

Heat Software

# Cloudsec 2016

Ransomware – The New Normal  
in Malware

Liam Puleo



A world map is shown in a dark red color, overlaid on a lighter red background. The map includes country borders. Centered over the map is the text "Lets start with a few stats..." in a white, bold, italicized sans-serif font.

***Lets start with a few stats...***

- *“Of the **15%** that reported a security breach in 2015, **42%** have been hit with ransomware, **10%** reported ‘significant disruption to systems’ and **11%** said they’d lost data”*  
InfoSecurity Magazine Survey, January 2016
- *Fake technical support scams rose by **200%** and crypto-based ransomware attacks grew by **35%***  
BBC April 16
- *CryptoWall Ransomware Cost Users **£225M** in 2015, Lavasoft November 2015*  
Lavasoft November 2015
- In 2015, there were **9** breaches that exposed more than **10 million** records. By contrast, in 2014 only four breaches were this severe  
BBC April 16

# Infosecurity Magazine:

## 31% of organisations admit paying a ransom



26 JUN 2015 NEWS

## Over One Third of Firms Hit by Ransomware Blitz



Phil Muncaster UK / EMEA News Reporter , Infosecurity Magazine

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More than one third of corporates have been hit by ransomware attacks or know a company that has, according to new research from security vendor ESET.

### Why Not Watch?



**ANATOMY OF A CYBER ATTACK:**

**ransomware**



# METROPOLITAN POLICE DEPARTMENT OF CYBERCRIME

## ATTENTION !

YOUR PC IS BLOCKED DUE TO AT LEAST ONE OF THE REASONS SPECIFIED BELOW

VIDEO REC. ON



Enter your card number \*  
example: 44 4444 4444 4444



Enter your card number \*  
example: 3444444444444444



Enter your card number \*  
example: 0444444444444444

Straße zahlen

Choose one of methods of payment

YEAR	DAY	MONTH	TIME	TYPE OF VIOLATION
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
IP-ADRESSE			ISP	PLACE
<input type="text"/>			<input type="text"/>	<input type="text"/>



You have been violating Copyright and Related Rights law (Video, Music, Software) and illegally using or distributing copyrighted content, thus infringing Article 128 of the Criminal Code of Great Britain. Article 128 of the Criminal Code provides for a fine of up to two to five hundred minimum wages or a deprivation of liberty for two to eight years.

You have been viewing or contributing prohibited Pornographic content (Child Pornography, pedophilia and etc). Thus violating article 202 of the Criminal Code of Great Britain. Article 202 of the Criminal Code provides for a deprivation of liberty for four to five years.

Illegal access to computer data has been initiated from your PC, or you have been... Article 208 of the Criminal Code provides for a fine of up to €100,000 and/or a deprivation of liberty for four to nine years.

Illegal access has been initiated from your PC without your knowledge or consent, your PC may be infected by malware, thus you are violating the law On Neglectful Use of Personal Computer. Article 210 of the Criminal Code provides for a fine of €2,000 to €8,000.



**Ransomware** is a type of malware that holds to ransom an infected computer system in some way, and demands that the user pay a monetary ransom to the malware operators in order to remove the restrictions.



## Your personal files are encrypted



Your files will be lost  
without payment on:

11/24/2013 3:16:34 PM

See files

### Info

Your **important files were encrypted** on this computer: photos, videos, documents, etc. You can verify this by click on see files and try to open them.

Encryption was produced using **unique** public key **RSA-4096** generated for this computer. To decrypt files, you need to obtain **private** key.

The single copy of the private key, which will allow you to decrypt the files, is located on a secret server on the Internet; **the server will destroy the key within 72 hours after encryption completed**. After that, nobody and never will be able to restore files.]

**To retrieve** the private key, you need to pay 0.5 bitcoins.

Click **proceed to payment** to obtain private key.

**Any attempt to remove or damage this software will lead to immediate private key destruction by server.**

<< Back

Proceed to payment >>

Example of  
CryptoRansomware



**Crypto-Ransomware** is an extremely malevolent type of malware that encrypts the infected computer system's data in some way, and demands that the user pay a ransom to the malware operator in order to receive a decryption key.



# ANATOMY OF A CYBER ATTACK:

# ransomware



# Delivery

## LEVERAGE A MECHANISM FOR DELIVERY OF RANSOMWARE



### PHISHING

Email attachment commonly disguised as ZIP, PDF, or SCR.



### EXISTING BOTNET

Uses computers already infected but dormant.



### DRIVE-BY DOWNLOAD

Lures victims to questionable or legitimate sites through social engineering.



