

The Current Economics of Cyber Attacks

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October 17, 2016



What Are We Talking About



Historical Context



Does Hacking Pay?



Cyber Attack Marketplace



Economics of Defenses: Reality Check

Once Upon a Time...



Story of the Automobile

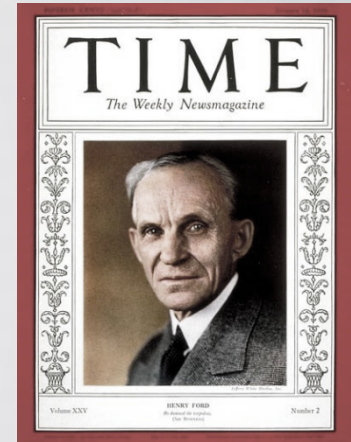
Ideal economic conditions help fuel and grow this industry



Better Roads



Assembly Line



Ideal Economic Conditions



Growth

Cyber Attacks Reaching a Tipping Point



More Resources

Availability of low cost resources



More Targets

More high value, increasingly vulnerable targets leads to more valuable information



More Mature

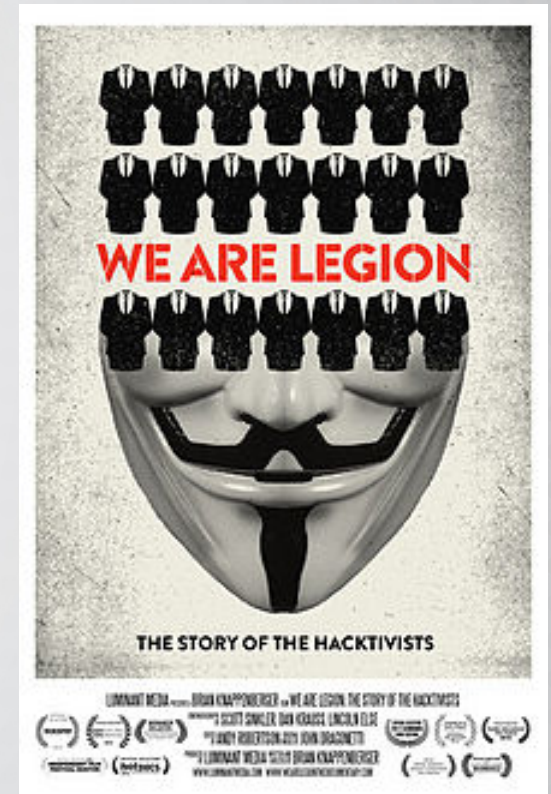
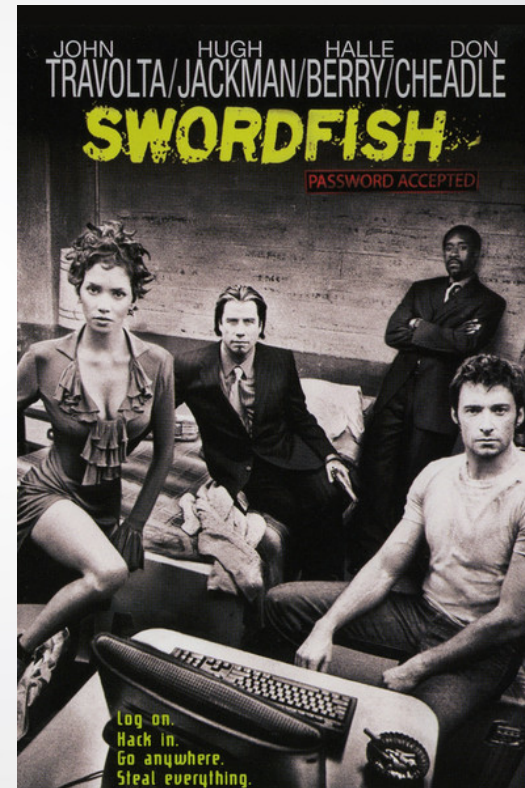
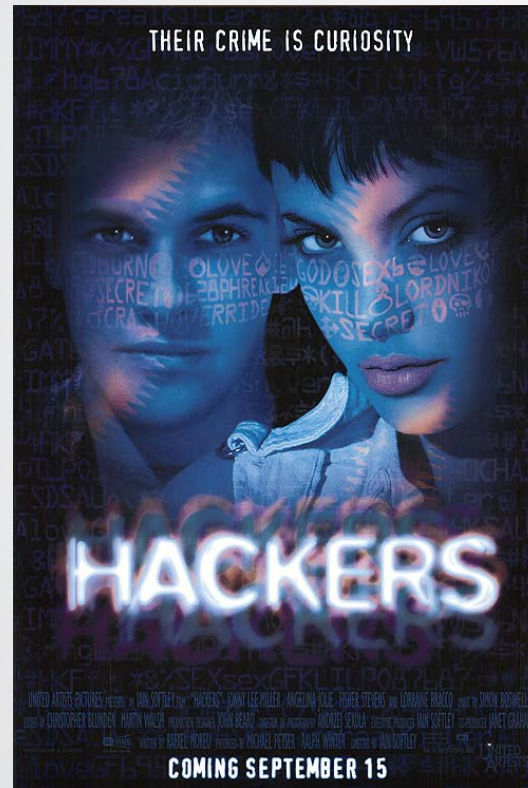
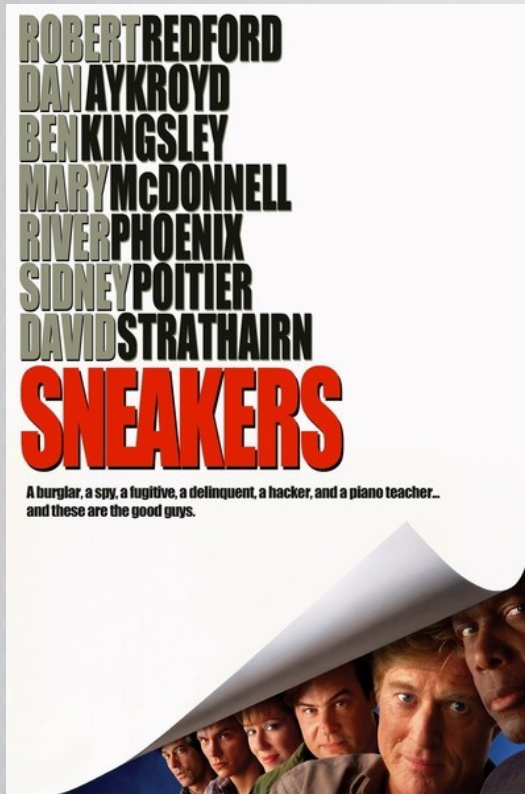
A level of maturity that drives efficiency and ensures anonymity

The economics of hacking have turned a corner!

Modern Economics of Cyber Attacks and Hacking



Do You Romanticize Hackers?



