



Emerging Threats and Attack Trends



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Agenda

- What? Where? Why?
- Trends
- 2008/2009 - Year in Review
- Case Studies
- Threats on the Horizon
- Threat Containment

What? Where? Why?



What? Where? Why?

- What is a Threat?

A warning sign of possible trouble

- Where are Threats?

Everywhere you can, and more importantly cannot, think of

- Why are there Threats?

The almighty dollar (or euro, etc.), the underground cyber crime industry is growing with each year

Examples of Threats

- Targeted Hacking
- Vulnerability Exploitation
- Malware Outbreaks
- Economic Espionage
- Intellectual Property Theft or Loss
- Network Access Abuse
- Theft of IT Resources

Areas of Opportunity

Users

Applications

Network Services

Operating Systems



Moving up the stack

Why?

- Fame

Not so much anymore (more on this with Trends)

- Money

The root of all evil... (more on this with the Year in Review)

- War

A battlefield just as real as the air, land, and sea

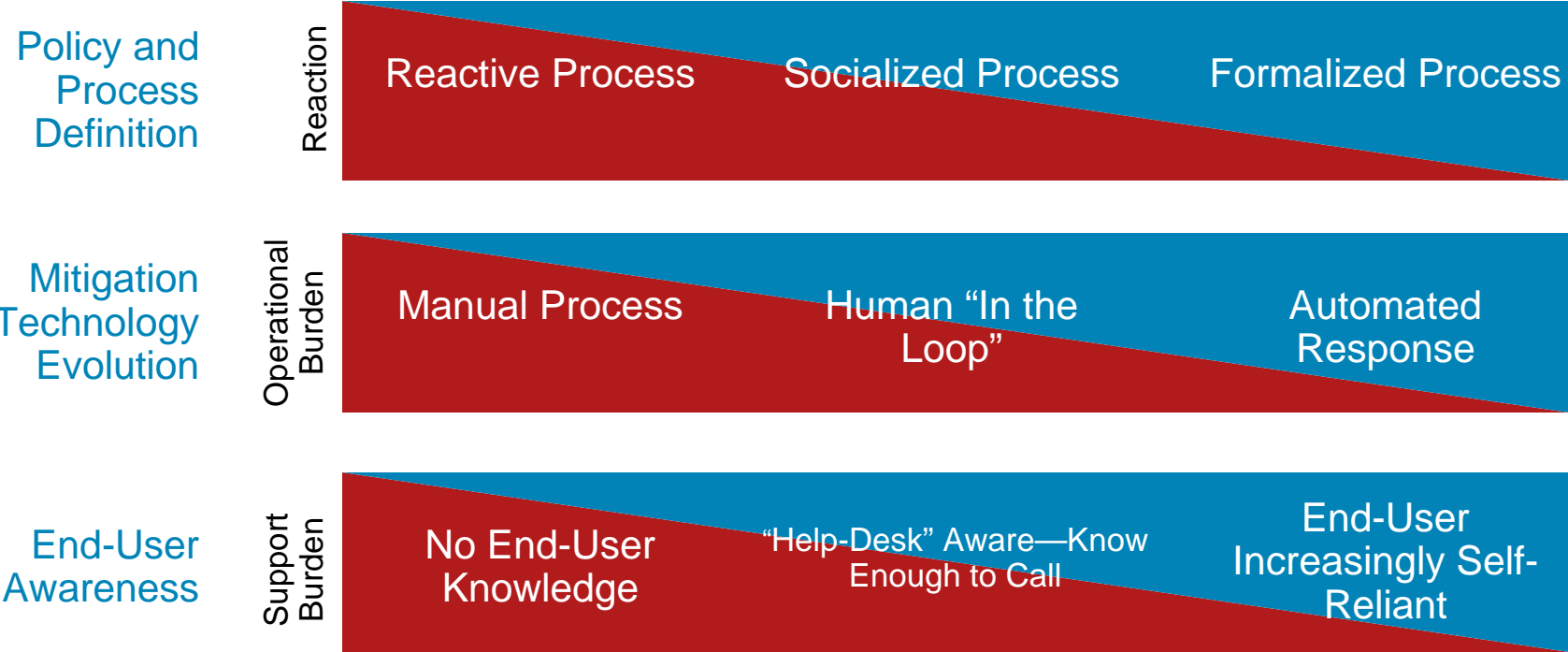
Operational Evolution of Threats

Threat Evolution

Emerging Threat
Unresolved Threat



Nuisance Threat



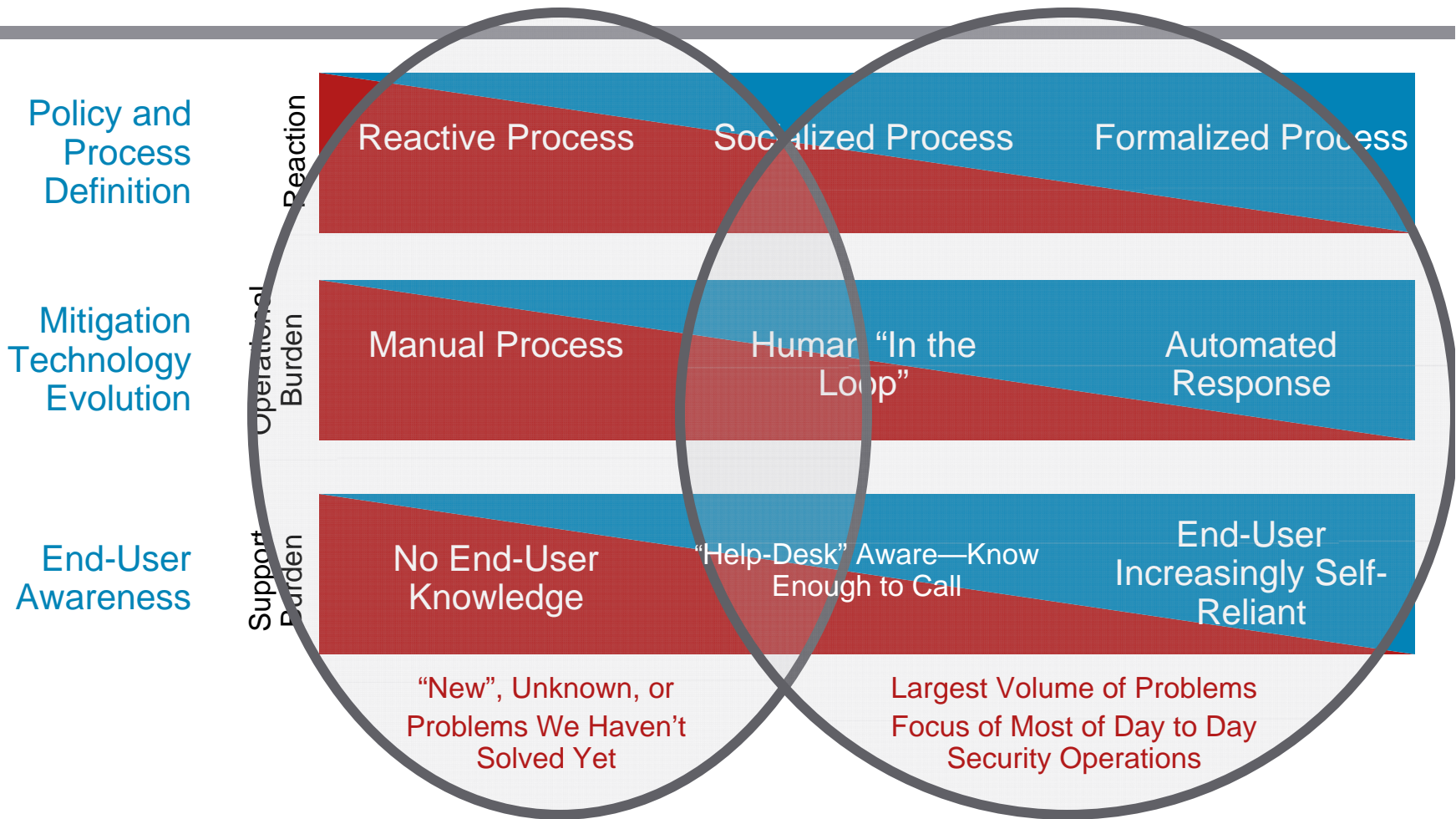
Operational Evolution of Threats

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Nuisance Threat



Trends

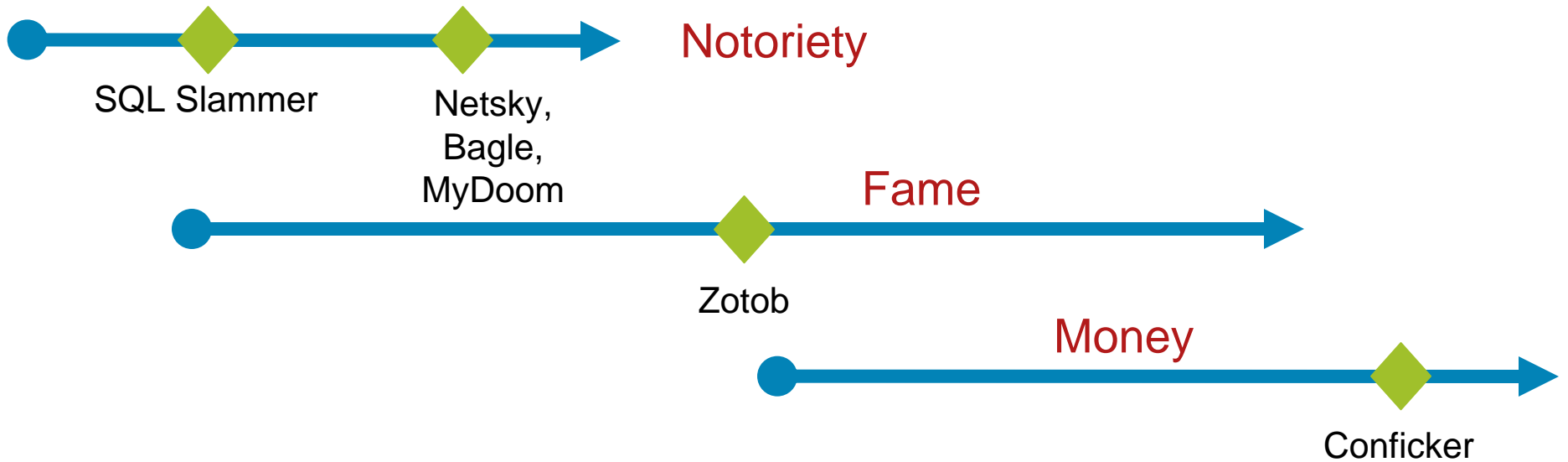


Trends

- Evolution of intent
- The cybercrime industry
- Designer malware
- Botnets
- Fast Flux
- Port 80
- Blended attacks
- Phishing
- Web 2.0 abuse
- Data Leakage
- Hacktivism/Cyberwarfare

