

Africa's pirates have demands - and letterhead, too

[Ben Berkowitz](#) August 13, 2012 1:02 AM EDT Updated 11 years ago

By Ben Berkowitz

(Reuters) - Welcome to the Pirate Action Group. Pirate commander Jamal wishes to congratulate you on being hijacked. Kindly speak to his negotiator about your ransom, bearing in mind that his demands are similar for every vessel he seizes.

This is not an absurd joke -- this is how the pirates of the African coast do business, and it's a serious matter for the companies that have to pay out.

Advertisement · Scroll to continue

In 2011 Somali piracy cost the world economy \$7 billion and earned the pirates some \$160 million in ransoms, according to a recent report by the International Maritime Bureau.

Piracy is receding of late, but it is still a threat. The maritime bureau reported 69 hijacking incidents by Somali pirates between January 1 and July 12, down 32 percent from last year.

Rogues though they may be, these pirates in many cases are surprisingly well-organized, down to having their own packets of paperwork -- on letterhead -- for their victims.

Advertisement · Scroll to continue

Reuters obtained a copy of one such packet, presented to the owner of a

hijacked oil tanker and the owner's insurer after the ship was taken. Due to the commercial sensitivities, the names of the insurer and ship owner were redacted from the document, as was the size of the ransom request.

But what remains is colorful enough, and somewhat surprising. The cover sheet, in memo format, is addressed "To Whom It May Concern" with the subject line "Congratulations to the Company/Owner."

Advertisement · Scroll to continue

"Having seen when my Pirate Action Group (P.A.G) had controlled over your valuable vessel we are saying to you Company/Owner welcome to Jamal's Pirate Action Group (J.P.A.G) and you have to follow by our law to return back your vessel and crew safely," the memo begins.

The tone of the memo belies the violent reality of the pirate's actions. As of early August armed Somali pirates hold more than 170 hostages, according to the IMB, and were responsible for 35 deaths in 2011 alone.

"Do not imagine that we are making to you intimidation," the memo says, before signing off with "Best regards" and the signature of Jamal Faahiye Culusow, the General Commander of the Group.

Lest there be any doubt about who Jamal is or what he does, his signature is accompanied by his seal -- yes, Jamal has a stamped seal -- depicting a skull and crossed swords with the name of the group.

WITH PIRACY COVERAGE, YOU GET A DISCOUNT

Anything can be insured for the right price, and the risk of people or property being held for ransom is no exception. A small coterie of companies, among them Travelers , Chubb and AIG , offer "kidnap and ransom" policies to shipping companies for just these kinds of situations.

In the event of a hijacking, they will pay up, just as Jamal and his ilk request.

Because the number of attacks have declined, piracy coverage prices have, too, said Amanda Holt, a vice president in the financial and professional liability unit at insurance brokerage Marsh in Norwich, England. "Often if you buy piracy cover you'll get a discount on your war premium. It makes a lot of sense for ship owners and managers."

A ship owner looking to insure a single transit can now get \$5 million in coverage for anywhere from \$3,000 to \$5,000, assuming the ship has armed guards.

In this case, that means negotiating how and when the money is paid, and of course how much.

Jamal provided the ship owners a breakdown of the value of their tanker, the oil it contained and also the worth of the crew (at least in his opinion), presenting a final demand figure for them to consider.

"We will send to you after when we arrange something for the demanding ransom money and after when we finish the meeting among my group and resolve my problem," he wrote in the second page of the kidnap packet.

One expert in ransom negotiation situations said it was little surprise that Jamal and his colleagues were so well organized, their meager circumstances in one of the world's most strife-torn countries notwithstanding.

"They want to get the money. If they present themselves and behave as someone who will live up to their commitment to give us the package in good condition, we are much more likely to go ahead and pay the ransom easily and efficiently," said Derek S.T. Baldwin, director of worldwide

operations for IBIS International, which operates in 45 countries worldwide.

"If they present themselves as a non-structured group of disorganized loons they stand an awful lot better chance of having an extraction team show up on their front porch and shoot them," said Baldwin, an attorney by training whose firm has been involved in a number of ransom situations over the years.

As for Jamal, his fate remains unclear. There is no mention of him to be found on the Internet, and Interpol did not return a request for comment on his legal status.

The hostage taking in this particular case ended peacefully, though the source of the documents declined to say if or how much of a ransom was paid.

Reporting By Ben Berkowitz; Editing by Linda Stern

Our Standards: [The Thomson Reuters Trust Principles](#).

[Purchase Licensing Rights](#)