Reality of Today's Hackers

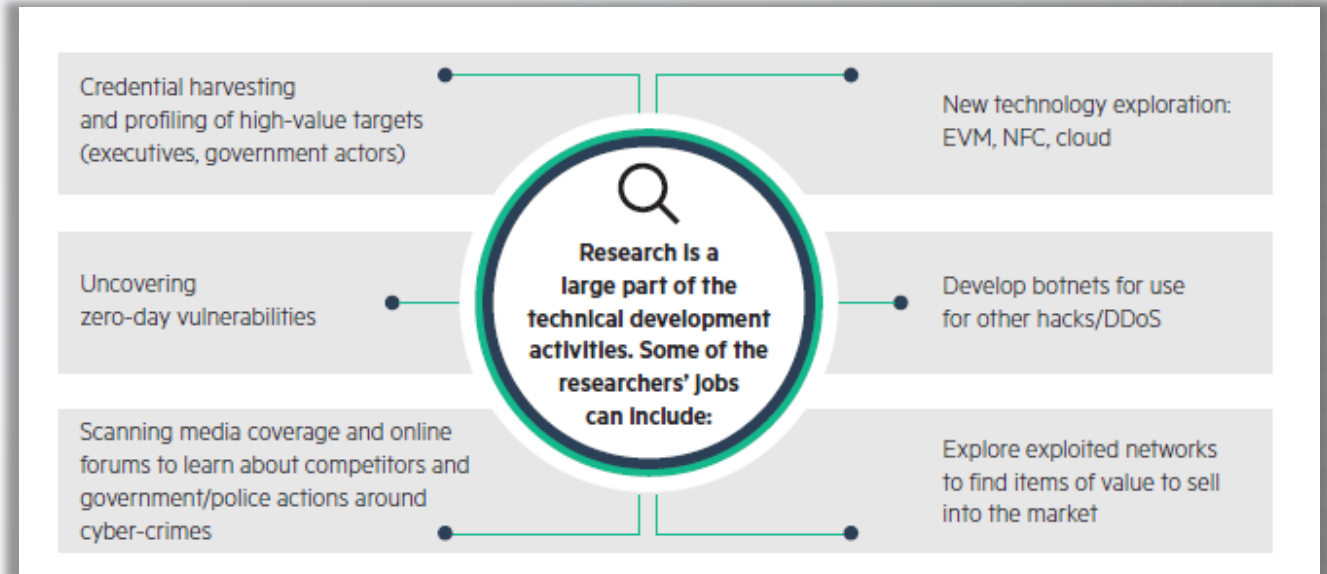
May look more like this . . .



. . . than like this

Today's Adversary: Not always the Lone Wolf

- Structured organization with roles, focus
- Premeditated plan for targeting, exfiltration, monetization of data/assets
- Multi-layered trading networks for distribution, obfuscation

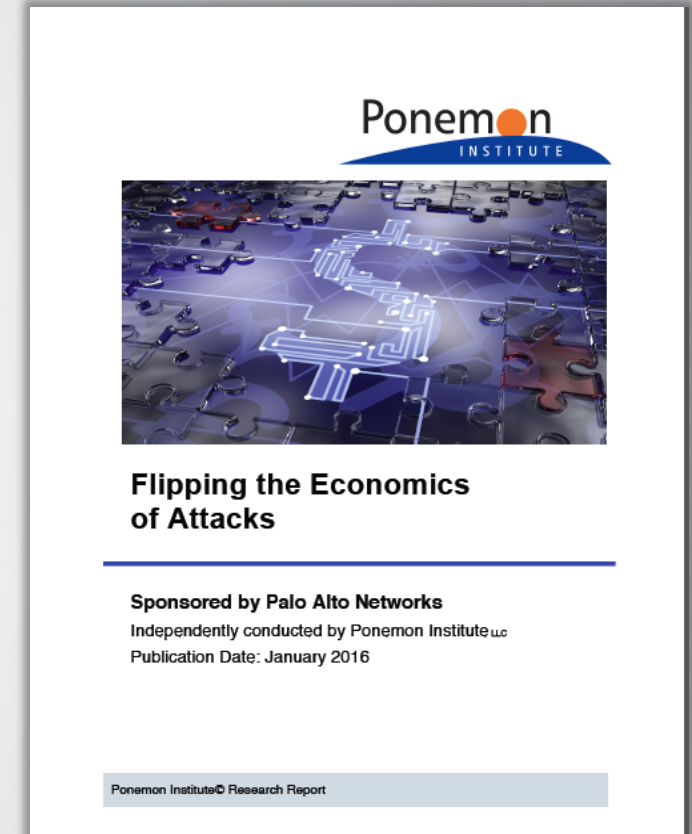


Source: HPE: the business of hacking

Why? Because increasingly, CRIME PAYS!

Or Does It?

- The average attacker earns approximately $\frac{1}{4}$ of the salary of an average IT employee
- The cost and time to plan attacks has decreased
- Better access to better tools makes attacks easier
- Remember: Nobody is trying to be “average”



Sophisticated Understanding of Value



Monetizable criminal enterprise

- ▼ Credit Cards
- ▲ Medical Records
- ▲ Intellectual Property
- ▶ Credentials
- ▼ Vulnerabilities
- ▲ Exploits

The Economics of Web Attacks

Hacker steals US healthcare records

- 397,000 records from Georgia
 - 607.84 BTC / about \$350,000
- 210,000 records from Central / Midwest US
 - 303.92 BTC / about \$175,000
- 48,000 records from Missouri
 - 151.96 BTC / about \$87,000

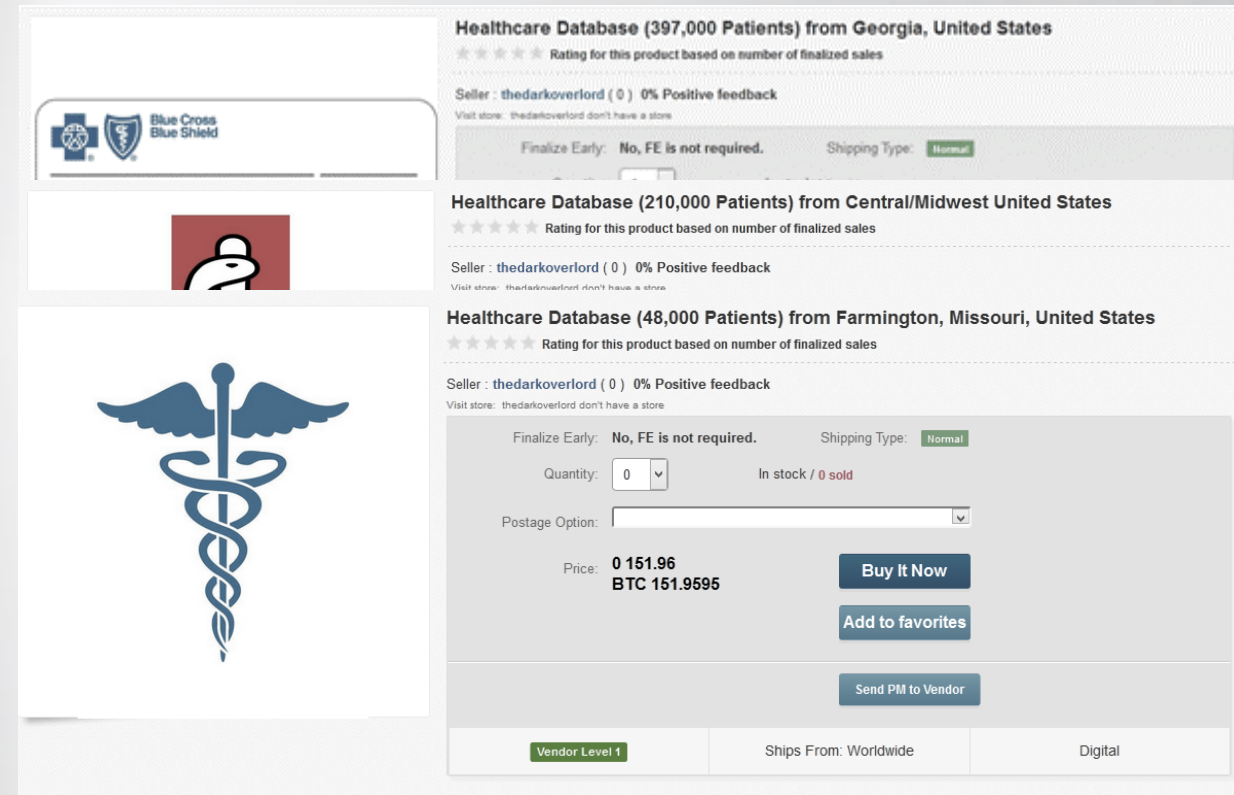


Image Source: <https://www.deepdotweb.com/2016/06/26/655000-healthcare-records-patients-being-sold/>