Evolution of Intent

● 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 →

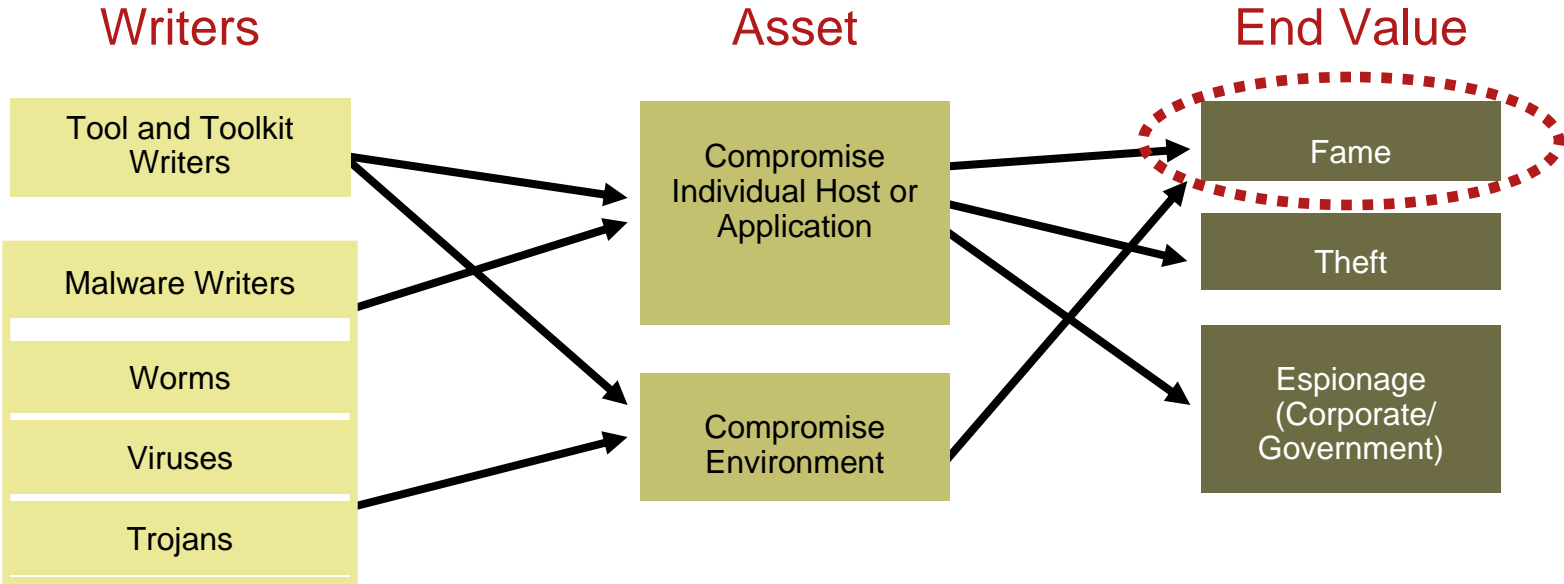


◆ = Major Media Event

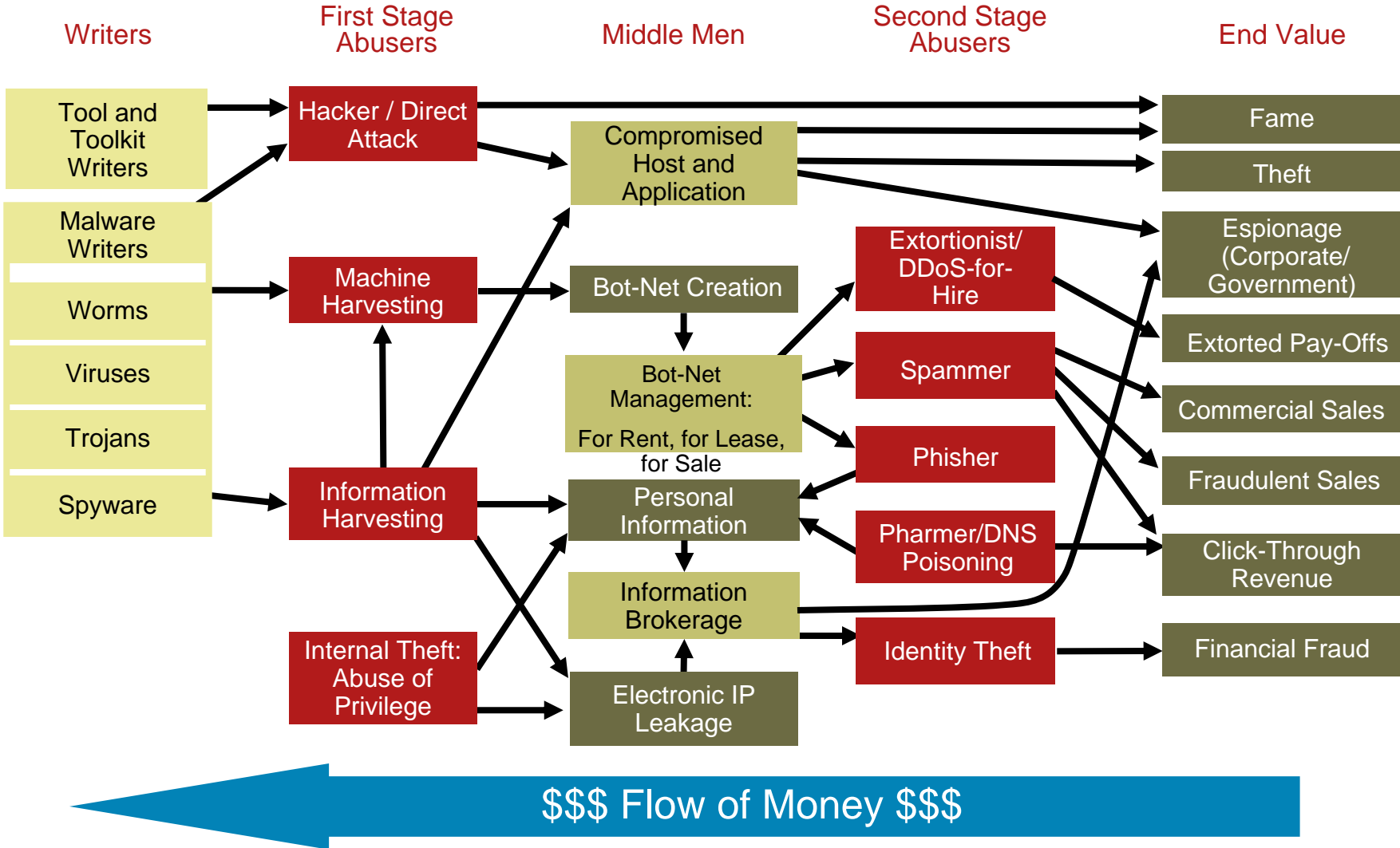
Cybercrime Industry

- Highly intelligent individuals are collaborating to create new viruses and other malicious code
- Software development tools for handling large projects are being used
- Development is not unlike normal software development in the IT industry
- The shared information and talents of many very skilled hackers when working together can be worse than any one working alone

Cybercrime Industry : In the Past



Cybercrime Industry : Today



The Cybercrime Industry

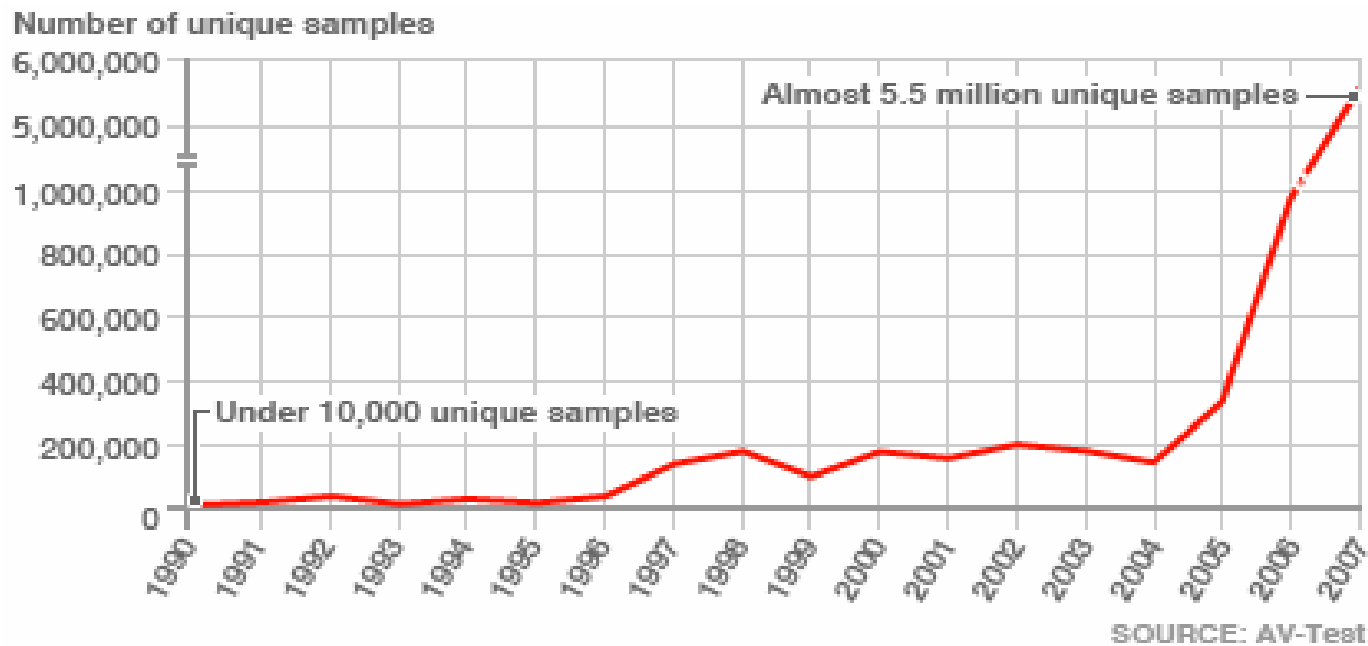
- Group develops custom malware
- Custom malware is made available for purchase
- Hosting environments are paid to host malicious code on sites that they control
- Malware collects usernames and passwords as well as credit card numbers
- Credit card numbers and usernames and passwords are for sale

Designer Malcode – Targeted Attacks

- Malcode that is designed to bypass virus scanners is made for sale
- Malcode is designed to collect information and upload it to a database
- Backup malcode is also available
 - Replaces the active malcode once it begins to be detected by virus scanners
- Malcode is designed to be very difficult to reverse engineer
 - Harder to detect and harder to trace where the data is being sent

Rise of unique malware

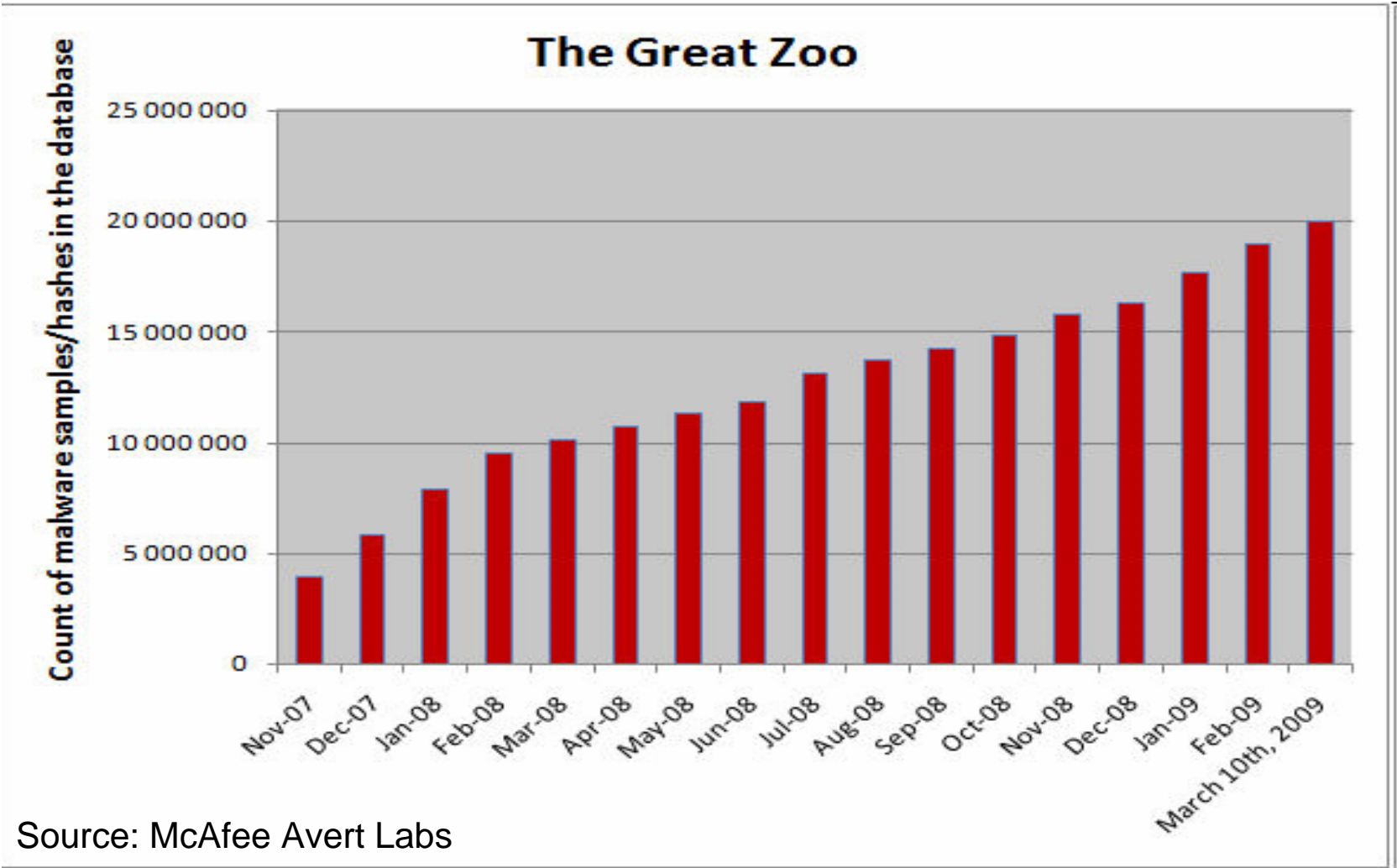
Unique Samples of Malicious Programs



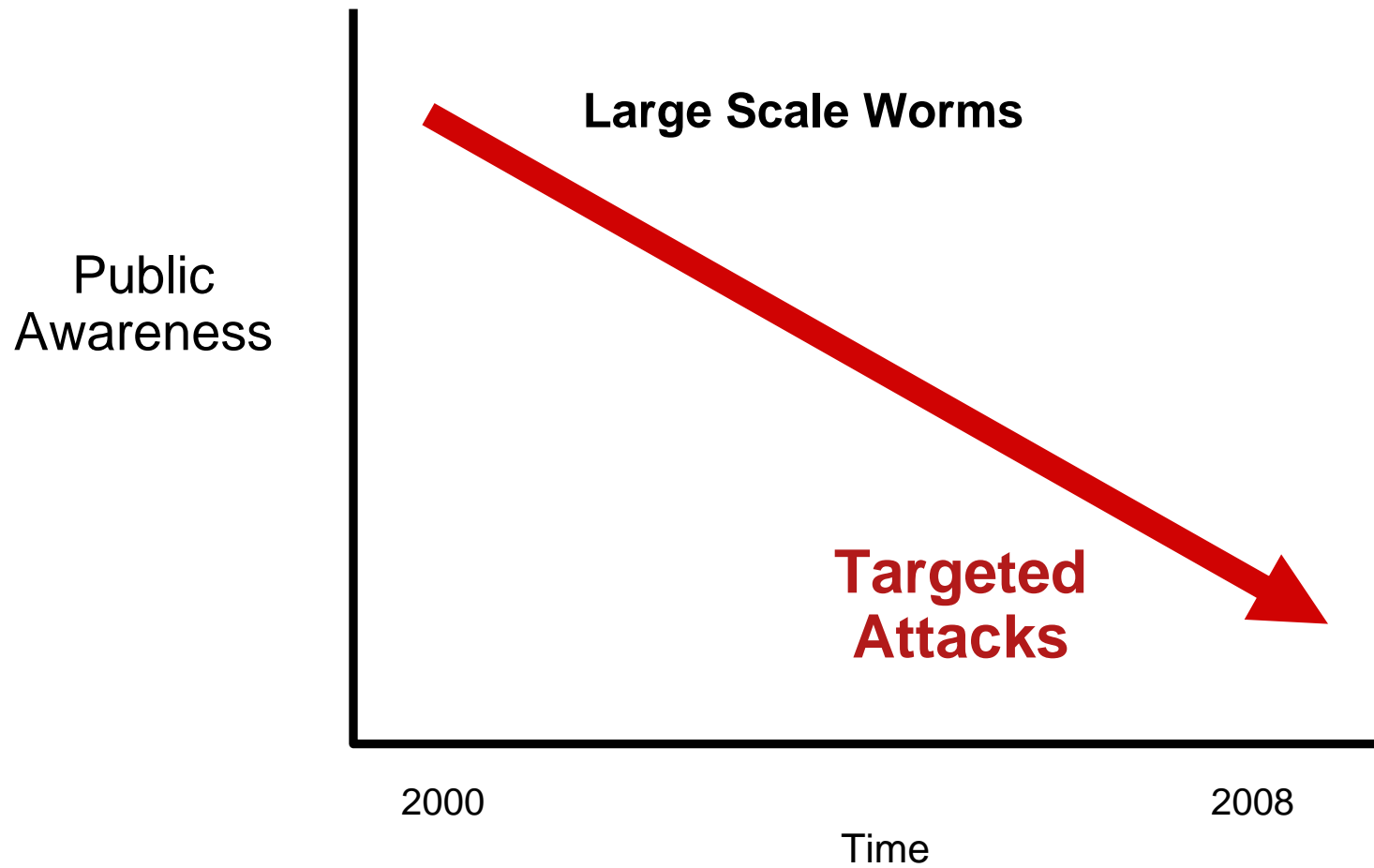
of Unique Malware Samples in 2006: 972K
of Unique Malware Samples in 2007: 5.5M

