Dentons Flashpoint

Daily Global Situation Report

July 14, 2022

Global Situation Update: July 14, 2022

KEY TAKEAWAYS

Record-breaking heatwaves sizzle Europe and Asia.

Progress in talks with Russia spurs hope for resumed Black Sea grain exports.

US annual consumer prices jumped 9.1 percent in June, the largest increase in more than four decades.

大成 DENTONS

Global Situation Update: July 14, 2022

WHAT WE'RE WATCHING

There is continuing fallout from the Uber Files project, an investigation by leading media outlets based on a leak of sensitive texts, emails, invoices, briefing notes, presentations and other documents exchanged by top Uber executives, government bureaucrats and world leaders in nearly 30 countries.

The newly unearthed data shows how Uber worked to undermine taxi drivers and unions on almost every continent. Protests by those drivers against politicians and bureaucrats have sprung up this week in France, Italy, South Africa and elsewhere. Uber argues the data is old and the company has changed since then. However, the leak of the sensitive data by a disillusioned Uber executive serves as a reminder to organizations to diligently handle archived information.

大成 DENTONS

Global

Ukraine, the UN and Turkey hailed progress at talks in Istanbul with Russia designed to resume Black Sea grain exports and ease the risk of starvation faced by millions; an agreement could be signed next week.

- The World Meteorological Organization warned the **heatwave** was spreading and intensifying in large parts of Europe, with wildfires spreading in Portugal, Spain and France. Searing temperatures also swept across China's vast Yangtze River basin. For the third time this summer, Shanghai issued its highest alert for extreme heat as temperatures set to test records in China's most populous city of 25 million residents.

- Bill Gates is pouring another $20 billion into the **charitable foundation** he and his ex-wife Melinda French Gates run, pledging a 50 percent increase in its annual distributions as he warns of "*huge global setbacks*" to the **fights against preventable disease, inequality and poverty**.

大成 DENTONS

Markets & Business

Celsius Network, one of the world's largest cryptocurrency lenders, has filed for Chapter 11 bankruptcy.

- Commodity trader **Trafigura** has sold a multibillion-dollar stake in a giant Russian oil project to an obscure Hong Kong company, **Nord Axis Limited**, that was set up just nine days before Russia invaded Ukraine.

- **Hyundai Motor Co** launches today its first electric sedan, Ioniq 6, in a bid to grab a bigger share of the sedan electric vehicle market dominated by **Tesla Inc.**

- Britain's biggest domestic lender **Lloyds Banking Group** contacted 2 million of its 26 million customers in May after identifying they could need extra support to cope with soaring food and energy prices and rising debt costs. The UK's largest mortgage provider outlined options including debt consolidation, household budget reviews and spending control tools.

- **Deutsche Telekom** has agreed to sell a majority stake in GD Towers, in a deal that gives its towers business an enterprise value of €17.5 billion.

大成 DENTONS

Environment, Sustainability & Governance

Amazon's Ring doorbell unit, which makes videos of the outside of an owner's home, gave footage to law enforcement without the user's consent 11 times so far this year, per company reporting.

- Average **support for shareholder resolutions** on environmental, social and governance (ESG) topics at US companies dipped to 26.6 percent this year from 32 percent in 2021 as asset managers shied away from backing tougher investor requests, new data showed.

- The European Union's securities watchdog called for a new **global standard setter for company sustainability reporting** to ensure its definition of "sustainability" fits with other initiatives to stamp out "greenwashing."

- Singapore has set up its first b**attery energy storage system** (BESS) to manage peak consumption at the world's largest container transshipment hub.

- The EU Commission announced investments of more than €1.8 billion investment in 17 large-scale **clean tech projects**, which together have the potential to save 136 million tons of CO2eq over their first 10 years of operation. The projects are located in Bulgaria, Finland, France, Germany, Iceland, the Netherlands, Norway, Poland, and Sweden.

大成 **DENTONS**

Africa

- More than half of the projected increase in the global population up to 2050 will be concentrated in eight countries, the UN has said, five of which are in **Africa**.

- The head of **Ethiopia's** national humanitarian agency was arrested on suspicion of corruption.