The Economics of Web Attacks

Hacker steals \$72M in BTC

- Bitfinex is the 3rd largest Bitcoin exchange
- Hacker stole 119,756 BTC / \$72M by breaching the exchange
- Breach caused a 20% decrease in trading value of BTC
- \$3.5M reward for info leading to recovery

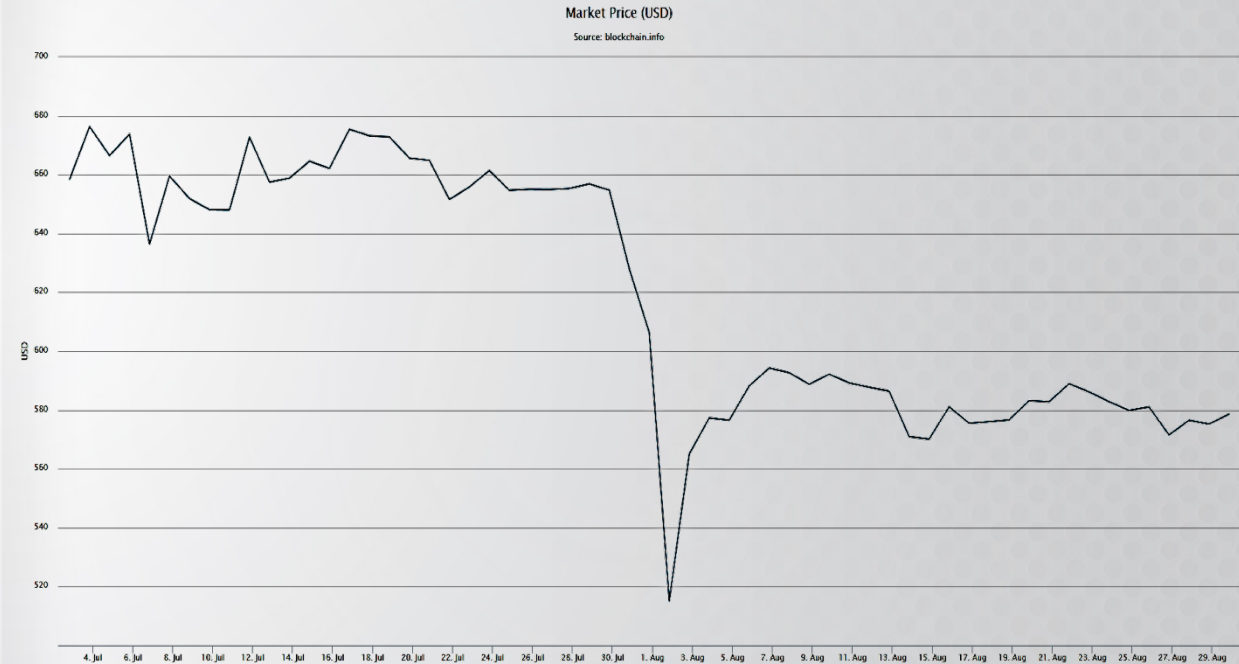
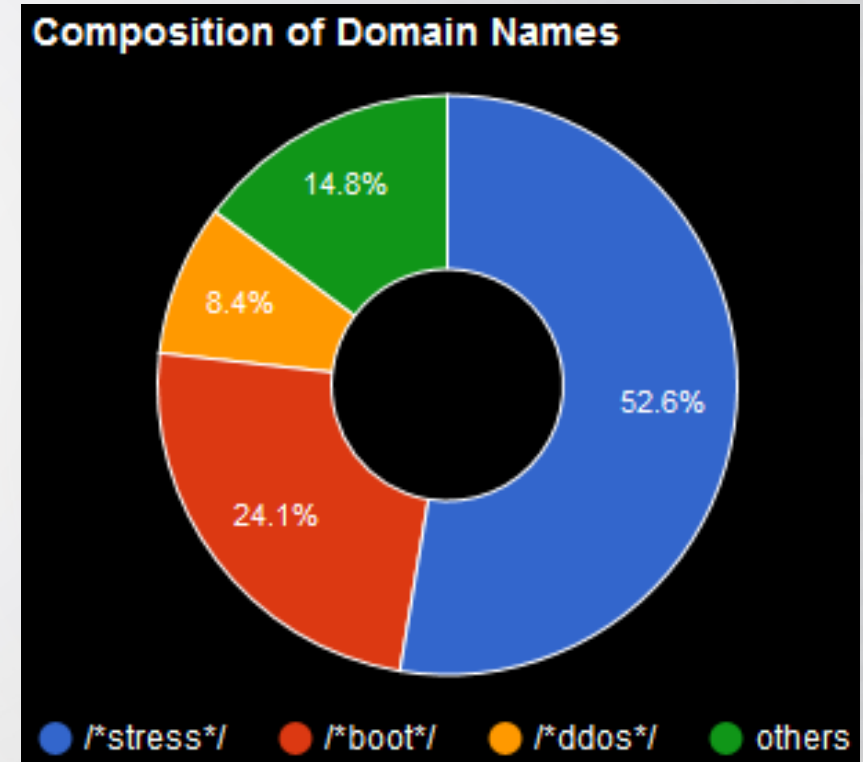


Image Source: <http://blockchain.info>

The Economics of DDoS

Commercial DDoS Services

- Recent study found over 430 booter and stresser websites on the Clearnet
- For as little as \$6, people can anonymously order a 5-10 Gbps DDoS attack lasting 10 minutes or more



Source: <http://booterblacklist.com/>

Related Work: J. J. Santanna, R. de O. Schmidt, D. Tuncer, J. de Vries, L. Granville, and A. Pras. "Booter Blacklist: Unveiling DDoS-for-hire Websites" International Conference on Network and Service Management (CNSM). 2016.

The Economics of RDoS

Ransom attacks pay!