500% Increase in 12 Months

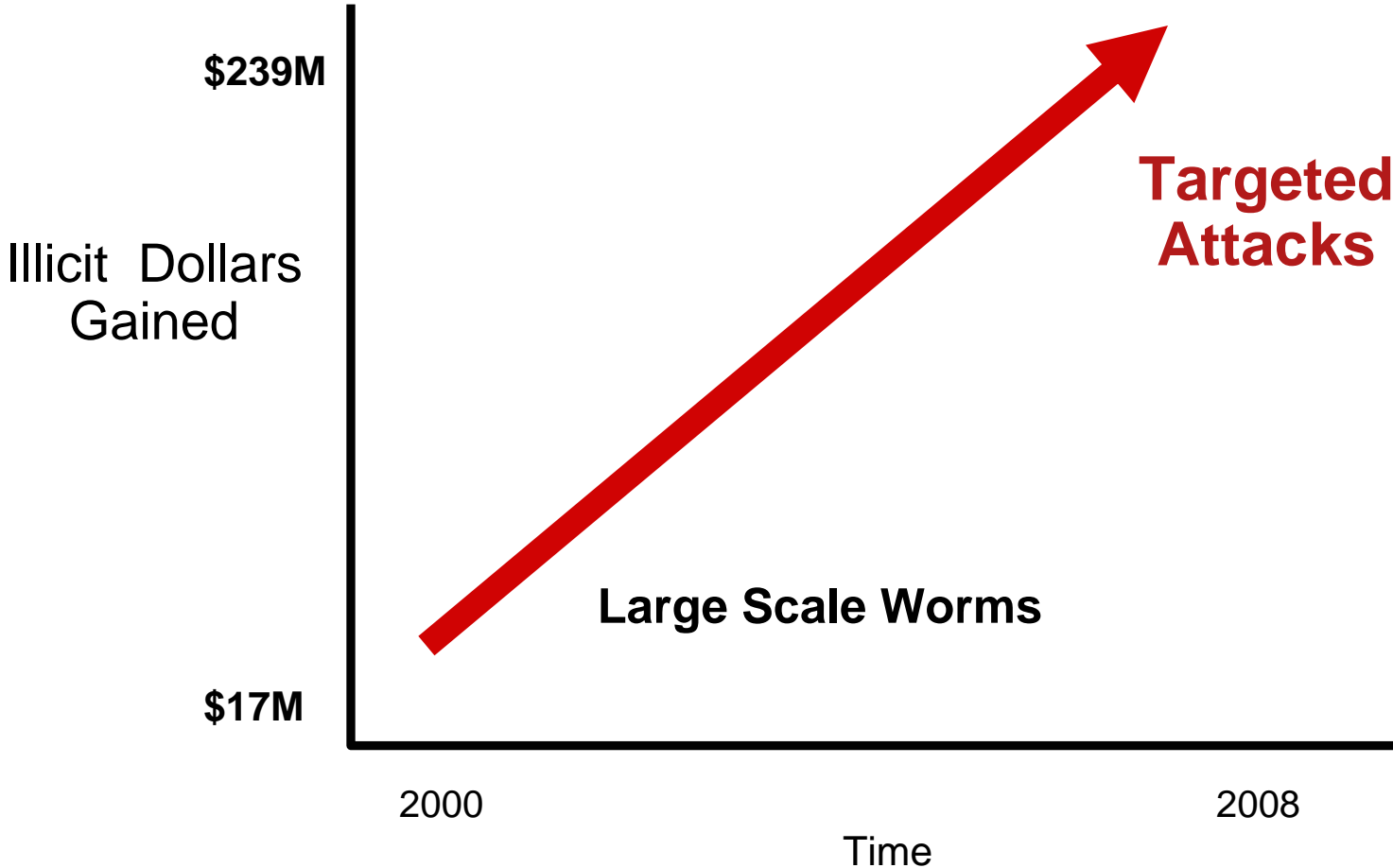
Rise of unique malware (cont)



“Noise” Level



Cyber Crime Profit Level



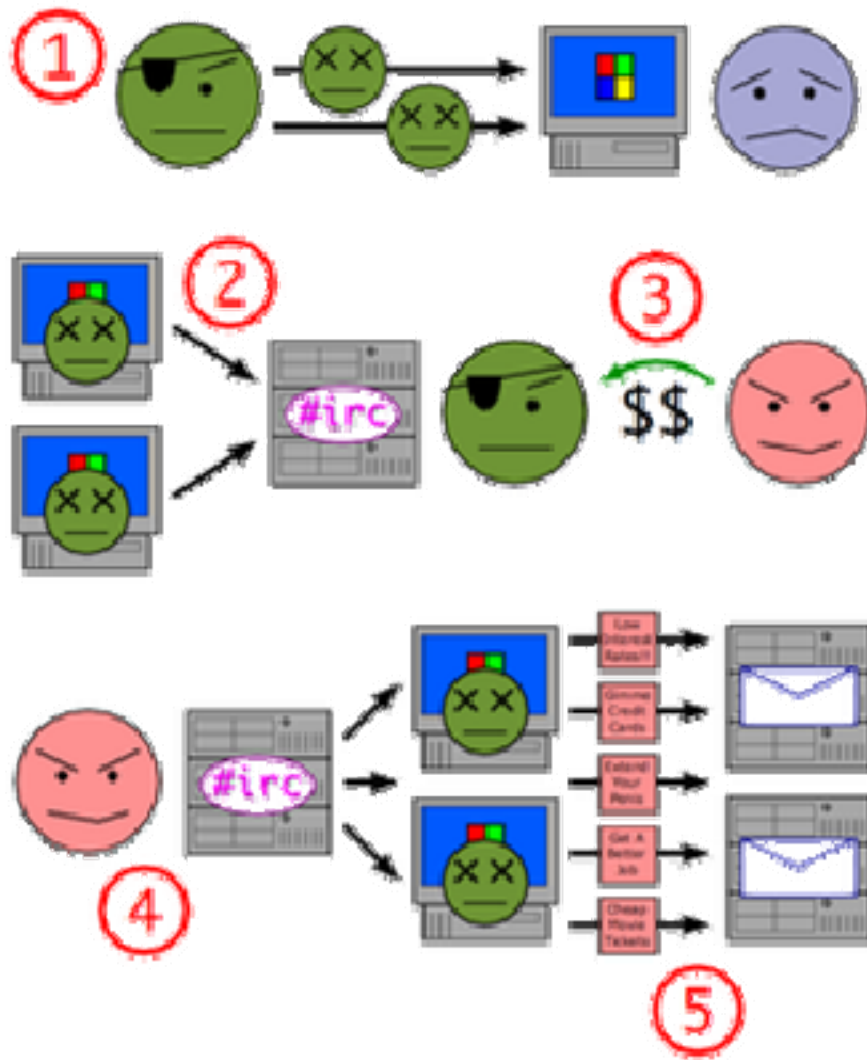
Source: ICR 2001, 2007

Botnets

- **Botnet:** A collection of compromised machines running programs under a common command and control infrastructure
- Building the Botnet:
 - Viruses, worms; infected spam; drive-by downloads; etc.
- Controlling the Botnet:
 - Covert-channel of some form; typically IRC or custom IRC-like channel
 - Historically have used free DNS hosting services to point bots to the IRC server
 - Recent attempts to sever the command infrastructure of botnets has resulted in more sophisticated control systems
 - Control services increasingly placed on compromised high-speed machines (e.g. in academic institutions)
 - Redundant systems and blind connects are implemented for resilience
- See **Infiltrating a Botnet:**
<http://www.cisco.com/web/about/security/intelligence/bots.html>

Source: www.wikipedia.com

Using a Botnet to Send Spam



1. A botnet operator propagates by viruses, worms, spam, and malicious websites

1. The PCs log into an IRC server or other communications medium

1. A spammer purchases access to the botnet from the operator

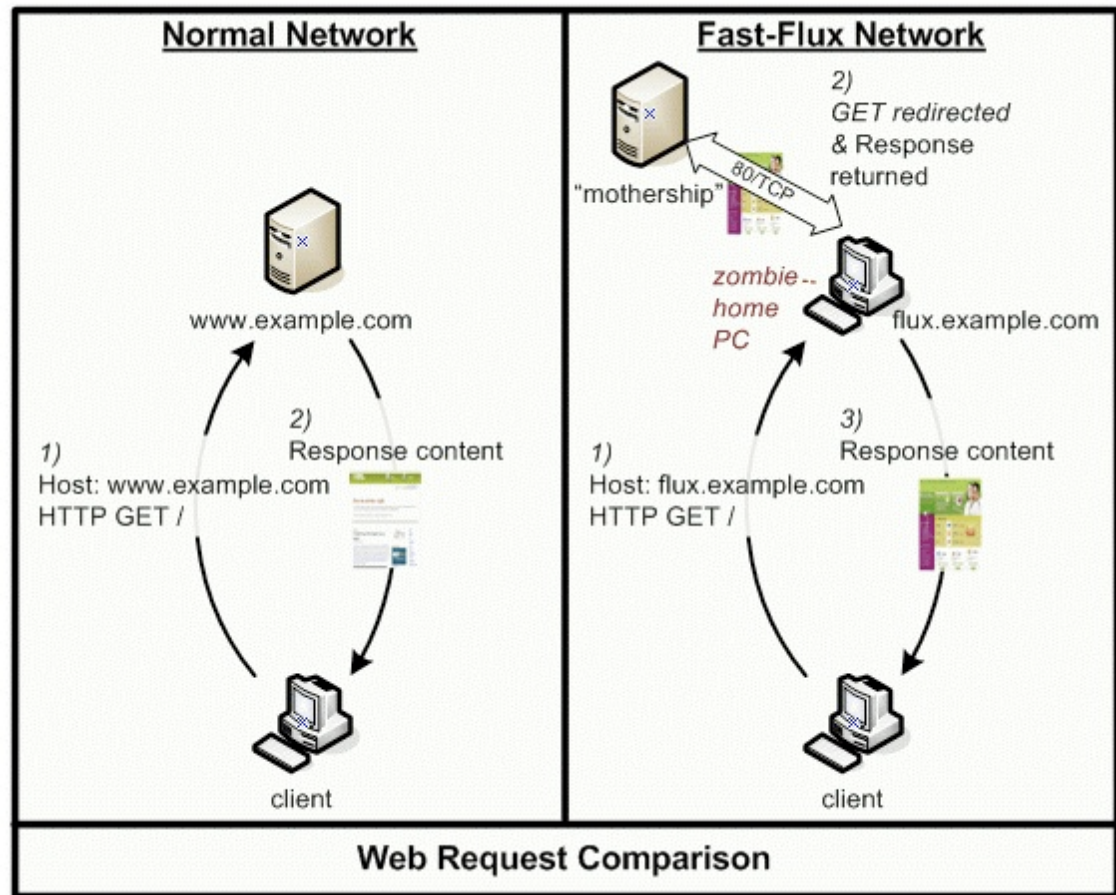
1. The spammer sends instructions via the IRC server to the infected PCs—

1. ... causing them to send out spam messages to mail servers

Source: www.wikipedia.com

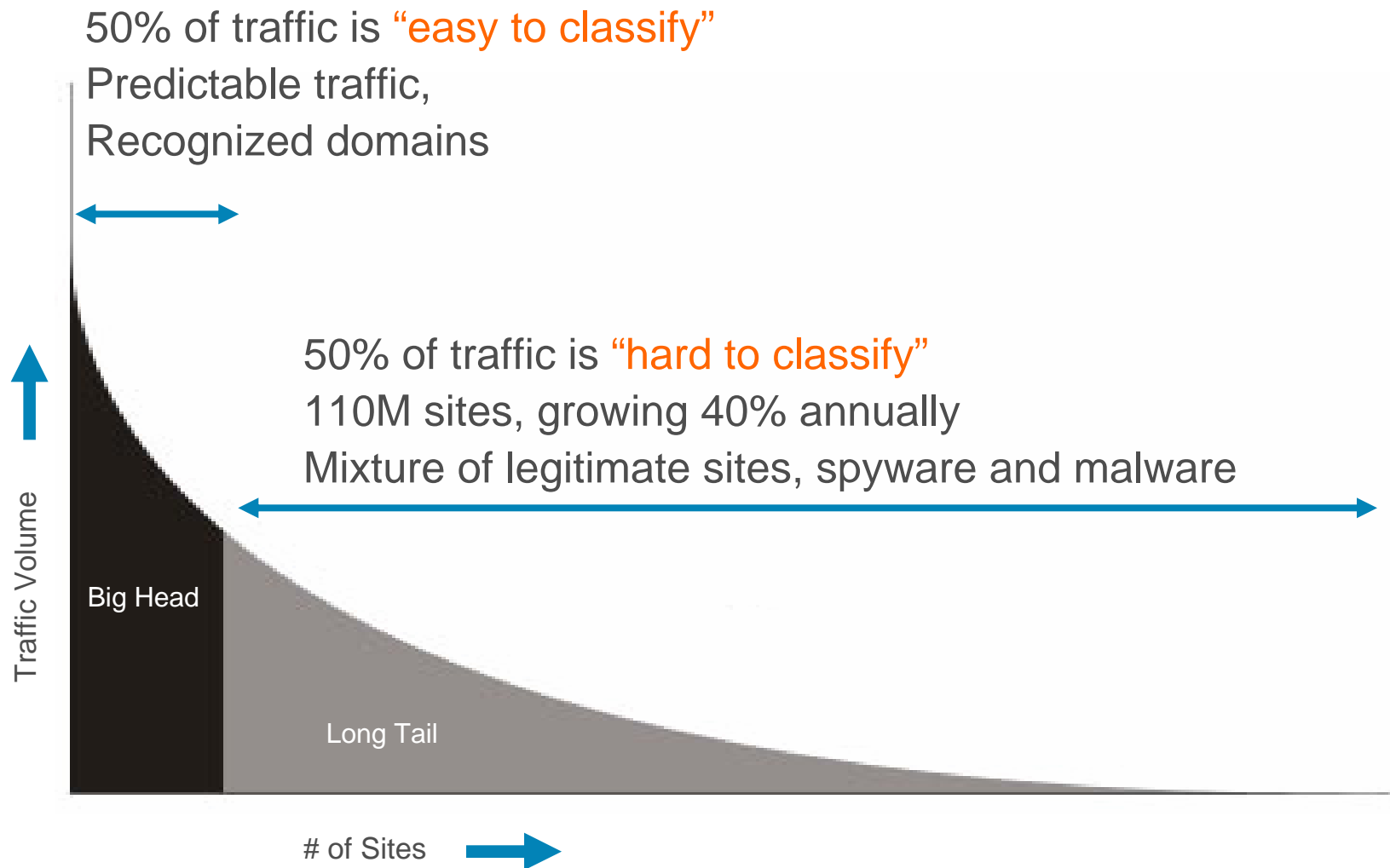
Fast Flux

- Control system is hidden
- Very low time to live (TTL) in A Record
- Botnets are the new DNS servers

