

Dentons Flashpoint

Daily Global Situation Report

June 30, 2022

Global Situation Update: June 30, 2022

KEY TAKEAWAYS

NATO transforms European security posture, reaffirming Russia as prime adversary.

Unilever sells its Israeli Ben & Jerry's interest to escape BDS controversy.

The world's top central bankers warn that the era of low interest rates and moderate inflation has come to an end.

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

Today is the final day of Cyber Week, a large annual international cybersecurity event hosted each year at Tel Aviv University in Israel. 9,000 attendees from more than 80 countries gathered to hear about cutting-edge topics such as how quantum computing will soon revolutionize every large industry and how cybersecurity for satellites in orbit is crucial for the safety of those on Earth.

Prominent speakers have discussed everything from cloud security to how World War III will be the first global cyberwar. As the event kicked off earlier this week, Iran's three biggest steel companies were struck by cyberattacks temporarily halting production at them.



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Global

The world's top central bankers warn that the era of low interest rates and moderate inflation has come to an end following the “*massive geopolitical shock*” from Russia's invasion of Ukraine and from the coronavirus pandemic.

- **NATO's new doctrine** transforms European security, bring back Cold War era posture designed to deter future world war emanating from Europe. The alliance is being reshaped by four agreements: a goal of a sevenfold increase in NATO forces on high alert, the first permanent US base on the alliance's eastern flank, an invitation to Finland and Sweden to join and a new 10-year guiding strategy that removes Moscow from partner status, amount to a fundamental sharpening of focus for the alliance.
- Efforts to open the **Black Sea** for Ukrainian grain exports are making no progress. Fighting in southern Ukraine coastal areas are intensifying, as Russia seeks to expand its control over Ukrainian ports and with combatants refusing to remove mines placed in the waters.

Markets & Business

Britain will extend a package of quotas and tariffs on foreign steel imports by two years in an effort to protect domestic steelmakers.

- Singapore-based crypto hedge fund **Three Arrows Capital** (3AC) has entered liquidation, in the latest sign of the market downturn hurting the crypto industry.
- The European Commission has proposed banning the sale of **flavored heated tobacco products** in its efforts to fight cancer. The ban will not affect e-cigarettes or other vaping products which only contain nicotine and produce vapor.
- Inflows into **emerging market debt** for the year until end-May were almost all offset by outflows from equities, per data from the Institute of International Finance (IIF), which predicts that year-on-year foreign portfolio flows to emerging markets could shrink by 42 percent to less than a trillion dollars in 2022.
- The EU regulators meet today on setting ground-breaking rules for **regulating crypto assets** as the rout in bitcoin piles pressure on authorities to rein in the sector.

Environment, Sustainability & Governance

Global nuclear power capacity needs to double by mid-century to reach net-zero emissions targets and help ensure energy security as governments try to reduce their reliance on imported fossil fuels, per the International Energy Agency.

- Unilever sold its Israeli Ben & Jerry's interest to a local company that will sell the ice cream under a Hebrew name in Israel and the occupied territories, months after Ben & Jerry's announced that it would boycott sales there under the **boycott, divestment and sanctions movement**.
- The **global offshore wind industry** had a record year in 2021 in terms of new capacity but is still projected to fall short of the International Energy Agency's net zero goals by 2030, per a Global Wind Energy Council report.
- The US Interior Department has recommended that all **federal offshore oil and gas drilling auctions** over the next five years be located in the Gulf of Mexico, where the drilling industry has already been focused for decades and excludes all other waters from offshore oil and gas development.

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Africa

- **Ghanaian** police arrested almost 30 protesters, while reporting that some 12 officers had been injured, amid clashes resulting from planned anti-government protests.
- **Mauritius** lifted most of its COVID-19 restrictions, including allowing restaurants, nightclubs and bars to fully reopen, but kept mandatory mask-wearing in place, to boost tourism.
- The **Senegalese** government banned protests ahead of planned opposition protests against the government, citing risks of violence; the opposition postponed the protest and called on supporters to vote against the incumbent in upcoming elections.
- The chairperson of the African Union called for mutual restraint amid rising tensions on the **Ethiopia-Sudan** border.
- **Guinean** poultry farmers culled 200,000 chickens to cut the risk of H1N1 contamination.