- In Radware's recent report, 1 in 7 say they've had ransom attacks in the past year
- In US, the average ransom paid was \$7,520
- In UK, the average ransom paid was £22,218

```
From: "Armada Collective" armadacollective@openmailbox.org
To: abuse@victindomain; support@victindomain; info@victindomain
Subject: Ransom request: DDoS ATTACK!

FORWARD THIS MAIL TO WHOEVER IS IMPORTANT IN YOUR COMPANY AND CAN MAKE DECISION!

We are Armada Collective.

All your servers will be DDoS-ed starting Friday if you don't pay 20 Bitcoins @ XXX

When we say all, we mean all - users will not be able to access sites host with you at all.

Right now we will start 15 minutes attack on your site's IP (victims IP address). It will not be hard, we will not crash it at the moment to try to minimize eventual damage, which we want to avoid at this moment. It's just to prove that this is not a hoax. Check your logs!

If you don't pay by Friday , attack will start, price to stop will increase to 40 BTC and will go up 20 BTC for every day of attack.

If you report this to media and try to get some free publicity by using our name, instead of paying, attack will start permanently and will last for a long time.

This is not a joke.

Our attacks are extremely powerful - sometimes over 1 Tbps per second. So, no cheap protection will help.

Prevent it all with just 20 BTC @ XXX

Do not reply, we will probably not read. Pay and we will know its you. AND YOU WILL NEVER AGAIN HEAR FROM US!

Bitcoin is anonymous, nobody will ever know you cooperated.]
```


The Economics of RDoS

Fake ransom attacks also pay!

- Armada Collective and Lizard Squad impersonators send ransom emails
- Warning shots particularly useful
- They reportedly earned \$100,000 with this wave of ransom letters

Subject: DDoS Attak

FORWARD THIS MAIL TO WHOEVER IS IMPORTANT IN YOUR COMPANY AND CN MAKE DECISION!

We are Armada Collective.

<http://lmgty.com/?q=Armada+Collective>

You will be DDoS-ed starting Thursday (April 21) if you don't pay protection fee - 20 Bitcoins @

If you don't pay by Thursday, attak will start, yours service going down permanently price to stop will increase to 40 BTC and will go up 20 BTC for every day of attak.

This is not a joke.

Our attaks are extremely powerful - sometimes over 1 Tbps per second. And we pass CloudFlare and others remote protections!

So, no chea

Prevent it a

Do not repl

US!

Bitcoin is a

From: LZ Security <sec@lzqsec.com>
To: <Victim Organizations>
Cc:
Date:
Subject: DDoS Attack Imminent - Important information
PLEASE FORWARD THIS EMAIL TO SOMEONE IN YOUR COMPANY WHO IS ALLOWED TO MAKE IMPORTANT DECISIONS!

We are the Lizard Squad and we have chosen your website/network as target for our next DDoS attack.

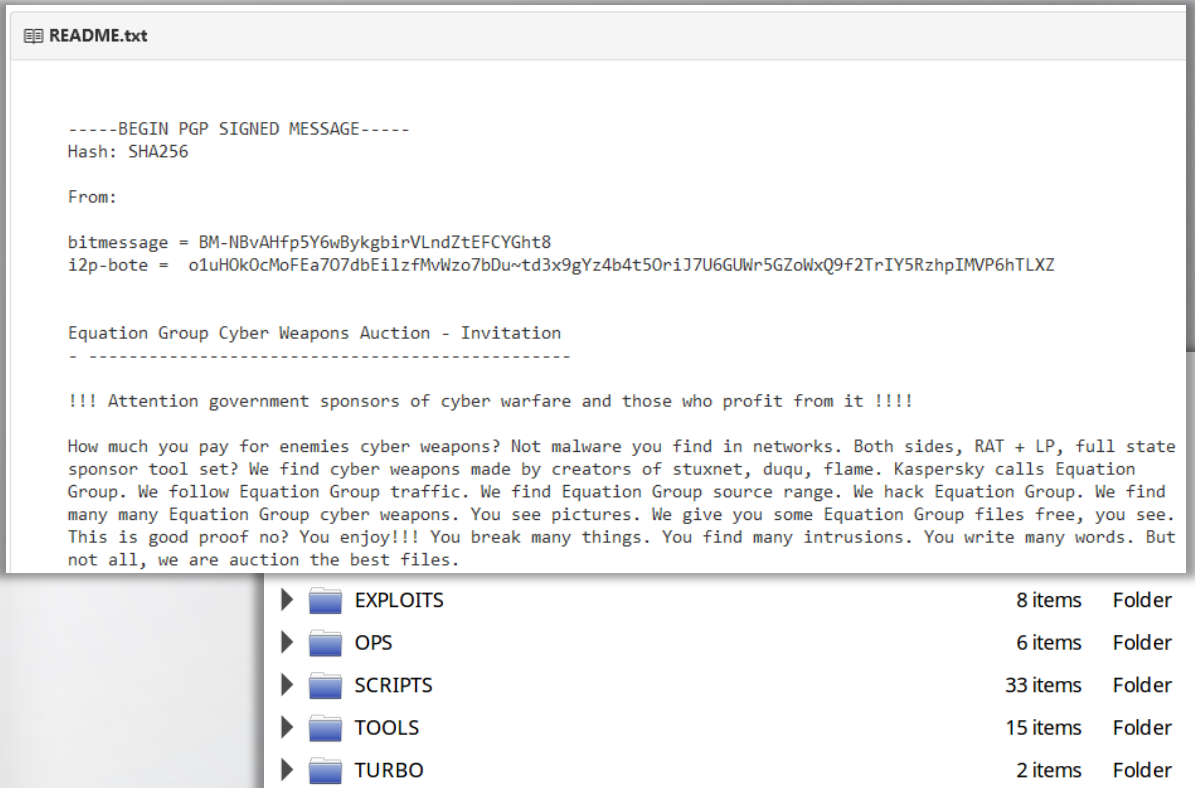
Please perform a google search for "Lizard Squad DDoS" to have a look at some of our previous "work". All of your servers will be subject to a DDoS attack starting at Tuesday the 3rd of May.

What does this mean?

Global Impact: Cyberwar and Espionage

NSA Hack

- “The Shadow Brokers” hack the NSA’s hacking team “Equation Group”
- Highest bidder gets the tools but all other bidders “lose lose”
- If 1M Bitcoins are raised, the entire kit will be released publically (~ \$572.4M)



Global Impact: Cyberwar and Espionage

Negative Impacts

- NSA's PRISM project leaked by Snowden
- Companies avoiding US providers to avoid spying
- ITIF study estimated a \$35B loss to US companies from lost business
- Forrester estimated it at \$180B!



The Cyber Attack Marketplace

What is the Cyber Attack Marketplace?

- E-Commerce for criminals
- Mainly found on the Darknet
- Most markets are available to the public
 - Some require you to commit a crime for membership
- Currency of choice: Bitcoin



Why is it Attractive to Hackers?



