

# OEM: Weekly SITREP

December 07, 2021



# **USA & WORLD**

- 10 key areas of tension between the US and Russia.
- U.S. <u>strategy</u> on countering corruption.
- Natural gas futures <u>plummet</u> more than 10%.
- HigherEd <u>big data research</u> divergent and unequal.
- Four dead in Michigan <u>school shooting</u>.
- November <u>hiring surge</u> could seal the deal for Fed policy shift.
- Omicron could <u>impact</u> return-to-office plans.
- Preliminary injunction <u>against</u> the COVID-19 vaccination issued.
- New US travel ban for omicron variant: <u>What it means for you</u>.
- WHO <u>warns</u> that new virus variant poses 'very high' risk.
- Omicron and other Coronavirus variants: <u>What you need to know</u>.
- Federal Covid sick leave <u>expiry</u> pressures workers to show up.
- Singapore <u>stops</u> covering medical costs of 'unvaccinated by choice.'
- Two college campuses <u>closed</u> following Thanksgiving cyberattacks.
- Columbia to pay <u>\$12.5 million</u> to settle COVID-19 refund claims.
- Morphic malware <u>targeting</u> vaccine bio-manufacturing.
- <u>Cyber War</u>: Ransomware vs. smart cities.
- Chinese espionage efforts could soon focus on <u>encrypted data</u>.
- Even on U.S. campuses, <u>China cracks down</u> on students who speak out.
- National <u>Pearl Harbor</u> Remembrance Day.



#### Variants that pose an increased <u>risk</u> to global public health.

Currently designated Variants of Concern (VOCs)\*:

WHO label	Pango lineage∙	GISAID clade	Nextstrain clade	Additional amino acid changes monitored°	Earliest documented samples	Date of designation
Alpha	B.1.1.7	GRY	20I (V1)	+S:484K +S:452R	United Kingdom, Sep-2020	18-Dec-2020
Beta	B.1.351	GH/501Y.V2	20H (V2)	+S:L18F	South Africa, May-2020	18-Dec-2020
Gamma	P.1	GR/501Y.V3	20J (V3)	+S:681H	Brazil, Nov-2020	11-Jan-2021
Delta	B.1.617.2	G/478K.V1	21A, 21I, 21J	+S:417N +S:484K	India, Oct-2020	VOI: 4-Apr-2021 VOC: 11-May-2021
Omicron*	B.1.1.529	GR/484A	21K	-	Multiple countries, Nov-2021	VUM: 24-Nov-2021 VOC: 26-Nov-2021

#### Currently designated Variants of Interest (VOIs):

WHO label	Pango lineage*	GISAID clade	Nextstrain clade	documented	Date of designation
Lambda	C.37	GR/452Q.V1	21G	Peru, Dec-2020	14-Jun-2021
Mu	B.1.621	GH	21H	Colombia, Jan- 2021	30-Aug-2021

Variants of Interest (VOIs) and Variants of Concern (VOCs) prioritize global monitoring and research, and ultimately inform the ongoing response to the COVID-19 pandemic.

# CALIFORNIA

- Are soaring <u>murder rates</u> here to stay?
- Is compliance with the female <u>quota law</u> voluntary?
- No states have followed Newsom's lead on <u>school vaccine mandate</u>.
- Newsom: new <u>shutdowns unlikely</u> after CA detects 1st omicron case.
- OSHA Chief failed to protect <u>outdoor workers</u> from wildfire smoke.
- Palo Alto officials <u>to pursue changes</u> to cybersecurity strategy.
- Why isn't California's economy <u>adding jobs</u> faster?
- UC Davis Health <u>launches</u> Amazon-powered Cloud Innovation Center.
- UC leaders urge Biden to strengthen the <u>DACA program</u>.
- BLM <u>seeks public input</u> on plan to reduce wildfire risks.
- PG&E expands wildfire detection through <u>A.I.-equipped cameras</u>.
- Federal court <u>upholds ban</u> on large-scale firearm magazines.
- <u>Report</u>: More resources needed to implement 'red flag' gun laws.
- Californians see a widening <u>economic divide</u>.
- 621 schools across 58 districts <u>close</u> due to Covid related issues.
- State <u>bracing</u> for a surge in omicron cases.
- <u>What we know</u> in California on the new COVID-19 variant's threat.
- UC Davis Health on <u>what to expect</u> from the omicron COVID-19 variant.
- At least <u>four UC's</u> have resorted to hotels to house students this fall.
- Challenges remain for <u>undocumented</u> students to tap financial aid.



