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State of the Hack

Observations from Mandiant Investigations

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Background

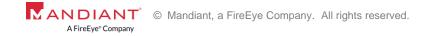
Mandiant

- Based in Washington DC
- Focused on helping organizations recover from security breaches
- Released concrete evidence of hacking by the Chinese PLA
- Significant knowledge of hundreds of threat actors operating across the globe

Charles Carmakal

- Managing Director
- Based in Washington DC
- Over 15 years of experience in incident response and ethical hacking





Agenda

- Who are the threat actors?
- What are the trends?
- How do we combat advanced attacks?
- Q&A



Threat Actor Motivations

| | Nuisance | Data Theft | Cyber Crime | Hacktivism | Disruption |
|-----------|-------------------------|---|-----------------------------|----------------------------------|----------------------------|
| Objective | Access & Propagation | Economic, Political Advantage | Financial Gain | Defamation, Press & Policy | Escalation, Destruction |
| Example | Botnets & Spam | Advanced Persistent Threat Groups | Credit Card Theft | Website Defacements | Destroy Infrastructure |
| Targeted | × | | | | |
| Character | Often Automated | Persistent | Frequently Opportunistic | Conspicuous | Conflict Driven |

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THE WORLD TODAY



May 2014

INDICTMENT OF CHINESE SOLDIERS US indicts 5 individuals in China's Unit 61398 for cyber-spying on US firms



Chinese Government Motivations

- The intrusions continue...
- Ongoing attacks to give the Chinese government and domestic enterprises an economic, military, or political advantage
- They are known to compromise entities for the following reasons:
 - 1. Theft of intellectual property
 - 2. Mergers, acquisitions, and divestments of foreign companies
 - 3. Modernization of processes and technologies
 - 4. Political reasons political activists, spread of democracy, etc.
- They follow their own rules of engagement.



Threat Actor Motivations

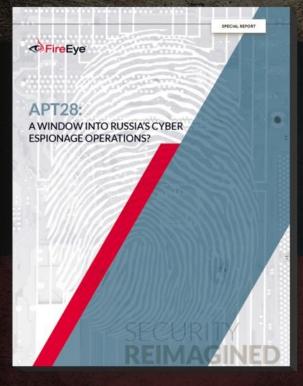
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THE WORLD TODAY



RUSSIAN ACTIVITY



Malware

Evolves and maintains tools for continued long-term use
Various data theft techniques

Targeting

- Georgia and the Caucasus Eastern European governments & militaries
- Security-related organizations

Russian Attributes

- Russian language indicators
- Malware compile times correspond to work day in Moscow's time zone

POINT OF SALE MALWARE

Ten new POS malware families investigated in 2014

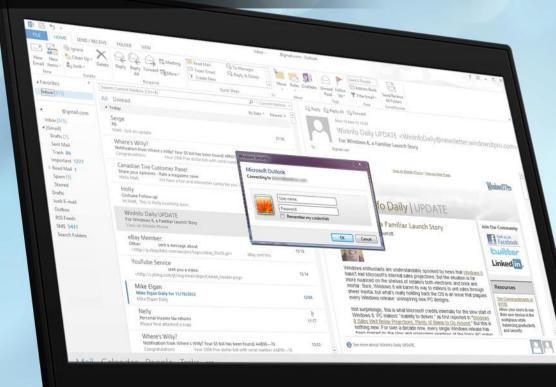
- Backoff POS
- BrutPOS
- Soraya
- Nemanja
- JackPOS

- Decebal
- ChewBacca
- BlackPOS
- Alina
- vSkimmer

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BY THE NUMBERS

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How Compromises Are Being Detected





Dwell Time



median number of days that threat groups were present on a victim's network before detection



Longest Presence: 2,982 days



ASSUMPTIONS

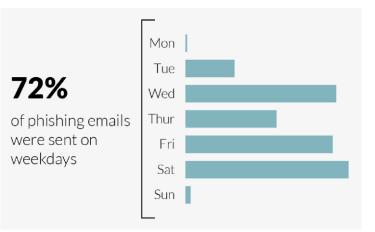
- Attacker has domain administrator privileges
- Attacker has hashes or cracked passwords for all domain accounts
- Attacker has additional stolen certificates
- Attacker can freely move
 - VPN to servers
 - VPN to workstations
 - Host to host
- Partner networks may be compromised

APT Phishing



78%

of observed phishing emails were IT or security related, often attempting to impersonate the targeted company's IT department or an anti-virus vendor



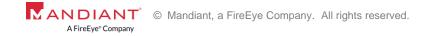


STRUGGLING WITH DISCLOSURE

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Trend 1: Struggling with Disclosure

- Mandiant worked with over 30 companies that publicly disclosed a compromise
- Many of them learned about the breach from the media.
- The public is asking more informed questions:
 - Attribution
 - Malware
 - Attacker TTPs
- Public speculation starting to affect investigations



Why the Increase in Notifications?