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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

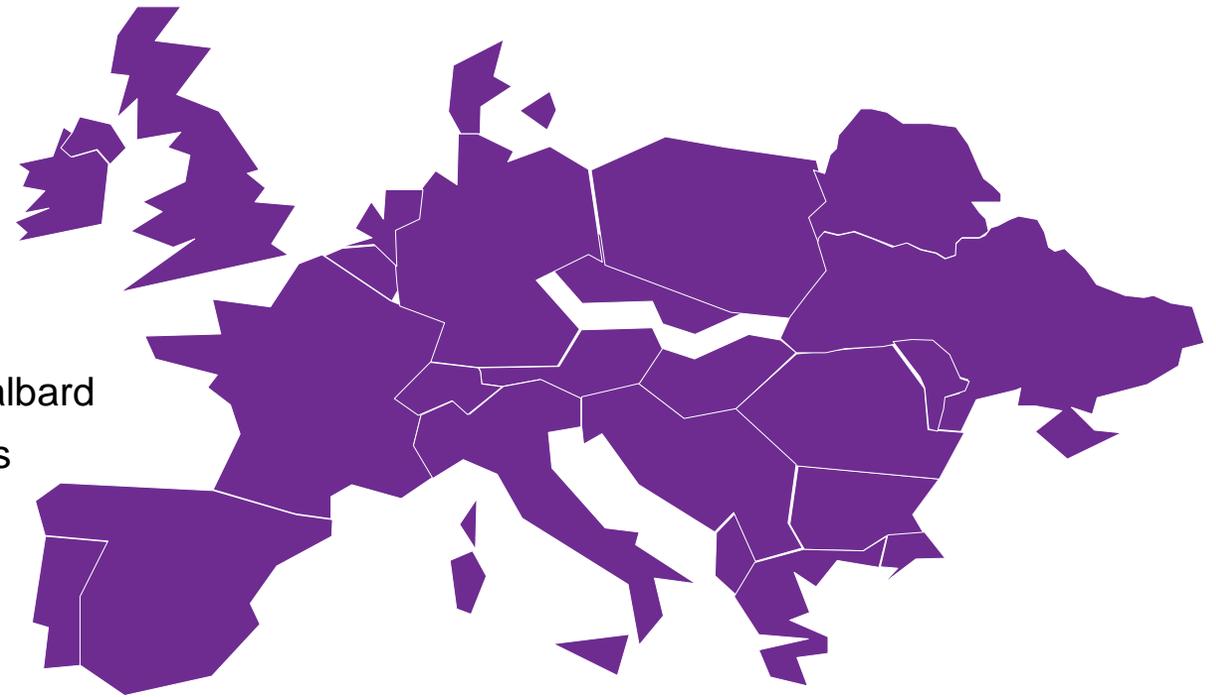
- Ferdinand Marcos is being sworn in today as president of the **Philippines**, completing a stunning comeback for one of Asia's most famous political dynasties, 36 years after his father was ousted in a popular uprising.
- Meeting on the margins of the NATO Summit, the leaders of **South Korea, Japan** and the **US** expressed deep concern over **North Korea's** missile tests and said they would cooperate more closely to address the threat posed by Pyongyang.
- Fearing outbreaks of religious violence, police in the **Indian** state of Rajasthan banned public gatherings and suspended internet services a day after two Muslims posted a video claiming responsibility for killing a Hindu tailor in the city of Udaipur.
- **China's** President Xi Jinping is visiting Hong Kong for its 25th anniversary since returning to Chinese rule. Tomorrow, he will swear in the financial hub's new leader, John Lee. This is Xi's first visit since 2017 and some analysts see the visit as a victory lap after Beijing tightened its control of Hong Kong.



