

Dentons Flashpoint

Daily Global Situation Report

June 23, 2022

Global Situation Update: June 23, 2022

KEY TAKEAWAYS

Polio has been detected in London's wastewater system.

Microsoft accuses Russian intelligence agencies of increased cyberattacks against nations aiding Ukraine.

The UK launches free trade talks with the Gulf Cooperation Council states.

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

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WHAT WE'RE WATCHING

The BRICS Business Forum continues today in virtual format with Brazil, Russia, India, China, and South Africa vowing to enhance cooperation. Russian President Putin said he will expand opportunities for mutual trade cooperation, such as opening Indian chain stores in Russia. In his keynote address, Chinese President Xi Jinping criticized Western sanctions against Russia.

Meanwhile, the in-person Commonwealth Business Forum is concluding in Rwanda with over 1,500 delegates from member states, including UK Prime Minister Boris Johnson and others. The forum discussed increasing taxes for industrial polluters, while island nations urged Commonwealth leaders to bolster ocean climate action.



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Global

WHO experts meet today to evaluate whether monkeypox constitutes an international emergency, its highest form of alert.

- UN talks began reaching a **new global pact for protecting nature and wildlife**, after a previous round of talks in March failed to make progress. With scientists warning that an estimated 1 million species are at risk of extinction, the UN is asking countries to designate 30 percent of their land and sea areas for conservation by 2030.
- Chinese President Xi Jinping warned against “*expanding*” military ties in a speech ahead of the **virtual BRICS summit** with top leaders from Russia, India, Brazil and South Africa, calling the Ukraine crisis a “*wake-up call*” and warned against “*expanding military alliances and seeking one’s own security at the expense of other countries’ security.*”

Markets & Business

The Russian finance ministry on Thursday said it had fulfilled its obligations on two issues of dollar-denominated Eurobonds "in full" by sending 12.51 billion roubles (\$234.5 million) in coupon payments to the National Settlement Depository (NSD). Contractual terms require payment in dollars.

- Rating agency S&P Global downgraded to "*selective default*" Chinese state-backed **Greenland Holdings Corp Ltd** after the property developer extended the maturity of its \$500-million bonds by one year.
- The US FDA is preparing to order **Juul Labs Inc.** to take its e-cigarettes off the US market following a nearly two-year review centered on allegations that its fruity flavors and hip marketing fueling a surge of underage vaping.
- According to new research by **Microsoft Corp**, Russian intelligence agencies have increased the pace of **cyberattacks** against nations that have provided aid to Ukraine, citing Moscow-backed hacking attempts in over 40 countries.
- Ten EU states including Germany, Sweden and Italy have declared early warnings of a **gas emergency** after Russia reduced supplies in recent days. The first step of a three-step process requires governments to alert people and encourage them to cut gas use. Stage two, announced by Germany today, allows suppliers to pass on price rises to customers to encourage energy saving. Stage three includes rationing.

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Environment, Sustainability & Governance

The European Commission proposed giving the EU the power to impose sanctions on future free trade agreement partners that disregard labor and environmental standards.

- The Australian Koala Foundation has submitted a proposed legislation to new Environment Minister Tanya Plibersek that would make it illegal to interfere with **koala** habitats unless for a proven "*benign*" activity, warning the koala is at **risk of extinction**.
- The Net-Zero Asset Owner Alliance, composed of investors managing \$10.6 trillion, called on the G7 to overhaul of **international carbon pricing policies** to prevent the world missing a goal to limit climate change.
- A Western Australian government report has found "*prevalent*" **sexual harassment and assault** in the state's mining industry and recommended that an offenders' register be established.
- Finland announced plans to build a **hydrogen transmission network** to help reduce carbon emissions and bolster the long-term security of its energy supplies following its decision to stop using Russian gas.

Africa

- **Nigeria's** Senate plans to investigate oil company Shell Plc over alleged illegal extensions of oil exploration leases and is seeking a refund of \$200 million which it said accrued over the period.
- **Tanzania's** ruling party reversed position and is now “*insisting*” on reforming the country’s constitution after resisting sustained pressure by opposition parties and rights groups to do just that for years.
- The European Investment Bank called on Europe to step up its investment in renewable energy in **Africa** to soften the global energy crunch since Russia's invasion of Ukraine.
- **South Africa** repealed COVID-19 restrictions on mask-wearing inside public spaces, limits on the size of gatherings and entry requirements at its borders.



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How do You Manage Incident Response?

2022 has already seen business disrupted by extreme weather, ransomware attack, the ongoing pandemic and more. The common refrain “It’s not if, but when” rings truer than ever for disruptive incidents that will impact business as usual.

Working with Dentons, you can effectively develop an organizational incident-behavior adopted by all your team members. Dentons will help you build muscle memory through tabletop exercises, which are crafted to fit the business strategy of every client.

Our team plays events and incidents of different severities and complexities and accounts for real-world factors such as inconclusive evidence, mistakes by responders, and the business impact of eradication steps. Our tech-savvy lawyers continuously revise the playbooks per the evolving sector-specific threat landscape.