- Mandiant worked an increased number of cases where protected data was lost
 - Cardholder data, Personally identifiable information (PII), and Protected Health Information (PHI)
 - Contractual and legal obligation to notify
- 69% of victims did not self-detect
 - Increased pressure to notify
- More companies willing to notify
 - Companies feel like it's the right thing to do
 - Being a breach victim is less taboo than in the past





Critical Investigation Questions

- Questions you should have answers to during the investigation
 - How did the attacker gain initial access to the environment?
 - How did the attacker maintain access to the environment?
 - What is the storyline of the attack?
 - What data was stolen from the environment?
 - Have you contained the incident?





The Takeaways

- Breaches are inevitable
 - Have an effective communication strategy available
- Consistent communication is key
 - Based on factual investigative findings
- Public speculation will happen
 - Avoid distracting the investigation



CAUTION Investigation Hazard

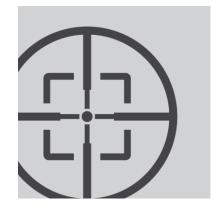


RETAIL IN THE CROSSHAIRS

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Trend 2: Retail in the Crosshairs

- Retailers thrust into the spotlight in 2014
- New groups getting into the game
- Small misconfigurations led to greater compromise





Themes of Financial-Motivated Attackers in 2014

- Citrix servers used as an entry point
 - Valid credentials used to authenticate
 - Misconfigurations / lack of network segmentation allowed greater access
- New tools, tactics, and procedures
 - Highly sophisticated malware
 - Publically available tools
- Increased number of attacks against e-commerce in locations that deployed chip-and-PIN technology
 - Attackers shifting focus to lowest hanging fruit



Initial Access To Environment

- Attacker authenticated to a Citrix server
 - Already had legitimate credentials, no failed logons
- Escaped from "jailed" environment to gain additional control over the system
- Misconfiguration in virtual application server resulted in greater access to environment
 - No segmentation
- Same local administrator password on all systems
 - Allowed attacker privileged access to systems





Data Theft

- Attacker used domain controller as pivot point into retail environment
 - The retail domain had a two-way trust with the corporate domain
 - The store registers ran Microsoft Windows XP
 - The store registers were joined to the retail domain
- Deployed card harvesting malware to registers throughout the environment
- Malware wrote stolen track data to temporary MSSQL database
- Attacker queried database to collect stolen track data
- Transferred files off of network using FTP, Citrix, and web servers





THE EVOLVING ATTACK LIFECYCLE

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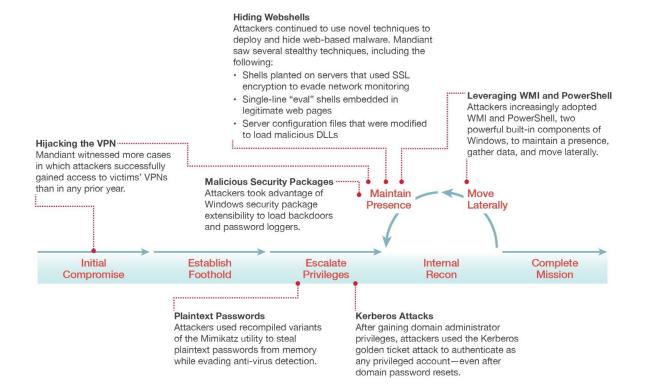
Trend 3: The Evolving Attack Lifecycle

 Threat actors have used stealthy new tactics to move laterally and maintain persistence in victim environments.





Attack Lifecycle





Hijacking the VPN

- Heartbleed vulnerability
- Single-factor authentication & credential theft
- Bypassing two-factor authentication

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Dumping certificates with Mimikatz (Image Source: www.darkoperator.com)



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Password Harvesting

"Victims quickly learned that the path from a few infected systems to complete compromise of an Active Directory domain could be incredibly short."

- Clear-text passwords in memory
- "Golden Ticket" Kerberos attack
- Malicious security packages





COMBATTING TARGETED ATTACKS Tactical Steps to Reduce the Risk

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Effective Ways to Counter Attacks

- Requiring dual factor authentication on all remote access (VPN, Citrix, Terminal Services, and webmail)
- Deployment of application whitelisting technology to critical assets (domain controllers, mail servers, file servers, etc.)
- **Network compartmentalization** of critical assets and data
- Deployment of advanced malware detection/prevention technology at the perimeter (web and email)
- Annual penetration testing of environments (internal and external networks, social engineering, and web applications)
- Searching for host and network-based indicators of compromise on a periodic basis
- Inventorying service accounts and resetting passwords on a periodic basis
- Blocking or requiring "click through" authentication when browsing to **uncategorized websites**



QUESTIONS?

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