

CySecurity News - Latest Information Security and Hacking Incidents: Cryptocurrency Chaos: El Salvador's Bitcoin Wallet Code Leaked, Privacy at Risk

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There was a security breach with El Salvador's state Bitcoin wallet, Chivo, after hackers from the group CyberInteligenciaSV leaked a part of its source code to a hacking forum. In the earlier leak of personal data belonging to nearly all of El Salvador's adults, the code from Chivo Wallet ATMs as well as VPN credentials had been exposed. According to the wallet administration, there has been no compromise with the security of the wallet's data.

Chivo Wallet had several challenges since it was revealed that it would be the official Bitcoin storage tool after its launch, so this event has become another blight on the Chivo Wallet. President Nayib Bukele set Bitcoin (BTC) as legal tender in El Salvador in 2021 to make digital payments more convenient. However, security breaches and technical issues have made the adoption of Bitcoin (BTC) difficult.

The Chivo Wallet has been criticized by consumers for its slow operation, app crashes, vulnerabilities to exploitation, and lack of official backing, despite its official backing. The Chivo Wallet company has responded to allegations that it was linked to a data breach in which over 5 million Salvadorans' personal information was allegedly exposed.

In addition to full names, unique identifiers, dates of birth, addresses, phone numbers, emails, and photographs, all of this data was leaked. The data had been rumoured to be related to the KYC processes that the Salvadoran government required its citizens to complete before they could be offered incentives, such as \$30 in Bitcoin at the wallet's launch, by the Salvadoran government.

On April 6, the hacker group CiberInteligenciaSV compromised 5.1 million Salvadoran data. Recently, the same hackers leaked the source code for Chivo Wallet and the VPN credentials for the ATM network. The Chivo Bitcoin wallet, backed by the government, has caused controversy among peer-to-peer money enthusiasts and crypto punks alike for its custodial status.

In a press release published on X (formerly Twitter) on April 24, the company commented on the matter, describing it as "fake news." Furthermore, a group of individuals from the Salvadoran community who downloaded the wallet have released over 144 GB of data containing their personal information. Even though it was available for purchase on various channels since August, it was only leaked for download on April 5.

This data includes a user's full name, unique identifier, date of birth, address, and a high-definition picture of their face, as well as their full name, unique identifier, and date of birth. Also included in this week's leaked information was the file `Codigo.rar`, which contained information on El Salvador's Chivo ATM network, including the code and VPN credentials for the network.

Government officials have yet to come out with a formal statement regarding either of the hacks that took place this month. As a result of the leak of the code and VPN details of the source, the Chivo wallet system is at risk of being compromised, making hackers able to gain access to users' accounts or control them unauthorizably.

The particularity of the data exposed previously affects almost the entire adult population of El Salvador, which makes them fear identity theft and fraud as a result of the exposure of personal data previously exposed. In light of these breaches, security experts advise users to be vigilant and to monitor their accounts for any suspicious behaviour if they see anything strange.

El Salvador is a country where incompetence is prevalent and there is a good chance that this will have a significant impact on the financial ecosystem as well, as trust in the government's digital solutions might wane as a result. In the beginning, the Chivo software was plagued with numerous software bugs and technical glitches as users reported numerous problems with the software.

Despite the President's promise to give them \$30 for downloading the Chivo wallet, some people were not able to withdraw money from Chivo because some had trouble getting it. The Salvadoran government announced last year that over 100 ATMs across the country will be equipped with lightning network technology in Q4 2024.

Over 100 ATMs across the country will be equipped with this technology. In theory, this technology could allow Salvadorians to withdraw and deposit Bitcoins in an easier and faster manner with a lower fee. It was reported in

October by a Salvadoran newspaper that only about 2% of the Salvadoran population was making remittance payments through the wallet, which had been its main selling point for a long time.

It has yet to be decided whether or not the Salvadoran government will declare a policy on this issue or formally address the issue. The state of El Salvador has become the first in the world to adopt Bitcoin as a legal tender in 2021, promoting the Chivo wallet as one of the official mediums used to engage with Bitcoin by its citizens.

The fact that these security issues exist in addition to the absence of communication from the authorities leaves the Salvadorans with an uncomfortable sense of uncertainty as to whether or not their personal information is safe and if this digital wallet offered by the state is reliable.

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