Dentons tabletop sessions are fluid, and designed to enhance preparedness with services, including:

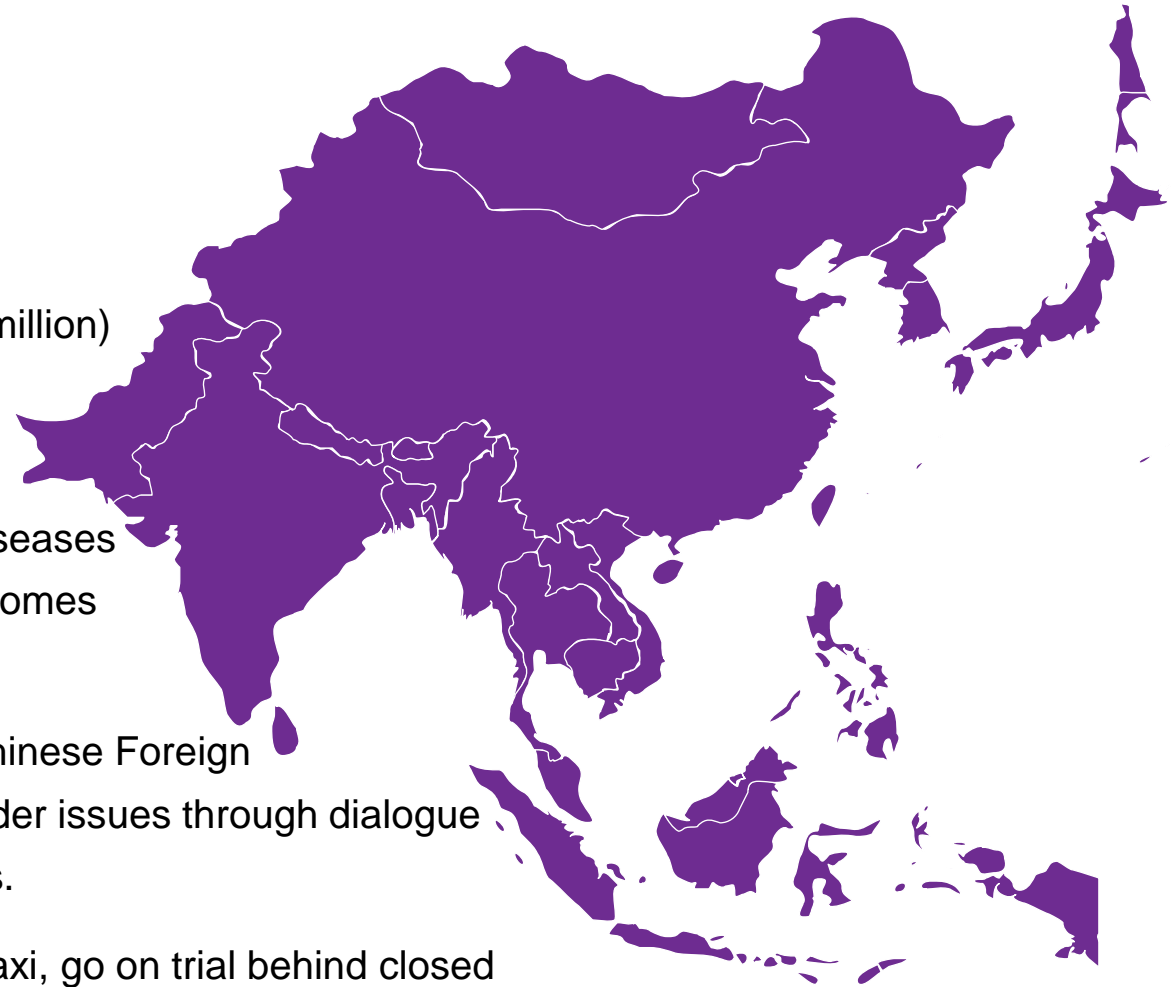
- ❖ Ransomware tabletop exercises
- ❖ Post-tabletop action reports
- ❖ Maturity assessments for preparedness
- ❖ Supply-chain attack simulation
- ❖ Comprehensive incident response plan
- ❖ Threat analysis and monitoring