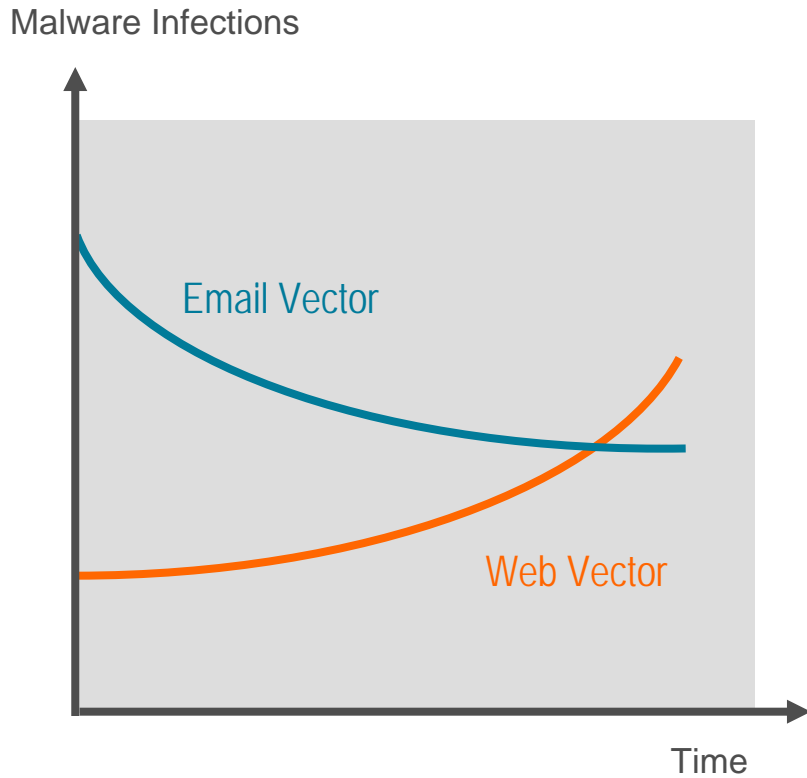


Source: honeynet.org

Port 80 – The New Internet



Malware Threat Distribution



Malware infection vectors are shifting from email to web

TD Ameritrade Breach Affects 6.3M Customers

Brokerage firm uncovers data-sucking malware during system audit

From

Man you have got to tell me where you picked her up. I saw this on the web, it has to be you. check it out yourself <http://www.youtube.com/watch?v=IHZbpJLfppV>



Your **NETWORKWORLD** you c
This story appeared on Network World at <http://www.networkworld.com/news/2007/020207-dolphins-web-sites-hacked-in.html>

Dolphins' Web sites hacked in advance of Super Bowl

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IT Week > News > Hacking

Smart malware steals from SSL streams

Is nothing safe?

Iain Thomson, vnunet.com, 22 May 2007

A new variant of th

Blended Attacks

- Malicious “anti-spyware” sites.
antispyware911.com
- Spoofed NFL sites
Game tracker download was actually Storm
- Spurious Youtube sites
Click play actually downloads malware
- Youth-oriented applications and sites
Free Games, Psycho kitty

* More on this later

Next Generation Spam

- Growing in sophistication
 - Targeted
 - Blending email and web
- New vectors, including SMS vishing
- Extensive use of social engineering

From: Bill Gates
To: John Chambers
Cc:
Subject: Free NFL Game[IronPort SUSPECTED SPAM]

Football is back, life may resume again!
Know all the games, what time what channel and
have all the details for every game with our f
<http://69.247.209.124>

Tracking N_ 1844598928

Reply Reply All Forward Junk Print Delete Previous Next To Do Categories Projects Links

You forwarded this message on 8/12/08. Show Forward

From: United Parcel Service <ghwjbotsecg@brandbox.com>
Date: Tuesday, August 12, 2008 9:40 AM
To: access-dial-epavlu-staff@cisco.com
Subject: Tracking N_ 1844598928

Attachments:

WW2_ASH182.zip	65.18 KB	Open
		Save
		Remove

Unfortunately we were not able to deliver postal package you sent on July the 21st in time because the recipient's address is not correct.
Please print out the invoice copy attached and collect the package at our office

Your UPS

Phishing and its variants

- Traditional phishing still in use
- Spear-phishing
 - Targeted phishing attempts
- Whaling
 - Phishing attempts specifically targeting a high value target



Web 2.0 Abuse

- Commercial tools for account creation, posting, CAPTCHA*, IP rotation are readily available
- Targets popular sites and blogs including including gmail, Yahoo!, MySpace and Craigslist
- Enables abuse of many services including webmail account creation for spamming

Who Else Wants to Create Unlimited Gmail Accounts in Seconds Flat Without Breaking a Sweat?
Introducing Jiffy Gmail Creator!

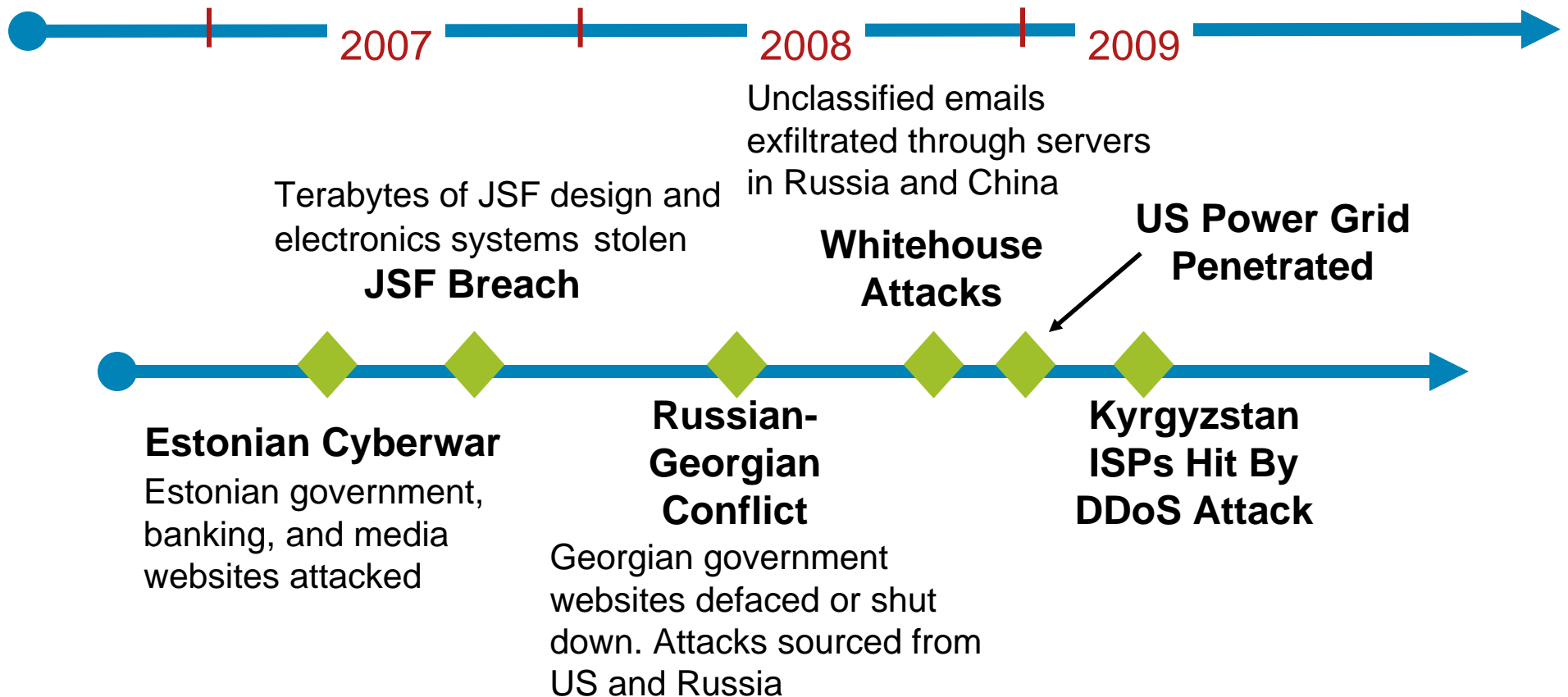


*Completely Automated Public Turing test to tell Computers and Humans Apart."

Data Leakage

- Marine One classified data found on computer in Iran
 - Included avionics info, schematics on radar and missile defense
 - Peer-to-peer to blame
- Los Alamos National Labs has 80 computers go missing
 - 13 computers stolen
 - 67 missing
 - BlackBerry lost in a sensitive foreign country

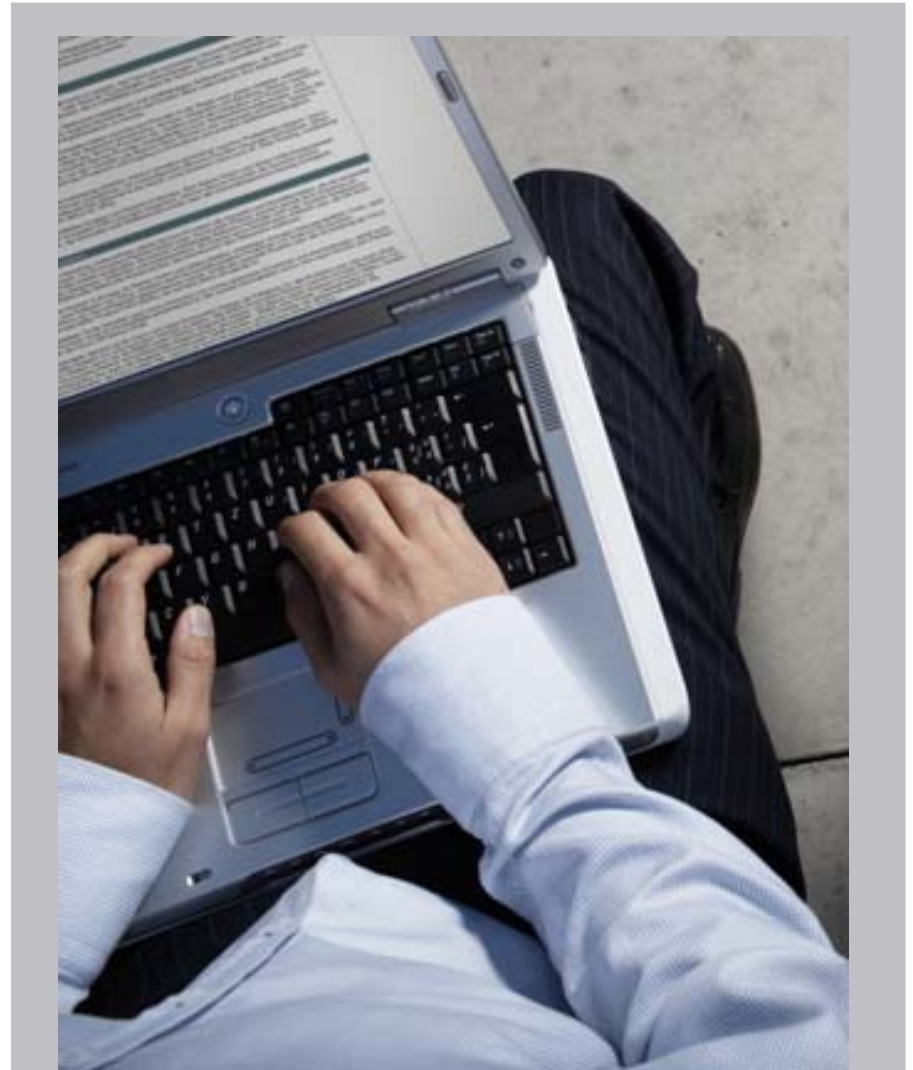
Hacktivism/Cyberwarfare



- Future conflicts more likely to include Internet component
- Botnet activity likely to increase during conflicts
- Cyber-commands forming to counter

What Does This Mean?

- Threats and criminals are faster, smarter & more covert
- Criminals have more vulnerabilities to exploit
- Criminals are evolving their techniques, users must stay current



Year in Review



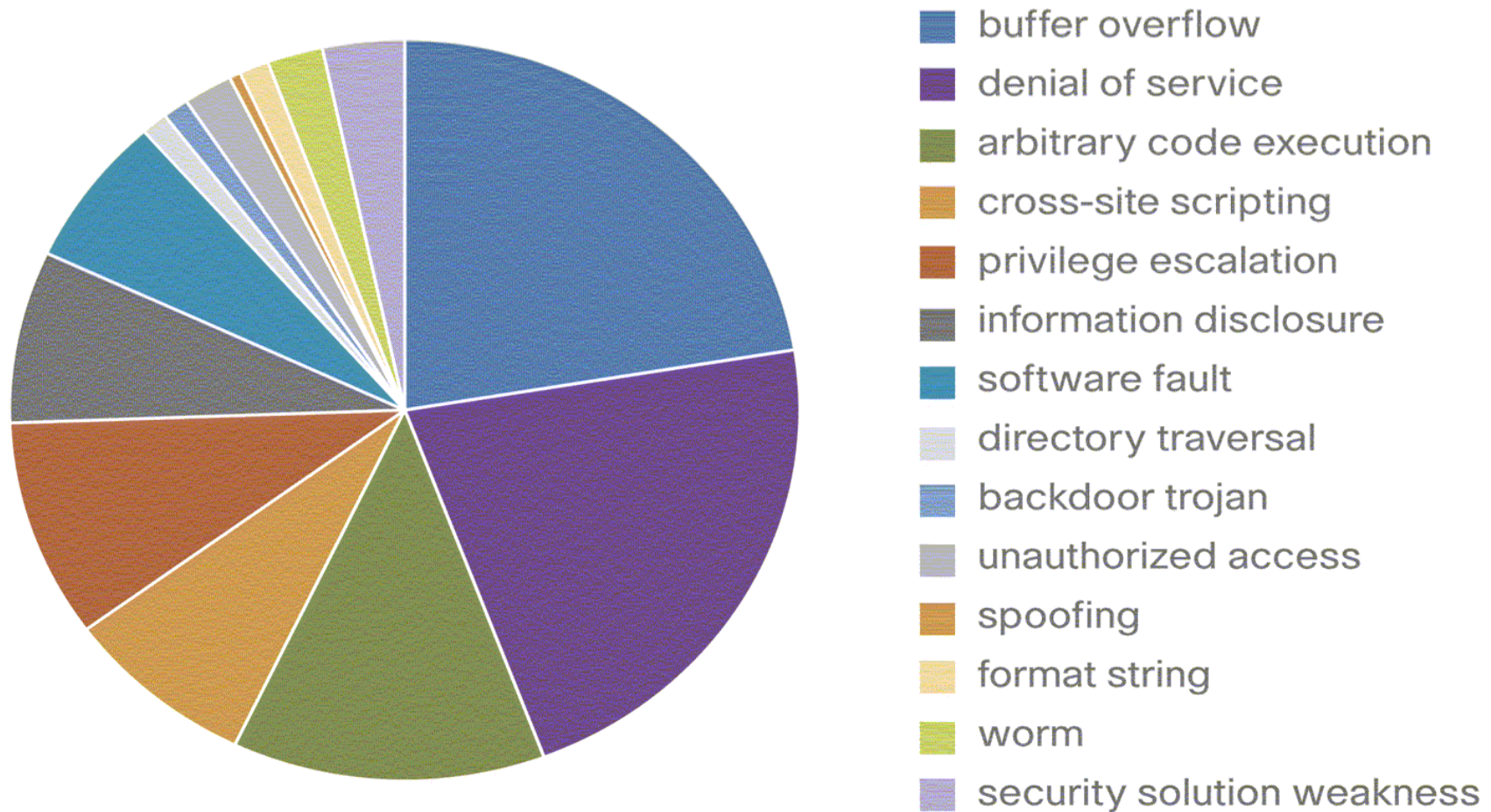
2008 as a year

- 70% of top 100 web sites pointed to (or contained) malware
 - According to a Websense report
- Number of vulnerabilities up 11% from 2007
 - According to the Cisco IntelliShield
- Spam accounts for 90% of email today
 - According to IronPort
- Targeted attacks: 10 per day in 2007, up to 57 in 2008
 - According to MessageLabs

