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## FEATURED Q&A

# Who Will Pay the Costs of Ecuador's Massive Data Leak?



Ecuador has launched an investigation into a huge data breach in which personal data of virtually the country's entire population was made available online. // File Photo: Pixabay.

**Q** Ecuador has arrested one man in an investigation into the national data breach that leaked the personal information of as many as 20 million people, more than the country's population. The breach exposed "a large amount of sensitive personally identifiable information at the individual level," according to Internet security firm vpnMentor, which discovered the leaked data, adding that the information appears to have been obtained from sources including government registries and Ecuador's national bank. What factors likely led to the data breach, and what dangers could Ecuadorians face because of it? Is Ecuador doing enough to protect its citizens' information, and what should the government do to strengthen cybersecurity and avoid massive information breaches in the future? To what extent are other countries in the region exposed to such incidents?

**A** Walter R. Spurrier, president of Grupo Spurrier and director of Weekly Analysis in Guayaquil, Ecuador: "The company whose unsecured server held a comprehensive database of all Ecuadoreans belongs to two Correa administration officials, members of the team that constructed the database. This has the makings of an inside job. The two Correa officials were sloppy, leaving the database unsecured. I do not think citizens are safe if the government builds a comprehensive database and then the officials who build it help themselves. But can you expect respect for citizens' digital rights from officials of the government that protected Julian Assange, gave him shelter and citizenship and allowed him to collaborate with Russia in tampering with the U.S. presidential elections, working from the embas-

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## TODAY'S NEWS

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Thirty-eight members of Venezuela's ruling party returned to the opposition-controlled National Assembly, ending a two-year boycott.

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#### Colombia Fracking Pilots May Generate Billions: Industry

Colombia's pilot projects in hydraulic fracturing could generate \$5 billion annually, according to industry leaders.

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### ECONOMIC

#### Bolsonaro Tells U.N. That Brazil Has Right to Develop Amazon

In a speech to the United Nations General Assembly, Brazilian President Jair Bolsonaro defended Brazil's rights to develop the Amazon. His comments came amid an international outcry about fires in the rain forest.

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Bolsonaro // Photo: Brazilian Government.

## POLITICAL NEWS

## Pro-Maduro Legislators Return to Venezuela Assembly

Legislators from the party of Venezuelan President Nicolás Maduro returned Tuesday to the country's National Assembly, ending a two-year boycott, the Associated Press reported. The 38 members of the ruling party returned to the opposition-controlled legislature as part of an agreement between Maduro and a group of small opposition parties, a deal that the larger groups opposed to Maduro's rule have criticized as an attempt to divide the movement that seeks his ouster. "Viva Maduro!" the pro-government legislators shouted as they marched into the National Assembly, The Wall Street Journal reported. Opposition lawmakers, who hold 111 of the National Assembly's 167 seats, welcomed the opposition party's legislators, but pointed out that the legislative body still lacks the power to pass laws, approve the country's budget or perform other legislative tasks. After the opposition won control of the National Assembly in 2015, Maduro stacked the country's Supreme Court with his supporters, and the court then invalidated virtually all of the assembly's actions. Maduro then declared the National Assembly to be illegitimate after the Supreme Court ruled it in contempt for seating several lawmakers accused of buying votes, an allegation the accused lawmakers denied, Reuters reported. Maduro's government and its supporters then created a powerful parallel legislature, the Constituent Assembly, and filled it with loyalists to take the place of the National Assembly. "Here they come with their talk of dialogue," opposition legislator Delsa Solórzano said Tuesday as the ruling party legislators returned to the National Assembly. "The only thing to discuss is when are they going to stop usurping powers." Also on Tuesday, Mark Green, the administrator of the U.S. Agency for International Development, announced an additional \$52 million in development assistance to Venezuela's opposition and civil society in the country "to help

Venezuela's Interim President Juan Guaidó, his government and the Venezuelan people as they seek to restore citizen-responsive, democratic governance to their country." He added, "This money will go to programs that support the Venezuelan National Assembly, independent media, civil society and restoration of the health sector."