- The African Development Bank said it accepted a proposal to assist clearing **Zimbabwe's** $13.5 billion debt clearance plan, partly due to extreme poverty in the country.

- **French** President Macron said he wants a "*rethink of all our (military) postures on the African continent,*" as French officials head to **Niger** to redefine the country's strategy to fight Islamist militants in the Sahel and thousands of French troops complete a withdrawal from **Mali** and concerns mount over the growing threat to coastal West African states.

大成 **DENTONS**

Asia

- **North Korea** recognized two **Russian**-backed breakaway "*people's republics*" in eastern **Ukraine** as independent states.

- A **Hong Kong** court sentenced a 66-year-old activist known as "Grandma Wong" to eight months' imprisonment yesterday, in the second jailing of a veteran Hong Kong democracy campaigner in as many days.

- **Sri Lanka's** acting president and prime minister, Ranil Wickremesinghe, has asked the speaker of parliament to nominate a new prime minister. President Gotabaya Rajapaksa, now in exile, has yet to officially resign.

- The **Solomon Islands** will not host a foreign military base because the nation would be targeted for "military strikes," Prime Minister Sogavare stated at the Pacific Islands Forum Summit, in his first public comments on a security agreement with **China** signed in April.

大成 DENTONS

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**.*

大成 **DENTONS**

Europe

- **EU** member **Lithuania** will allow sanctioned **Russian** goods to transit its territory on their way to Russia's Kaliningrad exclave, reversing its policy after new European Commission guidelines.

- **Russia** has deported 900,000 to 1.6 million **Ukrainia**n citizens from Russian-occupied regions of Ukraine in a systemic "filtration" operation, per the **US** in confirmation of Ukrainian accusations.

- Several thousand **Hungarians** protested against Prime Minister Orban's government in the second day of anti-government rallies after lawmakers fast-tracked legislation sharply raising taxes for small firms.