All interaction with Dentons is attorney-client privileged

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

Asia

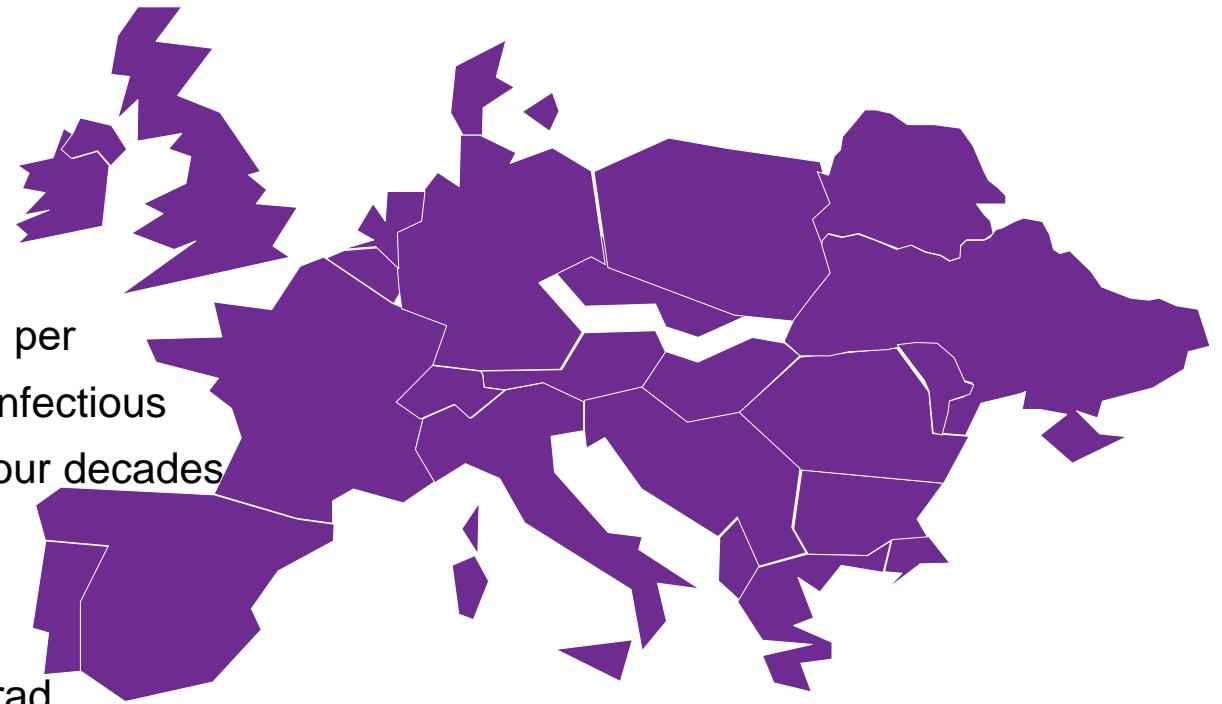
- The **Malaysian** government will pay out RM1.74 billion (S\$550 million) in aid to low-income households starting this month, in a bid to reduce the impact of soaring living and food costs.
- Authorities in **Bangladesh** warn of the spread of water-borne diseases and are racing to get drinking water to people stranded in their homes by flooding across a quarter of the country.
- During a meeting with the new **Indian** Ambassador to **China**, Chinese Foreign Minister Wang Yi said the two countries should resolve their border issues through dialogue and consultation as common interests outweigh their differences.
- Two prominent **Chinese** rights lawyers, Xu Zhiyong and Ding Jiayi, go on trial behind closed doors this week on charges of state subversion, part of a clampdown on dissent and rights activism under President Xi Jinping. The two lawyers are prominent figures within the New Citizens Movement, which called for greater transparency into the wealth of officials and for Chinese citizens to be able to exercise their civil rights as written in the country's constitution.



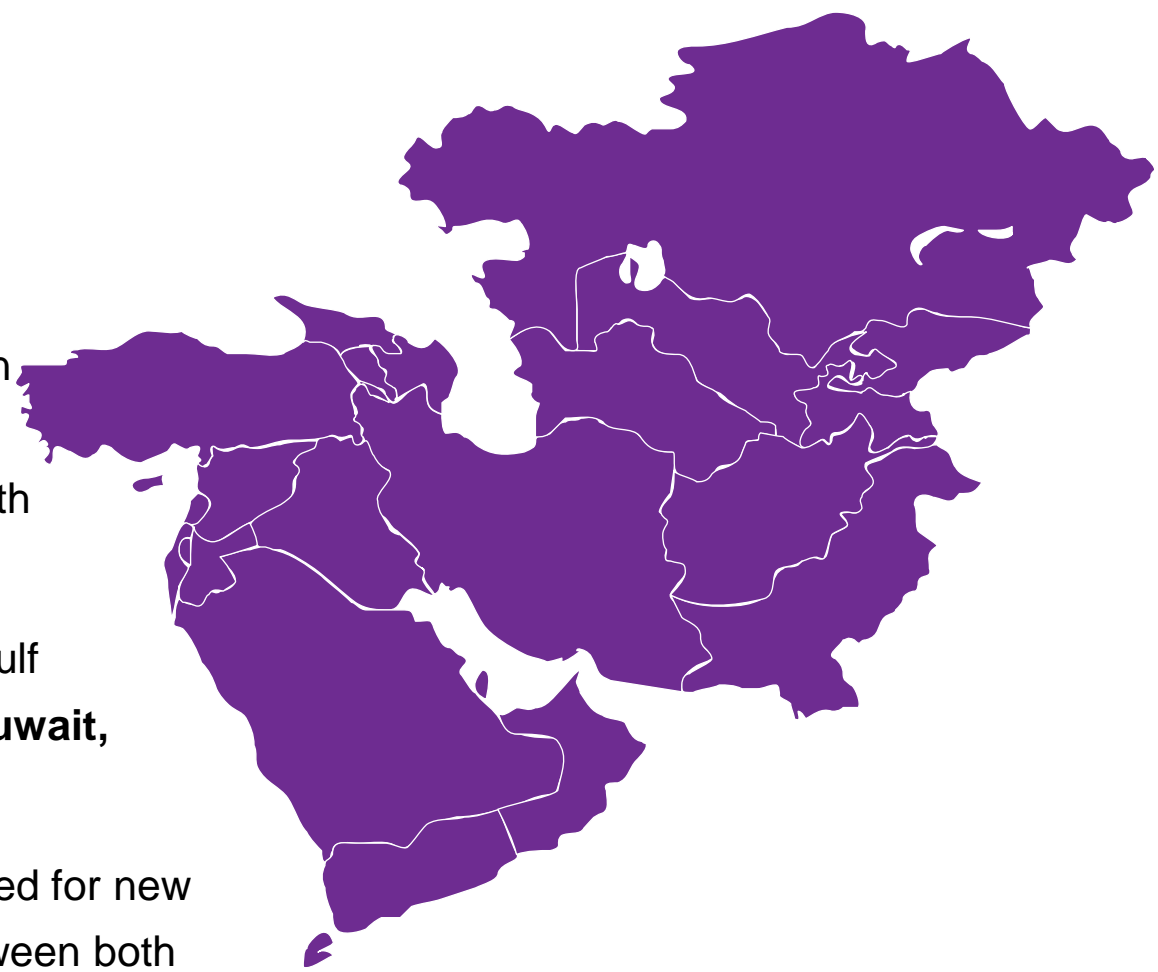
Note: This report is based on sources and information deemed to be true and reliable, but Dentons makes no representations to same.

