

Dentons Flashpoint

Global Situation Report

October 7, 2022

Global Situation Update: October 7, 2022

KEY TAKEAWAYS

The European Political Community convenes to discuss European security and energy in a new grouping designed to deter Russian threats.

The UN Human Rights Council voted down motion to hold a debate about human rights abuses by China against Uyghurs.

The next wave of COVID-19 infections is gaining ground in Europe as weather cools.

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

Austrians will vote for a president this weekend in a direct election. Incumbent President Alexander Van der Bellen, a former green party member, is the favorite and could win the election with an absolute majority in the first round, avoiding a run-off. If there is a second-round run-off, it would take place between the two candidates who receive the most votes in the first round, usually four weeks after the first round.

The Austrian head of state is largely a ceremonial role but must deal with pandemic recovery and the war in Ukraine. Domestic pressures are mounting as the far-right Freedom Party has accused ministers of violating Austria's long-standing neutrality by plunging it into an "economic war" and seek a referendum on anti-Kremlin sanctions. Also, an influx of 3,000 illegal immigrants this week, mostly from the Middle East, have put the border crisis back in the spotlight.



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Global

World trade in goods is projected to slow sharply next year under the weight of high energy prices, rising interest rates and war-related disruptions, raising the risk of a global recession, according to a new WTO forecast.

- The Biden Administration said nothing was off the table a day after OPEC+ angered Washington with sharp cuts to **world oil supply**, as it considered responses — including new releases from the US Strategic Petroleum Reserve to contain energy prices.
- US President Biden warned the **risk of nuclear “Armageddon”** was the highest since 1962’s Cuban missile crisis, saying he was trying to figure out what Vladimir Putin’s “*off-ramp*” might be to avoid further escalation.
- A new **COVID-19 wave** appears to be gaining ground in Europe as cooler weather arrives, with public health experts warning that vaccine fatigue and confusion over types of available vaccines will likely limit booster uptake. The WHO is tracking hundreds of new forms of Omicron.

Markets & Business

Virgin Atlantic Airways Ltd. plans to close its office in Hong Kong and end flight service to and from London's Heathrow Airport, a sign of the hurdles facing the Chinese city as it seeks to regain its reputation as an aviation hub.

- Chinese technology group **Huawei** is planning to relaunch 5G phones as soon as next year to overcome the stranglehold of US sanctions and win back market share.
- A former US chief security officer for **Uber** was convicted Wednesday of federal charges stemming from payments he quietly authorized to hackers who breached the ride-hailing company in 2016.
- **Peloton Interactive Inc.** said it plans to cut about 500 jobs, roughly 12 percent of its remaining workforce, a move its chief executive said was necessary to save the connected-fitness-equipment maker.
- **Credit Suisse** has offered to buy back as much as SFr3 billion (\$3 billion) of its own debt, as scrutiny over the Swiss lender intensifies. The cost of buying insurance against the bank defaulting on its debt hit record highs after it failed to reassure investors about its position.

Environment, Sustainability & Governance

South Africa has submitted an investment plan to donors who have pledged \$8.5 billion to accelerate the country's transition to renewable energy that could serve as a model for other emerging economies.

- US Treasury Secretary Janet Yellen announced a \$950 million loan to the Clean Technology Fund (CTF), a multilateral trust that helps developing countries **accelerate their transition from fossil fuels to clean energy.**
- The world's largest reinsurer Munich Re announced **stricter policies for investing in and underwriting oil and gas projects**, committing as of April 2023 it would not invest or insure projects involving new oil and gas fields or new midstream oil infrastructure.
- Louisiana will pull \$794 million out of BlackRock Inc's funds, citing the asset management giant's push to embrace environmental, social and governance **(ESG) investment strategies.**
- Amid calls for stringent climate controls, UK regulators launched a new round of licenses enabling companies to **explore for oil and gas** in the North Sea as the government seeks greater energy self-sufficiency in the wake of Russia's invasion of Ukraine and strains on supply in mainland Europe.