2008 – Top Security Concerns

- Specialization and innovation in the online crime economy continues.
- Attacks are increasingly targeted to help maximize their effectiveness.
- Reputation HiJacking are gaining in prevalence and popularity
- More blended threats

Vulnerabilities of 2008



Digital Devices Carry Unwanted Guests

- January 2008, consumers report the digital photo frames they received contained malware that attempted to install on their computer.
- Limited number of infection; Highlights that attackers are always trying something new
- Also of note, number of devices that contain some sort of memory is always on the rise

30,000 legitimate websites host malware

- January 2008, web security firm Finjan warned that tens of thousands of legitimate websites were hosting malware designed to compromise unknowing visitors.
- Toolkit named “Random JS toolkit” used to speed the spread of infections
- Used the “single copy to single person” technique to avoid getting caught

Universities targeted by phishing attacks

- February 2008, a large number of “.edu” domains including Columbia, Duke, Princeton, Purdue and Notre Dame were target of a sophisticated phishing attack.
- Students and faculty were sent emails that appeared to come from the help desk.
- Targeted username and passwords

Windows, MacOS, and Linux face off

- March 2008, a hacking contest was held at CanSecWest pitting fully patched copied of Windows Vista, MacOS (leopard), and Ubuntu against each other to see who would get compromised first.
- MacOS was compromised on day two with an attack on a previously unknown vulnerability in Safari.
- Windows Vista was compromised on day three with an attack on a previously unknown vulnerability in Adobe Flash
- Ubuntu survived the contest
- First MacOS X Botnet launching DoS attacks
- CanSecWest 2009 – MacOS X compromised in 10 Sec

SSH brute-force attacks

- May 2008, an order of magnitude increase of SSH password attacks was reported.
- Illustrates how a botnet can speed the time it takes to brute-force attack a service.
- Strong passwords are still very much needed and should be required.

45% of browsers vulnerable

- July 2008, a study using data collected from Google revealed that greater than 45 percent of internet browsers going to google contain vulnerabilities that have already been patched.
- Despite auto-updates, browsers still not getting patched.
- Are you clients turning off auto-updates?.

Major vulnerability discovered in DNS

- July 2008, Dan Kaminsky announced a fundamental flaw in how DNS operates.
- Massive multivendor patch was released, in one month only 52% of DNS servers were patched.
- The flaw allowed an attacker to poison DNS records of any domain in a matter of seconds.
- This could lead to major DNS poisoning attacks – no need to “trick the user”.

* More on this later

“Race to Zero” completed in record time

- August 2008, the “Race to Zero” was held and completed in a record time of 2 hours 25 minutes.
- Contest consisted on 7 well know viruses and 2 well known exploits, the goal was the modify them so they couldn't be detected by Anti-Virus solutions.
- Highlights the need to move away from a pure signature based detection method.

Malware Targets Current Events

The screenshot shows the America.gov website with a news article titled "Barack Obama Elected 44th President of United States". A red-bordered box highlights a prompt: "Prompted to install an Adobe Flash Player update". The prompt is a Windows-style dialog box titled "Opening adobe_flash8.exe" with the text: "You have chosen to open 'adobe_flash8.exe' which is a Binary File. From report you: 'report: productname=AdobeFlashPlayerUpdate'. Would you like to save the file?" with "Save File" and "Cancel" buttons. Below the prompt, a video player is shown with a "Loading..." message. A red-bordered box at the bottom right points to a link: "Proceed to the election results news page??", which is labeled as a "Link to Active Malicious URL".

President of the

Message (HTML)
Actions Help Adobe PDF
Wed 11/5/2008 5:48 AM
United States.
just four years ago, will be
sident of the United States.

Link to Active Malicious URL

Heartland Payment Systems

- January 2009, disclosed a network compromise
- Process 100 M payment card transactions per month
- Work with over 175,000 merchants
- Described as a “very sophisticated” attack
 - Computers compromised with rootkits with keyloggers
 - Network data compromised
- Heartland was abiding by PCI standards
- Expected to be more than 100 M records compromised
- “Beats” previous record of 95M by TJX (TJ MAXX)

Web signing shown to be flawed

- January 2009, researchers showed how the Internet public key infrastructure (PKI) could be subverted using a known weakness of the MD5 hash functions
- The researchers were able to create fake SSL certificates that all major browsers would treat as legitimate
- 14% of all websites use certificates signed using the MD5 functions
- Fear the now undetectable phish

Exploiting Cisco Routers

- January 2009, security researcher “FX” presented a paper of efforts to exploit Cisco routers with minimal knowledge about the router itself
- Previously, detailed knowledge about image version and configuration is needed
- Still, very much a “lab” exploit

Cisco Routers

- In the past, people didn't worry about Cisco vulnerabilities as they hadn't been shown to be exploitable
- FX's work takes exploiting Cisco routers one step closer
- Now is the time to take updating IOS seriously (if you don't already)

Conclusions from 2008/2009

- Attackers are always modifying their methods
- Users are the main focus of attacks at this point
- Major systems (DNS, Internet PKI) have been shown to have flaws, nothing is perfect
- Blended attacks are numerous and evolving
- Botnet infestation remains common and dangerous
- Known vulnerabilities are going unpatched and existing security policies are being ignored.

Case Studies



Case Studies

- Dangerous infrastructure
 - DNS vulnerability analyzed
- Malware sophistication
 - Modern malware source code analyzed

DNS

- Discovered by Dan Kaminsky in early 2008
- Security community, internet community at large was on high alert
- Allowed attackers to spoof and manipulate the IP for a DNS record



DNS – The Attack

- Attack was always possible
- Only 1:65,000 chance it could work (Guess the QID)
- Assumed attacker could only try once the TTL expired

DNS – The Basics

Question

Src Port = SP1

Dst Port = DP1

Query ID = QID1

Question = Q1

Response

Src Port = DP1

Dst Port = SP1

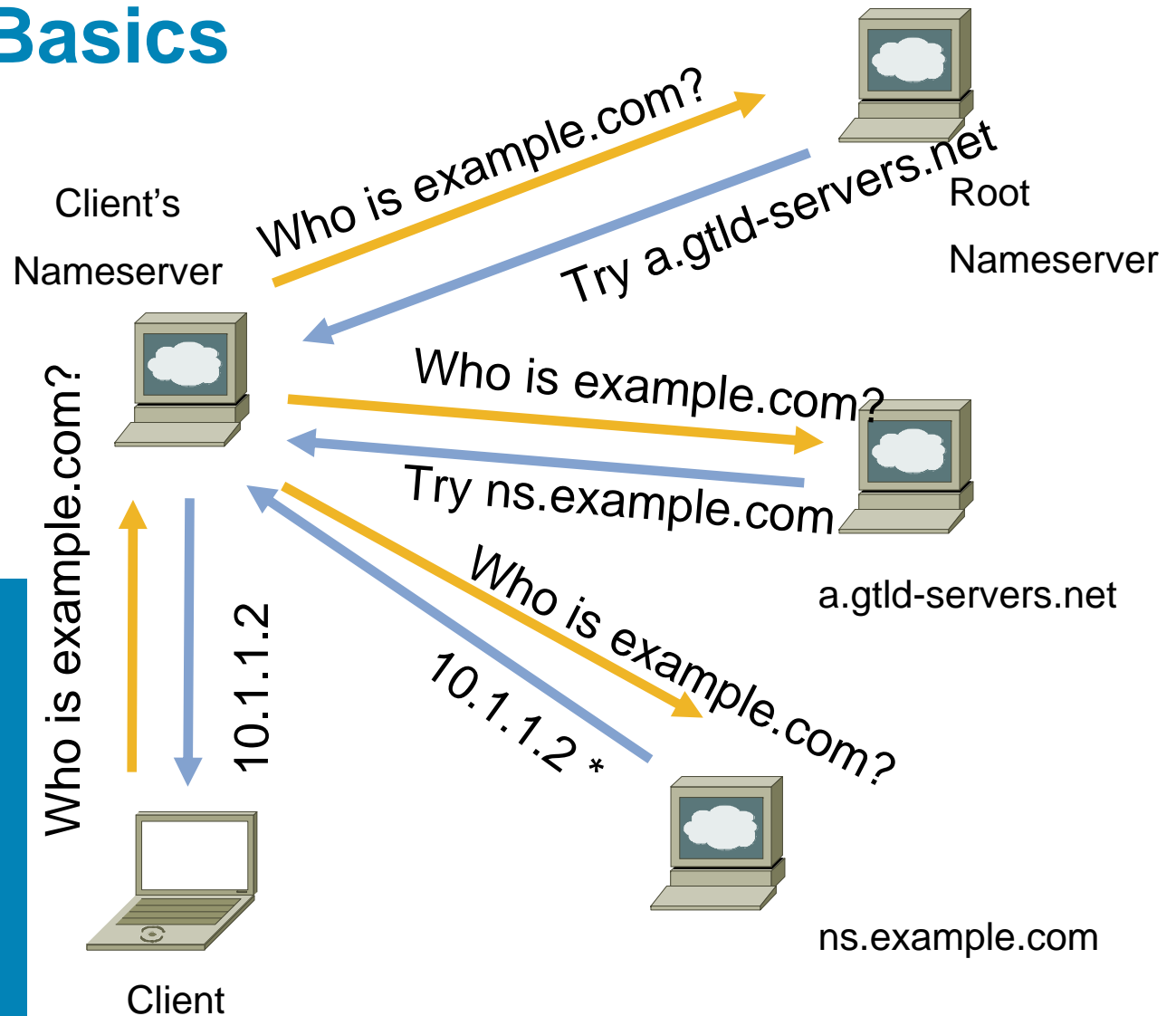
Query ID = QID1

Question = Q1

Answer = A1

Authority = ?

Additional = ?



DNS – Poisoning Attack

Question

Src Port = SP1

Dst Port = DP1

Query ID = QID1

Question = Q1

Response

Src Port = DP1

Dst Port = SP1

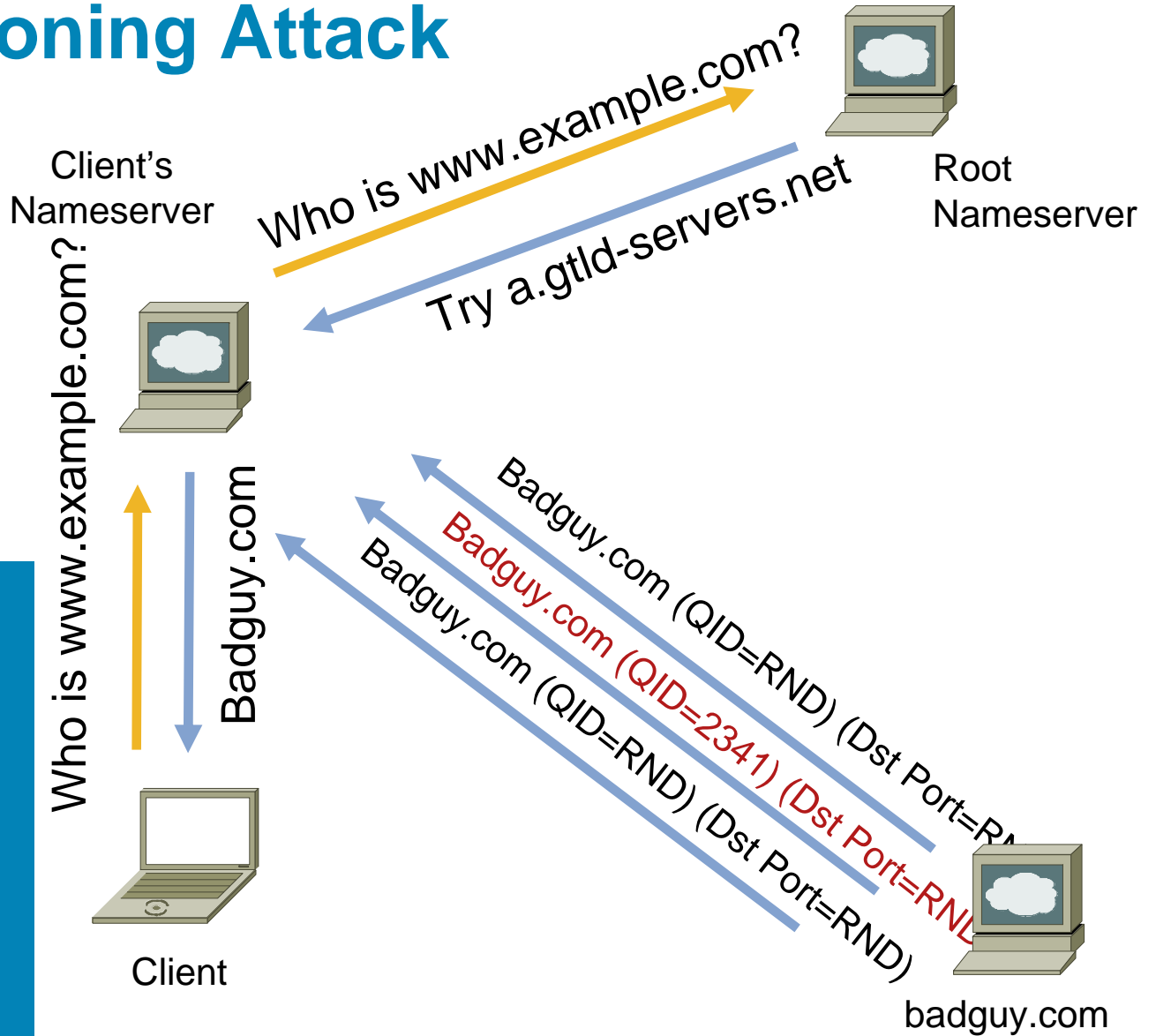
Query ID = QID1

Question = Q1

Answer = badguy.com

Authority = ?

