FEATURED Q&A

How Can Latin America Boost Cybersecurity?

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Latin America and Caribbean nations are highly vulnerable to potentially devastating cyberattacks, according to a new study released March 14 by the Inter-American Development Bank, the Organization of American States and Oxford University. While some countries managed to rank at an “intermediate level of preparedness,” including Mexico, Brazil, Argentina, Chile and Colombia, 16 countries were found to have zero coordinated capacity to respond to cyberattacks. What should Latin America be doing to increase cybersecurity? What sorts of legal and educational measures should governments take to protect their citizens and businesses, as well as government infrastructure? What are the main barriers to governments implementing a better cybersecurity apparatus?

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Alejandro Buschel, founder and managing partner at ProGlo-Bix in Seattle: “Cybersecurity is a complex combination of three areas: people, process and technology. To increase the level of cybersecurity, all three areas must be strengthened. ‘People’ refers to a mindset that all parties affected—citizens, businesses and governments, must have. ‘Process’ not only covers what organizations must do internally, but also the laws in place that may require disclosure of too much information that can lead to a breach, either of personal or corporate security. ‘Technology’ relates to the purchases that are being made, both equipment and services, how they are managed and how they are procured. Improvements in these three areas must take place in order to improve the cybersecurity posture of individuals, business and government.”

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Brazil’s PMDB to Vote on Breaking With Rousseff

Brazil’s largest political party, the Brazilian Democratic Movement Party, or PMDB, is scheduled to vote tonight on breaking away from President Dilma Rousseff’s Workers’ Party, The Wall Street Journal reported. A rupture of the alliance would seriously damage Rousseff’s already weak support in Congress as she tries to fend off an impeachment effort. Rousseff’s government is accused of manipulating public accounts in order to conceal a widening budget deficit, which she denies. Also on Monday, PMDB leader and Tourism Minister Henrique Eduardo Alves resigned, saying, “Dialogue, I regret to say, has been exhausted.”

U.N. Commission Decides in Argentina’s Favor on Maritime Territory

A United Nations commission on Monday decided to expand Argentina’s maritime territory in the South Atlantic Ocean by 35 percent, including the disputed Falkland Islands and beyond, a move the Argentine government welcomed, The New York Times reported. The Argentine Foreign Ministry said the decision would be important in its dispute with Britain over the islands. There was no immediate comment from Britain’s government.

Mexico Fines OHL Over Accounting Practices

Mexico’s Banking and Securities Commission has fined toll-road operator OHL Mexico and two of its units close to $3.5 million over accounting practices that boosted the company’s income and asset valuations, according to a statement released by OHL on Monday, The Wall Street Journal reported. The commission also ordered OHL to submit a restatement proposal as part of a probe into the company’s alleged irregularities. OHL said it would accept the penalties, which include $580,000 in fines against company executives, adding that regulators found no evidence of fraud on the part of the company or individuals.

Argentina Cuts Ties With Telesur

The Argentine government is ending its involvement with Spanish-language TV network Telesur, which was started by late Venezuelan President Hugo Chávez, saying the network blocks alternative viewpoints, the Associated Press reported Monday. Telesur presents itself as the alternative to mainstream media coverage in Latin America, and was launched in 2005 with funding from six regional governments aligned with Venezuela. Telesur said Argentina’s motive for the decision may be censorship.

Former Honduran President Pleads Guilty in FIFA Case

Former Honduran President Rafael Callejas, a member of the television and marketing committee of FIFA, world soccer’s governing body, on Monday pleaded guilty in a U.S. courtroom to conspiracy charges and admitted to taking bribes as part of the wide-ranging FIFA scandal over broadcast rights, the Associated Press reported. Callejas entered the plea to racketeering conspiracy and wire fraud in federal court in Brooklyn, N.Y. Each charge includes a maximum sentence of 20 years in prison. Callejas has also agreed to forfeit $650,000. He will be sentenced on Aug. 5. Callejas surrendered to U.S. authorities after some 30 people, including top FIFA officials, mostly from Central and South America, had been charged.
The first round of arrests took place in May and the second round in the fall of last year, and came before FIFA’s executive committee had met to approve reforms and new transparency measures. In Callejas’ indictment, prosecutors allege that hundreds of millions of dollars in illegal payments had been made over the past 25 years used U.S. banks and involved meetings that took place in the United States. The U.S. Justice Department has said that the guilty pleas in the case have resulted in agreements to forfeit $190 million, and an additional $100 million has been frozen in the United States and abroad.

ECONOMIC NEWS

U.S. Lawmakers Optimistic About Lifting Embargo

Following U.S. President Barack Obama’s historic trip to Cuba last week, congressional sponsors of a bill that would end the U.S. economic embargo on the communist island on Monday expressed optimism about the measure’s passage next year, or even as soon as the lame-duck session after the 2016 presidential election. Speaking at an event in Minneapolis organized by Engage Cuba, a Washington advocacy group backed by the business sector, along with the nonpartisan Global Minnesota center, Rep. Tom Emmer (R-Minn.) said the current strategy for passing the Cuba Trade Act (H.R. 3238) is to hold off on adding more Democrats as co-sponsors of the bill. Instead, Emmer said sponsors seek to add Republicans, who have been more hesitant to publicly endorse the measure because some Republicans running for president have been opposed to ending the nearly six-decade embargo. “Without naming names, we believe we have enough favorables to win this” in the House, Emmer said, adding that he senses the Senate has even more support for the measure. Sen. Amy Klobuchar (D-Minn.) noted that some 24 co-sponsors have signed onto the senate version of the bill, including Republicans such as Jeff Flake (R-Ariz.) and Mike Enzi (R-Wyo.).