Africa

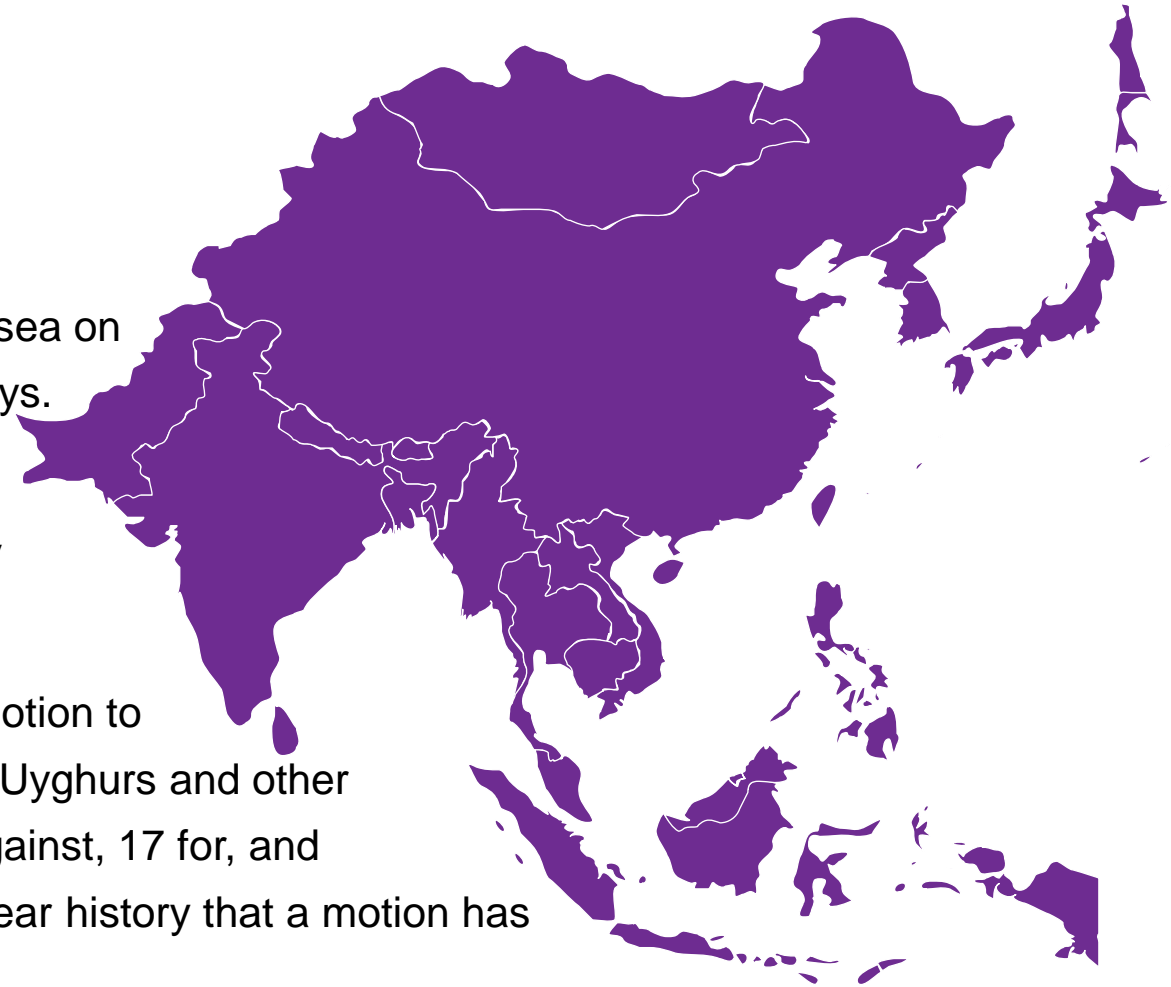
- **Ethiopia's** government and rival Tigrayan forces said they have accepted an invitation by the African Union to participate in peace talks. A new study found that in Ethiopia's Tigray region, the nexus of the ongoing civil war, infant mortality is four times higher than in the rest of the country.
- Captain Ibrahim Traoré, leader of the second of two military coups in the last year, was appointed as president of **Burkina Faso**. An ECOWAS mediator said he was “satisfied” following a meeting with Traoré.
- **Nigeria** opened a \$70 million lawsuit against Meta for serving unapproved advertisements; this is Nigeria's second major conflict with social media after the country blocked Twitter for several months over the removal of President Buhari's tweet.
- **Sudan's** Resistance Committees and Coordination Committees announced yesterday that they are activating the Revolutionary Charter for the Establishment of the People's Authority, a step towards unifying Sudan's opposition.