Additional = ?



DNS – Dan’s Attack

Question

Src Port = SP1

Dst Port = DP1

Query ID = QID1

Question = Q1

Response

Src Port = DP1

Dst Port = SP1

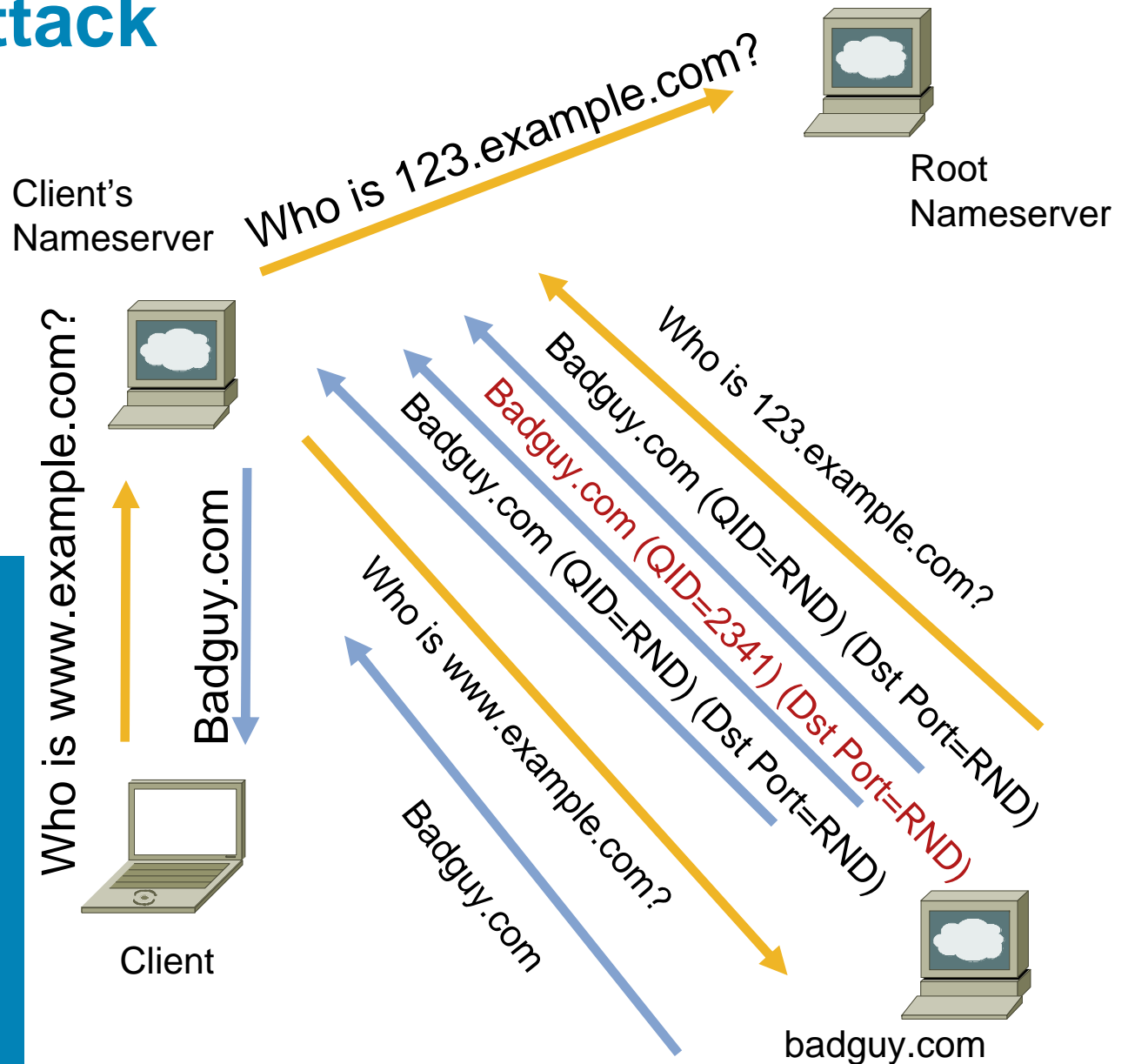
Query ID = QID1

Question = Q1

Answer = badguy.com

Authority = badguy.com

Additional = badguy.com



DNS – The Implications

- “Gold Standard” DNS poisoning attacks
- Is email staying on site?
- **Click here if you forgot your password**

DNS – The Remedy

- Major DNS software developers were told in secret
 - Focus was to develop patches before attack became known
- Once patches were ready the vulnerability was announced
 - 30 days before details were to be released
- Large effort by big names in the networking and network security industry to convince people to patch immediately
- 70% fortune 500 companies patched within 30 days

Modern Malware Sophistication

- Propagation techniques
- Security countermeasures
- Capabilities

Conficker/Downadup At Work

- Exploits vulnerability in Windows Server service
MS08-067 (445/tcp)
- Originally uses HTTP as it's Command and Control (C&C) channel
- Criminals are smart, they monitor advancements in technology and use it to their advantage
 - Conficker.A uses MD5 with 1024-bit RSA digital certs
 - Conficker.B moves to MD6 with 4096-bit RSA digital certs
 - Buffer Overflow patched in MD6 on 15 January 2009
 - Criminals patch MD6 in the Conficker.D variant, 4 March 2009

Conficker/Downadup At Work

- Adds ability to infect via network shares and removable media
- DNS Hooking used to prevent infected devices from accessing security-related sites for assistance
 - Blacklist updated with new variants
- Process list monitoring and process termination
 - Process list updated with new variants

Conficker/Downadup At Work

- Criminals monitor what the industry is doing to prevent their malicious behaviors and move to a new Peer-to-Peer (P2P) C&C channel

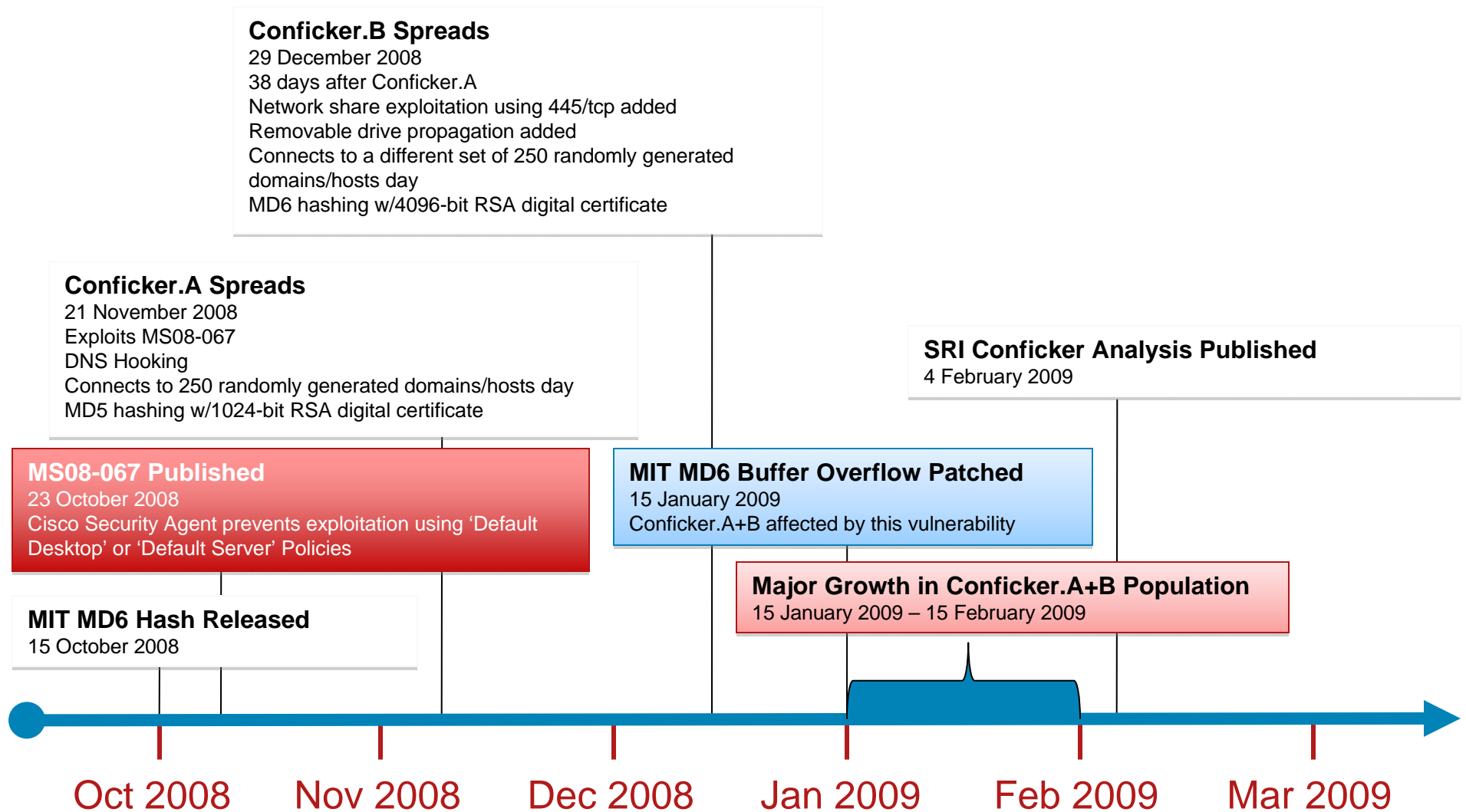
 - Formation of Conficker Working Group (CWG)

 - DNS Mitigations

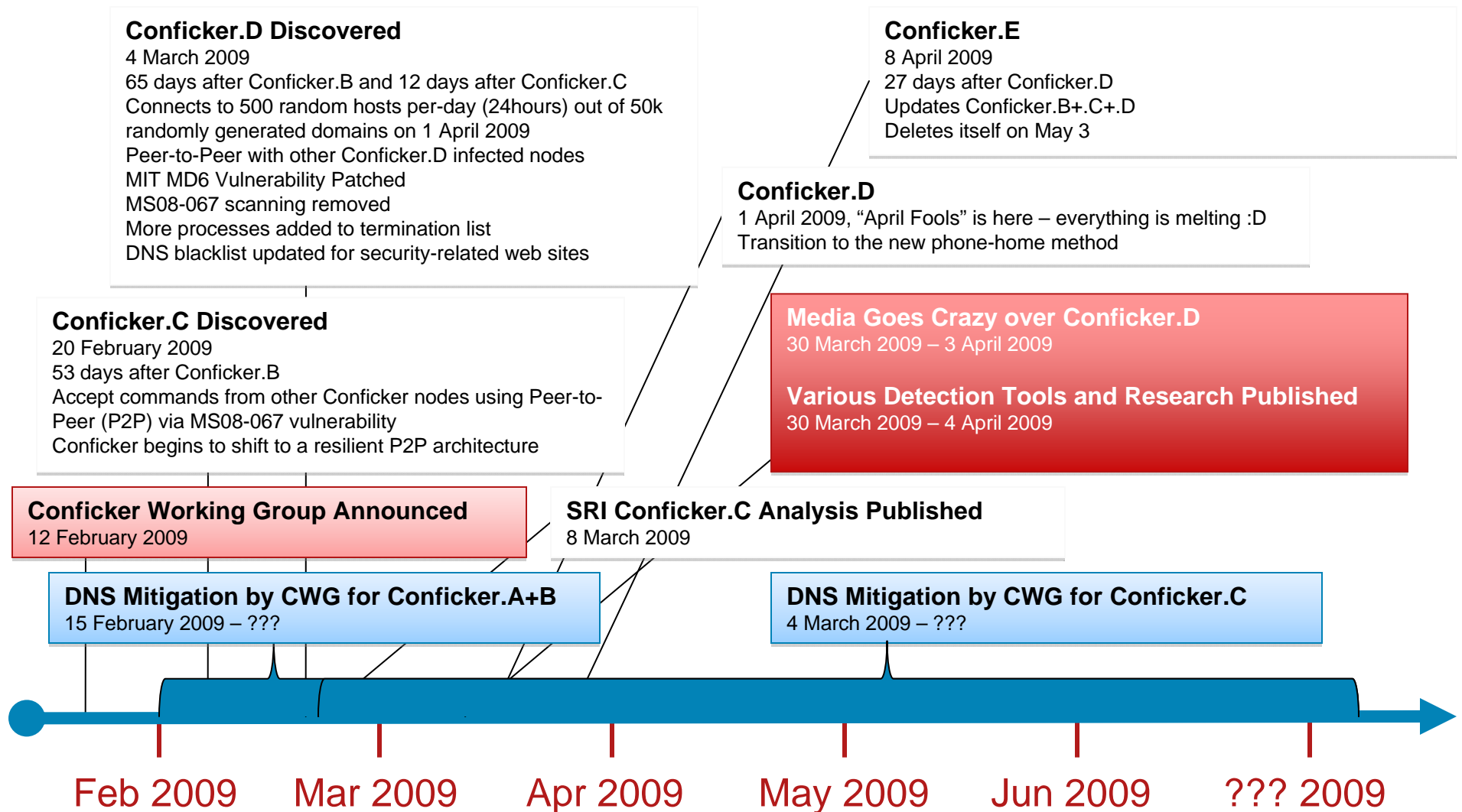
- New P2P C&C channel is more resilient and accepts commands from other Conficker infected nodes
- Media frenzy for “April Fools” doesn’t pan out
- While nothing major happened - Conficker is still hard at work and devices are still infected, being infected, being updated, along with other malicious behaviors

 - Begins to download new/existing malware - Waledac

Conficker and Downadup at a Glance



Conficker and Downadup at a Glance (cont.)