Accessible

Full marketplace
Readily available



Easy to Use

As-a-Service
options



Everything You Need

Variety of vectors,
tools, lists and
customized solutions

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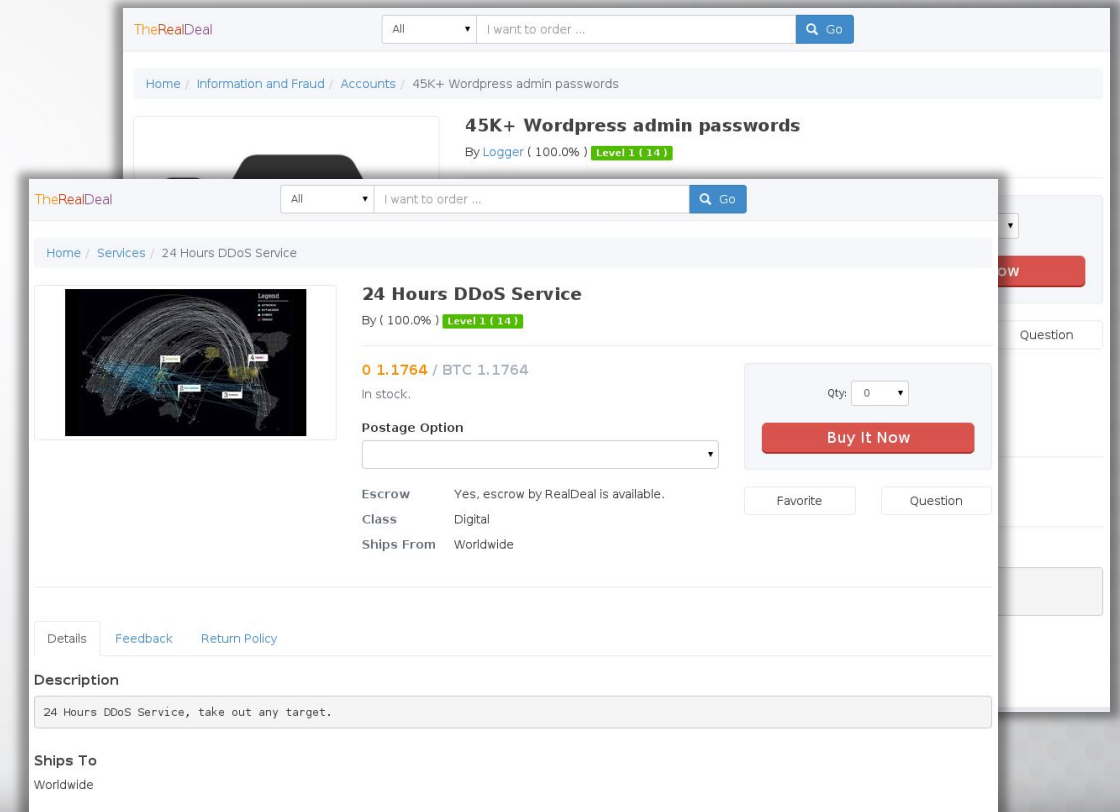
Your Marketplace of Choice

- Variety of marketplaces available on Darknet:

- HELL
- Alphabay
- Valhalla
- Hansa
- The Real Deal

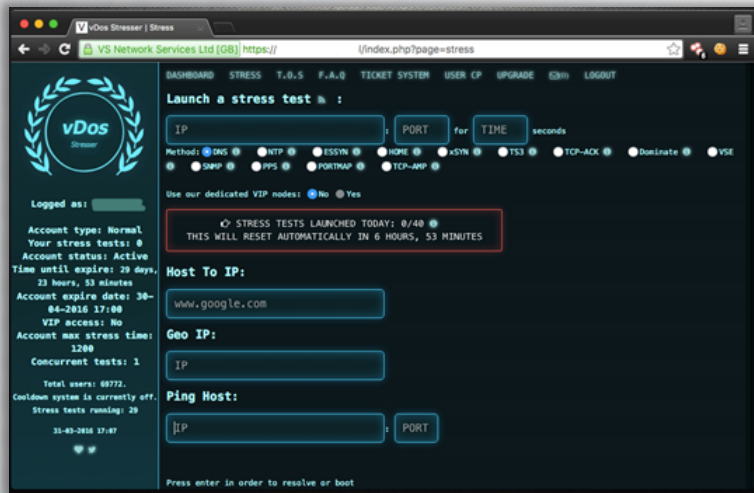
- One click shopping experience for

- DDoS services, Tools, PII lists



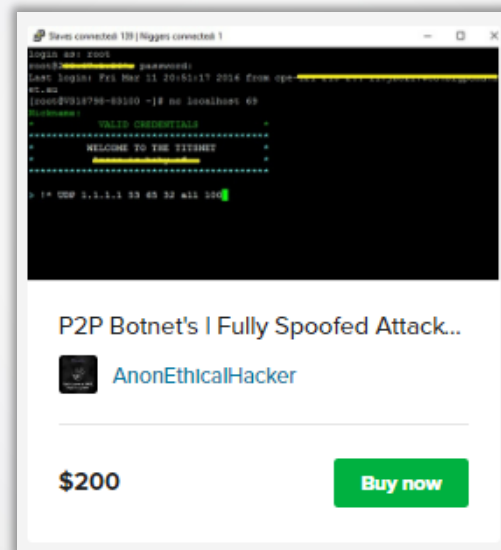
You Don't Need to Look Far

Services on
Clearnet



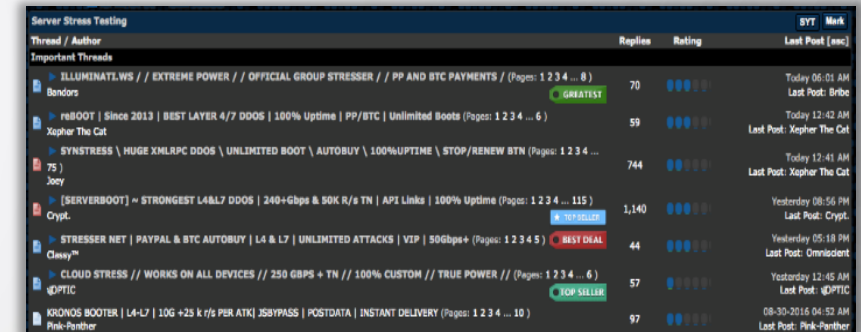
Shenron, vDos,
Bangstresser

Hidden in legitimate
e-commerce sites



IRC setup, Preloaded
VPS, Botnet

Vendor area in
hacker forums



Attack scripts, Amp lists,
Hijacked accounts

And Vendors Market their Services

- Stunt hacking
- Social media
- Forums
- Customer service
- Private offerings



The screenshot shows a website with a dark background and white text. A large, semi-transparent red stamp with the words "NO TRUST & PRIVACY" in a bold, sans-serif font is overlaid on the center. The stamp is tilted slightly to the right. In the background, there are several sections of text, including "1. Professional Web", "4. Excellent Power", and "5. Autobuy". There are also icons for a monitor, an anchor, and a person. Two Twitter posts are overlaid on the right side of the image. The top tweet is from PoodleCorp (@PoodleCorp) and says "The upcoming attacks are powered by stresser.poodlecorp.org #PoodleCorp". The bottom tweet is also from PoodleCorp (@PoodleCorp) and says "We are responsible for the downtime of @EA & @Battlefield #PoodleCorp".

Twitter Post 1:

PoodleCorp @PoodleCorp
The upcoming attacks are powered by stresser.poodlecorp.org #PoodleCorp
7:58 AM - 31 Aug 2016
RETWEETS 137 LIKES 651

Twitter Post 2:

PoodleCorp @PoodleCorp
We are responsible for the downtime of @EA & @Battlefield #PoodleCorp
3:33 PM - 31 Aug 2016
865 1,821

Why is it Attractive to Hackers?