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Asia

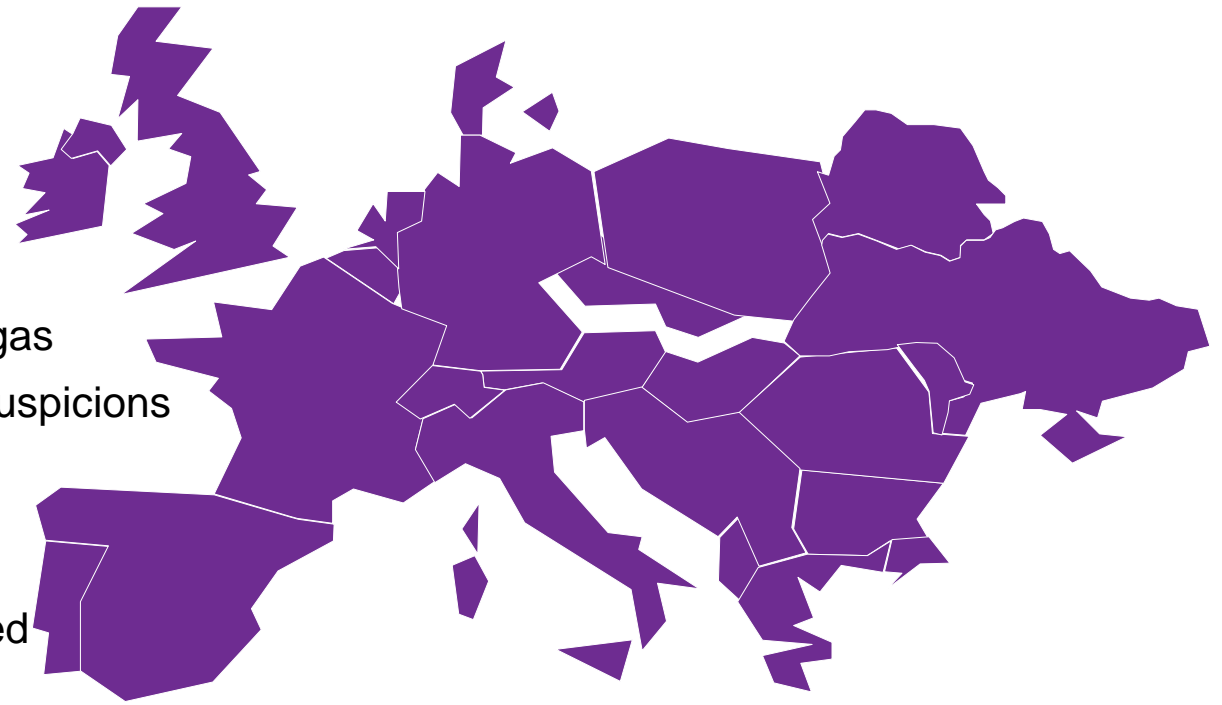
- **North Korea** fired two short-range ballistic missiles into the sea on Thursday in the direction of **Japan**, the sixth launch in 12 days.
- Sydney recorded its wettest year in 164 years as authorities braced for major floods in **Australia's** east, with more heavy downpours expected to fall over the next three days.
- The UN Human Rights Council voted down a Western-led motion to hold a debate about human rights abuses by **China** against Uyghurs and other Muslims in Xinjiang in a victory for Beijing. The defeat, 19 against, 17 for, and 11 abstentions, is only the second time in the Council's 16-year history that a motion has been rejected.
- **Sri Lanka** begun debt restructuring talks with **China**, viewed as a test on whether Beijing and rival lenders such as **India** can put aside their differences to help the island work through its economic crisis.



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Europe

- A crime scene investigation of the Nord Stream 1 and 2 gas pipelines found evidence of detonations, strengthening suspicions of "*gross sabotage*," per **Sweden's** Security Service.
- The Kremlin on Thursday denied reports that 700,000 **Russians** have fled the country since Moscow announced a mobilization drive to call up hundreds of thousands to fight in **Ukraine**.
- At the inaugural meeting of the **European** Political Community, bringing together on an equal footing the EU's 27 member states and 17 other European countries, leaders discussed European security and energy in a new grouping designed to deter Russian threats.
- The European Council on Friday said **Armenia and Azerbaijan** have agreed to a civilian **EU** mission alongside the countries' border, where the worst fighting between the two ex-Soviet states since 2020 killed more than 200 people late last month.



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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.

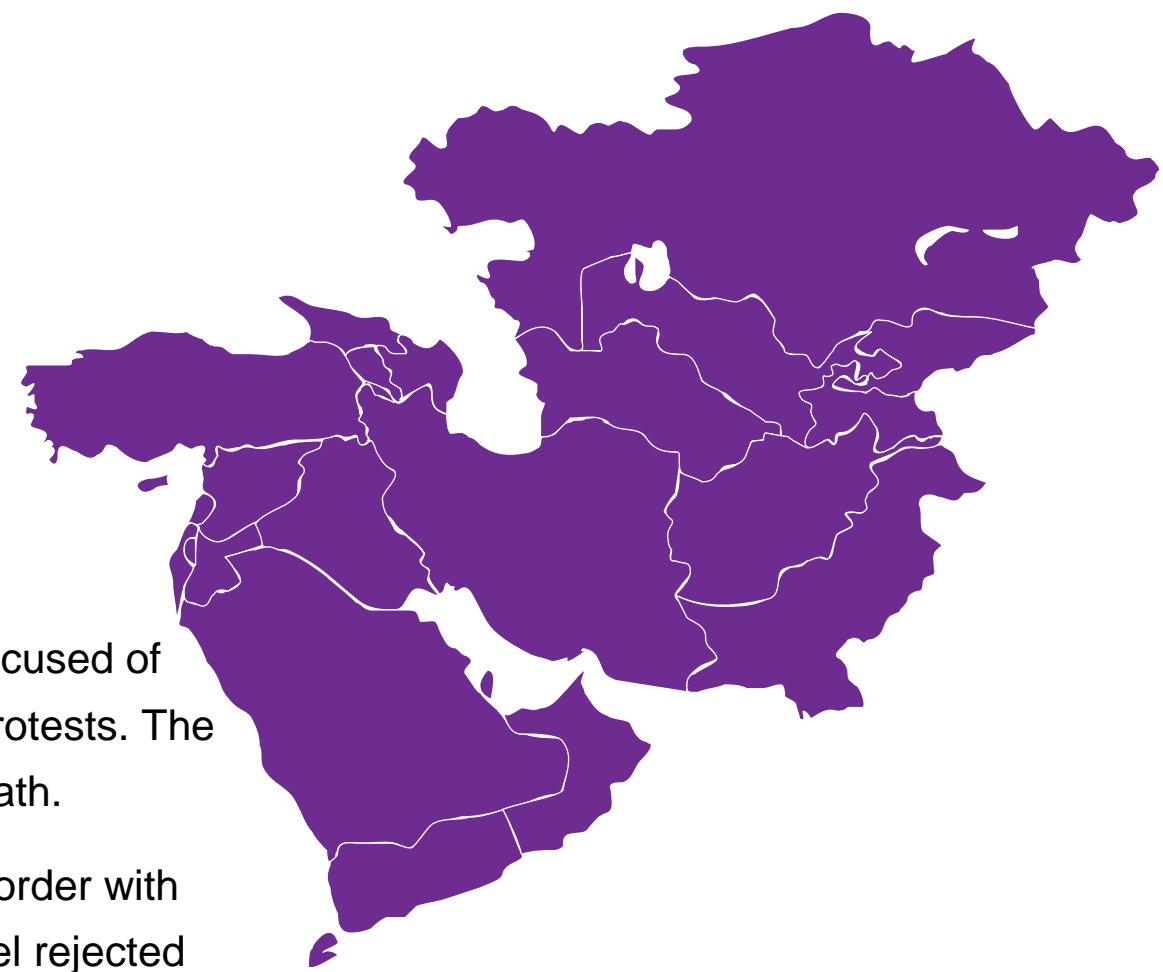
Dentons tabletop sessions are fluid, and designed to enhance preparedness with services, including:

- ❖ 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](#).

Middle East

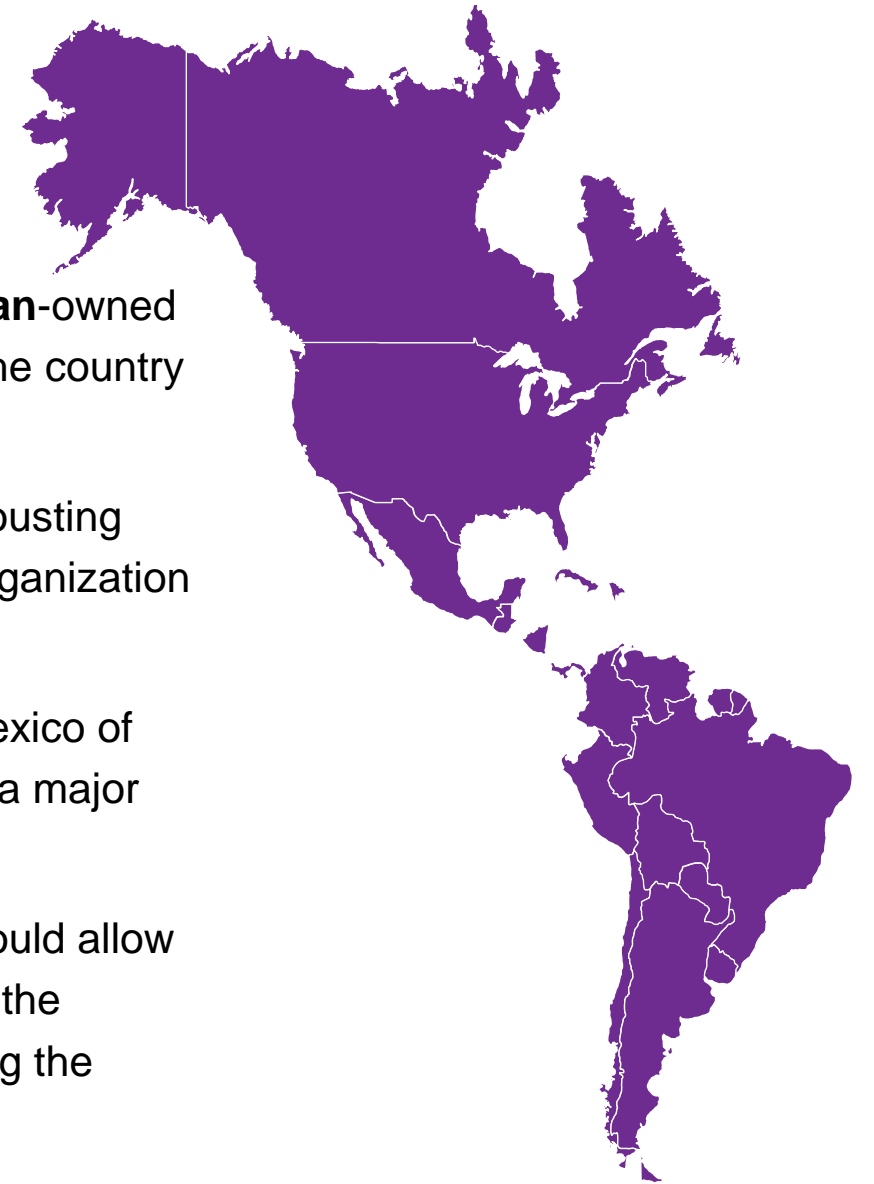


- The **US** killed a senior ISIS leader in a rare airstrike in regime-held **Syria**. A Hamas delegation will reportedly visit Syria later this month in a bid to rebuild ties after years of no contact with Assad's regime.
- The **US** widened sanctions on Iranian government officials accused of orchestrating internet shutdowns amid ongoing anti-regime protests. The **EU** voted to sanction those responsible for Mahsa Amini's death.
- **Lebanon** said US-brokered talks to demarcate its maritime border with longtime foe **Israel** were at a "*make or break*" point after Israel rejected revisions to a draft deal requested by Beirut. Lebanon has recorded its first case of cholera since 1993, likely the result of a serious outbreak in neighboring **Syria**.
- **Morocco** issued the first 10 permits for the use of cannabis in industry and medicine and for export.