Threats on the Horizon

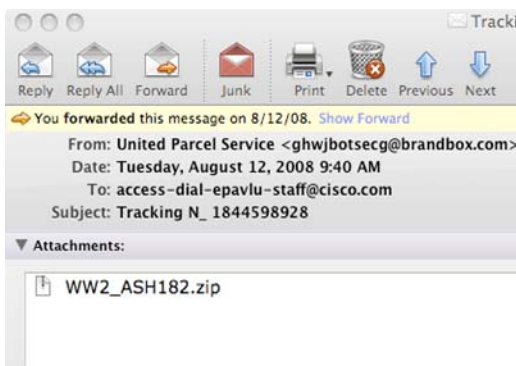


Threats on the Horizon

- Smaller, faster, more covert attacks
- Productivity technologies
- Proliferation of devices
- Continued increase of vulnerabilities
- Video Files Format Vulnerabilities
- Data Leakage
- Outsourcing
- Distributed Workforce

Smaller, Faster, More Covert Attacks

- Highly targeted and sophisticated
- New vectors, including SMS vishing
- Extensive use of social engineering



Unfortunately we were not able to deliver postal package you sent on July the 21st in time because the recipient's address is not correct. Please print out the invoice copy attached and collect the package at our office

Your UPS

Productivity Technologies

Enable or Limit?

- Corporate network has expanded and is key platform for growth
- Also more permeable:
 - Remote access
 - Web-based tools
 - Mobile devices
- Essential to today's workforce



Proliferation of Devices

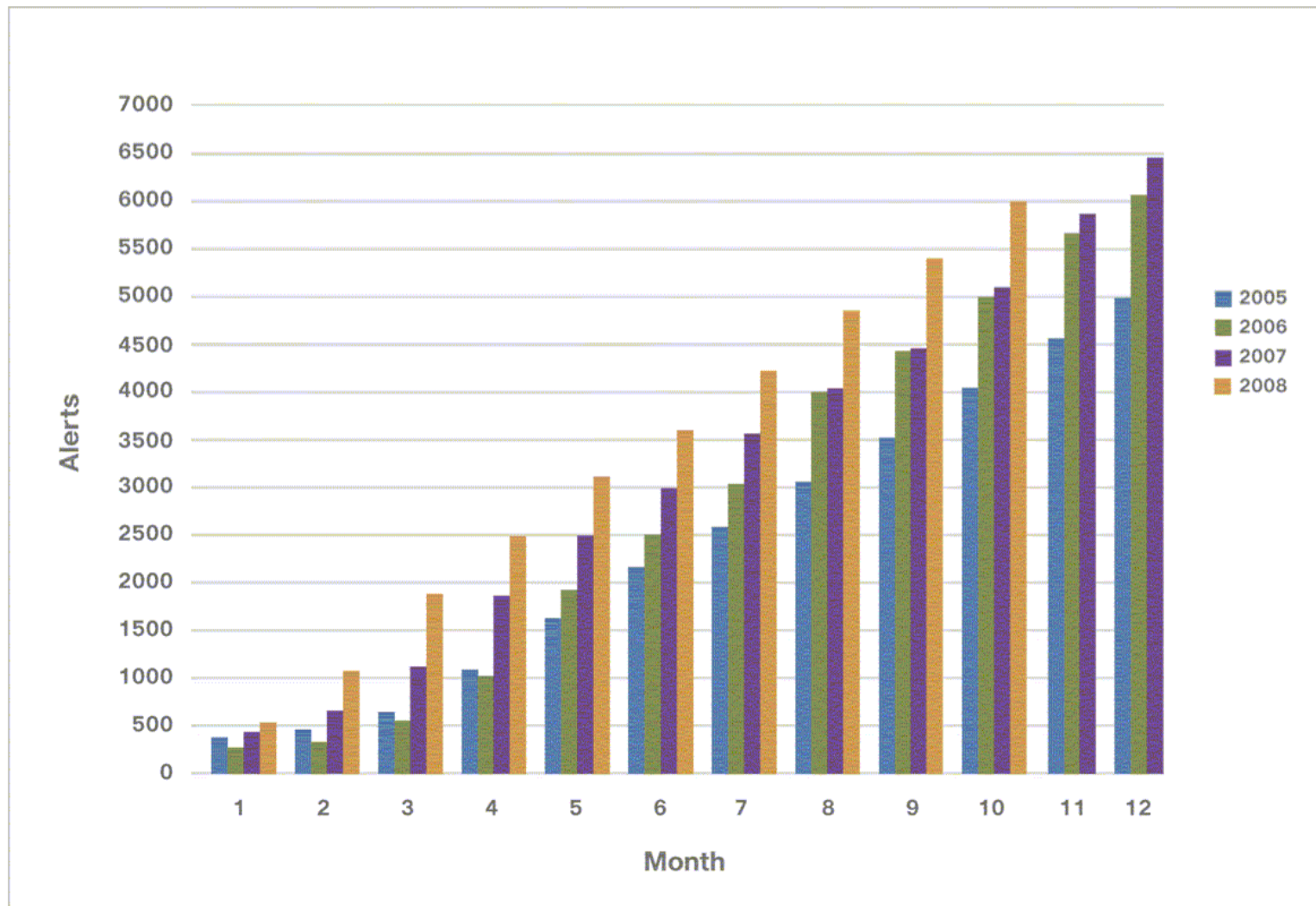
- New devices as been added to network
- Diversity of OS
- New entrance and exit points
- More data in motion



“...software glitches that need to be fixed -- are part of the 'new reality' of making complex cell phones in large volumes.” – Jim Balsillie, RIM CEO

Cumulative Annual Alert Totals

- The number of reported vulnerabilities in 2008 increased by 115%



Video File Format Vulnerabilities

- Researchers in 2008 continued to uncover many important to critical video file format vulnerabilities in:

Quicktime

Real Player

Windows Media Player

Flash

- Documented examples of video file attacks in 2008, not yet mainstream
- With rise of video it is only a matter of time
- The next “hot” YouTube video just might be dangerous...

Data Leakage

- Broad term encompassing multiple different challenges:
 - Security of Data at rest
 - Security of Data in motion
 - Identity-based access control
 - Both malicious and inadvertent disclosures
- Issue has become topical typically for “Compliance” reasons
- However, broader topic involves business risk management
 - How do I avoid inadvertent disclosures?
 - How do I protect my information assets from flowing to my competitors?
 - How do I avoid ending up in the news?



Mobile Data Continues: PC on a Stick

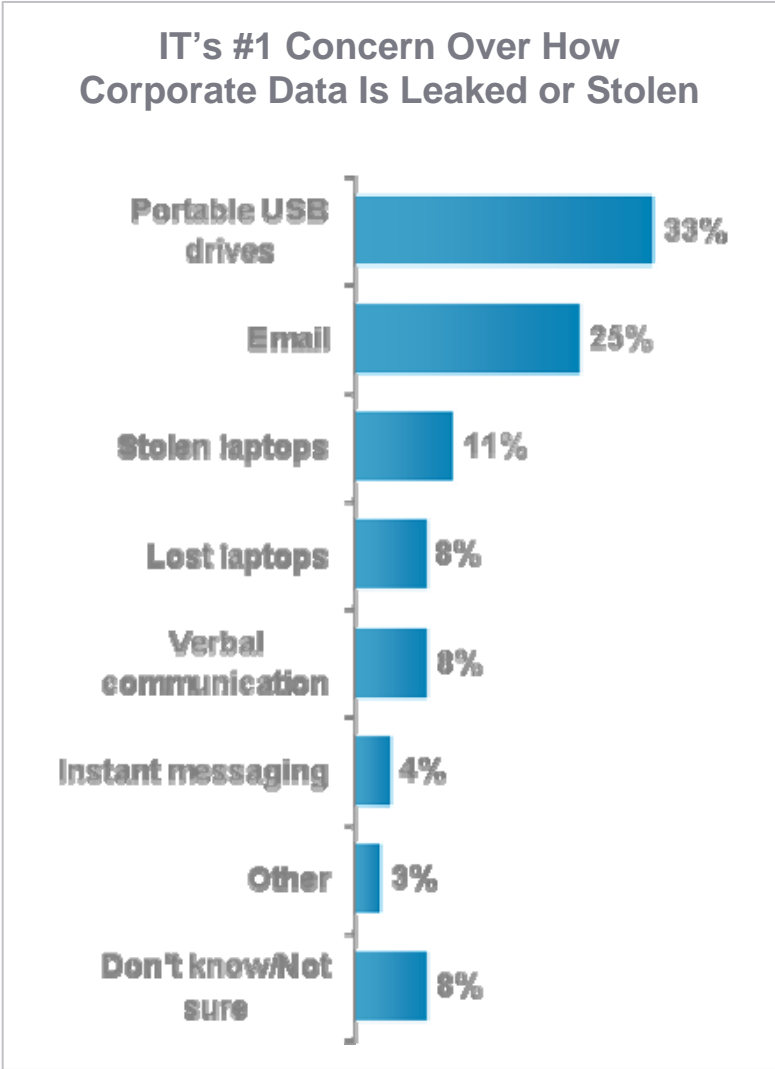
- New “smart drives” and other similar technology extending the existing threats to data posed by portable storage devices
- Devices carry a virtual computing environment in a secure storage, typically plugged in via USB to any open computer
- All workspace, preference, and data information is kept within the device, but computing resources of the host machine are used for manipulation and processing



Challenges:

- Analogous to SSL VPN security challenges, only now you can lose the device in a cab
- Unknown endpoint environment challenges: keyboard loggers and splicers, monitor taps, webcams
- Malicious software embedded in data or documents

Mobile Data Continues: PC on a Stick



Trend: Outsourcing

- Motivations

 - Outsourcers typically feel less loyalty to the outsourcing organization

- Opportunity

 - In many organizations, outsourcers are given full intranet access

- Considerations

 - How do you balance the need to access required applications while providing necessary controls to mitigate risk?

 - When negotiating contracts, are there any provisions for data security and integrity? Are there any provisions to audit the security posture

 - What legal recourses does the organization have in the event of compromise? Jurisdictional issues, liability and responsibility, etc.

Trend: Distributed Workforce

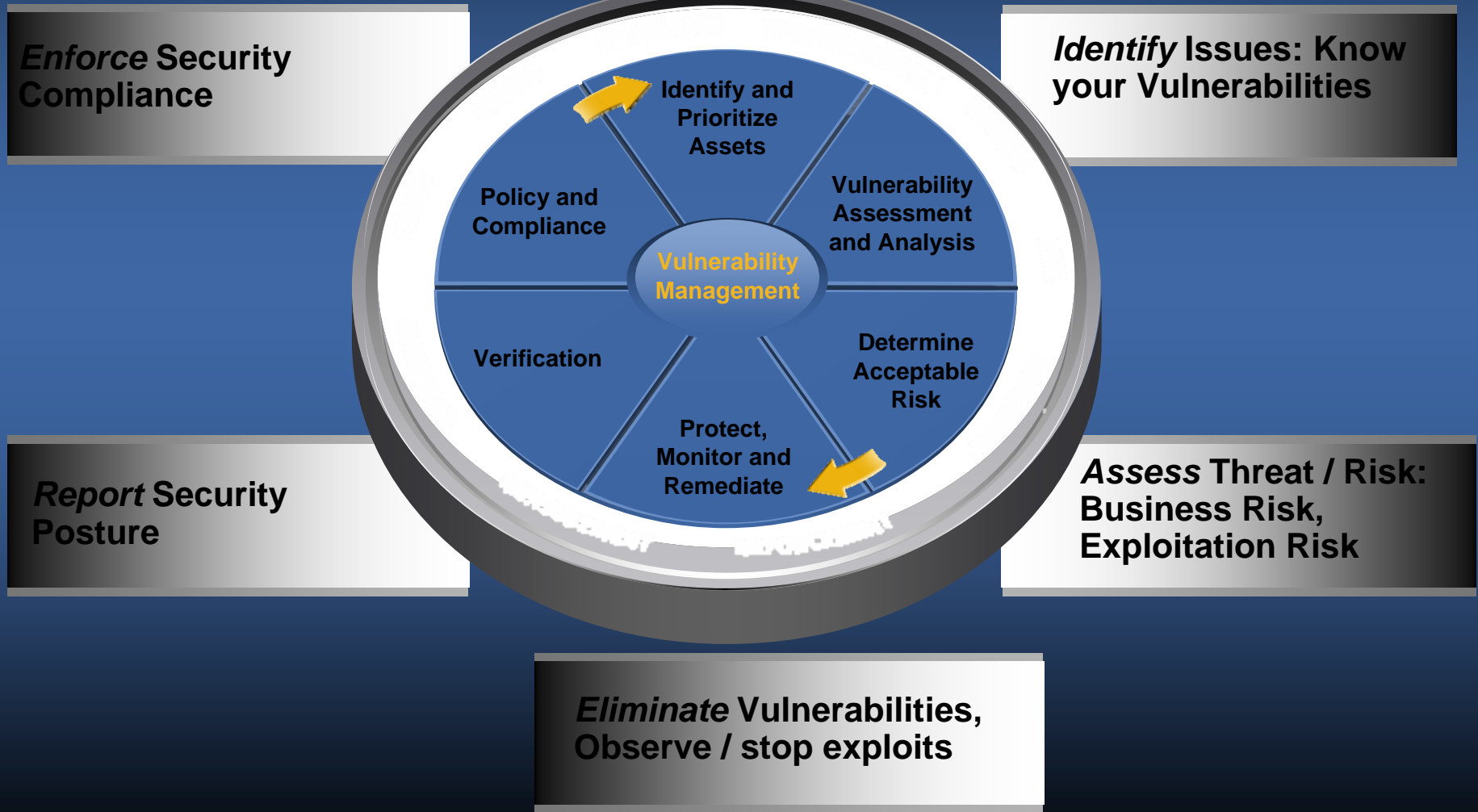
- De-perimeterization is real
 - True “federated” security systems are a long ways off yet
- Layers of defense and policy enforcement are critical
 - Drop bad traffic as close to the source as possible, but ensure you’ve got at least a couple of “last lines of defense”
- Costs and risks to data integrity should be a part of any calculation to adopt new business practices
 - There may be hidden costs that are not well understood
- People and Processes Key to Mitigate Risk
 - User awareness and effective business processes are as important to technology solutions

Threat Containment

Conclusion and Recommendations



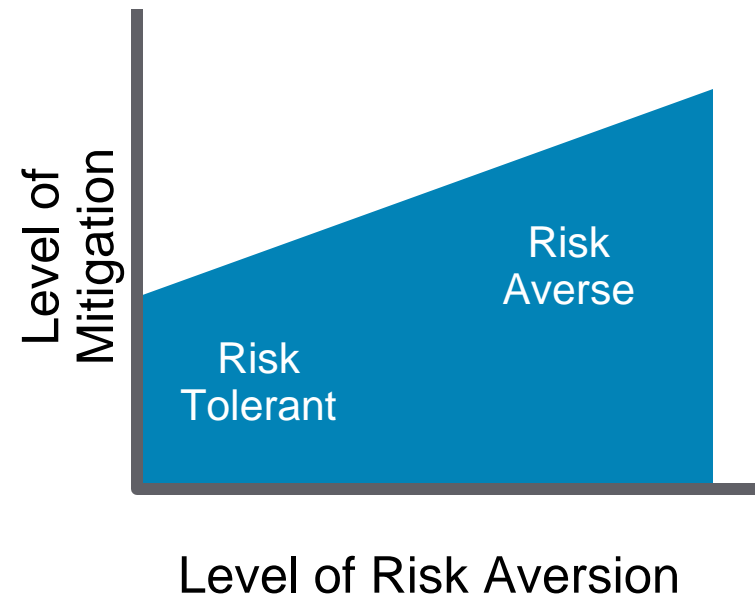
The Business of Vulnerability Management



What's My Exposure?