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Easy to Use

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options



Everything You Need

Variety of vectors,
tools, lists and
customized solutions

As A Service - Shenron Attack Tool

- Lizard Squad's public stresser services
- \$19.99 => 15Gb attack for 1200 seconds



Packages			
Buy/upgrade your stresser package			
<div>\$ 19.99</div> <div>A MONTH</div> <div>1200 Second Boots</div> <div>1 Concurrent Attack(s)</div> <div>Up to 35 Gbps</div> <div>UDP, TCP</div> <div>Unlimited attacks</div> <div>View Package</div>	<div>\$ 29.99</div> <div>A MONTH</div> <div>2400 Second Boots</div> <div>1 Concurrent Attack(s)</div> <div>Up to 50 Gbps</div> <div>UDP, TCP</div> <div>Unlimited attacks</div> <div>View Package</div>	<div>\$ 39.99</div> <div>A MONTH</div> <div>3600 Second Boots</div> <div>1 Concurrent Attack(s)</div> <div>Up to 50 Gbps</div> <div>UDP, TCP</div> <div>Unlimited attacks</div> <div>View Package</div>	<div>\$ 59.99</div> <div>A MONTH</div> <div>7200 Second Boots</div> <div>1 Concurrent Attack(s)</div> <div>Up to 50 Gbps</div> <div>UDP, TCP</div> <div>Unlimited attacks</div> <div>View Package</div>
<div>\$ 74.99</div> <div>A MONTH</div> <div>7500 Second Boots</div> <div>2 Concurrent Attack(s)</div> <div>Up to 80 Gbps</div> <div>UDP, TCP</div> <div>Unlimited attacks</div> <div>View Package</div>	<div>\$ 349.99</div> <div>A MONTH</div> <div>3600 Second Boots</div> <div>1 Concurrent Attack(s)</div> <div>Up to 400 Gbps</div> <div>UDP, TCP</div> <div>Unlimited attacks</div> <div>View Package</div>	<div>\$ 499.99</div> <div>A MONTH</div> <div>7200 Second Boots</div> <div>1 Concurrent Attack(s)</div> <div>Up to 400 Gbps</div> <div>UDP, TCP</div> <div>Unlimited attacks</div> <div>View Package</div>	<div>\$ 999.99</div> <div>A MONTH</div> <div>18000 Second Boots</div> <div>1 Concurrent Attack(s)</div> <div>Up to 500 Gbps</div> <div>UDP, TCP</div> <div>Unlimited attacks</div> <div>View Package</div>

Shenron - Streser

https://streser.ru/streser

SHENRON

Streser

Launch an attack with the Shenron Streser

English

LOGOUT

Dashboard

USER

Settings

Balance (\$0.020000000000000003)

Add Funds

STRESSER

Streser

Attacks

Current Package

Packages

SUPPORT

Tickets

1200 SECOND ATTACK(S)

1 CONCURRENT ATTACK(S)

428 Gbps TOTAL POWER

35 Gbps YOUR MAX POWER

Launch Attack

Targets are automatically resolved internally.

Target

Target

Port

Port

Time

Seconds

Attack Method

DNS (UDP)

DNS (UDP)

SNMP (UDP)

SSYN (TCP)

© 2016 - Shenron, LLC

As A Service - vDos Attack Tool



- Was one of the most popular tools
- \$19.99 would gain access to 216 Gbps Attack Network (Shared)
- Thirteen different vectors available

Packages:

Name	Network Capacity	stress time(seconds)	Length	Concurrent tests	VIP access	Price	Order
4 Months VIP	50Gbps Per stress test	3600 Seconds	4 Months	1	Included	499.99\$	
3 Months VIP	50Gbps Per stress test	3600 Seconds	3 Months	1	Included	399.99\$	
2 Months VIP	50Gbps Per stress test	3600 Seconds	2 Months	1	Included	299.99\$	
1 Month VIP	50Gbps Per stress test	3600 Seconds	30 Days	1	Included	199.99\$	
3 Month Gold	216Gbps TN	3600 Seconds	3 Months	2	No	109.99\$	
3 Month Silver	216Gbps TN	2200 Seconds	3 Months	2	No	79.99\$	
3 Month Bronze	216Gbps TN	1200 Seconds	3 Months	1	No	49.99\$	
1 Month Gold	216Gbps TN	3600 Seconds	30 Days	2	No	39.99\$	
1 Month Silver	216Gbps TN	2200 Seconds	30 Days	1	No	29.99\$	
1 Month Bronze	216Gbps TN	1200 Seconds	30 Days	1	No	19.99\$	

VS Network Services Ltd [GB] https:// [index.php?page=stress]

DASHBOARD STRESS T.O.S F.A.Q TICKET SYSTEM USER CP UPGRADE EMail LOGOUT

Launch a stress test :

IP: [] PORT: [] for TIME: [] seconds

Method: ☒ DNS ☐ NTP ☐ SYN ☐ HTTP ☐ SYN ☐ TS3 ☐ TCP-ACK ☐ Dominate ☐ VSE

Use our dedicated VIP nodes: ☐ No ☐ Yes

STRESS TESTS LAUNCHED TODAY: 0/40
THIS WILL RESET AUTOMATICALLY IN 6 HOURS, 53 MINUTES

Host To IP: [www.google.com]

Geo IP: [IP]

Ping Host: [IP] [PORT]

Press enter in order to resolve or boot

Account type: Normal
Your stress tests: 0
Account status: Active
Time until expire: 29 days, 23 hours, 53 minutes
Account expire date: 30-04-2016 17:00
VIP access: No
Account max stress time: 1200
Concurrent tests: 1
Total users: 89772
Cooldown system is currently off.
Stress tests running: 29
31-03-2016 17:07

Custom Services

Then you will see a list of all services currently available from [REDACTED]. If you are interested in any service you should contact us through our email

✉ Emails Hacking

We can get any password, from any email address. Don't matter if it's a free email (outlook, hotmail, gmail, yahoo, etc) or private/corporative.

0.35 BTC

↩ Social Media Hacking

We can get any password of Facebook, Twitter or Instagram accounts. Based in sophisticated phising and bruteforce.

0.4 BTC

☠ Malicious Software

We will customize a malware FUD (Full UnDetectable) to your specifications. We can make ransomware, trojans, crypters, and much more.

0.5 BTC

🏛 Grades Change

This service consist in access in to any university/educative system in order to change their grades, missed classes, among other things.

0.5 BTC

📞 Cell phones Hacking

Cell phones also have many vulnerabilities. For that reason we offer a service to hack devices Android, iOS, BlackBerry and Windows phone.