"Our own people are ahead of their own government," Klobuchar said, noting there had been a "sea change" in public opinion among American voters for ending the embargo. "Lifting the embargo would take away the last excuse the Castros have for what doesn’t work in Cuba," Emmer said. Other top Republicans have criticized Obama’s trip to Cuba. House Speaker Paul Ryan (R-Wis.) last week criticized the visit, telling reporters it "legitimizes a tyrannical dictatorship," Reuters reported.

THE DIALOGUE CONTINUES

What Did Obama Accomplish on His Trip to Havana?

Barack Obama last week became the first sitting U.S. president in 88 years to visit Cuba. Obama had a one-on-one meeting with President Raúl Castro, and the two held a historic joint news conference. Obama also delivered a televised speech from Havana’s Gran Teatro on the importance of democracy and human rights, and later met with dissidents in the U.S. Embassy. Was Obama’s trip to Cuba a success? Did Cuban officials display a willingness to improve relations and advance reforms? What did Obama and Castro accomplish during the visit? Will businesses that want to work with Cuba find it easier moving ahead? Will Obama’s visit win over more congressional support for ending the embargo?

Beatrice Rangel, member of the Advisor board and director of AMLA Consulting in Miami Beach: “President Obama’s trip to Latin America in general and to Cuba in particular was a success for his administration. For too long a time, Latin American elites had held against the United States its intervention in Cuba as a major obstacle to the establishment of a hemisphere-wide community, similar to that of Europe. Meanwhile, Castro adeptly used the U.S. policy to evade responsibility for his astounding failure of his public policies, which have brought poverty to Cuba. President Obama’s trip was prepared with a clear goal: bring down the wall of deception. His quiet arrival without a red carpet reception, his sightseeing that showed us on live television the degree of deterioration of Old Havana and his dinner at Paladar San Cristóbal, one of Havana’s few privately held restaurants, spilled differentiation between freedom and its wants. The joint press conference was a master class in press freedom to our reporters and the world. President Castro was uneasy and lost in translation while President Obama engaged in a very interesting political debate with journalists and President Castro. And while the Cuban regime will cling to whatever controlling tools it has, the Venezuelan economic collapse and Obama’s puncturing of the wall of deception will create such civic pressure inside Cuba that an acceleration of change is about to take place. As change proceeds and business opportunities in Cuba multiply, U.S. constituencies will oppose current Republican and Cuban-American support for the embargo.”

EDITOR’S NOTE: The comment above is a continuation of the Q&A published in the March 24 issue of the Advisor.
that businesses must do in order to operate. Addressing cybersecurity with a minimalist approach will continue to leave Latin American governments, businesses, and citizens unprotected from cyberthreats.”

Peter Knight, founding partner, researcher and member of the board of the Fernand Braudel Institute of World Economics in São Paulo: “There is no doubt that cybercrime is a major threat with high economic costs in Latin America and the Caribbean as elsewhere around the world. In Brazil, a large number of institutions have signed a Manifesto for Change that advocates four pillars: forming leaders with experience in cybersecurity in both the private and public sectors, encouraging private-public cooperation to raise awareness and enforce existing legislation such as the Internet Bill of Rights that formally criminalizes cybercrime, training more specialists in cybersecurity (there is a shortage of such specialists), and raising consciousness regarding cyberthreats and means to deal with them, including by developing a public portal devoted to the subject. This approach would be helpful in any country. In the last analysis, responding to cyberthreats depends on the availability of skilled specialists; awareness of cybersecurity threats and basic techniques to minimize them on the part of individuals, businesses and government agencies; appropriate legislation establishing a balance between protecting privacy and promoting security; and of course the use of specialized software and hardware defenses. Strategic communication approaches can help raise awareness of cyberthreats and how to deal with them—these should use print and electronic media (including online social networks) as well as statements by political, business, academic and civil society leaders.”

Stefano Mele, attorney, and co-founder and partner of Moire Consulting Group “We live in an interconnected world. It is a world in which the pervasiveness of technology and the Internet in today’s social fabric has completely changed every aspect of our society, service delivery and management, access to information—in both its quality and quantity—as well as the relationship between the aforementioned elements and citizens. What’s more, this has happened in a rather limited stretch of time. Guaranteeing a strategic approach to the security of this sector and planning its growth—assessing short, medium and long-term risks as well as producing forecasts on its evolution—must therefore be an essential task on each government’s political agenda. This is especially true nowadays, when the protection of ‘cyberspace’ represents a top priority challenge, since only the effective protection of such a space can let everyone live a normal life from a political, social, economic, technological, industrial and cultural point of view. To remove the barriers to governments implementing better cybersecurity apparatus and to increasing cybersecurity, Latin American and Caribbean nations have to start focusing on six different strategic pillars: (1.) Promoting and disseminating the culture of cybersecurity in every field of the society, from politics to citizens; (2.) Strengthening the capabilities to protect national critical infrastructures and strategic assets; (3.) Reinforcing capabilities to effectively contrast online criminal activities and illegal contents; (4.) Enhancing the technical, operational and analytic capabilities of all concerned stakeholders and institutions; (5.) Facilitating public-private partnership; and (6.) Strengthening international cooperation.”