### MOBILE: BAD APPS

Malware built into apps such as games or productivity helpers.



### MALVERTISING

Legitimate-looking banner ads on legitimate sites which cause download when clicked.

# Exploit

## FIND A VULNERABILITY ON VICTIM MACHINE TO EXPLOIT



### **OPERATING SYSTEM & 3RD PARTY APPS**

Typically exploits older vulnerabilities since these need to be coded into the malware kits first.



### **VULNERABLE BROWSERS**

Inadequate security caused by browser vulnerabilities and misconfigurations.

# INSTALL

**RANSOMWARE INSTALLS ITSELF ON VICTIM MACHINE. TYPICALLY DISGUISES ITSELF AS ANOTHER PROCESS SUCH AS 'EXPLORER.EXE' AND ALSO INJECTS ITSELF INTO OTHER BENIGN PROCESSES SUCH AS 'SVCHOST.EXE'**

# Disarm

**LOWER THE SECURITY POSTURE OF THE VICTIM MACHINE TO  
CREATE AN ENVIRONMENT WHERE RANSOMWARE CAN SUCCEED**



## **DETECT SHADOW COPIES**

Secure deletion of shadow copy files using vssadmin.exe so that file restore operations won't be possible.



## **DISABLE WARNINGS**

Disable warnings to victim about non-secure network/browser connections.



## **ALTER PROXY INFO**

Change or clear any proxy information.

# OCCUPY

## ESTABLISH COMMUNICATIONS TO COMMAND AND CONTROL SERVER



### MAKE A CONNECTION

Depending on the variant, could use hard-coded or dynamically generated URLs on the web, Tor URLs, or I2P network servers.



### 'SEE' THE VICTIM

Victim machine communicates certain identifiers for that machine to the server.



### CUSTOMIZE THE ENVIRONMENT

Server responds with data about the machine's location, language-appropriate UI elements for the user interface, a unique payment portal URL for that machine and possibly a unique encryption key for that machine.



### TAKE HOSTAGES

Ransomware does not typically encrypt files prior to establishing contact with the server—with the exception of CTB-Locker (Critroni.A) which encrypts the files before contacting server to avoid early detection.

# ENCRYPT

## ENCRYPT DOCUMENTS, IMAGES, AND MEDIA ACCESSIBLE TO THE VICTIM'S MACHINE



### **HARDCODED EXTENSIONS**

Selectively uses a hardcoded list of extensions in order to keep the OS and ransomware running. The list has grown from 44 extensions in 2005 to over 230 in 2014.



### **EVEN REMOVABLES UNSAFE**

Also encrypts files on network locations and removable storage which have been assigned a drive letter.



### **NO BACKTRACKS**

Proceeds alphabetically or reverse alphabetically through folder names and files within the folder, processing one folder at a time. Doesn't backtrack.



### **ENCRYPTION KEY STRENGTH**

Encryption key strength has risen from 660 bytes in early GPCode to a claimed 3072 byte key in CTB-Locker.



# **Demand ransom**

**THE RANSOMWARE DISPLAYS A MESSAGE TO THE VICTIM INFORMING THEM THAT THEIR IMPORTANT FILES HAVE BEEN ENCRYPTED. THE MESSAGE LETS THEM KNOW HOW MUCH TO PAY, HOW LONG THEY HAVE TO PAY IT, WHAT PAYMENT METHODS ARE ACCEPTED, AND WHERE TO DIRECT THEIR PAYMENT. BITCOIN IS THE PREFERRED PAYMENT METHOD. BITCOIN IS DIFFICULT TO TRACE AND BTC LAUNDERING SERVICES ARE COMMON.**

# negotiate

**IN SOME CASES, ANECDOTALLY, VICTIMS HAVE BEEN ABLE TO NEGOTIATE A LOWER RANSOM BASED ON THEIR STATUS AS A CHARITY, STUDENT, OR INABILITY TO PAY THE FULL RANSOM.**



## **CUSTOMER SUPPORT**

Some ransomers provide forums for support. Victims can get advice on installing Tor, buying Bitcoins, etc.



## **FREE SAMPLES**

Some ransomers allow for the decryption of one or more files for free as proof that the ransomer can restore the files once the ransom has been paid.