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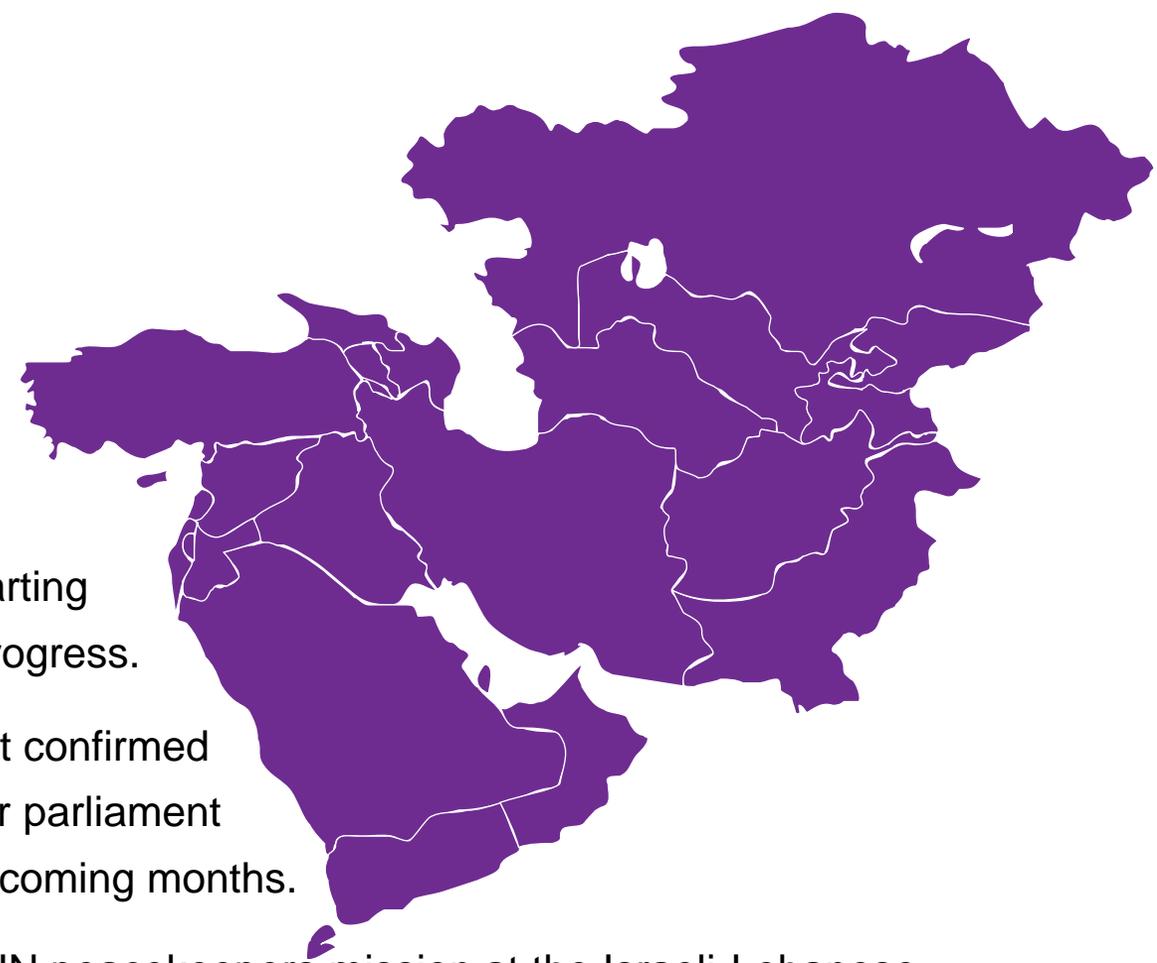
Europe

- Moscow accused **Norway** of blocking the transit of goods to **Russians** living in the Norwegian **Arctic archipelago** of Svalbard and threatened Oslo with retaliation. This comes as Russia is threatening Lithuania for blocking shipment of goods into Russian enclave Kaliningrad.
- A **French** court convicted 20 men of carrying out or aiding Islamist terrorist attacks that killed 130 people in Paris in 2015, following a trial that revived painful memories for victims.
- Strikes could spread across the **UK's** railways and postal service over summer, following votes in favor of disputing pay, job security and conditions at Royal Mail and train company Avanti West Coast.
- The **UK** will commit an additional 1,000 troops to defending **Estonia** from possible Russian attack and pledge a naval carrier strike group to NATO's new high-alert forces.
- **Ukraine's** defense ministry has announced the largest prisoner exchange with **Russia** since President Putin ordered the invasion in February.