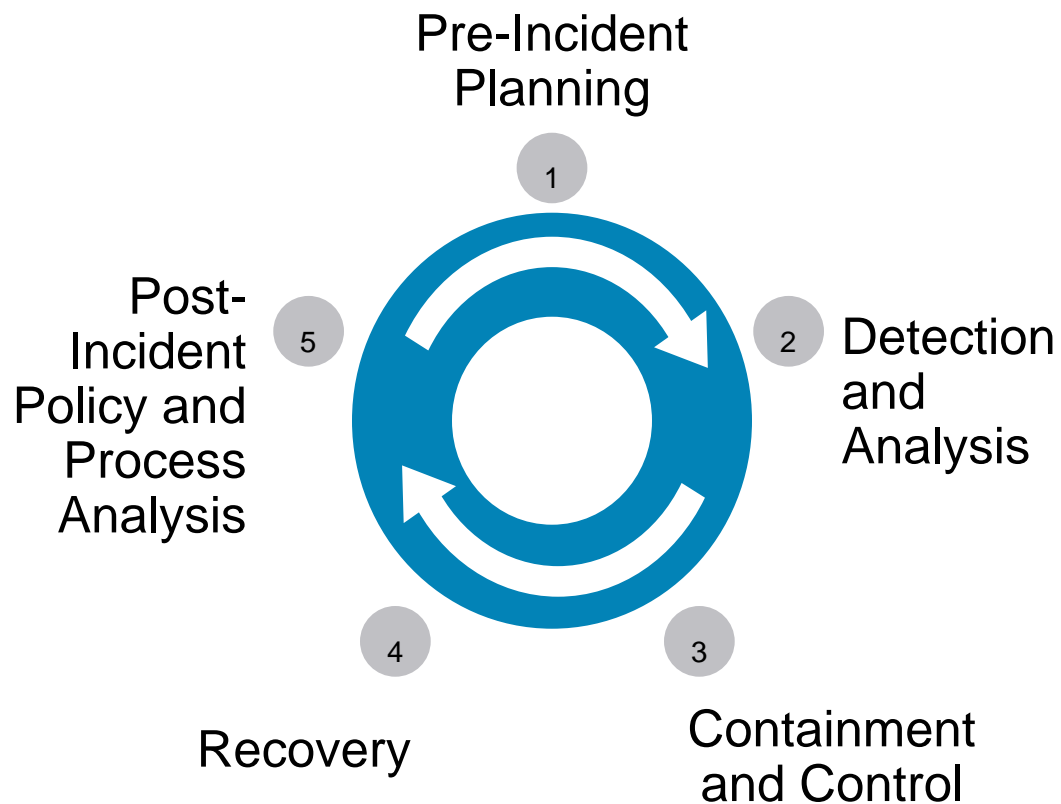
Appropriate Risk Mitigation

- **Risk** is at the core of all security policy decisions
- With emerging threats, there's **always** something out there that can affect your business
- Effective understanding of business risk is critical to determining **priorities** in your response plan
- **The Challenge:** Every application is business critical to someone



Incident Response Basics

Incident Response Life Cycle



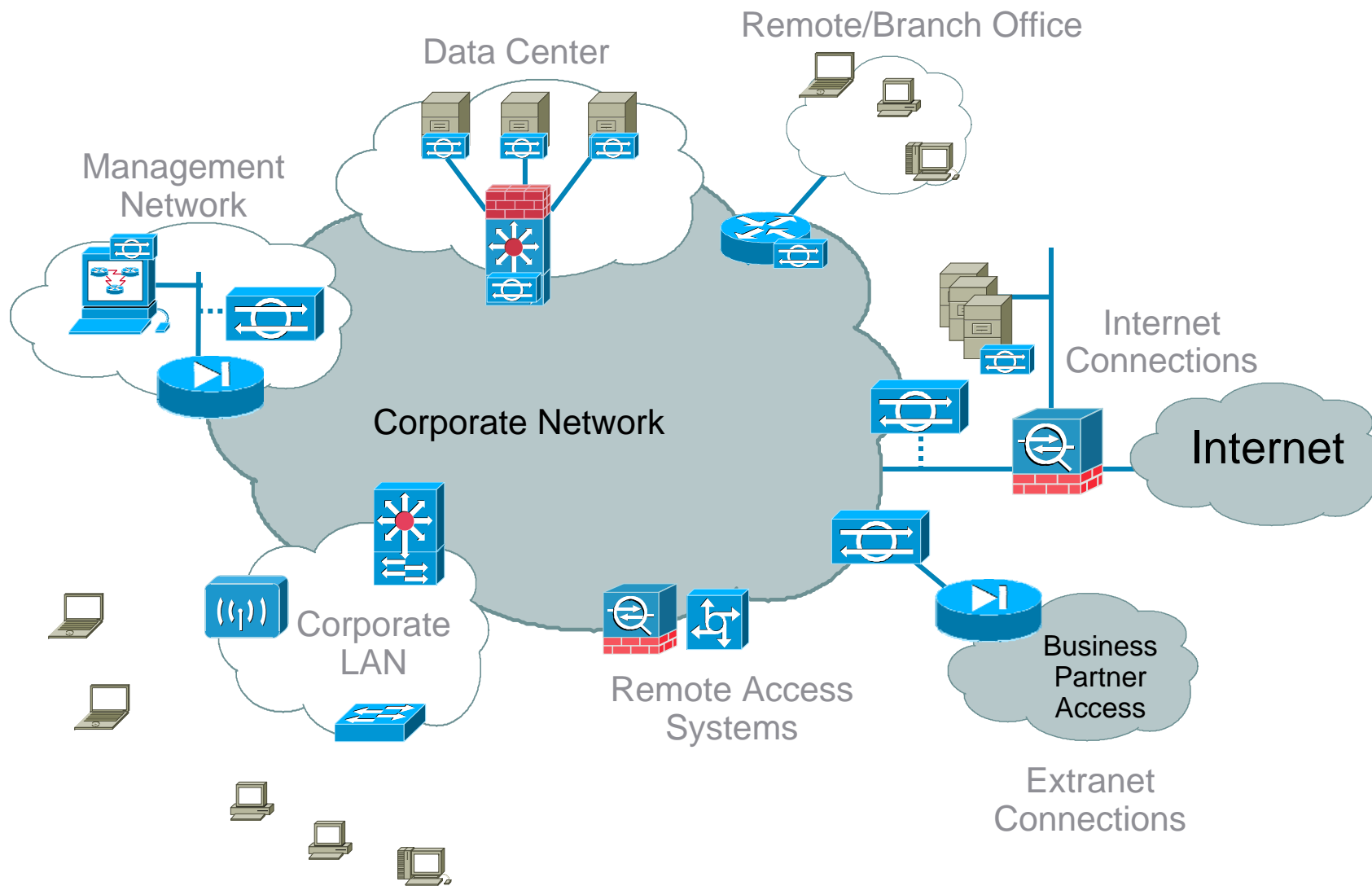
- Most important step: Step 1
- Second most important step: Step 5
- Most commonly skipped step: Step 1
- Second most commonly skipped step: Step 5

Adapted from reports at www.gartner.com and www.securityfocus.com

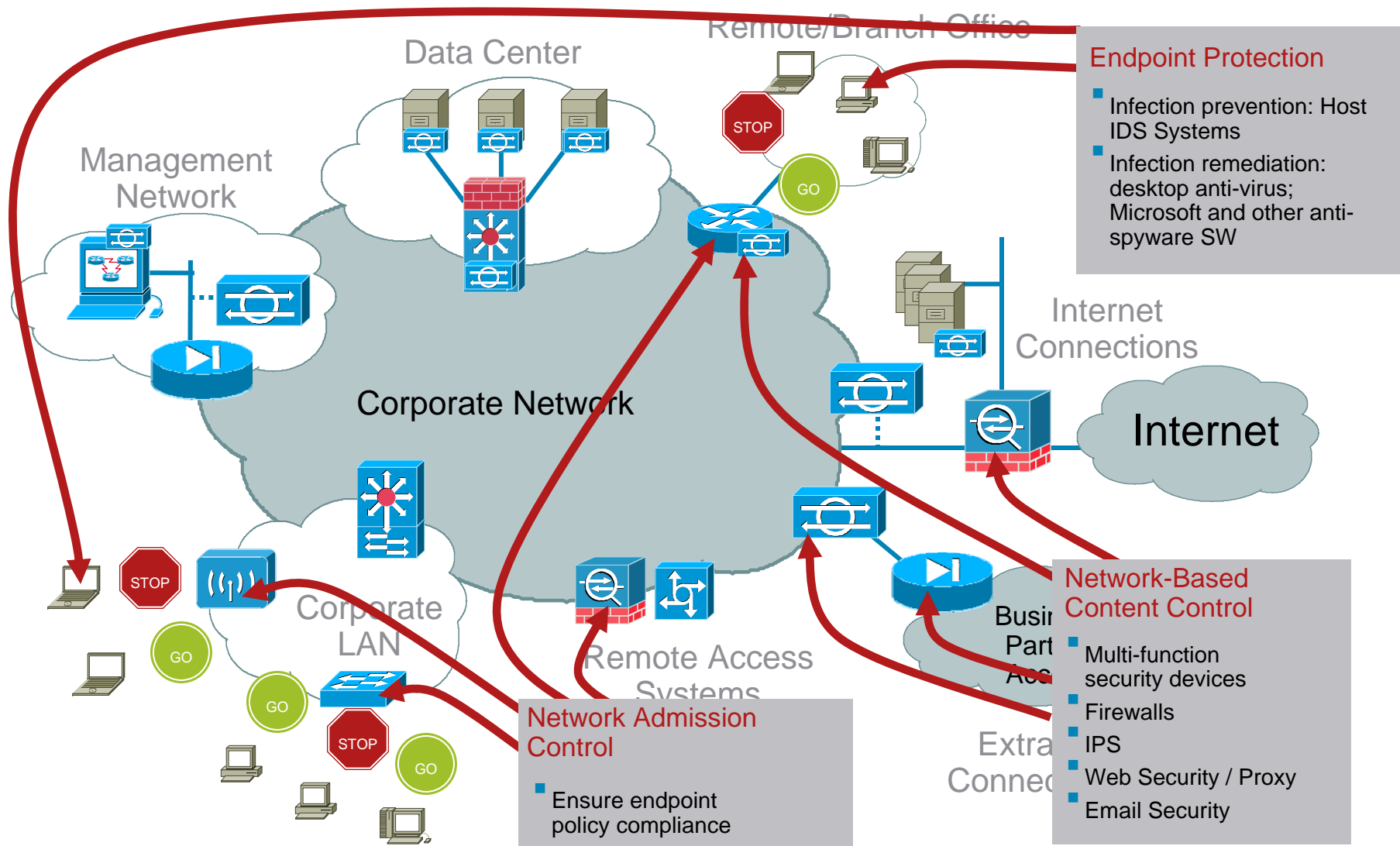
Key Recommendations

- Stay Focused
- Stop Users from Inadvertently Downloading Malware onto the network *
- Patch known vulnerabilities
- Prevent Data Loss
- Take Insider Threats Seriously
- Remember the Network
- Think Beyond Compliance
- Make Security Simpler
- Stay Informed

Tackling Malware: Solutions Across the Network



Tackling Malware: Solutions Across the Network



Intelligence Summary Example

Cisco IntelliShield Cyber Risk Report

A Strategic Intelligence Report that Highlights Current Security Activity and Mid-to Long-range Perspectives

- Addresses seven major risk management categories: vulnerability, physical, legal, trust, identity, human, and geopolitical.
- The CRRs are a result of collaborative efforts, information sharing, and collective security expertise of senior analysts from Cisco security services that include the IntelliShield and Ironport teams

The screenshot shows the Cisco IntelliShield website interface. At the top, there is a navigation bar with the Cisco logo, a search box, and links for 'Worldwide [change]', 'Log In', 'Register', and 'About Cisco'. Below the navigation bar is a menu with categories: 'Solutions', 'Products & Services', 'Ordering', 'Support', 'Training & Events', and 'Partner Central'. The main content area is titled 'IntelliShield Periodic Security Activity Report' for the period 'April 30-May 6, 2007'. It includes a 'Contents' section with links for 'Vulnerability', 'Physical', 'Legal', 'Trust', 'Identity', 'Human', 'Geopolitical', 'Upcoming Security Activity', and 'Additional Information'. The 'Vulnerability' section contains several paragraphs of text detailing security events, such as an increase in new vulnerabilities, a security bulletin update for Java, and Cisco's response to vulnerabilities in ASA devices. A 'Weekly Alert Totals' table is also present at the bottom of the report.

Day	Date	New	Updated	Total
Friday	05/04/2007	10	18	28
Thursday	05/03/2007	7	8	15
Wednesday	05/02/2007	18	14	32
Tuesday	05/01/2007	11	7	18

Some Closing Thoughts

- Do not get overwhelmed
- Small steps can make a big difference
- Remember, to survive a bear attack, **you don't have to be fastest person...** you just need to be faster than the next guy
- Do not be the least prepared