- **Italy's** 5-Star Movement will not take part in a parliamentary confidence vote today, in a move that looked likely to trigger the collapse of Prime Minister Mario Draghi's government.
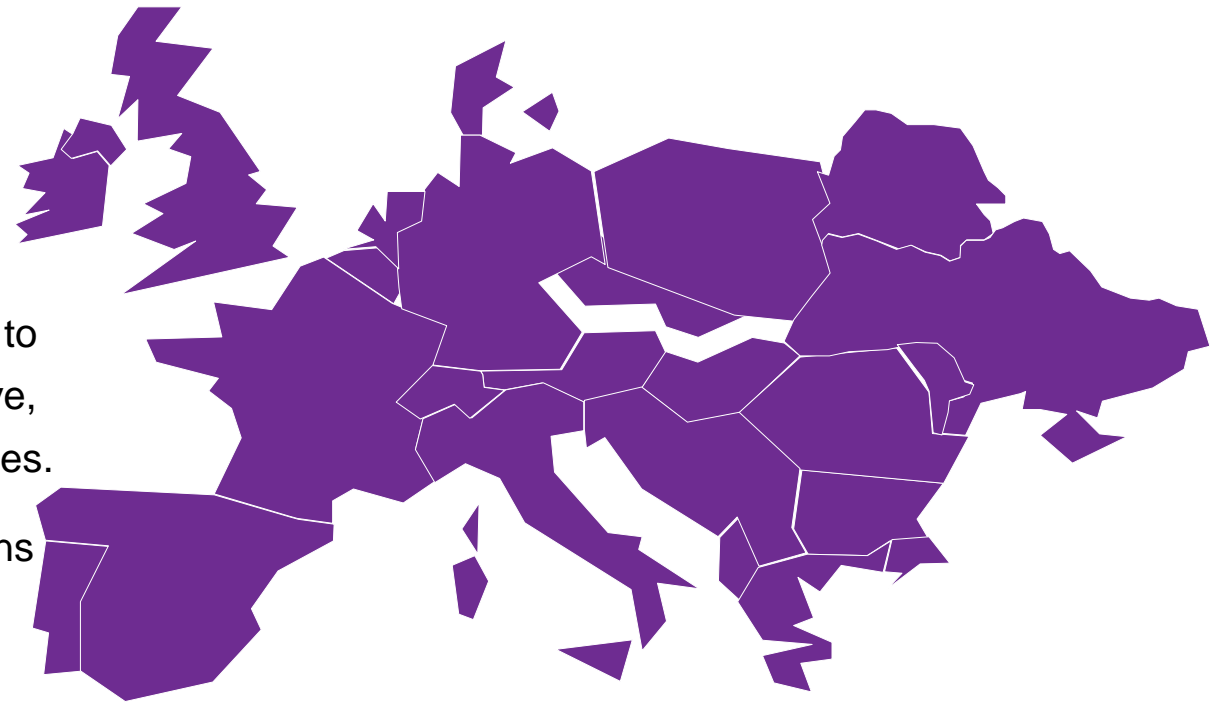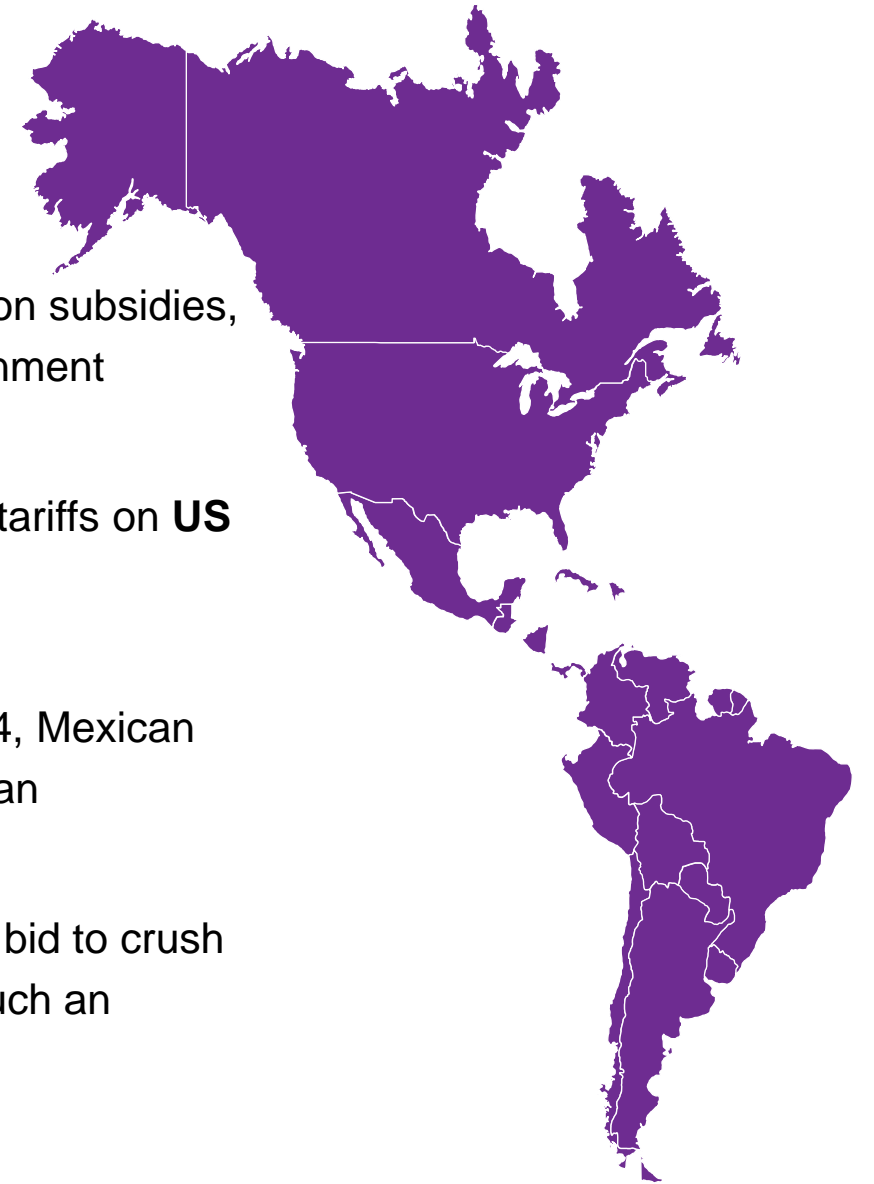
大成 DENTONS