Europe

- Polio has been detected in London's wastewater system, per **UK** health authorities, putting clinics on high alert for an infectious disease that has not been recorded in Britain for nearly four decades
- **Lithuania** will be prepared if **Russia** disconnects it from the regional power grid in retaliation for blocking rail shipments of some Russian goods to Moscow's Kaliningrad exclave, but no military confrontation is expected, per the country's president.
- **Serbia, Albania and North Macedonia** will attend a Brussels summit today on integration with the **EU** despite threatening earlier to boycott it amid frustration about progress on joining the bloc. **Ukraine** is expected to be accepted as a candidate to join the EU today.
- The **UK's** departure from the **EU** has not so much had a "*rapid, one-off impact*" but will rather bring long-term changes that will leave the country poorer in the decade ahead, per a new study by the Resolution Foundation and the London School of Economics.



Middle East

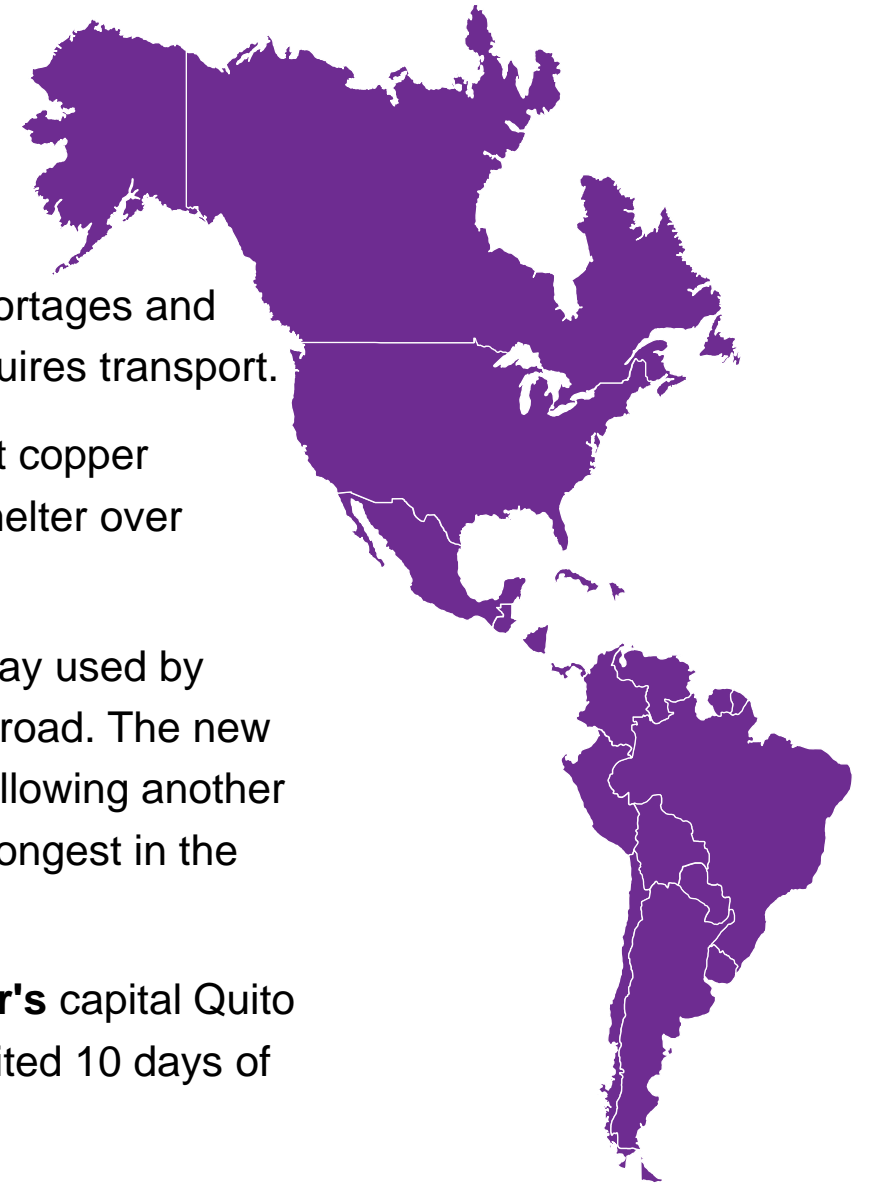


- **Egypt** and **Saudi Arabia** signaled their intention to strengthen economic ties during a visit to Cairo by Saudi de facto ruler Crown Prince Mohammed bin Salman, announcing deals worth \$7.7 billion.
- **Britain** will launch talks over a new free trade deal with the Gulf Cooperation Council (GCC), which is made up of **Bahrain, Kuwait, Oman, Qatar and the UAE as well as Saudi Arabia.**
- **Kuwait's** Crown Prince has dissolved the parliament and called for new elections over the coming month, citing growing tensions between both parties in “*hampering*” the country’s development and nation’s unity.
- **Saudi** Crown Prince Mohammed bin Salman arrived in **Turkey** for the first time in years yesterday for talks with President Tayyip Erdogan aimed at fully normalizing ties. comes as Erdogan seeks financial support that could help relieve Turkey's beleaguered economy ahead of tight elections for the president.

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Americas

- Angry **Argentine** truck drivers blocked highways yesterday, protesting shortages and rising prices for diesel fuel, just as the country's crucial grains harvest requires transport.
- Workers at **Chilean** state-owned mining giant Codelco, the world's largest copper producer, launched a major strike yesterday to protest the closure of a smelter over environmental issues.
- A community in **Peru's** Andes mountains on Wednesday blocked a highway used by MMG Ltd's Las Bambas copper mine, demanding payment for use of the road. The new conflict comes just two weeks after the mining firm resumed operations following another protest that forced Las Bambas to shut down for more than 50 days, the longest in the mine's history.
- Thousands of indigenous protesters marched peacefully through **Ecuador's** capital Quito yesterday to demand President Lasso address price rises which have ignited 10 days of demonstrations across the country.