## ECONOMIC NEWS

## Bolsonaro Tells U.N. That Brazil Has Right to Develop Amazon

Brazilian President Jair Bolsonaro on Tuesday defended the South American country's right to develop the Amazon in a speech before the U.N. General Assembly, blasting global leaders and the media, saying they spread lies and accusing them of treating indigenous people as cavemen, The Wall Street Journal reported. "The Amazon is not being devastated and consumed by fire, as the lying media says," Bolsonaro said. "It is a fallacy to say that the Amazon is the patrimony of humanity," he added. His remarks came weeks after global public outcry following news reports that fires in the Amazon rain forest had been raging for days, in higher numbers than in recent history. Critics have blasted Bolsonaro's environmental policies as lax, saying they are partially responsible for the fires. During his speech, Bolsonaro said indigenous people and local communities had set many of the fires, adding that they should have the right to exploit the richness of their land. Indigenous rights groups and environmental activists said Bolsonaro's speech was racist and based on false data. "Bolsonaro's speech is outrageous, undemocratic, racist and deeply violent against the indigenous peoples of Brazil," Christian Poirier, a director of Amazon Watch, told The Wall Street Journal. Bolsonaro's government is currently pushing a controversial bill that would allow mining activity on indigenous lands without giving local communities any veto power, Bloomberg News reported. However, Mining Secretary Alexandre

## NEWS BRIEFS

## Trump, Bukele to Meet Today in New York

U.S. President Donald Trump and Salvadoran President Nayib Bukele are to discuss migration, regional security, job creation and investment when they meet today on the sidelines of the U.N. General Assembly meeting in New York, CNN reported. Last week, the two countries signed a deal that would allow the United States to return migrants who transit El Salvador while heading north, Reuters reported.

## Guatemalan Congress Creates Commission to Review CICIG's Work

Guatemala's Congress on Tuesday approved the creation of a committee to evaluate and potentially roll back work that U.N.-supported anti-corruption mission CICIG carried out in the country over the past 12 years, the Associated Press reported. The committee would have the power to review information from anyone affected by CICIG investigations and to file complaints, look over the commission's financing and request personal information from people who worked with the anti-graft body. CICIG ceased work in Guatemala earlier this month after President Jimmy Morales did not renew its mandate.

## Argentina's Macri Meets With Acting IMF Chief

Argentine President Mauricio Macri met with IMF Acting Managing Director David Lipton in New York on Tuesday, but it is still unclear whether the lender is likely to approve a key \$5 billion disbursement of funds to the indebted country, Reuters reported. The decision over the next tranche of money is in the International Monetary Fund's hands, Argentine Finance Minister Hernán Lacunza told reporters after the meeting, adding that "it was clear" that Argentina had complied with its fiscal and monetary commitments to the IMF.

Vidigal said the private sector would refrain from exploring in areas if indigenous groups oppose it. [Editor's note: See related [Q&A](#) in the Sept. 12 issue of the Advisor.]

## BUSINESS NEWS

### U.S. Sanctions Four Companies That Ship Venezuelan Crude

The administration of U.S. President Donald Trump on Tuesday imposed sanctions on four companies that operate ships transporting Venezuelan oil to key ally Cuba, the Miami Herald reported. The U.S. Treasury's Office of Foreign Assets Control, or OFAC, said it was sanctioning Caroil Transport Marine, a Cyprus-based company operating three shipping vessels that had delivered or loaded Venezuelan crude with Cuba as a final destination. The Treasury Department also slapped sanctions on the registered owners of those ships, Trocana World Inc. and Tovase Development Corp., both based in Panama, as well as Bluelane Overseas. However, OFAC also said it had lifted sanctions on two companies after they halted business relations with Venezuela and Cuba.

### Colombia Fracking Pilots May Bring Investments of \$5 Bn

Four pilot projects that are to use hydraulic fracturing, or fracking, in Colombia could generate as much as \$5 billion in annual investments, industry leaders said Tuesday, Reuters reported. Colombia's top administrative court, the Council of State, is hearing a case that could lead to fracking in the South American country. However, the court has said that pilot projects that an expert commission has recommended can proceed. "In the first phase of the four pilots they will require investments of around \$600 million per year—so we'll surely have two, even up to three years, with invest-

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sy premises in Knightsbridge? Ecuador is one of the few South American countries without a data protection law. The Moreno administration rushed a data protection bill to Congress as soon as the data breach was revealed. The dangers that Ecuadoreans face are of two types. The first is that others found the exposed database and now there is a black market with a complete set of data of Ecuadoreans—from the Civil Registry (national ID card, plus updates of weddings and children's births, among others), IRS (income, current address), employment data (all jobs require a written contract that must be filed with the Ministry of Labor), car ownership and social security. Phishing and hacking were made easier. And second, the fact that the state has such a comprehensive database is itself a danger. Surveillance is made so much easier for an authoritarian government. Yes, this could happen elsewhere."