# Decrypt

**ONCE THE RANSOM HAS BEEN PAID, THE FILES ON THE VICTIM MACHINE ARE TYPICALLY DECRYPTED. THERE ARE NO HARD STATS, BUT ANECDOTAL REPORTS OF PAYING AND NOT HAVING FILES DECRYPTED ARE FEW. THE VICTIM MAY RECEIVE A DECRYPTION KEY TO TYPE INTO THE RANSOMWARE ON THEIR COMPUTER. OTHERS MAY DOWNLOAD A DECRYPTION UTILITY FROM THE PAYMENT PORTAL OR OTHER UNIQUE URL GIVEN TO THEM THROUGH THE RANSOMWARE UI. ONCE THE DECRYPTION UTILITY RUNS, THE FILES ARE RESTORED. HOWEVER – THE RANSOMWARE IS NOT NECESSARILY REMOVED, AND THE SECURITY SETTINGS COMPROMISED IN STEP 4 ABOVE ARE NOT RESTORED.**

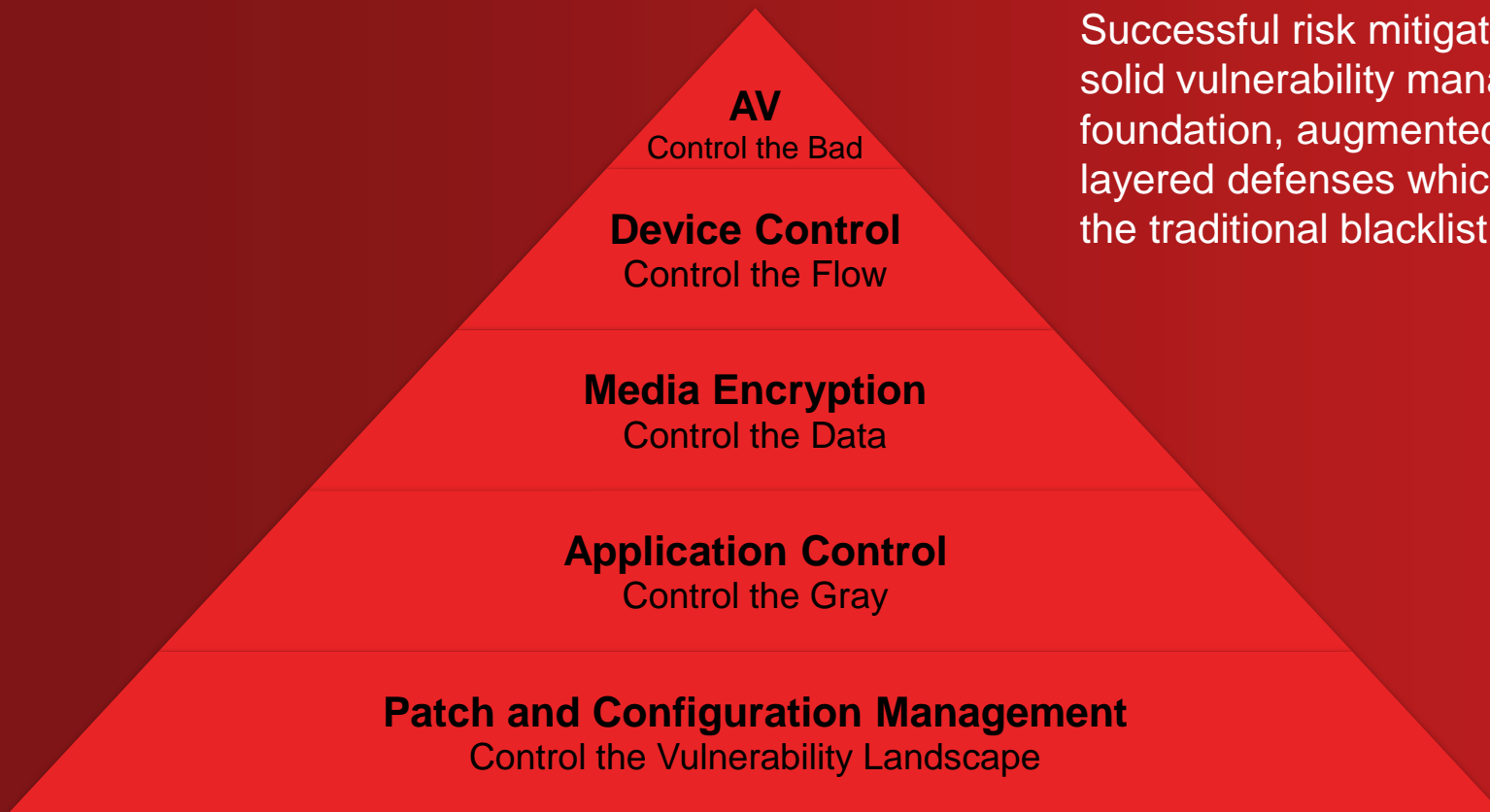
# Work flow Summary



**Are your ransomware  
defences  
ready?**



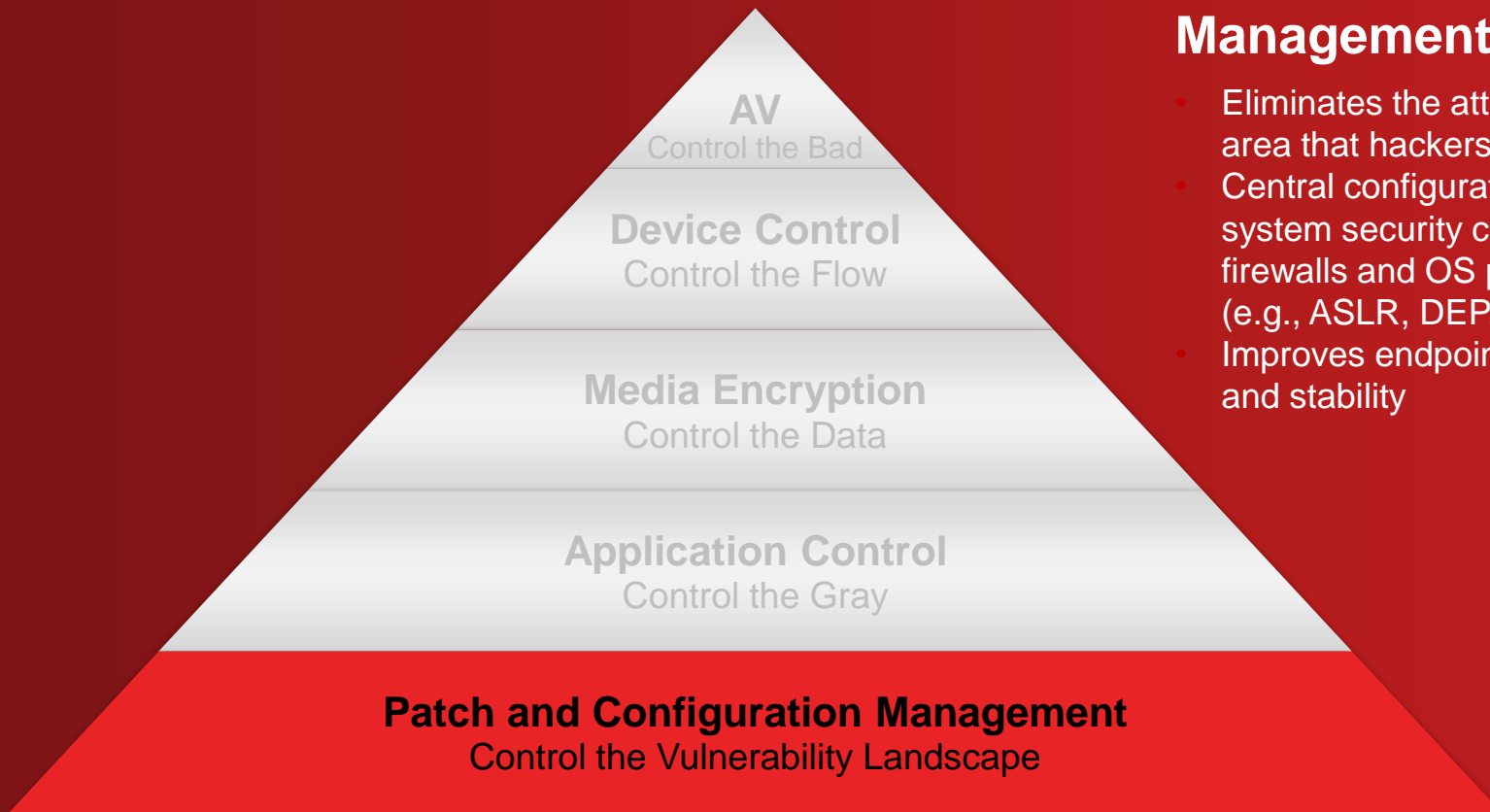
# Recommendations



## Endpoint Defense-in-Depth

Successful risk mitigation starts with a solid vulnerability management foundation, augmented by additional layered defenses which go beyond the traditional blacklist approach.

