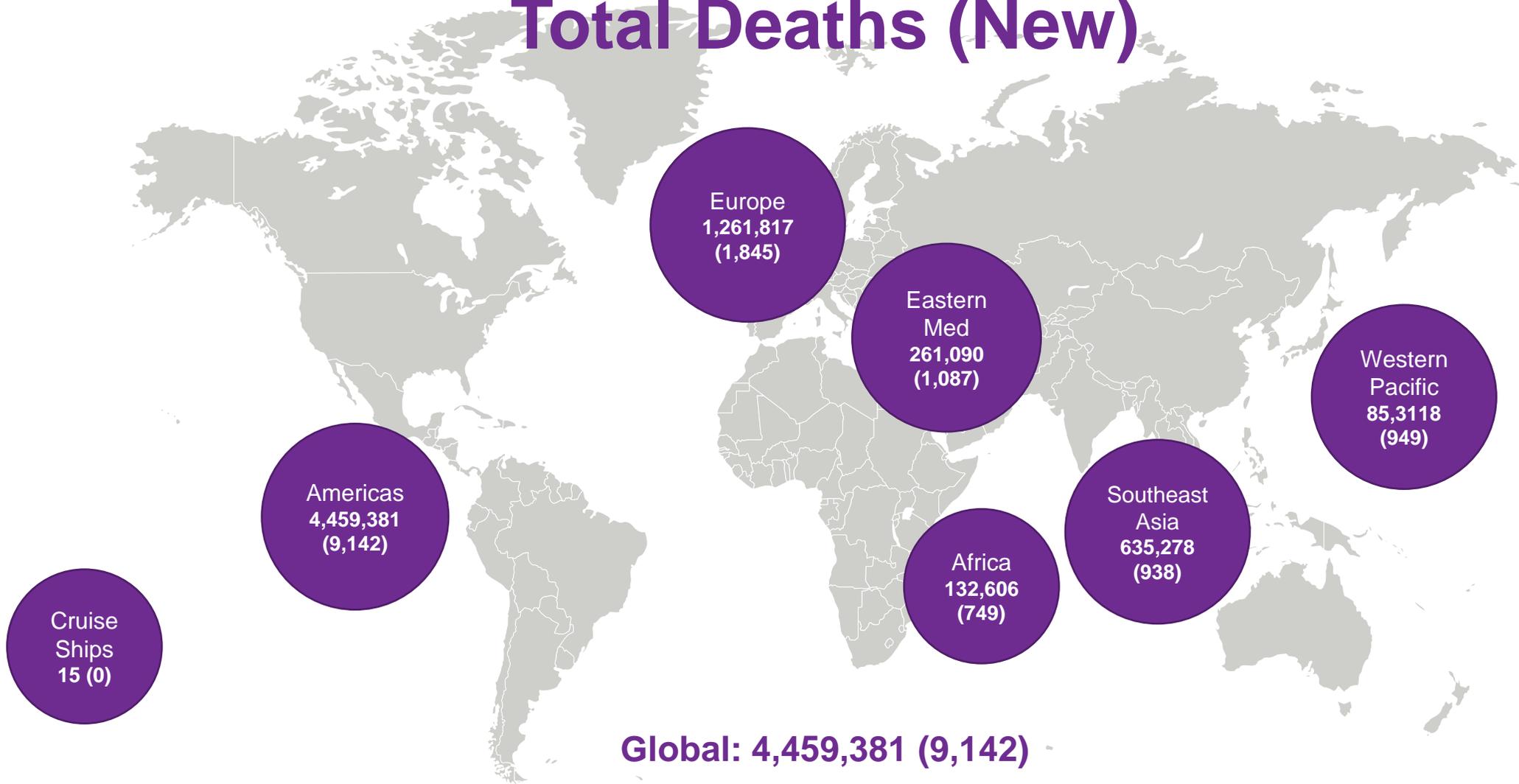
Confirmed Cases (New)



Reflects data as of 5:51 pm CEST on August 26, 2021.
Data Source: World Health Organization

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Total Deaths (New)



Reflects data as of 5:51 pm CEST on August 26, 2021
Data Source: World Health Organization

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Contacts

This summary is based on reports sourced from among the 75 countries in which Dentons currently serves clients as well as from firms in other locations, some of which will formally join Dentons later in 2020. We are pleased to share this complimentary summary and contemporaneous assessment, with the caveat that developments are changing rapidly. This is not legal advice, and you should not act or refrain from acting based solely on its contents. We urge you to consult with counsel regarding your particular circumstances.

To read additional analysis, visit the [Dentons Flashpoint portal](#) for insights into geopolitics and governance; industry and markets; cyber and security; science, health and culture; and economic and regulatory issues.

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