At least 261 <u>lawsuits</u> have been filed against U.S. colleges and universities over their alleged failure to refund tuition and fees when the pandemic forced them into remote learning.

- 40 in California
- 4 involving UC/UCR:
  - Funkhouser et al. v. The Regents of the University of California (Alameda County Superior Court, California)
  - Kang v. The Regents of the University of California (USDC Northern District of California)
  - Lee v. The Regents of the University of California (USDC, Northern District of California)
  - Yoo v. The Regents of the University of California (Superior Court Orange County California)

#### JURISDICTIONS

261 Actions filed to-date





### REGION

- Governors announce <u>I-15 widening</u> by spring 2022.
- USC: <u>open letter</u> regarding anti-Semitism.
- SoCal <u>weather</u>: cooler temperatures & rain forecasted.
- An oral <u>history</u> of the UCR football program.
- RivCo <u>ranked #5</u> for most vehicle-related fatalities.
- Empty port containers '<u>strewn throughout the region</u>.'
- USC architecture project <u>design</u> based on Joshua Tree.
- November was the <u>hottest, driest ever</u> in the Coachella Valley.
- UC Online <u>open</u> for course registration.
- PR firm helping law enforcement with <u>crisis</u> communications.
- UCSD researchers <u>develop</u> CRISPR rapid diagnostics for SARS-CoV-2.
- Body <u>found</u> in pond at Riverside's La Sierra University.
- LAPD <u>scandal</u>: gun store thefts.
- Fulgent Genetics COVID test <u>halted</u> due to ties with China.
- UCSD research shows Flu virus shells could <u>improve</u> mRNA delivery.
- The Riverside Korean community that <u>vanished</u> over a century ago.
- Indigenous community brings <u>healing</u> to Inland Empire boarding school.



BLM Administrative Division

- BLM-Administered Lands not Available for Solar Development
- Exclusion Areas Identified through the Solar PEIS Record of Decision (10,000,000 Acres)
- Variance Areas Identified through the Solar PEIS Record of Decision (770,000 Acres)
- Solar Energy Zones (153,627 Acres)

#### The Riverside East <u>SEZ</u>:

- The eastern boundary of the site is about 6 mi (10 km) west of the Arizona border.
- The revised western boundary is approximately 0.7 mi (1 km) from Joshua Tree National Park.
- The closest large cities are Moreno Valley, San Bernardino, and Riverside.

### The County of Riverside Emergency Operations Center is currently activated to <u>Management Watch</u>.

# COMMUNICATIONS

- 06 December:
  - Shape California's Future: How to Serve on a State Board or Commission
- 03 December:
  - UCPD Crime Alert: Timely Warning Notification
  - Requests for remote work flexibility in Winter 2022
- 02 December:
  - New UC Benefit Landed's Down Payment Program
- 01 December:
  - Emergency gas shutdown Dec. 5
  - UC Adopts a New IT Recovery Policy
- 30 November:
  - Staff Assembly Newsletter & upcoming events: December 2021
  - AVC DEI Search Announcement
- 29 November:
  - UCPD Crime Alert: Burglary Occurred on Campus