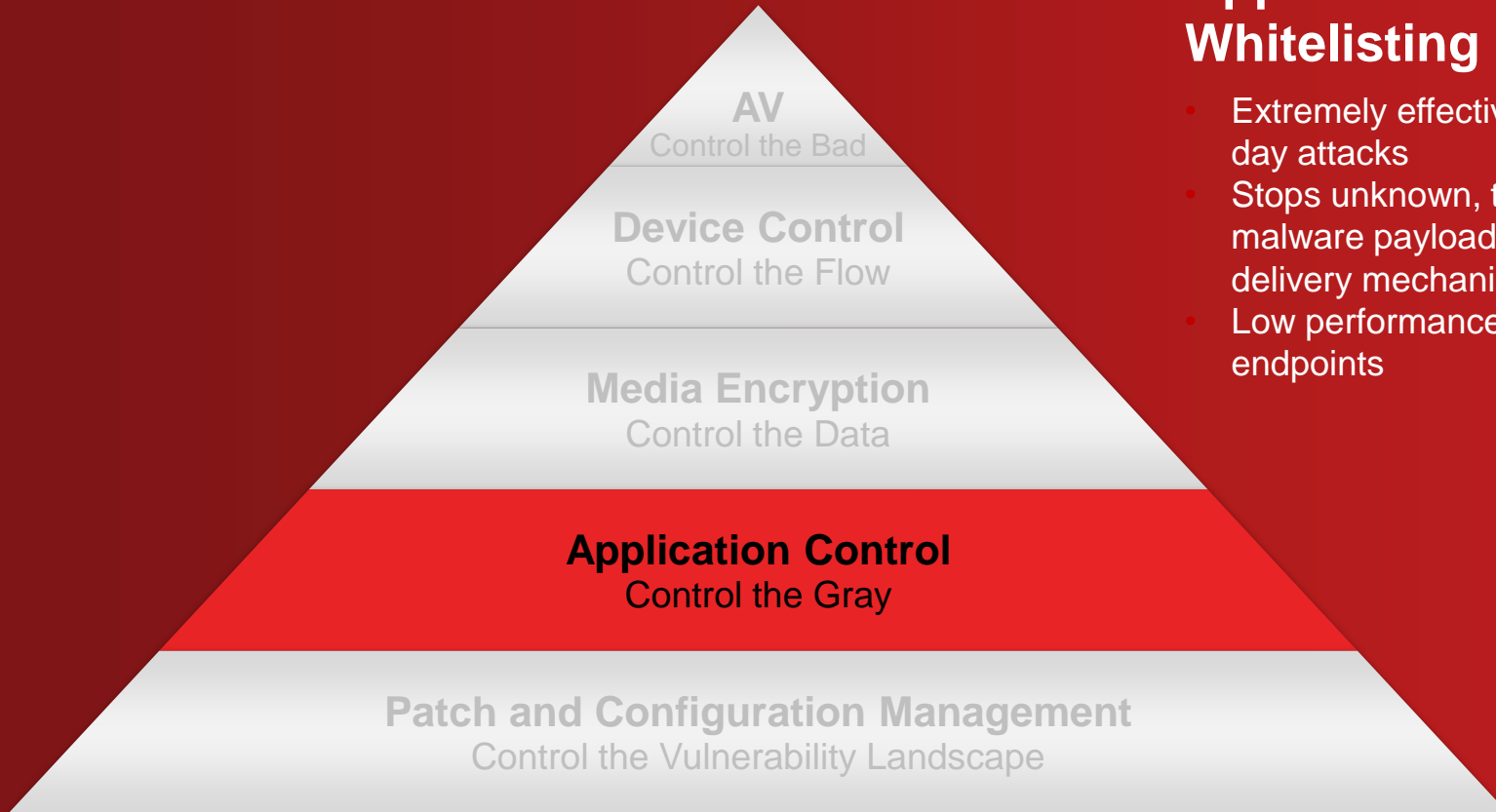
# Recommendations



## Patch & Configuration Management

- Eliminates the attackable surface area that hackers can target
- Central configuration of native system security controls such as firewalls and OS protections (e.g., ASLR, DEP, etc.)
- Improves endpoint performance and stability