Middle East
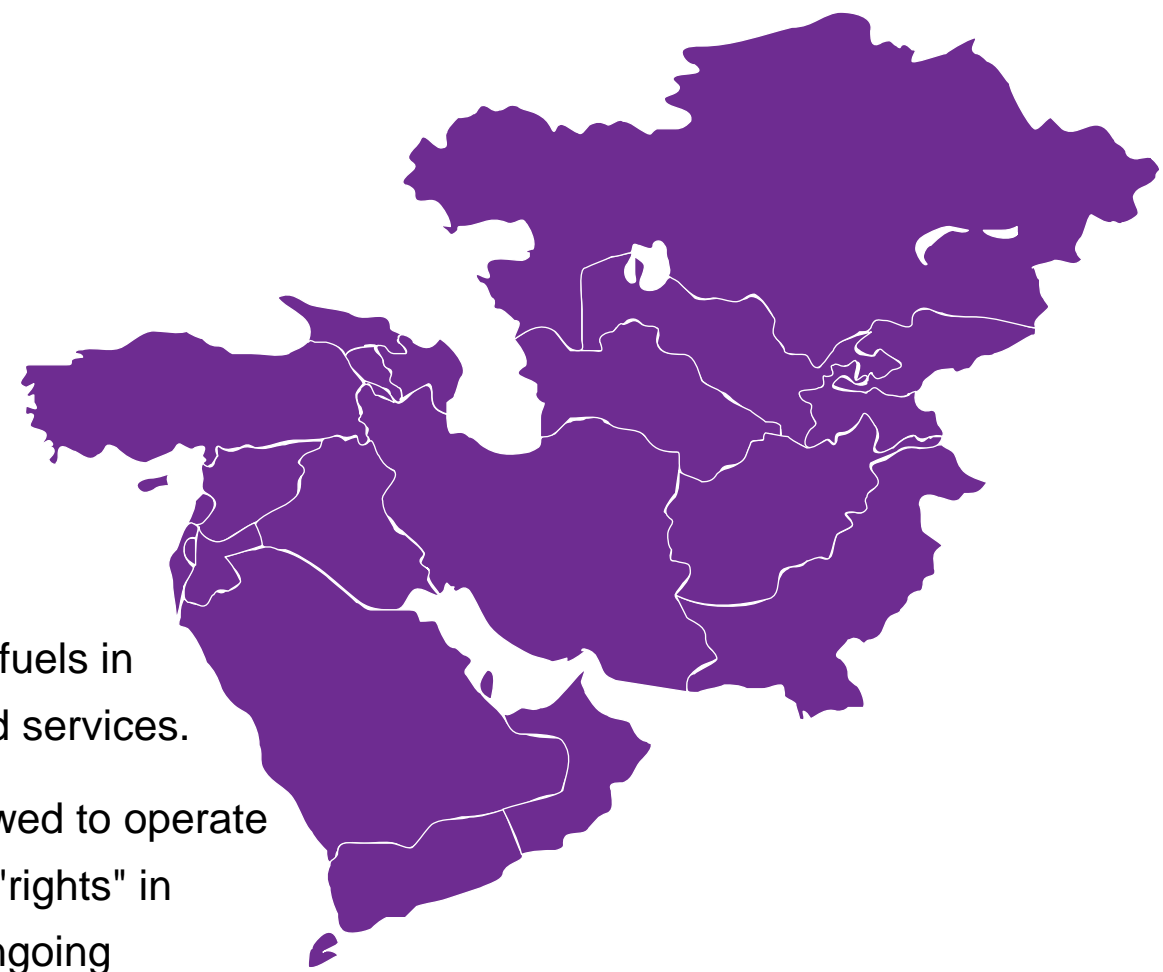
- The UN Security Council voted unanimously to extend the mandate of the UN mission helping to implement a December 2018 ceasefire agreement between **Yemen's** government and the Iran-backed Houthi militia.

- **Egypt** increased the price of its widely used diesel and other fuels in a move expected to further drive up prices of other goods and services.

- The head of Hizballah warned on that "*no one*" would be allowed to operate in maritime oil and gas fields if **Lebanon** was barred from its "rights" in extracting from areas off of its own coast, casting doubt on ongoing maritime border talks with **Israel**.