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Americas

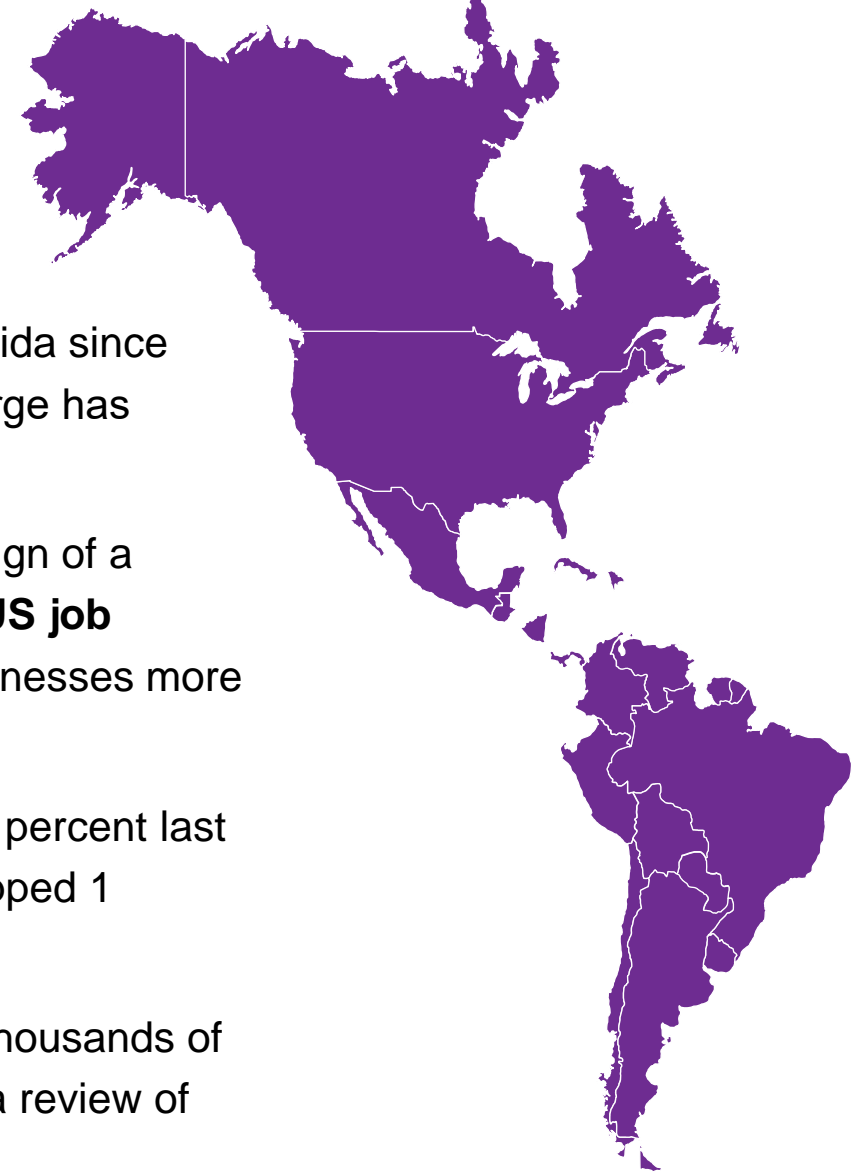
- **Chile's** environmental regulator announced four charges against **Canadian**-owned Lundin copper mine for a sinkhole that appeared in the northern area of the country in late July.
- A bloc of leftist Latin American nations failed to pass a motion to discuss ousting **Venezuelan** opposition politician Juan Guaido representation from the Organization of American States.
- **Mexican** Economy Minister Tatiana Clouthier stepped down, depriving Mexico of one of its key trade negotiators as her government scrambles to head off a major dispute over energy with the **US and Canada**.
- The UN called for the creation of a "*humanitarian corridor*" in **Haiti** that would allow the distribution of fuel amid dire shortages created by a gang blockade of the country's principal fuel terminal; Haiti called for additional help in managing the impacts of the blockade.



