

Cyber-whistleblower stuns Latvia with tax heist

February 24 2010, By GARY PEACH , Associated Press Writer

(AP) -- Latvian officials struggled Wednesday to come to grips with an enigmatic group that stole millions of classified tax documents from government computers in a purported effort to expose waste and graft in Europe's weakest economy.

The massive data theft from the tax authority's computer system has raised concerns about [cybersecurity](#) in the Baltic country.

It has also embarrassed politicians and other public officials whose income and wealth - often many times the national average - are being exposed to the public at a time when Latvia is undergoing painful budget cutbacks to rebound from a severe recession.

News of the [electronic security](#) breach surfaced last week, when an organization calling itself the People's Army of the Fourth Awakening told Latvian TV it had downloaded millions of classified documents over several months from the revenue service's Web site.

One of the group's members, who uses the name "Neo" - apparently in reference to the hero of the popular "Matrix" films - has been making some of the documents available on the Internet.

On Wednesday "Neo" published salaries of members of Latvia's police force and, in comments on a Twitter account, said "I call on the police union to analyze the data and determine whether the salary reform is fair and to continue the fight against crime."

Earlier this week "Neo" released data showing that the CEO of Riga's heating company, Aris Zigurs, paid himself a 16,000 lat (\$32,000) bonus last year - a hefty sum for a city-owned utility, especially at a time when many municipal workers have had their salaries slashed. Zigurs confirmed to Latvian media the data was accurate.

It is unclear where "Neo" and the other organization members - if they exist - are located, though "Neo" has indicated that he or she is currently abroad. Even "Neo's" gender remains a mystery, though local media believe it is a man.

"Who is Neo?" asked a Twitter entry on Wednesday. "Behind Neo's mask is something more than flesh, behind this mask is an idea that hopefully no one in power can stop."

While some government officials have questioned "Neo's" motives, many Latvians are supportive.

"There is very little trust in Latvia's institutions right now, so anyone who can expose the system is going to be a hero," said Juris Kaza, a political commentator and blogger.

Latvia's economy is the weakest in the European Union, with unemployment reaching 23 percent. It is currently carrying out painful social reforms, and many public employees have had their salaries slashed up to 50 percent.

Top government officials earn approximately 2,000 lats (\$4,000) a month and in some cases more, while teachers have seen their monthly salaries slashed by approximately one-third over the past year to some 300 lats (\$600).

Discontent has soared, making it possible for cyber-activists such as

"Neo" to win people's admiration.

"Judging by the overall reaction, it seems that Latvians are getting some new heroes - a sort of Robin Hood," Maris Kucinskis, the head of parliament's national security council, told Latvian Radio on Tuesday.

The nation's security council discussed the breach and expressed concern that only 50 percent of the country's 175 state-run data systems have security oversight. President Valdis Zatlers called for immediate action to install proper security on all systems.

Computer experts concluded that the breach did not constitute a cyber-attack and was the result of poorly developed software and systems management.

Police, meanwhile, are searching for "Neo" and other suspects behind the data theft. Police chief Valdis Voins said Latvia has turned to other countries for assistance in the investigation.

"One thing is clear now - we're only at the beginning of a long investigation," police spokeswoman Ieva Reksna said.

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