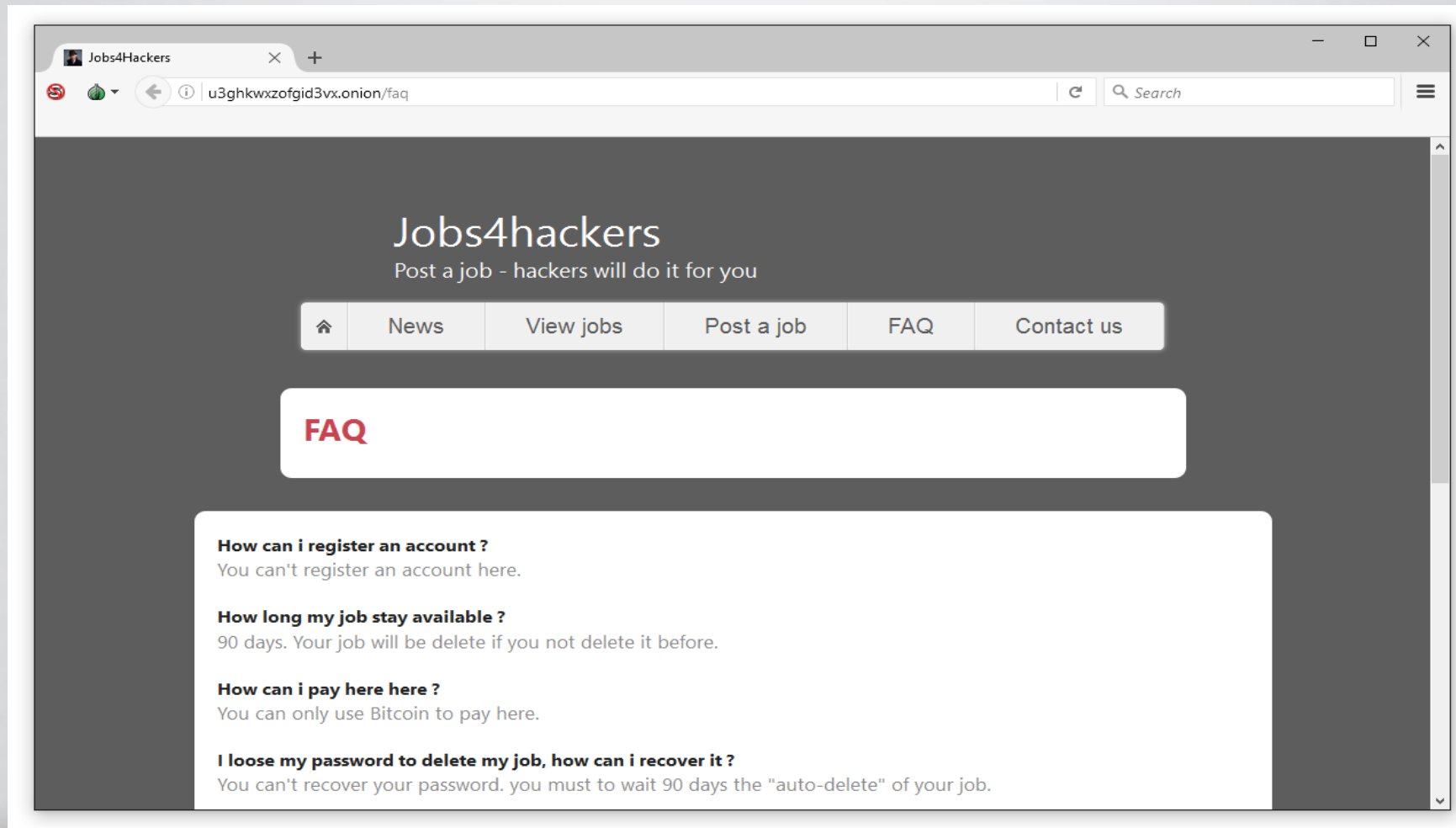
0.8 BTC

🌐 DDoS (Denial-of-service attacks)

Distributed denial of service (DDoS) attacks 400 Gbps, 24 hours, 1 BTC. We will get down any website for 24 hours using our worldwide botnet.

0.9 BTC

There Are Even Job Boards



...Where You Can Request Services

grade change

by mia

Country:

United
States of
America

Job description:

I need a university grade change asap(UC Davis). Tips for this case is negotiable. More tips for fast and accurate result. Full access to the server/database required. Contact [REDACTED]@gmail.com/[REDACTED](Wickr) if interested. Prefer escrow.

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options

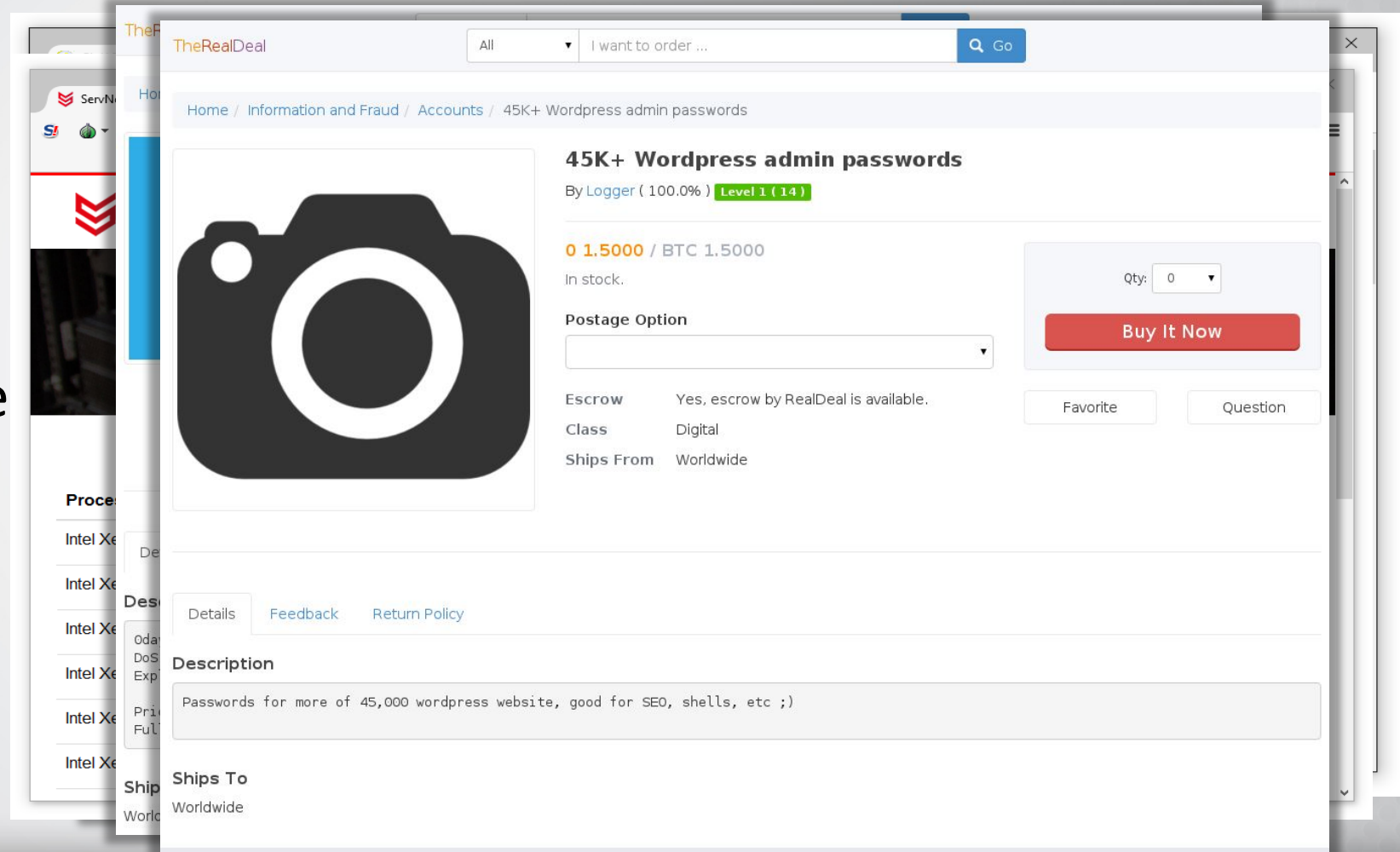


Everything You Need

Variety of vectors,
tools, lists and
customized solutions

Variety on the Darknet

- DDoS as a Service
- Botnet Rental
- Malware/Ransomware
- Security/Hosting
- Undisclosed Exploits
- Leaked Data/Fraud




Here's an interesting one...

