



**APRIL 2020** 

# ESRM INSIGHT

## Enterprise Risks as COVID-19 Ravages the World

The novel coronavirus, first reported in China's Wuhan district in December of 2019 has changed the world forever.

#### The Numbers

As at the date of this report, COVID-19 is affecting 209 countries and territories and 2 international conveyances.

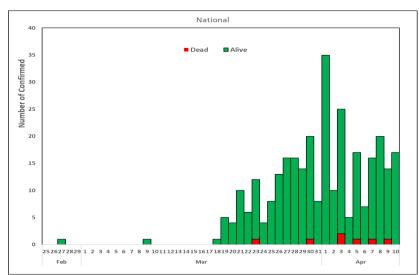
- 1,677,190 reported cases and 101,559 deaths worldwide.
- According to a paper by UC Berkley economist, Gournichas, if 50% of the world is infected, 1% of the world, 76 million people would die. This assumption is based on the available critical care beds and a 2% case fatality rate.
- Research suggests that approximately 20% of those who contract COVID-19 will require extensive hospital treatment, which will put significant strain on healthcare facilities and the economy.

## **Global Impact**

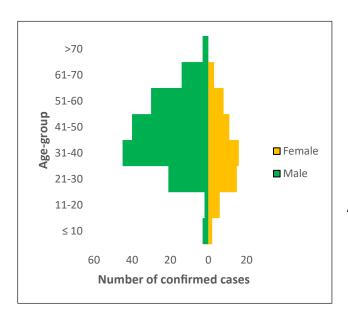
- Countries with high older people populations are most at risk for high death rates.
- Longer-term impact will be felt by indebted companies or with poor cash flows.
- Companies are downsizing their workforce and many individuals have lost their means of livelihood due to the various restrictions of movement by governments across the world. These would lead to increased street crimes alongside cybercrimes as idle people with internet access would see oppor tunities.

### Nigeria's Scenarios

- According to a NOI Poll conducted in March 2020, 84% of Nigerians are aware of CODIV-19.
- Nigeria will be unable to sustain a lockdown without economic and security consequences. Approxi mately 80% of Nigerians earn their income from the informal sector and/or are in "vulnerable employment" that lacks social security.
- There will be an increase in insecurity and crimes. The impending food scarcity will lead to an estimat ed over 22% rise in burglary and theft.
- Domestic violence is projected to rise by over 16% as people will find themselves at closer proximity to others that create tensions, even in relationships.
- A major threat is in enforcing the lockdown. As seen in the Okada ban, enforcement agencies are already experiencing face-offs, potentially resulting in the breakdown of law and order.



Daily Epi-Curve of Confirmed Cases (wk9 - wk 15) **Source: NCDC** 



Age -Sex distribution of Confirmed Cases (wk9 - wk15)

**Source: NCDC** 

- People's social life has been adversely affected. In the end, a culture change is likely as current situa tion influences social interaction and societal thinking, norms and values.
- The social distancing rule/policy will trigger a more aggressive approach to engaging technology using available social media platforms - which has increased by an estimated over 44% since the lockdown began. This opens us up to other risks such as information and identity hacking/theft, loss of private and critical data etc.
- With the rise in social media comes the increasing need for technology. This has a great adverse effect on the physiological framework of individuals with long term usage, such as, eye sight, distor tion in hormonal balances etc. This will increase pressure on health facilities and services – at least by a minimum 22% increase in demand.
- There would be job losses, although this would likely lead to opportunities for new industries and work types.

### **Enterprise Security Risks Profile**

From the experience with the COVID-19 pandemic, organisations and individuals will need to rethink their risk management measures after the pandemic.

| s/n | Key Issues  |              | Projected Impact   | Proposed Mitigants  |
|-----|---|--------------|--|---|
| 1   | Unemployment  | Unemployment | Firms will cut jobs to reduce losses and stay in business.           | There is need to re-skill for jobs of the future.   |
| 2   | Delayed in school<br>resumption and<br>restive youths |              | Potential increased youth delinquencies due to idleness and boredom. | Creatively engage the youth via online education, creative sessions and entertainment.      |
| 3   | Limited cash in circulation                           |              | A crash in the local economy as citizens lack purchasing power.      | Government should implement palliative measures, including cash support for the vulnerable. |

