Protect Data & Client Trust: An end to end approach to protecting web applications and your organization



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Innovate2010

The Rational Software Conference

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The premiere software and product delivery event. Aug 16th-19th India





Smarter planet opportunities driven by Web-enabled applications

The Opportunity – smarter planet





Smarter planet opportunities driven by Web-enabled applications

The Driver – Web-enabled Applications

Web Applications	Web 2.0 and SOA	Databases
Intuitive interfaces for business processes, client interaction, integration with business partners	Collaboration among peers and partners	Backend of every Web application

How do I secure the new Web without significantly Increasing my costs?

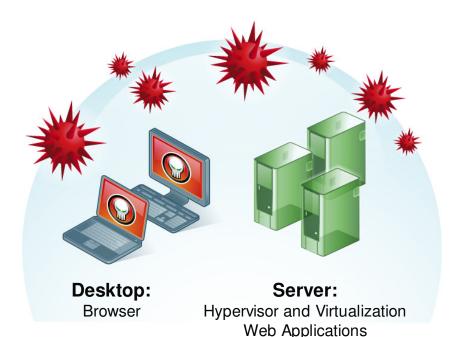




Changing security landscape creates complex threats

Web-enabled applications drive the need for security

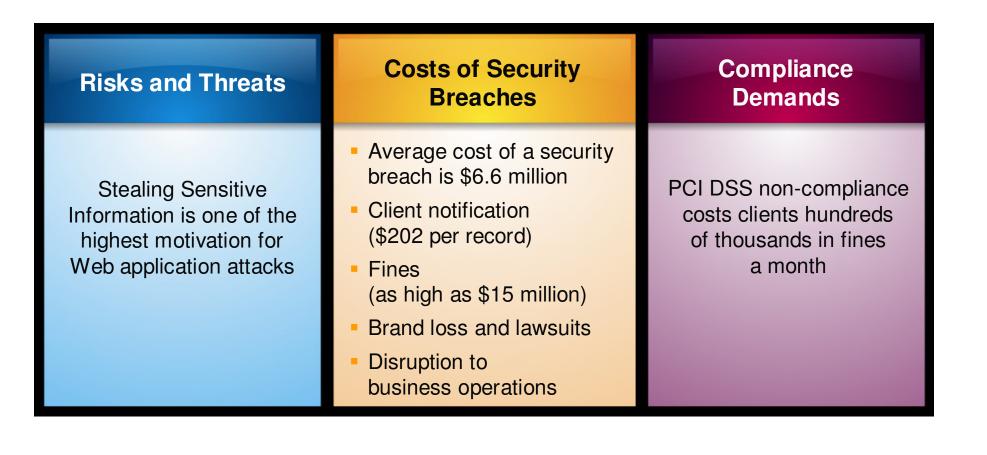
- New applications are increasing the attack surface
- Complex Web applications create complex security risks
- Making applications more available to "good" users, makes them more available to "bad" users
- Web attacks are evolving to blended attacks (i.e. planting of malware on legitimate Web sites)





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Unprotected Web applications risk sensitive data and compliance

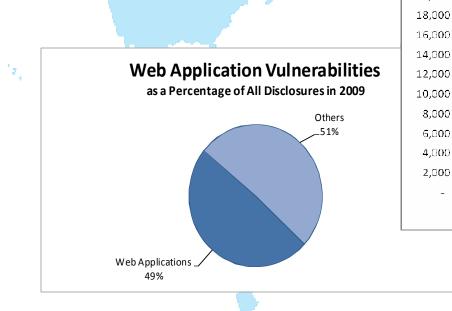


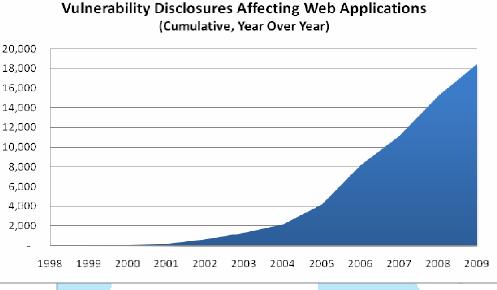
Source: Web Incidents Hacking Database 2008 Annual report



COTS Application Vulnerabilities Continue to Grow

- In 2009, 49% of all vulnerabilities are Web application vulnerabilities
- SQL injection and Cross-Site Scripting are neck and neck in a race for the top spot
 - 67% of web application vulnerabilities had no patch by the end of the year