**Please Reference Notes Section For More Information** 



## NOTABLE

Office of Emergency Management

- The 'great resignation' is a trend bosses need to get used to it
- Employees no longer trust leaders to have their best interests at heart
- HigherEd: not ignorant to employee concerns indifferent.
- <u>The Workforce Exodus Hits Neurology Practice and Research</u>
- How Covid-19 has forced people to a 'great resignation' across the world
- Post-pandemic work: four days a week, no meetings, no office
- <u>Anti-Work: Psychological Investigations into Its Truths, Problems, and Solutions</u>
- Despite Predictions, Nearly Half of U.S. Employees Will Be Back to the Office Full-Time
- Podcast: Creating a Crisis-Ready Culture with Melissa Agnes
- National Academies of Sciences: Pandemic & Seasonal Influenza Vaccine Preparedness Collection
- <u>Univ. of Michigan Revamps Policy to Protect Those Who Report Misconduct</u>
- <u>Army signs agreements with several universities to create an "AI-ready corps"</u>
- <u>An underground network of intelligence operatives helped Taliban seize Kabul</u>
- Evaluation of COVID-19 vaccine breakthrough infections
- Using evolutionary biology to research Covid-19 reinfection rates
- <u>Can Restorative Justice Conferencing Reduce Recidivism?</u>
- <u>Conducting School Threat Assessments: 4 Tips from a Psychologist</u>
- Mass Notification System Market Expected to Grow \$20 Billion by 2027
- FEMA Office of Law Enforcement and Integration integrating emergency management
- Leaked Credentials Leads Are Candy for Dark Web Actors

# **AON: Global Risk Management Survey**



- The 2021 edition surveyed more than 2,300 respondents in 60 countries across 16 industries at both public and private companies.
- The past two years have proved to be incredibly volatile, with the global COVID-19 pandemic having had a ripple effect across other types of risk, such as heightened awareness of reputation and cyber, as long-tail risks have become increasingly important to manage.
- With more emphasis and reliance on technology, cyber risk topped the list as the number one current and predicted future risk globally.
- The top 10 risks also strongly reflect the current landscape, namely COVID-19 and its impact on organizations.
- Organizations are shifting their focus from event-based to impact-based risk assessments: for example, business interruption was once seen as a linear risk, but the COVID-19 pandemic has demonstrated how it can affect multiple industries and companies simultaneously and globally.

# Research continues to show that a failure – or unwillingness – to prepare can be catastrophic to an organization's reputation and survival.

# **AON: Top 10 Risks**

- Organizational risk readiness serves as a good barometer of risk management activity, sophistication and dynamism.
- The nature of risks is changing at an unprecedented speed, so any mitigation plans or solutions are often obsolete by the time they are created or launched.
- Pandemic risk/health crises, cyber attacks/data breach, and damage to reputation or brand, highlight very different stages of risk preparedness.
- Damage to reputation/brand is a very complex risk.
- Planned mitigation resulted in more in-depth plans to react, respond and recover.

- 1. Cyber Attacks/Data Breach
- 2. Business Interruption
- 3. Economic Slowdown/Slow Recovery
- 4. Commodity Price Risk/Scarcity of Materials
- 5. Damage to Reputation/Brand
- 6. <u>Regulatory/Legislative Changes</u>
- 7. Pandemic Risk/Health Crises
- 8. Supply Chain or Distribution Failure
- 9. Increasing Competition
- 10. Failure to Innovate/Meet Customer Needs

Risk readiness for pandemics and potential health crises showed the biggest increase among the top 10 risks, rising by 25 percent.



# **AON: Losses from Top 10 Risks**





### Income losses cannot be allocated solely to any one risk category anymore.

# **AON: Long-Tail Risks**



The rapid pace of societal and technological transformation have brought increased focus on new forms of volatility, and what Aon calls the six "long-tail" risks – cyber security, damage to brand and reputation, complex supply chain risk, pandemic, intellectual property, and climate transition. If we examine the survey results, four of the six long-tail risks are represented on the Top 10 List.

These interconnected risks are at the forefront of companies' mind because of their complex nature and long-tail exposures. Companies tend to understand these risks less well, either because they are new or because they are accelerating or changing in profile. This requires companies to take a fresh look at risk assessment and scenario quantification, and to rigorously test the validity of existing risk management and financing programs.

# Long-tail risks are risks which have a long time period between the start of exposure to the hazard and the materialization of related impacts.

# **AON: Reported Readiness for Top 10 Risks**

#### **Top Risks**



# Organizations could do a better job in improving preparedness, resilience and sustainability to keep pace with the rapidly evolving risk landscape.

# **AON: Major Risks by Region**



Office of Emergency Management

In North America, reliance on senior management judgment and experience rose from 67 percent to 72 percent.