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Americas: US

- **Hurricane Ian** already is shaping up to be the deadliest storm to pound Florida since 1935. State authorities have documented 72 deaths thus far. Ian's storm surge has claimed the most lives, with victims drowning.
- New applications for **unemployment benefits** rose last week in the latest sign of a cooling labor market, although they remained close to pre-pandemic lows. **US job growth** likely slowed in September as rapidly rising interest rates leave businesses more cautious about the economic outlook.
- The rise in **murders** in the US slowed in 2021, per the FBI. Murders rose 4 percent last year after increasing nearly 30 percent in 2020. Overall **violent crimes** dropped 1 percent in 2021, as robberies decreased.
- President Biden began to overhaul **US policy on marijuana** by pardoning thousands of people with federal offenses for simple marijuana possession and initiating a review of how the drug is classified.



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Hostile Actors Increasing Use of Domain Shadowing to Conduct Attacks

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

Domain shadowing is a growing threat to businesses and organizations everywhere as cyber attackers increasingly exploit the trusted brand and reputation of legitimate websites to entice victims to click on hostile links or landing pages.

After compromising the credentials used to setup and maintain a good domain, the hostile actor then creates subdomains, or fraudulent shadow websites, that can steal bank details, passwords, personal data, distribute malware or redirect the user to another criminal resource. Domain owners should perform regular spot checks of domain management accounts to review for anomalies, while everyone online should play close attention to the names of web addresses.

How Does it Work?

Credential theft is typically how cybercriminals are able to compromise the domain name system (DNS) of a legitimate domain. Once inside the system, they establish subdomains, or shadow domains, that are used to create web pages on

infrastructure owned and controlled by the attackers, while the original domain owner's web pages and DNS records remain unchanged. The fraudulent subdomains usually have a name that appears similar to the legitimate web address, and either redirect users to malicious websites or serve as hosts for malicious payloads. Domain owners often do not realize their domain has been breached, thereby making illicit subdomains resilient to detection and takedown.

Vector for Various Attacks

Domain shadowing can facilitate a variety of different attacks by hostile actors, such as malware distribution, malvertising, phishing attacks, and other scams. For example, in the case of phishing attacks, attackers can insert shadow domains in a phony email or

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as a fake landing page hosting a phishing website. For botnet operations, the attackers can use a shadow domain in order to conceal command-and-control communications.

In one notable incident, several domains registered through GoDaddy (one of the largest domain registrars and a favorite of cybercriminals) were compromised to create more than 40,000 subdomains tied to Russian IP addresses that hosted a range of malware variants. Domain shadowing is also used in conjunction with the deployment of popular exploitation kits and can easily support other malware attacks including ransomware.

Threat Actors

Recent domain shadowing attacks were perpetrated by cybercriminals, but the use of this technique can certainly support cyber espionage actors, hacktivists, and hacker-for-hire groups as well. Domain shadowing especially lends itself to the tradecraft of state actors that engage in stealth operations and must hide their identities for long periods of time to steal data, surveil web traffic, or deploy more disruptive malware. By compromising legitimate domains, state-backed spies can deceive end users and target audiences, while avoiding defender block listing.

Way Ahead

Cybercriminals and spies will increasingly make use of this technique versatile to gain access into a targeted business or organization. And, as more hostile actors online become familiar with domain shadowing, the greater the threat to individuals and organizations. Domains that have existed for several years with an established favorable reputation are among top targets and owners of them should take steps to mitigate domain shadowing compromises such as performing regular spot checks of domain management accounts to review any recent changes. Additionally, requesting a report of new hostnames on the organization's domain from a passive DNS provider can help perform periodic audits. Finally, robust monitoring for anomalous behavior like unusual login activity can provide advanced indication of domain shadowing activity.

Dentons offers business leaders a full complement of counseling and advice for mitigating cyberattack tactics like domain shadowing. Furthermore, Dentons offers regulatory and litigation services, and analysis and intelligence products, that can help clients to better understand fast-changing threat environments. Importantly, all interaction is attorney-client privileged. To learn more about the bespoke cyber intelligence and risk services from Dentons please contact us today.

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Coronavirus Condition Updates