# Recommendations

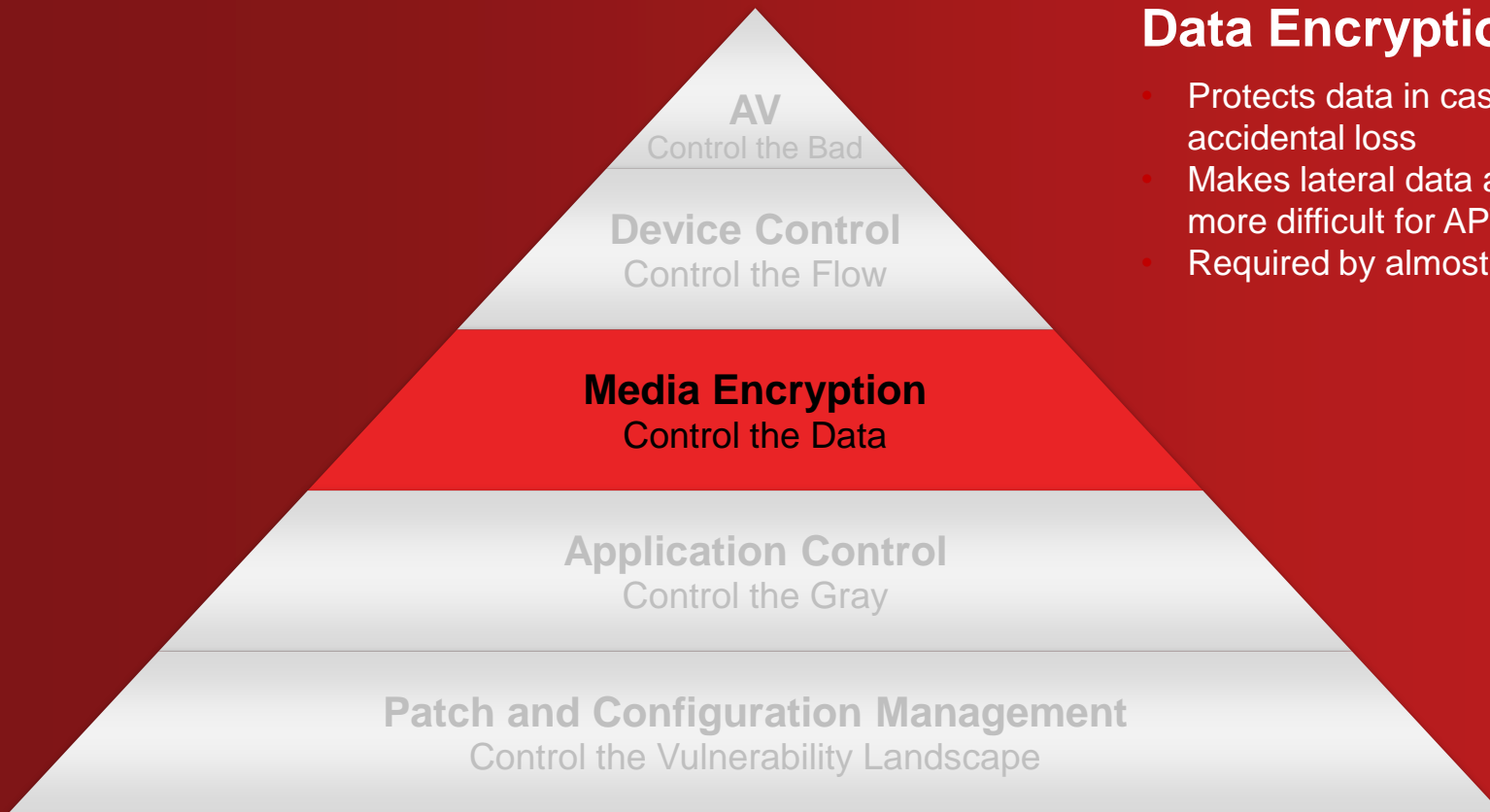


## Application Whitelisting

- Extremely effective against zero-day attacks
- Stops unknown, targeted malware payloads, regardless of delivery mechanism
- Low performance impact on endpoints