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Americas: US

- The Biden Administration is authorizing commercial laboratories to conduct **monkeypox tests** in an attempt to dramatically expand testing as the US confronts a record outbreak that experts fear is far larger than the official count of 156 cases.
- **Wildfires** in Arizona are threatening the Kitt Peak National Observatory, located southwest of Tucson, and near Flagstaff, an area that is home to thousands of years' worth of archaeological artifacts. Wildfires in Arizona have become increasingly powerful in recent decades, posing an increased threat to areas where fire protection plans were previously less urgent.
- President Biden called for a three-month suspension of the **federal gasoline tax** to combat record prices, but opposition from lawmakers within his own party cast doubt on congressional action.
- Federal Reserve Chairman Jerome Powell, in testimony before Congress yesterday, said bringing **inflation** down to the target 2 percent goal while maintaining a strong labor market will be “*very challenging*,” and that central bank’s battle against inflation could lead it to raise interest rates high enough to cause a **recession**.

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Business Email Compromise (BEC) Schemes Emerging as Lucrative Money Maker for Cybercriminals

By Emilio Iasiello, Global Cyber Threat Intelligence Manager, Scott Muir, Senior Analyst, and Courtney Barnard, Global Cyber Threat Intelligence Coordinator

Among the most costly types of cybercrime that organizations face nowadays are business email compromise (BEC) scams, with the number of reported incidents steadily rising. Over \$2.4 billion was lost to BEC scams by entities of all sizes and across every industry last year, which is more than from ransomware, data breaches, or phishing.

Thus far in 2022, according to the US Federal Bureau of Investigation (FBI), there is already a 7 percent increase in reported BEC attacks, which primarily target staff responsible for financial transactions. By compromising a single email account, cybercriminals can gain access to significant information on the network of an organization. Face-to-face or voice-to-voice confirmation of any unusual financial transactions remains the best defense against these schemes which will remain a constant threat for the foreseeable future and require diligent security awareness.

Anatomy of a Scam

The aim of business email compromise attempts is to initiate a transfer of funds from the victim to the perpetrator. Attackers may

engage in social engineering with extensive research to identify key individuals and their roles. Carefully tailored email messages based off that research then target money handlers or managers to compromise their business accounts. Hackers may impersonate trusted executives to pressure employees into moving money or could pose as legal counsel and provide fraudulent guidance.