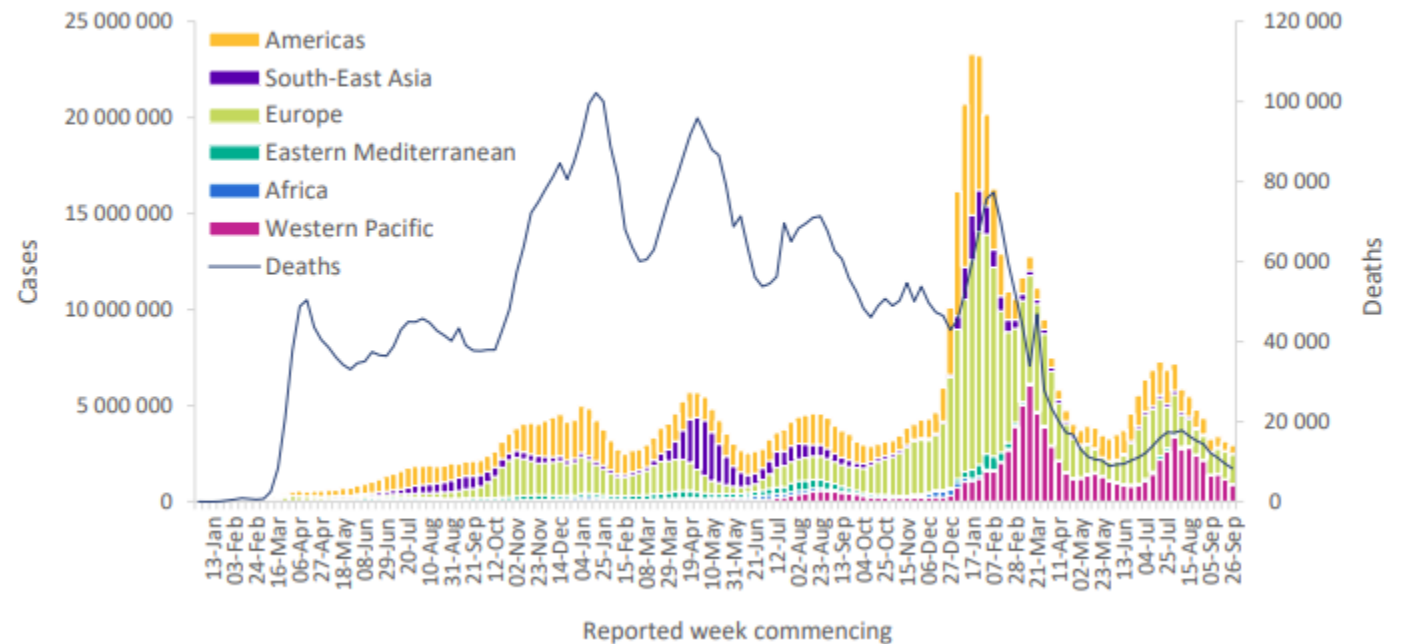
As of 3:45 pm CEST on October 6, 2022

Coronavirus Snapshot

Globally, confirmed coronavirus cases topped 616.9 million with 6.5 million deaths; more than 12.7 billion vaccine doses have been administered.

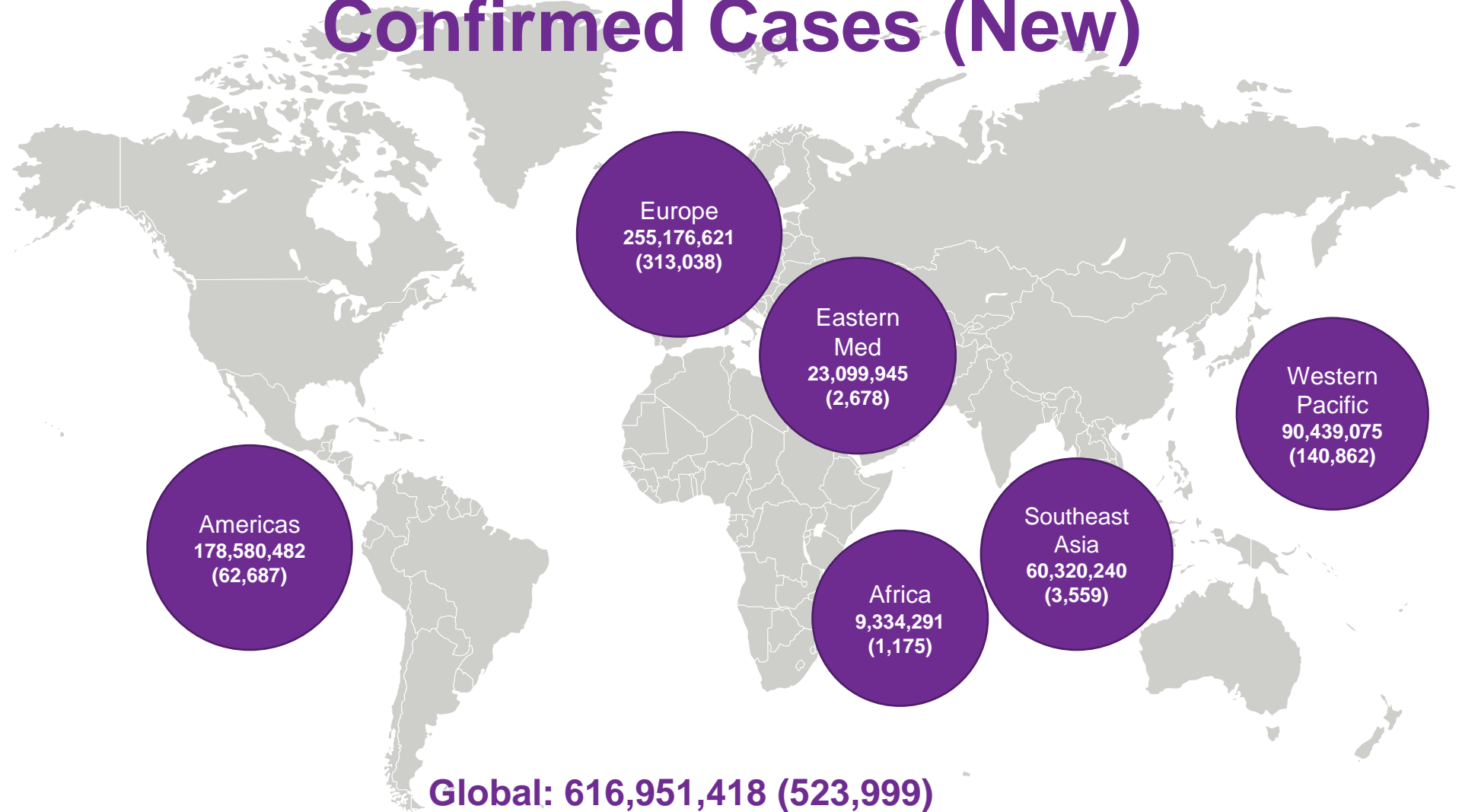
- Globally, the number of new weekly cases decreased by 6 percent during the week of 26 September to 2 October 2022, as compared to the previous week, with over 2.9 million new cases reported.
- The number of new weekly deaths decreased by 12 percent, as compared to the previous week, with just over 8,300 fatalities reported.

