



PROTECTING HIGH NET WORTH INDIVIDUALS AND FAMILIES

Wealth Attracts Attention. But Rather Than Being Obvious, Intrusive and Restricting, Best Practices in Protection Can Actually Enhance Lifestyle, Privacy and Convenience

A HILLARD HEINTZE EXECUTIVE BRIEFING PAPER



Along with wealth and celebrity – two closely linked but very different life circumstances – comes an increase in personal risk.

The headlines – at least when something goes wrong – tell part of the story.

A housepainter working for a leading talk show host crafts a plan to abduct the host's son. Angry protesters track a Wall Street investment bank CEO back to his residence. A mentally unstable employee is charged with stalking the wife of a high net worth executive.



Consider the threats. At the top of the list are insiders – acquaintances, staff, contractors, needy relatives and even friends – who have spent time around the individual or family, earned a measure of trust and access and understand which patterns and practices can be exploited.

Almost as compromising is the proliferation of data on the Web – information that can provide anyone with malicious intent an enormously rich treasure trove of insights and intelligence. Other threats abound.

Why then do so many high net worth individuals and families neglect to take even basic, low-cost steps to protect themselves not just against the common risks confronting the general population but also – and more dangerously – against targeted schemes and attacks?

Resistance to Security is Common Among Wealthy Individuals

The answers range from the expected to the surprising – whether they come from security-savvy hedge fund managers or young parents of families with extensive financial holdings intent upon raising their children “like others” or “without special privileges”.

- **Denial or lack of awareness.** Like writing a will, understanding and accepting security risks can be an unpleasant exercise.
- **Reluctance to incur more costs – and beliefs that security will be “too expensive”.** Annual costs to support a high net worth individual or family are rarely low. For some, the prospect of adding a new cost is not welcomed.
- **Concern about raising anxiety.** If security is too visible and transparent, it can be an unsettling reminder of unseen dangers.

There are other rationales. The most common one though – and this is just as true for recent U.S. Presidents, for example, as it is for a team of executives who travel regularly to Central or South America and the Middle East – is the dangerously inaccurate belief that security will infringe upon a life-enhancing principle that some hold even more dear than safety. What is that? The freedom to live an unfettered lifestyle with flexibility, convenience and privacy.

The Risk of Abduction Increases With a Person's Wealth

Though the concept of "kidnapping" typically brings to mind the targeting of children, wealthy adults are more likely to be kidnapped than their young children – and well-to-do executives are more likely to be at risk than other members of their family. In fact, abduction plots involving high net worth individuals are more likely to be successful when business leaders, as opposed to celebrities or public officials, are targeted.

Here are some key facts worth knowing:

- The risk of kidnapping in the United States rises substantially for the very rich and for high-profile executives.
- Adult children of wealthy executives are more likely to be kidnapped than young children. Also, the risk of kidnapping increases when traveling internationally.
- The period of greatest vulnerability is during transit to and from predictable locations.
- The greatest number of successful kidnappings occurs in the corporate realm.
- Most kidnappings are undertaken by strangers who often attempt to develop a relationship with their target in advance.
- Protective security and counter-surveillance countermeasures can dramatically reduce the likelihood of a successful kidnapping.

Three Core Strategies Essential to Protecting Any High Net Worth Family or Individual

Know Your Employees: Most wealthy families don't adequately capitalize on inexpensive background screening capabilities. What do we recommend? Conduct regular screenings before and during employment. Review insiders' publicly-available finance information – and look for evidence of financial distress. Undertake greater due diligence on employees who have special access.

Maintain Redundant Channels for Monitoring and Communication: Get the technology in place that (1) helps trusted members of the family's support team monitor the premises and keep track of the whereabouts of select individuals and (2) facilitates rapid, reliable and easy two-way communications, when necessary between key parties such as family members and staff, trusted advisors and law enforcement.

Pay Special Attention When the Individual or Family is Travelling or in Transit Between Locations: Transportation is the greatest vulnerability for individuals and families. Use drivers who have been carefully selected and trained. Vary the route and use alternatives for regular trips. Build redundancy into plans. Avoid public transit. And maximize the use of technology during trips – including cell phones, Blackberries, personal alarm systems and GPS tracking devices such as Spark Nano and the SPOT Personal Tracker.



Practical Tips for Execution: Our Recommendations

Tip #1 - Embrace the fact that protecting high profile or high net worth individuals represents a fluid, customizable spectrum between convenience and security. Most individuals and families don't need the earplugs and black limousines. A large, visible, physical presence isn't necessary. Evaluate more subtle and often more effective tactics such as counter-surveillance, dual-role staffing and encouraging family members to raise their security awareness and follow common-sense practices.

Tip #2 - Develop a family emergency preparedness plan. This is a simple, low-cost strategy. But it's rarely prepared, shared and discussed. When any family member travels, be sure the plan outlines how the individual and others should respond in an emergency. Establish a relocation point or "safe house". Set a universal call-in number. And have the individual place GPS tracking devices in or on their luggage.

Tip #3 - Appoint a trusted security advisor - before an incident occurs. Criminal incidents impact a high percentage of wealthy families. Don't think "if"; plan for "when". Designating this key role early will help you ensure the advisor isn't just exceptionally well qualified but also understands the preferences and circumstances of the individual or family well in advance. Engage this advisor as an ongoing resource in planning and updating the family's security plans and providing support to the Director of the Family Office. This will ensure that when incidents occur, the advisor will be ready and well positioned - at your direction - to act as a representative of the family in working with law enforcement and the media.



For More Information

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