Cybercriminals are also known to spoof email and website domains that are similar to those of legitimate vendors to deceive victims. For example, they might send phony invoices from spoof email addresses and request urgent payment. Another way to compromise business email accounts, and ultimately, the purse strings of an organization, is via credential theft, often time through malware.

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Human error such as a click on a fraudulent link by employees that are distracted by an overwhelming amount of online communication can lead to account takeover which allows criminals to gain undetected access to a victim's data, including passwords and financial account information.

Evolving Threat

Constantly refining their tactics alongside changing technology, cybercriminals today are penetrating virtual meeting platforms like Zoom to acquire corporate emails, and thereafter spoof the credentials of senior company officers to initiate money transfers. The criminals are also leveraging cryptocurrency on the backend of these attacks, transferring funds into cryptocurrency wallets where it is quickly dispersed, obstructing potential recovery efforts by victims.

Some gangs are now using machine learning models to increase the success rate of their campaigns, according to cybersecurity researchers. The attack vector has evolved over time from simple spoofing of corporate or individual email accounts, to requesting wire payments to criminal bank accounts. Historically, BEC involved

compromised vendor emails, requests for W2 information, and/or solicitations for large amounts of gift cards

Perpetrators & Victims

Sophisticated transnational criminal organizations are behind most BEC attacks, and they employ teams of lawyers, linguists, hackers, and social engineers. Perpetrators have traditionally maintained a strong presence in Africa, but this is changing as BEC becomes more popular among cybercriminals worldwide. Substantial arrests of Nigerian BEC fraudsters in January and May 2022 are spurring other bad actors around the globe to pick up on these scams from new locales. One cybersecurity company tracking BEC activity recently found that 25 percent of BEC groups operate in the United States.

BEC scams have exploited large, well-known companies and brands for millions of dollars. Among the victims of the most expensive invoice fraud scams were Facebook and Google, which unwittingly paid a collective \$121 million to hackers in 2013 and 2015. Toyota paid \$39 million in 2019 to a hacker posing as a business partner of

Business Email Compromise (BEC) Schemes Emerging as Lucrative Money Maker for Cybercriminals

one of its subsidiaries. IT company Ubiquiti transferred \$46.7 million to criminals over 14 separate transactions in 2015. The notorious Russian BEC scammer group Cosmic Lynx has targeted at least 200 multinational corporations in 46 countries across six continents over the past two years.

Mitigation

The threat of these schemes will not dissipate anytime soon as highlighted by a recent survey that found in 2021 more than half of employees admitted falling victim to a BEC attack in which a cybercriminal impersonated a senior executive. Understanding the threat is crucial among all levels of any organization - particularly C-Suite and those in human resources and payroll. A combination of process improvement, employee training, and security mitigations can help decrease the risk of becoming a target and help identify scams and prevent significant sensitive information and monetary losses. Helpful guidelines include:

- Verify suspicious and unusual transactions in-person or via a known, established telephone number. Ensure contact information is current and up-to-date.

- Scrutinize email addresses for small discrepancies which fraudsters take advantage of to appear legitimate and resemble actual companies.
- Implement robust approval procedures for vetting account change requests.
- Enable anti-phishing and anti-spoofing security features that help block malicious emails.
- Educate employees on BEC scams, including preventive strategies such as how to identify phishing emails and how to respond to suspected compromises.
- Notify customers about BEC threats and mitigation methods your company is taking, such as notifying customers of internal processes for changing or updating banking information.

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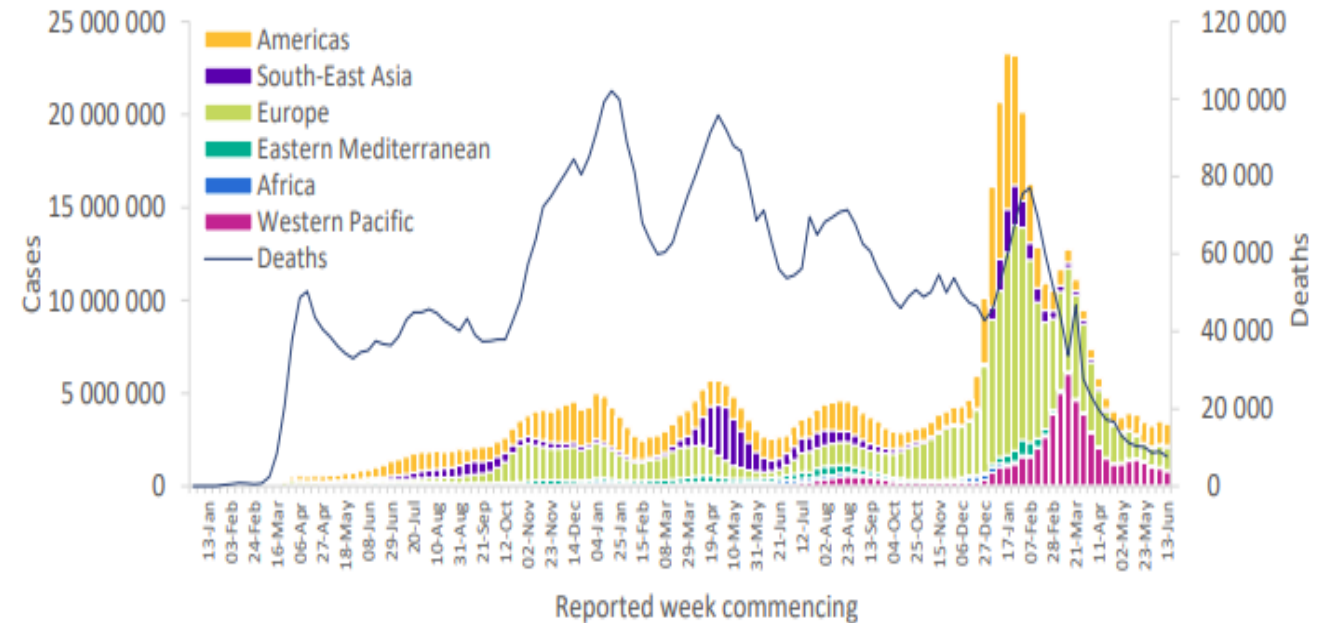
Coronavirus Condition Updates