### **AON: Top 10 Risks Year-Over-Year**



	2021	2019	2017	2015	2013	2011	2009	2007
1	Cyber Attacks/ Data Breach	Ecomonic Slowdown/ Slow Recovery	Damage to Reputation/ Brand	Damage to Reputation/ Brand	Economic Slowdown/ Slow Recovery	Economic Slowdown/ Slow Recovery	Economic Slowdown/ Slow Recovery	Damage to Reputation/ Brand
2	Business Interruption	Damage to Reputation/ Brand	Economic Slowdown/ Slow Recovery	Economic Slowdown/ Slow Recovery	Regulatory/ Legislative Changes	Regulatory/ Legislative Changes	Regulatory/ Legislative Changes	Business Interruption
3	Economic Slowdown/ Slow Recovery	Accelerated Rates of Change in Market Factors	Increasing Competition	Regulatory/ Legislative Changes	Increasing Competition	Increasing Competition	Business Interruption	Third-Party Liability
4	Commodity Price Risk/Scarcity of Materials	Business Interruption	Regulatory/ Legislative Changes	Increasing Competition	Damage to Reputation/ Brand	Damage to Reputation/ Brand	Increasing Competition	Supply Chain or Distribution Failure
5	Damage to Reputation/ Brand	Increasing Competition	Cyber Attacks/ Data Breach	Failure to Attract or Retain Top Talent	Failure to Attract or Retain Top Talent	Business Interruption	Commodity Price Risk	Market Environment
6	Regulatory/ Legislative Changes	Cyber Attacks/ Data breach	Failure to Innovate/ Meet Customer Needs	Damage to Reputation/ Brand	Regulatory/ Legislative Changes			
7	Pandemic Risk/ Health Crises	Commodity Price Risk	Failure to Attract or Retain Top Talent	Business Interruption	Business Interruption	Failure to Attract or Retain Top Talent	Cash Flow/ Liquidity Risk	Failure to Attract or Retain Top Talent
8	Supply Chain or Distribution Failure	Cash flow/ Liquidity Risk	Business Interruption	Third Party Liability	Commodity Price Risk	Commodity Price Risk	Supply Chain or Distribution Failure	Market Risk (Financial)
9	Increasing Competition	Failure to Innovate/ Meet Customer Needs	Political Risk/ Uncertainties	Cyber Attacks/ Data Breach	Cash Flow/ Liquidity Risk	Technology Failure/ System Failure	Third Party Liability	Physical Damage
10	Failure to Innovate/ Meet Customer Needs	Regulatory/ Legislative Changes	Third Party Liability (inc. E&O)	Property Damage	Political Risk/ Uncertainties	Cash Flow/ Liquidity Risk	Failure to Attract or Retain Top Talent	Merger/Acquisition/ Restructuring

# **AON: Projected Risks for 2024**



1	2	3	4	5
Cyber Attacks/ Data Breach	Economic Slowdown/ Slow Recovery	Commodity Price Risk/Scarcity of Materials	Business Interruption	Accelerated Rates of Change in Market Factors
6	7	8	9	10
Increasing Competition	Failure to Innovate/Meet Customer Needs	Regulatory/ Legislative Changes	Pandemic Risk/ Health Crises	Cash Flow/ Liquidity Risk

COVID-19 is a stark reminder that it is not enough to focus on a specific event or exposure, but on the impact events can carry in a global marketplace.

# **AON: Better Decisions to Shape the Future**

- 1. Understanding new forms of volatility: Building an understanding of holistic risk management solutions to solve for emerging threats and long tail risks.
- Considering access to new forms of capital: Understanding how to create alternative sources of capital that support risk taking and preserve existing capital to address recent hard market cycles and lack of capacity for emerging risks.
- Building a resilient workforce: Considering the role of all employees in building solutions for, and addressing challenges stemming from various threats; including how the future of work will be impacted and continue to evolve.

Business models are being reshaped, while organizations across the globe are responding to and, at the same time, recovering from the once-in-a-lifetime set of challenges posed by the COVID-19 pandemic.