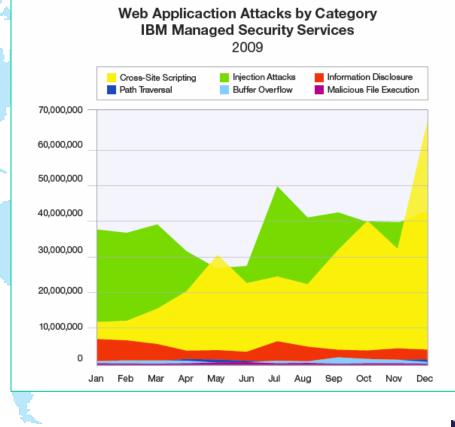
IBM Internet Security Systems 2009 X-Force® Trend & Risk Report



Attacks are Both Plentiful and Trivial

- Over 60 million XSS attacks in December, 2009 alone
- An average of 30 million SQL injection attacks observed every month

Automated exploit engines continue to lower the cost of exploitation

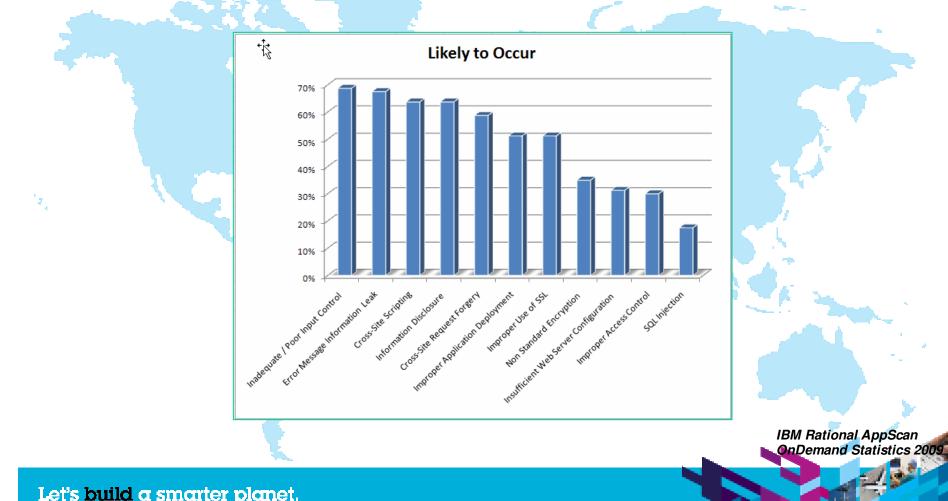


IBM Internet Security Systems 2009 X-Force® Trend & Risk Report



Over 90% of Custom Web Apps have Vulnerabilities

- In 2009, over two thirds of custom applications contained XSS vulnerabilities
- In 2009, over 93% of custom web applications contained at least one high/medium vulnerability





22 / <mark>27%</mark>

2009 Verizon Data Breach Report

21/79%

7 / 7%

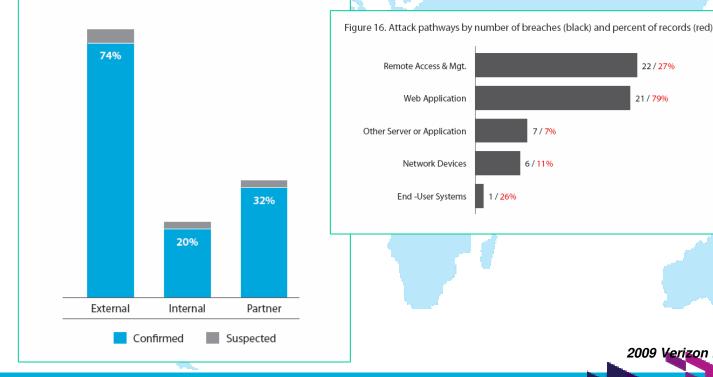
6/11%

1/26%

Breaches are Numerous and Significant

- Security forensics team investigated 90 confirmed security breaches in a single year*
 - Encompassed an astounding 285 million compromised data records
 - Vulnerable Web Applications (SQL Injection) accounted for 79% of compromised data records

Figure 4. Sources of breaches by percent of breaches





Traditional point solutions throw money at the problem and can't address the full problem

Vulnerability scanners

 Traditional vulnerability scanners don't cover Web applications

Penetration testing

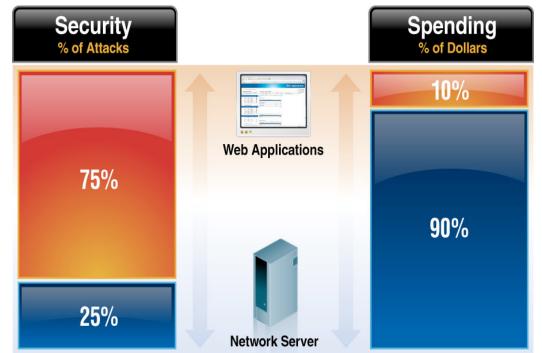
- Effective at finding vulnerabilities but not scalable for ongoing tests
- Not focused on remediation