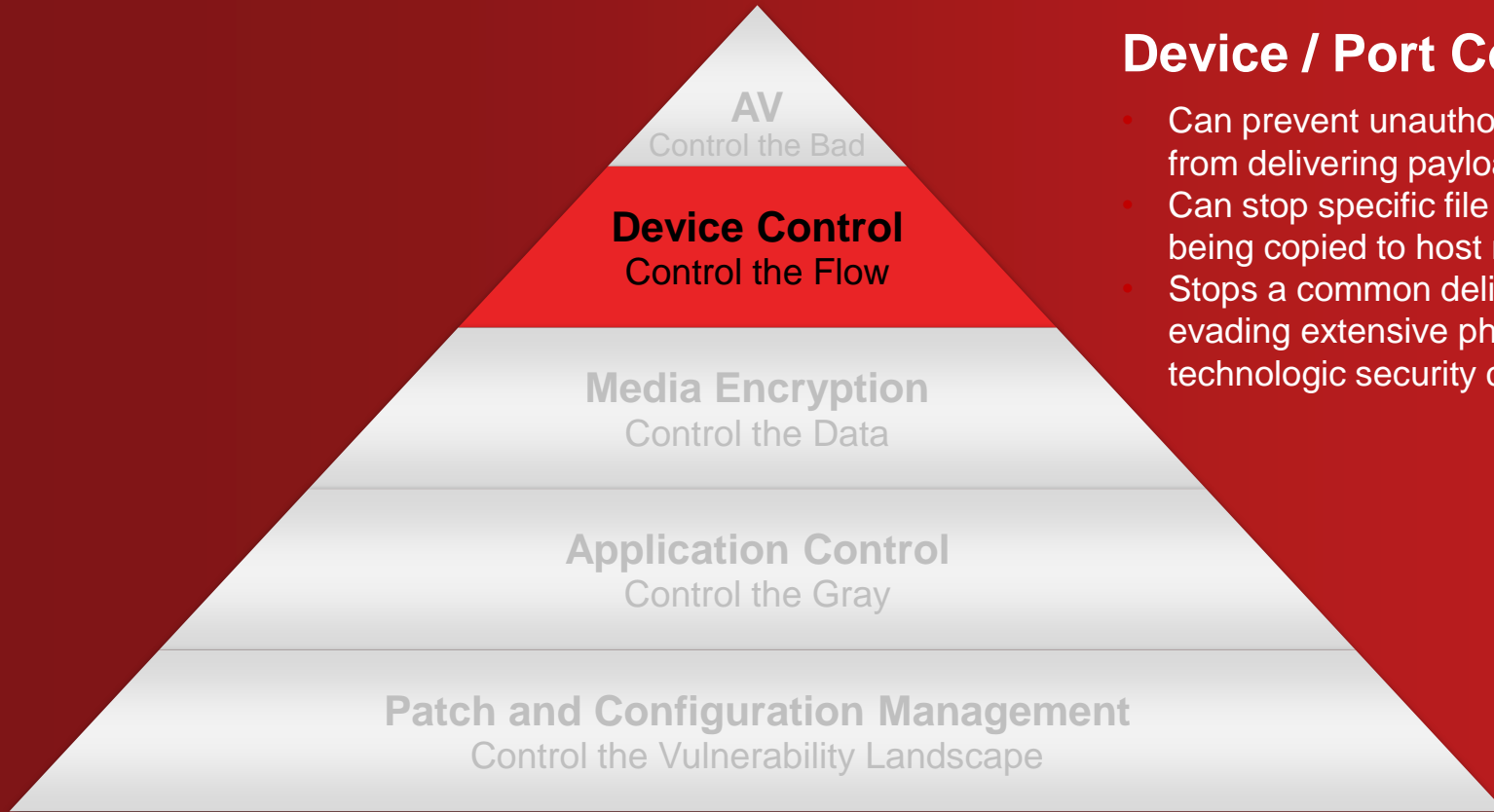
# Recommendations



## Data Encryption

- Protects data in cases of theft or accidental loss
- Makes lateral data acquisition more difficult for APTs
- Required by almost all regulations