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Middle East

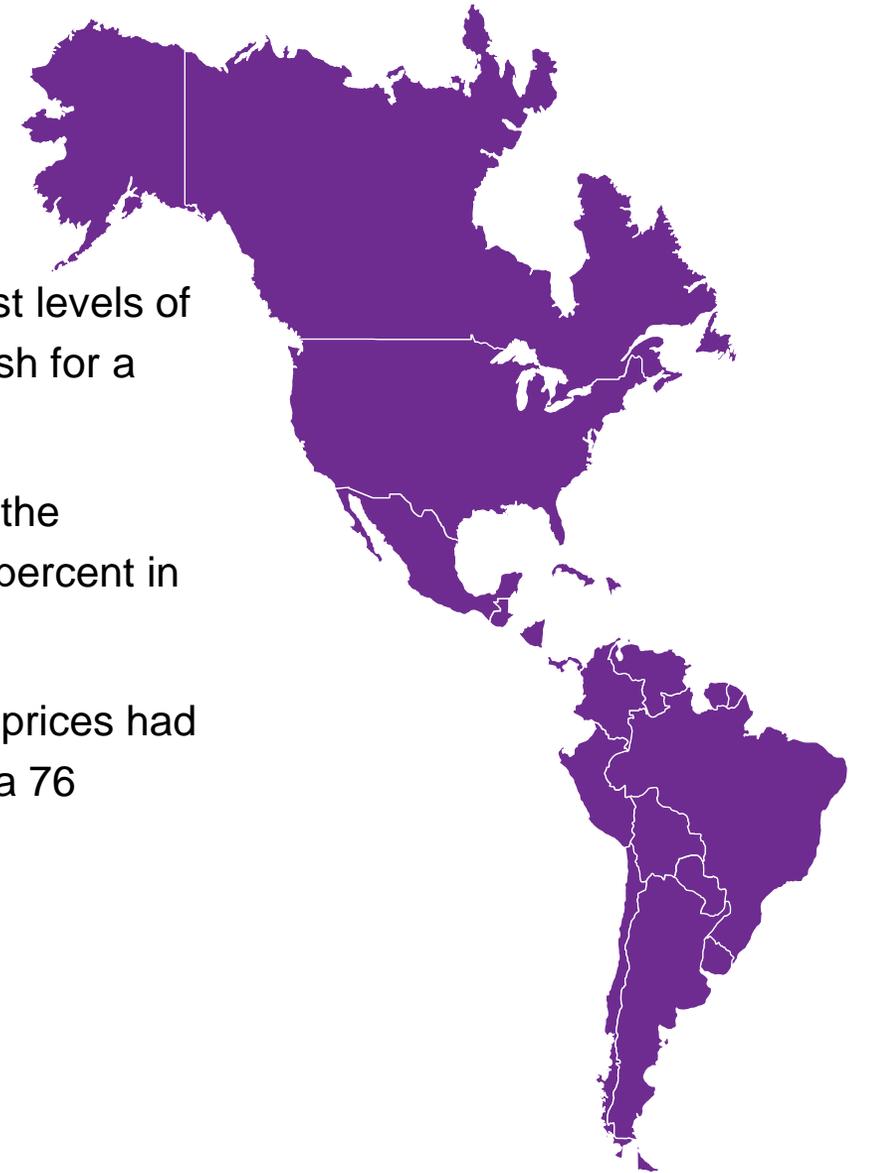


- **Syria** joined **Russia** in recognizing the independence of two Russia-occupied Ukrainian regions, leading **Ukraine** to cut ties with Syria.
- **EU**-mediated indirect talks between **Iran and the US** on restarting the nuclear deal closed after two days in Qatar without any progress.
- The spokesperson for outgoing **Israeli** Prime Minister Bennett confirmed rumors that he would not run in upcoming snap elections after parliament is dissolved but will stay on as alternate prime minister in the coming months.
- **Israel** accused **Lebanese** Hizballah of attempting to hack a UN peacekeepers mission at the Israeli-Lebanese border to disrupt their operations.
- The World Bank approved a \$130 million loan to **Tunisia** and \$500 million to **Egypt** to fund short-term imports of wheat to alleviate the impact of worldwide wheat shortages.