As of 5:40 pm CEST on June 22, 2022

Coronavirus Snapshot

- Globally, confirmed coronavirus cases topped 538.3 million with 6.3 million deaths; more than 11.9 billion vaccine doses have been administered.
- Globally, the number of new weekly cases has continued to decline since the peak in January 2022. During the week of 13 until 19 June 2022, over 3.3 million cases were reported, a 4 percent decrease as compared to the previous week.
- The number of new weekly deaths declined by 16 percent as compared to the previous week, with over 7,500 fatalities reported.

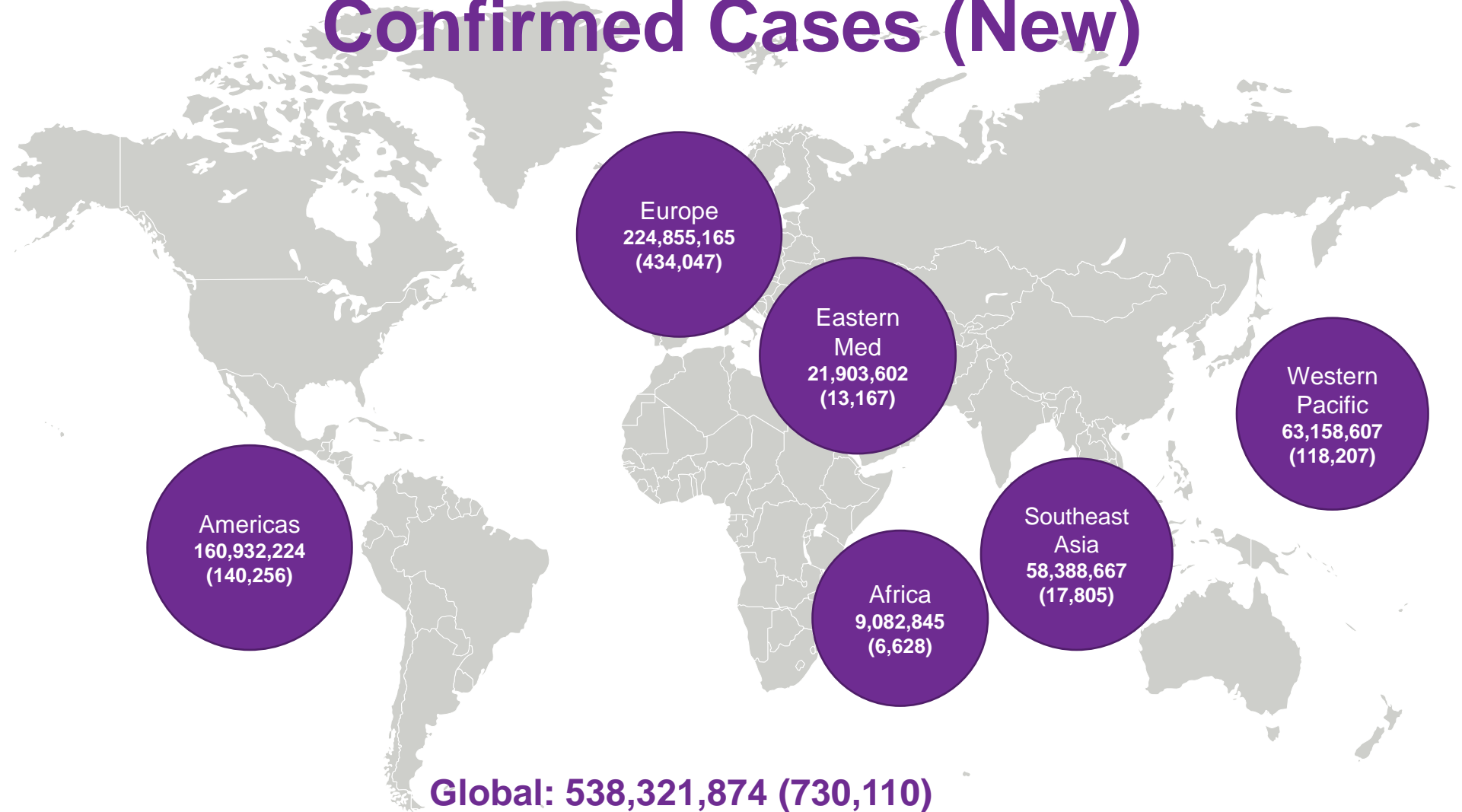
Figure 1. COVID-19 cases reported weekly by WHO Region, and global deaths, as of 19 June 2022**