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|-----|--|--------|--|--|
| 4   | Limited movement<br>of people and<br>travel bans     | TRAVEL | Negative impact on<br>tourism, transportation<br>and hospitality sectors and<br>other ancillary economic<br>activities.                      | Periodic reopening of restrictions to allow for movements of people & goods and partial opening measures e.g. certain hour/days of the week.   |
| 5   | Slowdown in<br>economic growth<br>and impact of SMEs |        | Reduced economic power<br>and limited jobs will be<br>created as SMEs constitute<br>large portion of Nigeria's<br>economy.                   | Government should provide access to grants, loans and other incentives for the business community, especially SMEs.  |
| 6   | Delays in capital projects                           |        | Stunted growth in infrastructural development.   | Infrastructural projects should be re-prioritized so that the main ones with higher economic impact should be given focus.   |
| 7   | General economic<br>slowdown                         |        | This will further entrenches<br>Nigeria's "poverty capital"<br>appellation when people<br>are unable to meet basic<br>needs.                 | Now is time to fully grow<br>the local economy with<br>adequate attention given<br>to agriculture, mining and<br>natural resources, local<br>capacity in technology,<br>artisan ships etc.                                   |
| 8   | Supply chain<br>impact                               |        | Limited access to free<br>movement will affect the<br>basic economic principle of<br>demand and supply.                                      | Logistics and other essential businesses should be allowed to work during this period and options developed to aid demand and supply.  |
| 9   | Food security  |        | It is likely that Nigeria will<br>lose a lot of perishable<br>agricultural products during<br>this period alongside<br>reduced farm produce. | There should be a special discretion given to farmers and others working in the agriculture value chain.   |
| 10  | Health<br>infrastructure                             |        | The regular hospitals don't have adequate facilities for testing for COVID-19.   | There is need to build both testing and isolation centres. In the future, funding for healthcare will reflect lessons from this incident, therefore planned investment in public health facilities should be a top priority. |
| 11  | Cyber threats'<br>increase                           | 51.22. | Increase in email phishing,<br>spamming and other online<br>hackings.  | Constant education about the online threats and how to remain safe and demands on providers to build-in security architecture into services' delivery.   |

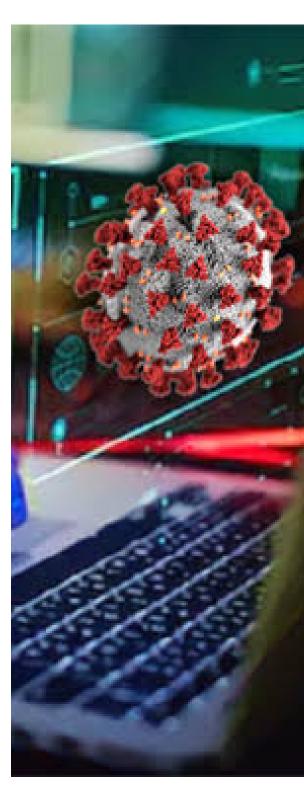
# **CYBER SECURITY**—

#### **Risks**

- COVID-19 is being used in a variety of malicious campaigns including email spam, BEC, malware, ransomware, and malicious domains. As the number of those afflicted contin ue to surge by thousands, campaigns that use the disease as a lure likewise will increase exponentially.
- Threat actors use the timeliness of hot topics, occasions, and popular personalities in their social engineering strate gies. The two main trends are – attacks that aim to steal remote user credentials, and weaponized email attacks.
- Remote user credential theft will increase, as organisations allow their workforce to work from home in order to main tain business continuity. This inevitably entails shifting a significant portion of the workload to be carried out remotely, introducing an exploitable opportunity for attack ers.
- Weaponized email attacks will happen more often as employees that work from home often would do so from their personal computers which are significantly less secure than the organisational ones, making them more vulnerable to malware attacks. These attacks possess a considerable threat to organizations that do not have advanced protec tion in place.
- Working from home policy and practice in Nigeria where stable power supply and fast Internet connection may be a luxury in some quarters - may see employees work from public spaces. This could inadvertently expose the comput ing facilities and confidential information it contains to theft or damage.

### Mitigants

- Companies should evaluate the defenses they have in place and see whether they provide protection against phishing and malicious logins.
- Organisations should ensure VPN services are safe and reliable as there would be a lot more scrutiny against these
- Employees should be advised against using personal com puters for official purposes.
- Organizations should evaluate the security defences in place and explore the use of co-sourcing with external consultants especially for areas where key man risks have been identified.
- Organisations should sensitize their employees around information security outside of the office space while ensuring confidential information remains secure on these devices in the case of theft or damage.