Figure 1. COVID-19 cases reported weekly by WHO Region, and global deaths, as of 2 October 2022**



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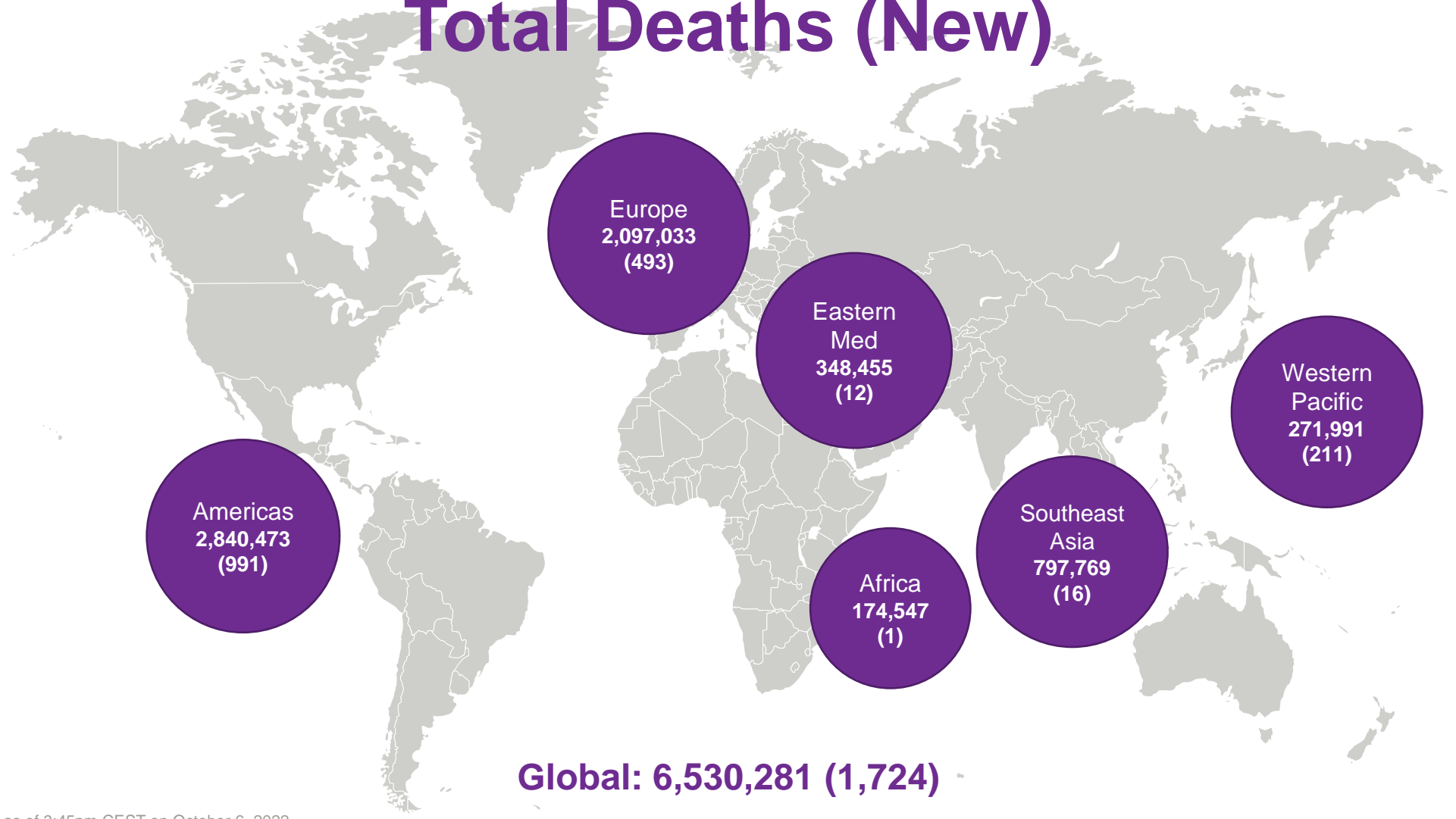
Confirmed Cases (New)



Reflects data as of 3:45pm CEST on October 6, 2022.
Data Source: World Health Organization

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Total Deaths (New)



Reflects data as of 3:45pm CEST on October 6, 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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