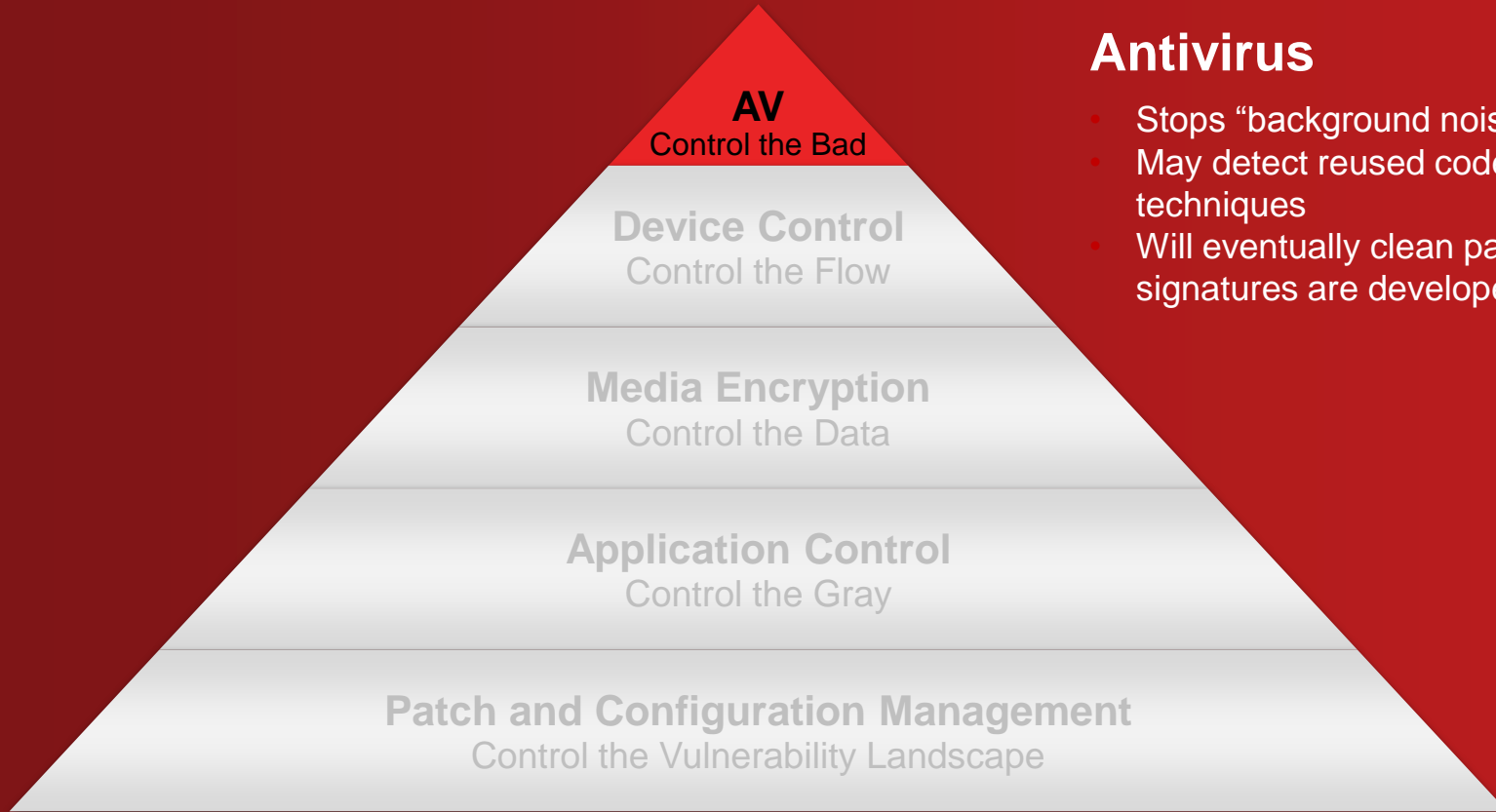
# Recommendations



## Device / Port Control

- Can prevent unauthorized devices from delivering payloads
- Can stop specific file types from being copied to host machines
- Stops a common delivery vector for evading extensive physical and technologic security controls

# Recommendations



## Antivirus

- Stops “background noise” malware
- May detect reused code and evasion techniques
- Will eventually clean payloads after signatures are developed

# Ransomware Preparedness Checklist



## User Education

It all starts with users. Make them aware of the prevalence of ransomware. Share information about suspect emails, safe browsing practices, and malvertising.



## Security Reporting System

Leverage your ITSM system to create a way for your users to report, and learn about, phishing attempts that might lead to ransomware attack.



## Incident Response Plan

Update your IR plan to cover a ransomware attack, and practice it from detection to recovery to ensure all components of the procedure work



## Data Backup Plan

Implement a 3-2-1 Data Backup Plan. 3 copies of every file – the original and 2 backups. Backups should be on 2 different media, and 1 copy must be kept offsite



# Ransomware Preparedness Checklist – Contd.



## Application Control

In a whitelisted environment, unapproved and untrusted programmes such as ransomware are not able to execute from a file on a disk



## Memory Injection Protection

Some ransomware variants inject themselves into legitimate processes without using a file on a disk. Memory Injection Protection monitors legitimate processes for such suspicious activity, and terminates the process when it has been compromised



## Centralised Patch Management

Operating systems, native and third-party applications, plug-ins and add-ons all need to be patched to current levels. Ransomware needs a vulnerability to exploit. The fewer available which exist in your environment, the more secure it is



## Secure Browser Settings

Enforce a restrictive but reasonable browser configuration for Internet Explorer, Chrome, Firefox, Safari and any other browsers in your environment.



# Recommendations

## Network Defences

### Endpoint Defense-in-Depth

- ✓ Patch and Configuration Management
- ✓ Application Whitelisting
- ✓ Data Encryption
- ✓ Device Control
- ✓ Antivirus

## Preparation

- ✓ Back-ups
- ✓ Staff Training
- ✓ User Training

## Post Event

- ✓ Configuration Restoration
- ✓ Forensics
- ✓ Infrastructure Changes



# HEAT Software Endpoint Security CESG CPA version

Communications Electronics Security Group –  
Commercial Product Assurance



# Thank You

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