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Americas

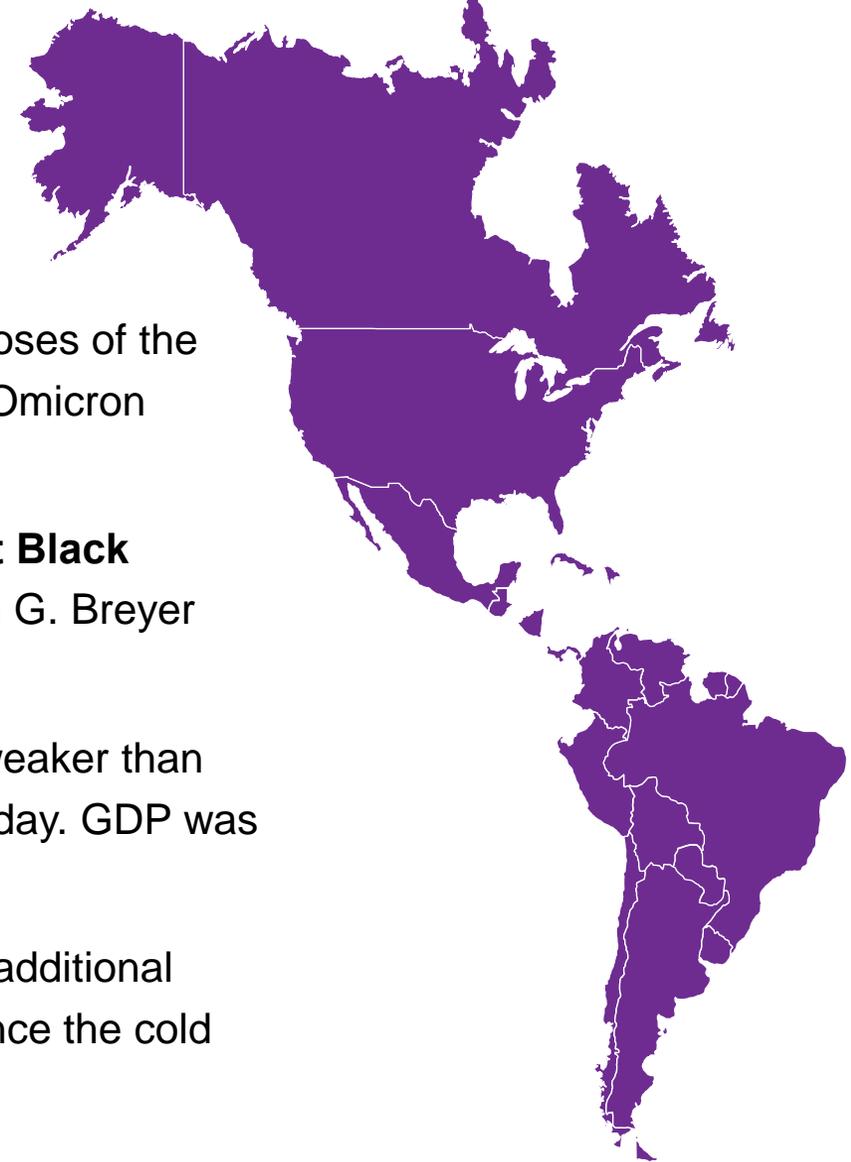
- New opinion polls show **Colombia's** leftist leader Boric enjoying the lowest levels of support of his presidency at 34 percent; the new poll comes as Boric's push for a new constitution loses popular support as well.
- The Pan-American Health Organization reported that COVID-19 cases in the Americas are ticking up, with cases rising 14 percent overall and over 32 percent in **South America**, the hardest hit region.
- **Argentine** road authorities said that truck driver protests over high diesel prices had completely blocked key roads surrounding the port of Rosario, leading to a 76 percent year-on-year reduction in grain exports.