**A** **Ginger Saltos, cybersecurity consultant:** "We cannot know for sure where the information leak came from until a forensic analysis is performed—a thorough investigation to know what really happened. Unfortunately, we are used to reacting rather than taking preventive measures. Ecuadoreans are unaware of how important cybersecurity is for data. They still carry out activities by obligation, rather than what is really needed. Cybersecurity is a very important field that

helps us protect data from leaks or attacks. And companies, public and private, should understand what could happen in such cases. The leak of our private information, at the level at which it was filtered, is something

“**What worries me most, outside of monetary losses, are the problems of grooming and cyberattacks that can arise for minors...**”

— Ginger Saltos

extremely dangerous, not only for companies, but also for individuals. Our passwords and 'secret questions' and so on are based on our personal information. Therefore, Ecuadoreans are vulnerable to social engineering and dictionary attacks in an attempt to use our personal information as keys to access banking or shopping websites, or even to use our information to call our families and extort them. What worries me most, outside of monetary losses, are the problems of grooming and cyberattacks that can arise for minors—the most vulnerable, in my opinion. Over the last year, Ecuador has been working together with the Association of Ecuadorean Cybersecurity, an association to which I belong, on a bill for data protection. The law would mitigate computer

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ment of that amount, and once we pass to the production phase they will require investments of around \$5 billion per year," Francisco Lloreda, head of the Colombia Petroleum Association, told reporters Tuesday. Lloreda added that he hoped work on the pilot projects could start next year, at least on the infrastructure that would be needed. He said the pilot projects could produce as much as 450,000 barrels of oil per day. Currently, Colombia produces approximately 860,000 barrels per day. The pilots are projects of coal company Drummond, as

well as Colombian state oil company Ecopetrol, and U.S.-based ExxonMobil and ConocoPhillips. The potential use of fracking in Colombia has led to charged debate, with environmental groups saying it could harm water supplies and also cause earthquakes. Supporters, however, say the practice is needed for Colombia to be energy self-sufficient. The Council of State's decision to allow the pilot projects led to their being separated from a larger case on allowing the use of fracking, said Germán Espinosa, the leader of oil services guild Campetrol.

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security risks against such attacks. However, I firmly believe that the government, companies and individuals should be aware that data is the most important asset and that what happened was a more serious act than theft of a physical asset, such as a car. We must be aware of what this means and take preventive actions so that this does not happen again, since the consequences could be catastrophic."

**A** **Pierluigi Paganini, chief technology officer at Cybaze and member of ENISA ETL:** "The analysis of the indexes revealed that the database is composed of data gathered from government sources (most from the Ecuadorean government) and from private databases. This suggests that the affected organizations lack cybersecurity fundamentals and failed to protect data of their users, most of them Ecuadorean

**“The dangers for citizens are enormous...”**

— Pierluigi Paganini

citizens. The dangers for citizens are enormous: the leaked data allows criminals to have a detailed profile of potential targets. This means that they are exposed to a broad range of malicious activities, including identity theft and financial scams. The government's response was effective. The database was secured on Sept. 11, after vpnMentor notified the Ecuador Computer Emergency Response Team of its discovery. However, the government failed to ensure that organizations managing citizens' data were implementing proper security measures. Most governments worldwide are adopting legal frameworks that oblige private companies and government offices to implement cybersecurity best practices. In Europe, we have in place privacy and cybersecurity regulations such as GDPR

and the directive on security of network and information systems (NIS). Ecuador's government could adopt similar regulations."

**A** **Chris Morales, head of security analytics at Vectra AI:** "There are two separate concerns that were part of this data breach: first, who has data and how it is being used and stored. The government has a supply chain of partners and vendors who are given access to large volumes of sensitive information for analytics, providing services and financial management, among others. The risk comes in the management of this information from those vendors. Government organizations need to perform a thorough security audit of vendors in the data supply chain and ensure that visibility and control of the data supply chain is in place. The second is that the data that was compromised was due to misconfiguration of an open source tool used in the cloud. This tool, Elasticsearch, is commonly used by a large number of companies for collecting and storing data in a database that allows for search and analytics of that data to make data-driven decisions. As the amount of data that is collected and stored for analytics grows exponentially, storing this data in the cloud allows organizations to scale their storage backend dynamically. Where organizations falter is in configuring the permissions of apps such as Elasticsearch in the cloud to ensure that only approved users have access to it. Misconfiguration of cloud access has been responsible for several breaches including those at Capital One and Uber. It is a common issue. Access to cloud apps requires a higher level of scrutiny and monitoring of administrative access. This problem will not go away, and it may get worse before it gets better."

*The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta at [gkuleta@thedialogue.org](mailto:gkuleta@thedialogue.org).*

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