TheRealDeal

All▼I want to order ...

Go

[Home](#) / [Exploit Code](#) / [1Day Private Exploits](#) / [Specific router brand RCE over UDP](#)



Specific router brand RCE over UDP
By (100.0%) **Level 1 (14)**

0 5.8821 / BTC 5.8821
In stock.

Postage Option

EscrowYes, escrow by RealDeal is available.

ClassDigital

Ships FromWorldwide

Qty: 0▼

Buy It Now

Favorite

Question

Details

Feedback

Return Policy

Description

Execute commands / upload a bot on to a large amount of specific router (by brand name)

Exploit also comes with files for zmap for mass exploitation, and also perl exploit for one-time exploit and understanding of the bug.

Bots must be compiled in MIPS and over 250,000 vuln routers in china!

Economics of Defense: Reality Check and Path Forward

The Economics of DDoS on our Businesses

Premise



Cloud



Business



People



Security ROI: IT's Holy Grail



Obstacles Have Stood in the Way

- Definition of “Return” can vary greatly by role
- Poor visibility into actual attack activity until it’s too late . . . i.e., breach or takedown
- A lack of understanding of whether or not they fit the attackers’ profile
- Overlooking the actual costs of manual security solutions
- Underestimating (or ignoring) the hidden costs of processing attack traffic

How We Define “Return” May Depend on Role



Business Manager

Revenue per hour x hours of downtime per attack x number of attacks



Risk Manager

ALE (loss expectancy x number of attacks x likelihood of attack)



Compliance Officer

Cost of Penalties/Cost of Compliance (check box approach)



IT/Security Teams

Job security balancing act (need attacks to stay relevant/downtime and breach cost me my job)

Tipping the Scales, Shifting the ROI Equation

Reduced Opportunity
Cost of Manual Mitigation

Improved Efficiency of
Net/App Infrastructure

Compliance
Revenue/Brand
Assurance
Job Security



Security Budget
Staff/Management
Operational Risk

Tipping the Scale in Favor of Security

Investment/Cost

Reduced Opportunity Cost of Manual Mitigation

Manual Signatures



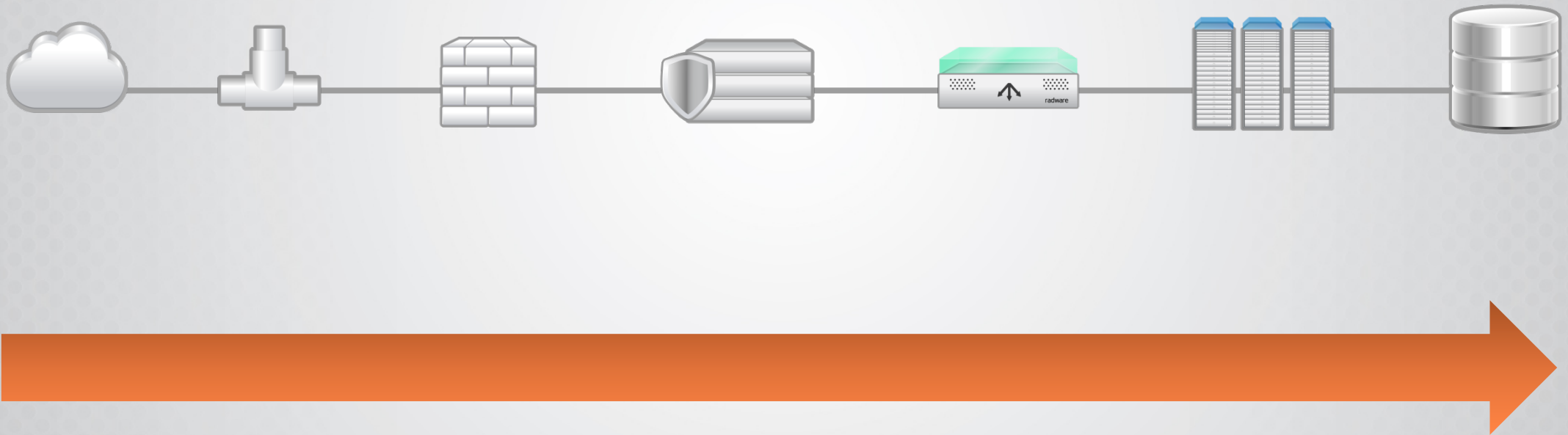
Automated Signatures



Automation can learn the anomaly and react faster than a human

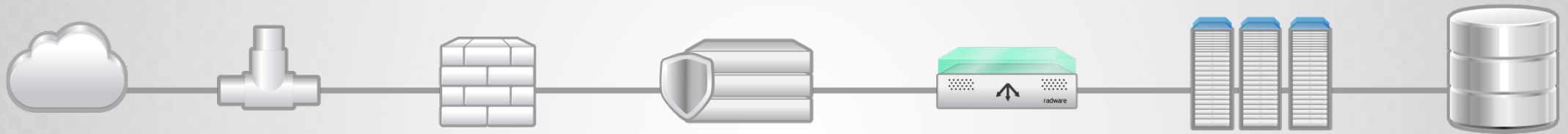
More Efficient Net/App Infrastructure

How much do you spend over-provisioning for bad traffic?

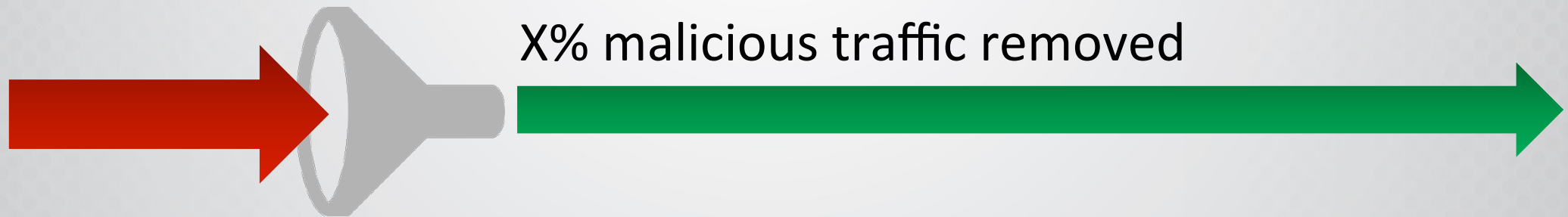


Efficient Nets/Apps: Some Quick Math

How much would effective filtering save you in over-provisioning?



X% decrease in malicious traffic = X% reduction in infrastructure over-investment



Bringing it home...



History Repeating?



Cyber Security Reaching a Tipping Point



More Resources



More Targets



More Mature

- Investment in Automated, Adaptive Security Protections
- Reduced Opportunity Cost of Manual Mitigation
- Improved Efficiency of Network/Application Infrastructure

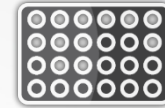
Stay Focused. Be Prepared.

Build your protection strategy. Develop an incident response plan.



Consider Automation.

It has become necessary to fight automated threats with automation technology.



Cover the Blind Spot.

Choose a solution with the widest coverage to protect from multi-vector attacks.



Simplify with Services.

Fully managed services will provide the resources and expertise needed to combat today's attacks.



Have Visibility.

There are many tools (free and commercial) that will give you insightful data to attacks in your network.



radware

Every second counts