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Americas: US

- The Biden Administration has agreed a \$3.2 billion deal to buy 105 million doses of the **BioNTech/Pfizer vaccine**, including a proposed new vaccine targeting the Omicron variant for an autumn booster campaign.
- Judge Ketanji Brown Jackson will be sworn in as the **Supreme Court's first Black female justice** at noon today, just minutes after her mentor Justice Stephen G. Breyer makes his retirement official.
- Revised US **consumer spending data** indicate that the economy may be weaker than expected after the federal government lowered its **GDP figures** on Wednesday. GDP was revised down by one-tenth to a 1.6 per cent decline.
- The US will significantly increase its **military deployments in Europe** with additional troops and weaponry, as part of the largest scaling up of NATO defenses since the cold war in response to Russia's invasion of Ukraine.



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State-Backed Hackers Deploying Ransomware to Mask Cyberespionage and IP Theft

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

An advanced persistent threat (APT) group with government support is conducting cyberespionage and stealing intellectual property (IP) from organizations across a range of industries and using ransomware as a decoy to cover up its malicious activities.

Dubbed Bronze Starlight, cyber threat researchers have observed that the APT group is deploying ransomware as a diversion to make its motives appear as those of a money-driven cybercriminal rather than a state-sponsored actor in search of valuable proprietary information. Organizations should take note of this evolution, which distracts incident responders from identifying the true intent of an attack and prioritize patching cycles to minimize the likelihood of a successful infection from sophisticated cyber gangs that operate on behalf of nation-states.

How does it Operate?

Bronze Starlight compromises targeted networks by exploiting perimeter devices with known vulnerabilities that the organizations have not yet remediated with security patches.

Using ransomware as a diversion in the attack conceals its more surreptitious activities, which are the capture of unique data and information that will benefit its state sponsor. Also known as APT10, Bronze Starlight essentially hopes that its target expends time and resources to mitigate and remediate the obvious direct attack instead of recognizing the more serious threat slipping under their radar.

It took time for researchers to discover the true operational objectives of Bronze Starlight because the group's prior activity and public profile is consistent with the activities of traditional ransomware gangs. For example, Bronze Starlight has used several ransomware malware strains – which it developed itself - in its operations, including LockFile, AtomSilo, Rook, Night Sky and Pandora, and has posted the stolen data of 21 victims to

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name-and-shame leak sites. The APT only uses each strain against a small number of victims, which is not consistent with the behavior of the more well-known ransomware gangs that are more likely to target larger volumes of victims. This suggests that Bronze Starlight may be developing malware strains for targeted use in an effort to limit its global exposure.

Who are Targets?

Bronze Starlight is primarily targeting businesses in the West and those in countries that are allies of Europe and the United States. Thus far, victims include, but are not limited to, pharmaceutical companies in Brazil and the US, electronic component designers and manufacturers in Japan and Lithuania, a major Indian organization's aerospace and defense division, an American law firm and a US-based media outlet with offices in both mainland China and Hong Kong.

Based on the victimology, the short-term lifecycle of the decoy ransomware attack, and the tendency of ransomware gangs to exfiltrate as well as encrypt data, it is likely that intellectual property theft and not financial profit is the motivation behind these attacks. Almost three-quarters of the known victims and the geographies in

which they operate are in industries deemed of interest to state-sponsored APT actors which researchers have already profiled.

Way Ahead

Bronze Starlight may be one of the first APT actors implementing ransomware as a cover to hide specifically espionage-inclined operations. The new tactic should not be considered novel, however, as previous ransomware activity could have been mischaracterized as criminal rather than as espionage, and other government-backed gangs will surely take note of recent media coverage and soon follow suit.

The tools and targeting tactics employed by cybercriminals and cyber espionage actors are increasingly converging, which complicates the ability of defenders to accurately attribute hostile activity. Going forward, further adoption of common cybercriminal techniques by APTs may become more popular as they reduce the visibility of an actor on a network and enable them to disappear before a breach is detected. Leveraging third-party proxies and for-hire cyber mercenaries will further insulate nation states from the discovery of their involvement in espionage, reducing their potential exposure.