# REGIONAL SUMMARY——

# **North West**

- The Northwest have declined in banditry attacks following the lockdown pronounced by most of the North-western governors.
- March has the lowest death rate in banditry attacks and kidnapping, ending with an estimated 40 deaths mostly recorded in its first week as against average of 175 deaths for January and February 2020.
- Since the beginning of the COVID-19 outbreak, the Northwest governors have taken several mea sures to limit convergence and movement across the region. Some of these decisions have limited economic and commercial activities in the states and have led to a reduction in crime.
- All the governors in the region agreed to shut schools for a minimum of 30 days and lock down religious institutions, markets, social gatherings, with some imposing a total border closure and dusk to dawn curfew - Kano and Niger states are examples.

## **North East**

- Boko Haram, in the past weeks intensified operations in Borno and Yobe state. Between 22nd and 27th of March the sect was responsible for over 70 deaths, when they ambushed and fired rock et-propelled grenades at a lorry conveying some troops, near Gorgi village.
- Borno Government banned all visits to camps for internally displaced persons (IDP) in the state and also set up a response team for prevention and control of COVID-19. They also provided health facili ties for testing, isolation centre and intensive care unit among other measures to keep the public safe.
- However, halting social and commercial activities and issuing a stay at home order could further endanger the lives of the citizens. Records show that Boko Haram attacks are 3 times deadlier when communities are attacked than attacks on other social infrastructures. A complete sit-at-home order could leave residents at remote communities more vulnerable to attacks with higher potential for increased casualty figures.

# North Central

- Economic and commercial activities in Abuja and its environment reduced substantially following the government-imposed lock down, noting that Abuja alone accounts for about 20% of the entire cases in the country.
- No major security incidents have been recorded since the lock down.



## South-South

- Deep water and artisanal fishing in the coastal region of Rivers State is on the brink of extinction as a result of the activities of sea pirates and other criminal elements on the waterways.
- In Calabar, kidnapping trend of 2019 has continued with as much as 50% increase in period of attacks. In the first week of March, approximately 20 cases of kidnapping were reported. On March 5, the police arrested three kidnappers and rescued a woman from kidnappers.
- The six governors of the South-South states, including Bayelsa, Rivers, Akwa Ibom, Cross River, Edo and Delta (acronym BRACED), are taking some bold steps towards achieving security integration in the zone.

## **South East**

- In March, over 25 deaths and 176 arrests were recorded as a result of cultism related activities.
- In Imo, on the 4th of March, three persons were killed while five others were wounded when two fraternal cult groups engaged each other in sporadic shooting at Elezuo, Umuchima Street in Okigwe LGA. The state arrested over 25 cultists following this incident, however, these fraternal clashes continue to surge.
- In Anambra, the number of arrests stood at 108 following several clashes and raid by the Police. The prominent groups causing mayhem in the state are the Vikings and Black Axe Confraternities predominantly in the Obosi areas.
- In Ebonyi, a resurgence of Ngbo/Agila boundary crisis was recorded despite peace accord that was signed between clashing communities.

# **South West**

- Accounting for over 70% of the infection cases across the nation, Lagos has been the most affect ed by the Coronavirus outbreak. As commercial activities in the state slowly grinded to a halt, the economic and security impact is far reaching, following the lockdown directive by President Buhari.
- Enforcing this directive is expected to pose a challenge, both from the citizens and law enforce ment agents. In Oyo, COVID-19 assumed a greater threat when Governor Makinde was confirmed positive for the virus.
- Osun state currently has the second largest number in the South-West after Lagos, following the state government's isolation of travellers from certain African countries who visited the state.



# **ABOUT US**

Halogen Group is a premium, digital-enabled and integrated security group that provides end to end security risk solutions to enterprises as well as individual consumers.

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At Halogen Group, we are committed to enabling you safely pursue the ACHIEVEMENT of your goals and purposes. We do this by creating security risk solutions that help you forestall and mitigate threat.

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#### **Head Office:**

19B, Mobolaji Bank Anthony Way, Ikeja, Lagos.

### Call:

- +234 1-3429012,
- +234 1-3429021
- +234 8081602646,
- +234 700HALOGEN

### Email:

info@halogen-group.com



 ${\sf Halogenlimited} \Big| {\sf HalogenNg} \Big| \\ {\small \textcircled{@}} {\sf Halogensecurity}$ 