- **Iran** denied **US** reports that **Russia** will buy several hundred armed drones from the country in an upcoming sales package but would not clarify what was in the package. Iran reiterated its demand for "strong" economic guarantees to reenter a nuclear deal.

大成 DENTONS

Americas

- **Ecuador's** government and leaders from indigenous groups began talks on subsidies, debt forgiveness and other agreements, the result of weeks of anti-government protests.

- The World Trade Organization ruled that **Canada** has the right to impose tariffs on **US** imports in the future to ward off the threat of the US penalizing Canadian manufacturers for alleged unfair subsidies.

- **US** companies plan to invest $40 billion in **Mexico** between now and 2024, Mexican President Andres Manuel Lopez Obrador told a meeting of US and Mexican executives.

- The Bank of **Canada** raised its main interest rate by 100 basis points in a bid to crush inflation, surprising markets and becoming the first G7 country to make such an aggressive hike in this economic cycle.

大成 DENTONS

Americas: US

- The FDA authorized the use of Novavax Inc's **COVID-19 vaccine** yesterday, clearing the way for a shot whose more traditional technology has raised hopes of wider acceptance among vaccine skeptics.

- US annual consumer prices jumped 9.1 percent in June, the largest increase in more than four decades, with Americans paying more for gasoline, food, healthcare and rents. **Soaring inflation** is driving bets that the US Federal Reserve will raise interest rates by a full percentage point at the end of the month.

- Texas' power grid operator issued a second warning this week that the state is under the threat of rolling blackouts as a blazing **heatwave** pressures its electricity system.

- In an arms race with China, the US announced it had successfully tested two Lockheed Martin Corp **hypersonic missiles** recently.

大成 DENTONS

Russian Hacktivists Reorganize, Evolve Tactics Against Sympathizers of Ukraine

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

Organizations and governments worldwide taking a public stand in support of Ukraine face a growing cyber threat from Kremlin-backed hackers who are evolving their tactics to cause maximum damage and disruption. Two hacktivist collectives – "Killnet" and "Cyber Spetsnaz" – are actively consolidating, reforming and recruiting likeminded cybercriminals they can fold into offensive cyber operations against Russia's adversaries. Both groups consist of thousands of individuals of varying proficiencies. Cybersecurity teams must be cognizant of hacktivist activity and ensure they have mitigation processes in place to remediate attacks from pro-Russia actors.

Killnet and Cyber Spetsnaz

These hacktivist outfits were formed just prior to, or shortly after, Russia's invasion of Ukraine. Killnet originally focused on marketing its distributed denial of service (DDos) services on the darkweb and is currently directing its formidable DDoS capabilities against private and public sector targets that support Kyiv. Notable attacks struck the anti-Kremlin hacktivist enclave Anonymous, and successfully disrupted online government assets and critical infrastructure targets, such as telecommunications companies, in Czechia, France, Italy, Lithuania, Moldova, and Norway.

A newer group, Cyber Spetsnaz, actively recruited 3,000 pro-Kremlin hackers with a range of skillsets, including penetration testers, intelligence specialists, and initial access brokers. The collective's operators are well organized, suggesting official support from the Russian government to deploy a variety of DDoS attack tools against targets. In one recent strike, Cyber Spetsnaz attacked Lithuanian critical infrastructure and government resources with DDoS attacks after Vilnius retaliated for cutting off cargo transport to Moscow's Kaliningrad exclave. On 9 July, Cyber Spetsnaz posted a message in its Telegram channel stating it is disbanding on 20 July for reorganization. Joint attacks may occur in the future alongside Killnet.

大成 DENTONS

Russian Hacktivists Reorganize, Evolve Tactics Against Sympathizers of Ukraine

Targeting Evolves

Nuisance-level disruptive attacks have long been the preferred tactic for Russia's hacktivists, but they are evolving. For example, in June 2022, Cyber Spetsnaz created a new division within its fold that specializes in cyber espionage against NATO members and allies to steal Internet resources, financial intelligence, and sensitive data. In the attack against Lithuanian critical infrastructure, Cyber Spetsnaz socialized a list of targets a coordinated plan of attack to maximize the impact of the DDoS attack against them. Multiple Norwegian organizations have also been targeted in DDoS attacks amid a diplomatic dispute between Norway and Russia related to Norway's banning of a shipment of goods via Norwegian territory to Russian miners in Svalbard. Web page defacement and doxing (purposeful exposure of personal identifiable information) are other prolific tactics.

