

BUSINESS RISK UPDATE - AUTUMN 2021

Welcome to the latest edition of 'Business Risk Update', the newsletter from KCS Group Europe specifically for our clients and partners to provide you with a snapshot of latest news and articles from the business.

The company we keep



If we were to create an 'alphabet soup' of the business world, it would start pretty conventionally: CEO, CISO, CFO. Going deeper, we might find rarer ingredients: FTSE, ISO, CRM.

But the most vital elements are sometimes left in the tin: DD, KYC and AML. Without them, the meal can turn sour, so why are some corporate chefs still treating them as optional seasonings rather than vital elements? The answer lies not only in the company we keep, but the companies we are – and what people on both sides of the divide are prepared to do.

Due Diligence, Know Your Customer, Anti-Money Laundering. These are the three principles by which the continuing security of a business is built and upon which it should be founded, on the basis that a good habit is hard to break and that starting as you mean to go on is generally a good idea. And yet. Time after time stories break of firms having lost millions to fraudsters, of surface-level 'sure hits' being naught but smoke and mirrors – and these are just the tales we hear about. One of the few matters on which everyone can agree, when it comes to fraud, is that the scale of the threat posed is greatly underestimated.

So the question must be asked – why on earth do we make it so easy?

Lest this be considered too



The Sleaze of doing business

inflammatory a statement, consider some examples drawn from just the past few months of projects that have crossed the KCS desk. An instance whereby a client asked for due diligence on a potential partner with no supporting information to assist in validating him – not even a passport. An instance of investigating a fraud with the client's shell-shocked amazement that the deal could have gone wrong. And an instance where, having been told some very concerning derogatory information, the client requested this to be removed from the report that would decide the CEO's position.

The company we keep



Cyber-Psychology: The underestimated threat

China - a cyber powerhouse?

It is no surprise that China's cyberwarfare is becoming increasingly alarming to the West. While the US and the UK have been aware of China's cyber capabilities for some time now, 2021 has shown that the level of hacking coming out from China is more of a severe threat to the West than it ever was before. The accusations of state-sponsored hacking from China have been rising over the past few years, most notably in the exploitation of vulnerabilities in Microsoft's Exchange company server software in March 2021. It affected hundreds of thousands of organisations worldwide, allowing hackers to siphon off company emails for espionage purposes, with the help of an easy to use "web shell" tool. This allows anybody with the right password to hack into a compromised Exchange server. The US, UK, EU and NATO accused the Chinese Communist Party (CCP) of being behind this offensive and even blamed the Ministry of State Security (MSS) for directing the activity.



It is clear that China has stepped up and greatly improved its cyber capabilities. But what is the aim of China's cyber espionage operations? Well, it is the same goal as traditional espionage – information. With this, China can use information gathered from the cyber sphere to assist in their foreign goals and their domestic ones, such as, national security and social stability. Both of these are essential to China's domestic objectives. But recently, US officials have accused China of becoming more flagrant in their cyber operations. They have been targeting trade secrets and stealing technologies from various countries and companies. Chinese hackers have targeted secrets from industries including aviation, defence, education, government, healthcare, biopharmaceutical, and maritime industries.

China's recent escalation of their cyber capabilities is likely a reaction to the US's dominance in that sector. China is more and more dependent on information networks in all aspects, including in defence.

This article first appeared in Strategic Risk on 1 November - please click below to view the full copy.

[China – a cyber powerhouse? | News | Strategic Risk Europe \(strategic-risk-europe.com\)](#)

KCS Team receive glowing testimonials

THE MORE DIFFICULT IT GETS, THE BETTER THE SERVICE

It's a great start to the month for KCS Group Europe's Stuart Poole-Robb, and his team. After a glowing reference from the British Museum on 18 October, that would make any CEO proud, the following testimonial has been received from Tubacex, Bilbao, Spain:

"KCS has assisted Tubacex for many years and they are an excellent and very efficient provider of intelligence and cyber security services. Over the years, we have engaged KCS with several mandates – all with outstanding performance, professionalism, and discretion. In fact, the more difficult it gets, the better service KCS provides. It is not easy to find the right partner for this type of specialist services and they certainly more than qualify."

KCS has consistently outperformed in terms of quality and timely support. Tubacex is proud to count on such a reliable long-time partner."

Miguel Gómez Lacabex
Director, Corporate Business Development, Tubacex

The client is always right!

[Testimonials](#)




[Thernos the mad Titan?](#)



[Political Risk Advisory: Russia](#)

KCS COLLABORATES WITH TWO OF UK'S PRESTIGIOUS CHARITIES

The rise in ransomware attacks has become prevalent and organisations are being urged to do more when it comes to security. Risk assessment in the form of penetration testing and cyber security process audit has become more than ever vital to ensure and boost the security of organisations of all sizes. KCS Group Europe offers specialist cyber support services from an intelligence-led perspective to boost, secure and enhance efficiency of companies' operations. KCS has been working with two prestigious charities in the UK, the **British Museum and Help for Heroes**. These collaborations have fetched KCS some accolades from the two charities. The testimonials can be found here: [Testimonials](#)



KCS RELAUNCHES PRIZE-WINNING SYSTEM FOR A NEW ERA

At the turn of the millennium, KCS Group Europe won two prestigious awards for their Grey Area Dynamics program – a means of quantifying risk and threat from all directions and vectors, rather than just the ones that might be considered 'obvious'.

Twenty years later, we are delighted to announce that the GAD program is back, redesigned and redefined for the new reality of global markets, and with an improved mathematical base which allows for more effective and relevant analysis.

Allowing for exploring how the dynamic nature of how 'grey areas' can affect a business, the GAD program will help clients understand not only the extant risks and threats present in a given market, and their impact on actual or potential ventures in-country, but to understand the breakdown and division of said risks in order to meet the challenge of encapsulating extraordinarily broad threat profiles while remaining concise and of value.

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