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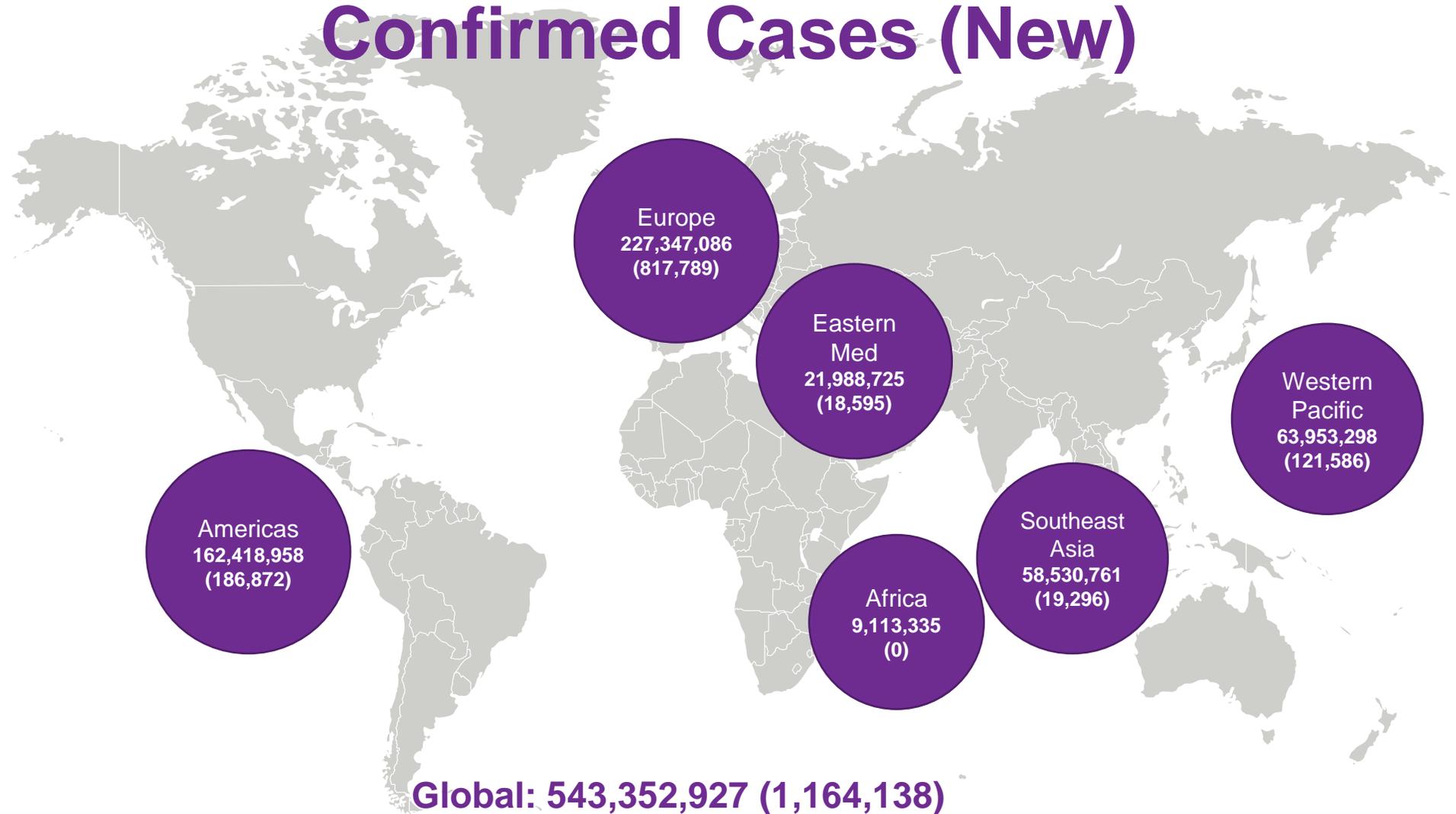
Dentons offers business leaders a full complement of counseling and advice for cyber risk management and also offers regulatory and litigation services. Analysis and intelligence products from Dentons can help to better understand fast-changing complex operating environments and, importantly, all interaction 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 6:26 pm CEST on June 29, 2022