Puppet Master

Russian intelligence operatives are likely helping coordinate attacks by hacktivists against pro-Ukraine entities. They were involved in a recent breach where the information stolen ended up in the hands of another pro-Russian hacktivist group dubbed "XakNet," according to one cybersecurity researcher. Though more evidence is needed to confirm these suspicions, a formidable hacktivist capability presents an opportunity for intelligence services either to leverage or integrate into its own operations.

Way Forward

All organizations should be cognizant of the latest hacktivist activity and tactics to ensure their enterprises have mitigation processes in place to remediate attacks. Implementing DDoS and incident response plans, a prompt patch management cycle for known vulnerabilities, and proactive monitoring of social media platforms can help reduce the chances of an organization becoming the victim of a hacktivist attack.

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.
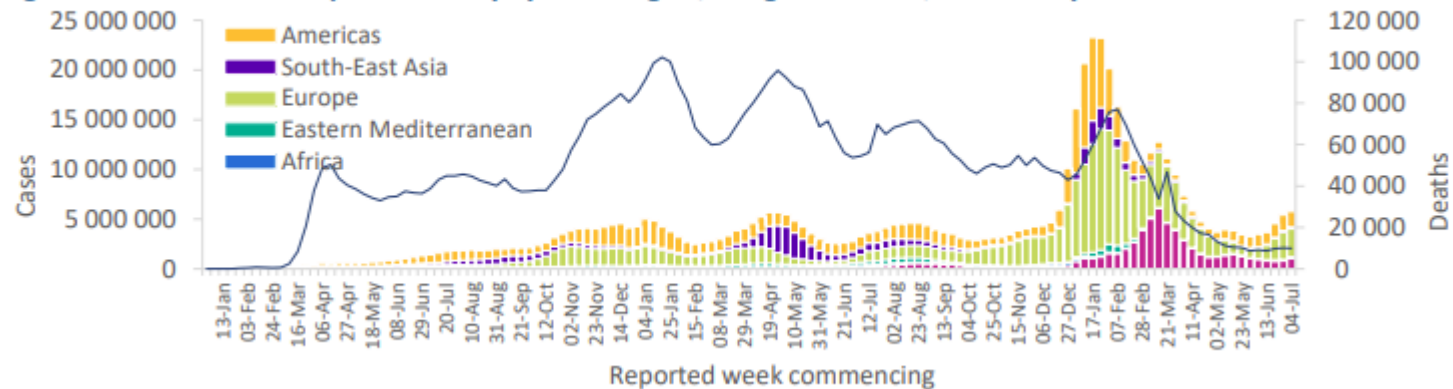
大成 DENTONS