Source: WHO

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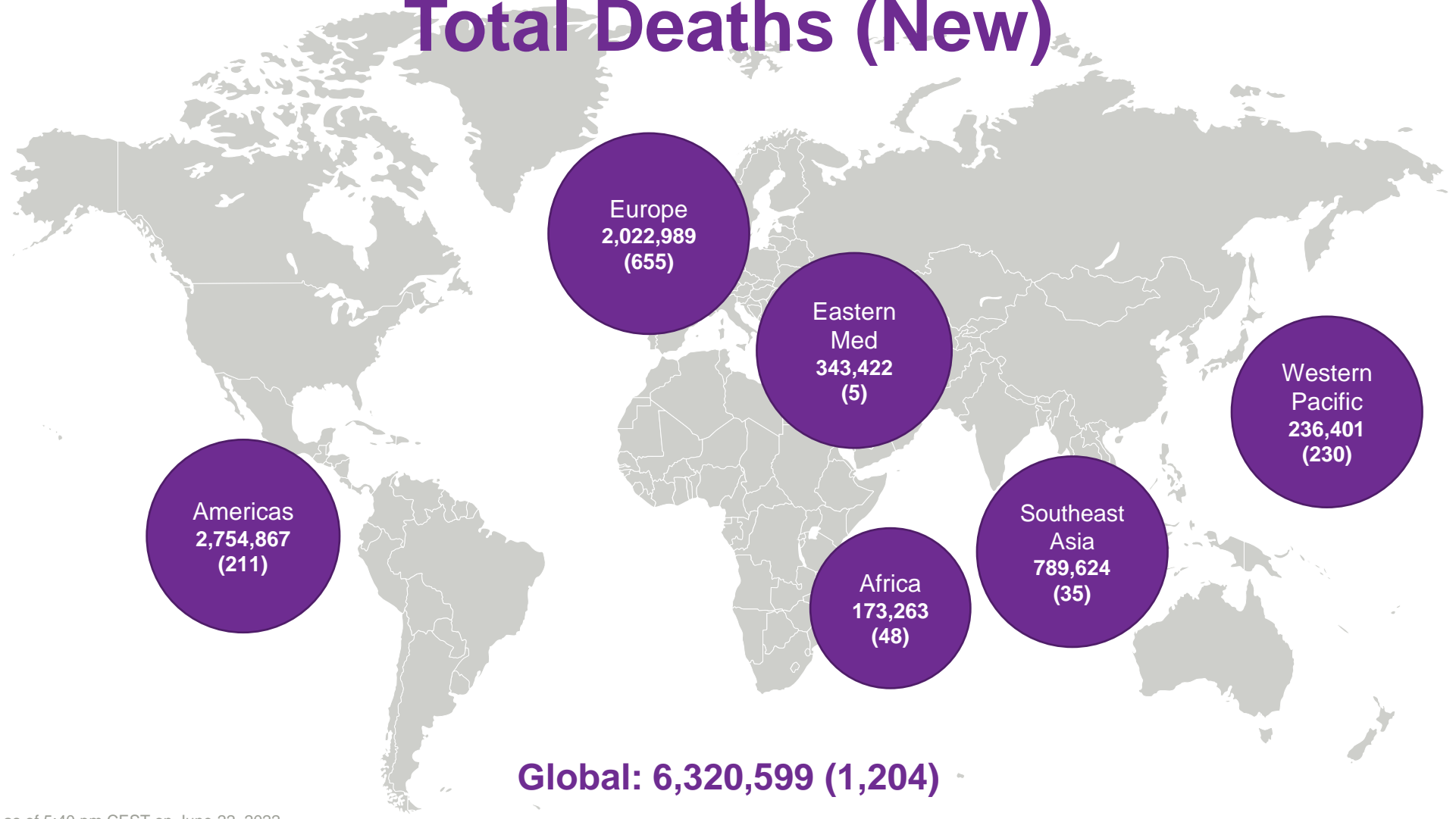
Confirmed Cases (New)



Reflects data as of 5:40 pm CEST on June 22, 2022.
Data Source: World Health Organization

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Total Deaths (New)



Reflects data as of 5:40 pm CEST on June 22, 2022.
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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