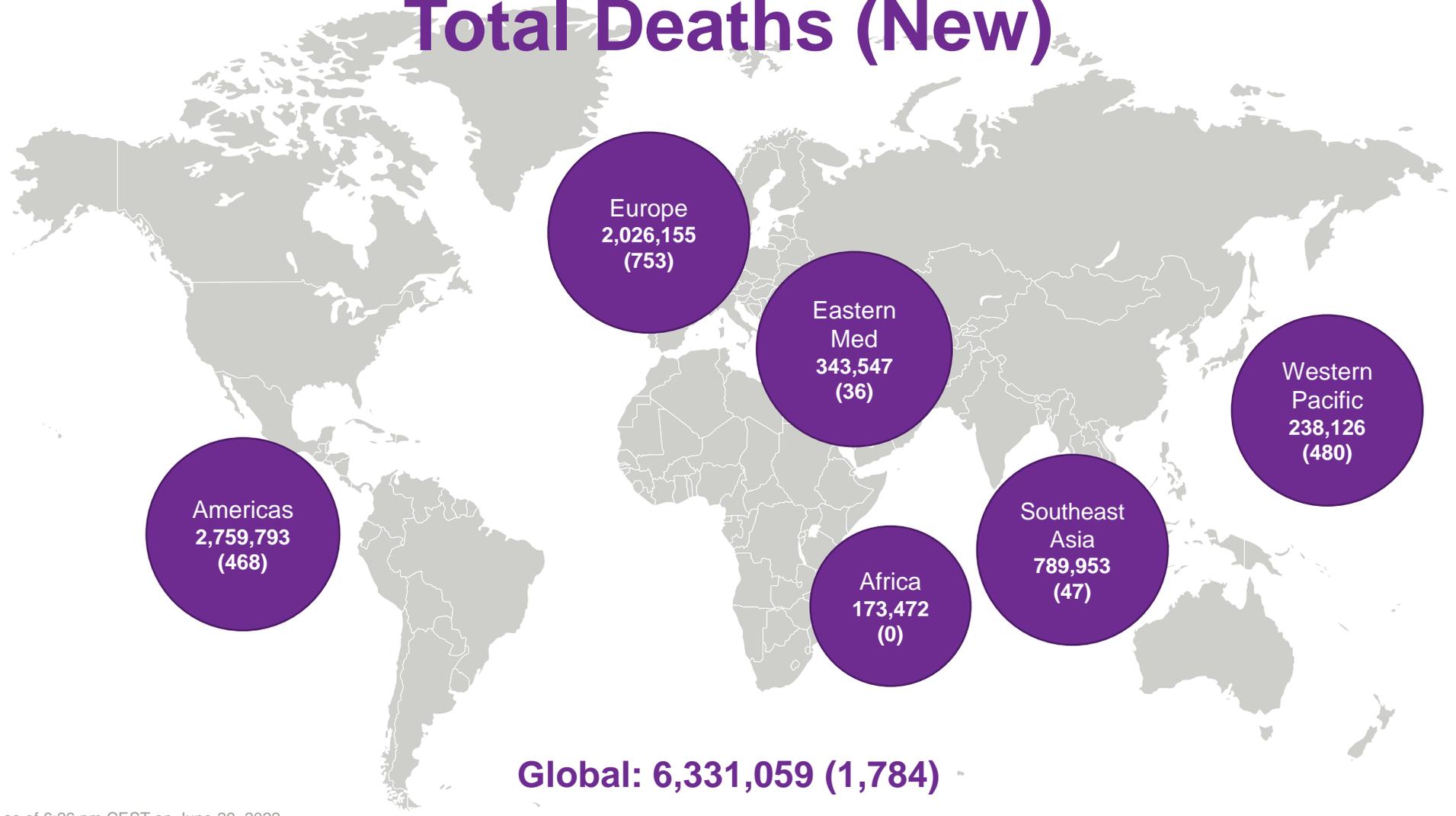
Confirmed Cases (New)



Reflects data as of 6:26 pm CEST on June 29, 2022.
Data Source: World Health Organization

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Total Deaths (New)



Reflects data as of 6:26 pm CEST on June 29, 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.

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