Coronavirus Condition Updates

As of 5:16 pm CEST on July 13, 2022

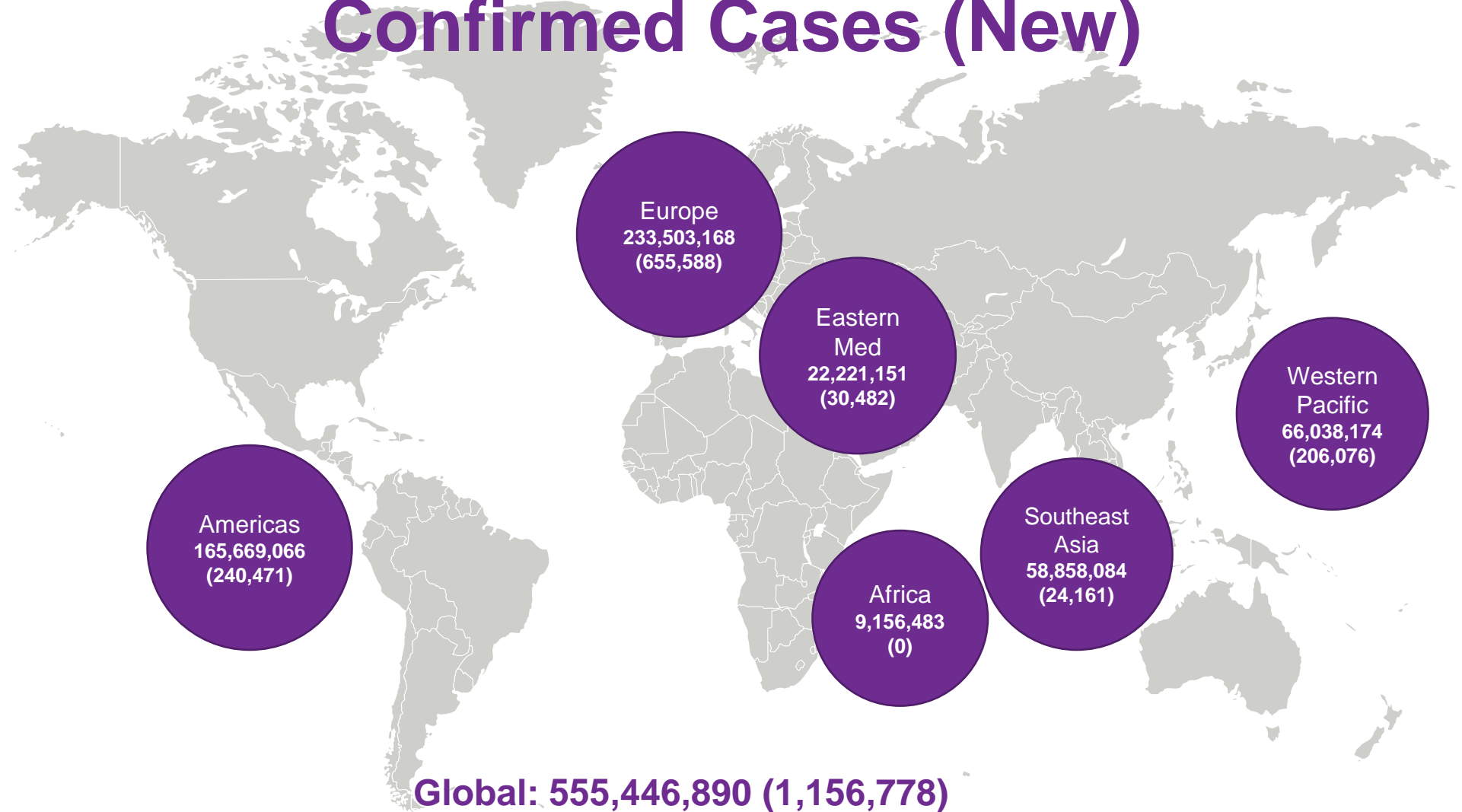大成 **DENTONS**

Coronavirus Snapshot

- Globally, confirmed coronavirus cases topped 555.4 million with 6.3 million deaths; more than 12.0 billion vaccine doses have been administered.

- Globally, the number of new weekly cases increased for the fifth consecutive week after a declining trend since the last peak in March 2022. During the week of 4 to 10 July 2022, over 5.7 million new cases were reported, a 6 percent increase compared to the previous week. The number of new weekly deaths was similar to that of the previous week, with over 9,800 fatalities reported.

Figure 1. COVID-19 cases reported weekly by WHO Region, and global deaths, as of 10 July 2022**

大成 DENTONS

Confirmed Cases (New)

Europe
233,503,168
(655,588)

Eastern Med
22,221,151
(30,482)

Western Pacific
66,038,174
(206,076)

Americas
165,669,066
(240,471)

Africa
9,156,483
(0)

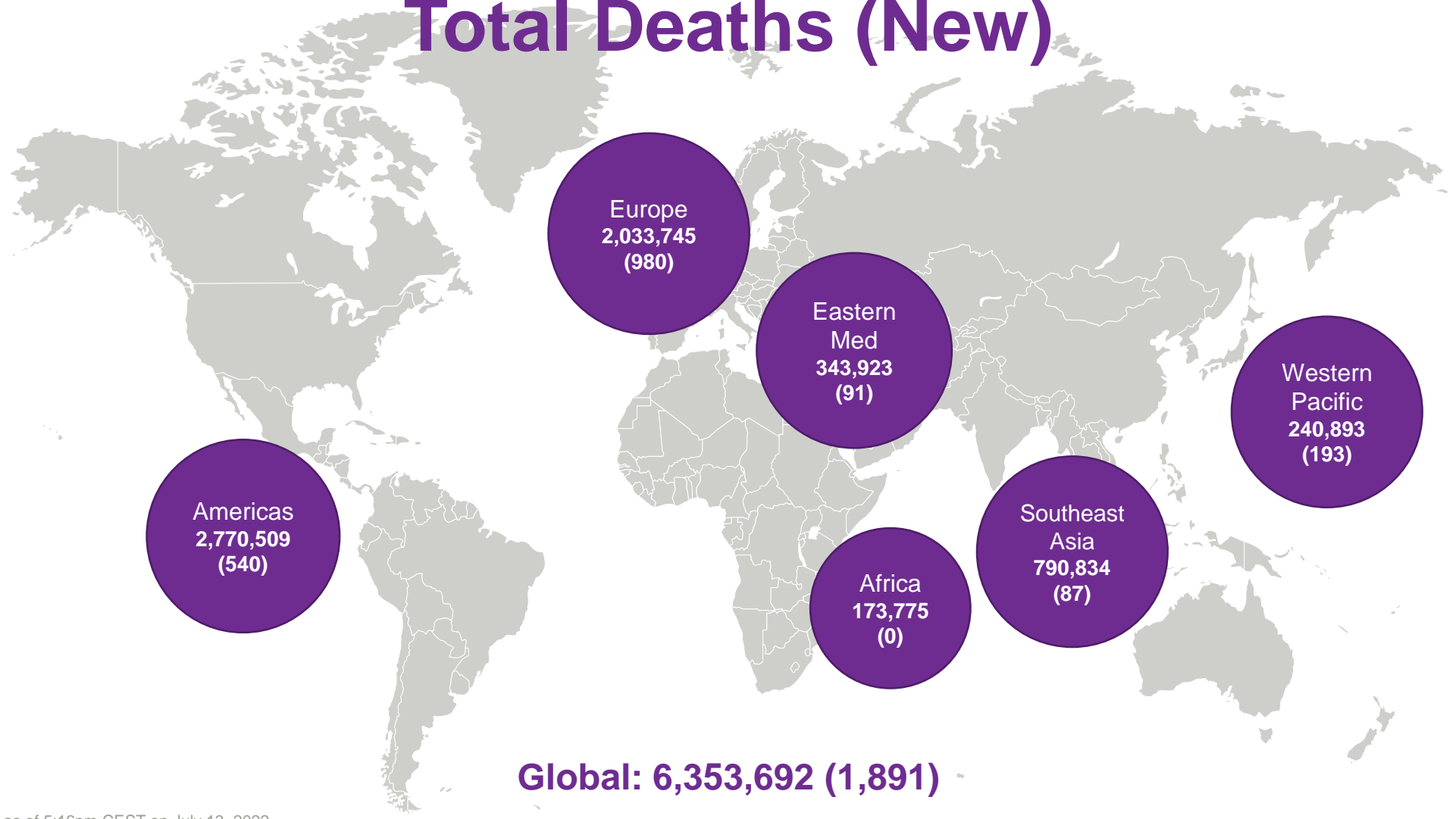**Southeast Asia**
58,858,084
(24,161)

Global: 555,446,890 (1,156,778)

Reflects data as of 5:16pm CEST on July 13, 2022.
Data Source: World Health Organization

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

大成 **DENTONS**

Total Deaths (New)

Europe
2,033,745
(980)

Eastern Med
343,923
(91)

Western Pacific
240,893
(193)

Americas
2,770,509
(540)

Africa
173,775
(0)

Southeast Asia
790,834
(87)

Global: 6,353,692 (1,891)

Reflects data as of 5:16pm CEST on July 13, 2022.
Data Source: World Health Organization

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

大成 **DENTONS**

Contacts

Karl Hopkins

Partner and Global Chief Security Officer
Dentons
Washington, DC

D +1 202 408 9225
karl.hopkins@dentons.com

Melissa Mahle

Senior Analyst
Dentons
Washington, DC

D +1 202 408 6383
melissa.mahle@dentons.com

大成 DENTONS