Network firewall and IPS

- Generic Web application protection (if any) so most custom Web applications not covered
- Most IPS solutions focus on exploits as opposed to Web application vulnerabilities

Web application firewall

- Expensive point product to deploy and manage
- Can be effective, but difficult to deploy, tune and manage
- Building policies can be as time consuming as remediating the vulnerability







Increasingly your End customers are demanding Secure Coding, non adherence might mean loss of valuable Customer.



Research

Publication Date: 13 March 2007

ID Number: G00146313

Application Security Testing Should Be Mandatory for Outsourced Development and Maintenance

Joseph Feiman

This Research Note analyzes why enterprises should be concerned with application security when they outsource application development.

Key Findings

- Application security adoption will affect external service provider (ESP) selection criteria and service-level agreements (SLAs).
- Application security adoption will affect outsourced projects' budgets.
- Any reputable ESP that provides application development should be conducting application security testing — at a minimum, at the final quality assurance (QA)/testing phase, but ideally during all software development life cycle (SDLC) phases.
- Contract language should always specify that security assurance will be provided as a condition for accepting deliverable applications.

Recommendations

- Application security expertise should become a criterion in the ESP selection.
- Applications developed by the ESP should not be accepted unless they are tested for security vulnerabilities.

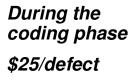




Cost is a Significant Driver for Moving Security Testing in SDLC

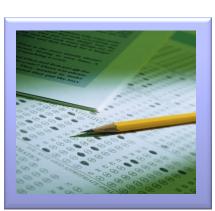
80% of development costs are spent identifying and correcting defects!*







During the build phase \$100/defect



During the QA/Testing phase \$450/defect



Once released as a product \$16,000/defect

Law suits, loss of customer trust, damage to brand

The increasing costs of fixing a defect....

Capers Jones, Applied Software Measurement, 1996

* Source: NIST, 'Assesses Technical Needs of Industry to Improve Software Testing', June 28, 2002



Incorporating Security at coding is most efficient way of building secure Applications:



Publication Date: 10 February 2006

ID Number: G00137517

Research

Integrate Security Best Practices and Tools Into Software Development Life Cycle

Amrit T. Williams, Neil MacDonald

Organizations need to integrate security best practices, security testing tools and security-focused processes into their software development life cycle. Proper execution improves application security, reduces overall costs, increases customer satisfaction and vields a more-efficient SDLC.

WHAT YOU NEED TO KNOW

Integrating security best practices and tools into the software development process does not mean increased costs and longer development cycles. When executed properly, integration of security best practices will reduce overall costs, increase development efficiency, lead to increased customer satisfaction and improve application security.

STRATEGIC PLANNING ASSUMPTION(S)

Through 2010, software development organizations that integrate security into their software development life cycles will experience an 80 percent decrease in critical vulnerabilities found in their publicly released software or externally facing Web applications (0.8 probability).

Through 2010, reducing vulnerabilities in commercially acquired products and services by just 50 percent will reduce configuration management and incident response costs by 75 percent each (0.7 probability).

Through 2008, application security will become an important evaluation criterion, weighted as high as system functionality (0.7 probability).

ANALYSIS

The majority of external attacks exploit vulnerabilities found in software; 90 percent or more of all external attacks take advantage of known vulnerabilities, and misconfigured and misadministered systems. Significant vulnerabilities are inevitable when development organizations do not properly integrate security best practices into their development and testing methodologies. While it is unlikely to develop defect-free or 100 percent secure software, organizations can greatly reduce the number of defects and vulnerabilities that result from poor coding practices by integrating security best practices throughout the software development life cycle (SDLC) (see Figure 1).

A common development myth is that increased security awareness and the use of security testing tools and processes within the SDLC will result in increased development costs and slow time to market. This is valid when the process and tools are not used correctly. However, it has been



ROI Opportunity of Application Security Testing

Cost Savings – of testing early in the development process (ALM)

80% of development costs are spent identifying and correcting defects

Testing for vulnerabilities earlier in the development process can help avoid that unnecessary expense

• Cost of finding & fixing problems:

code stage is \$25, QA/Testing is \$450, Production \$16,000 *

Ex: 50 applications annually & 25 issues per application, testing at code stage Saves \$780,000 (present day dollars – assumes 3% inflation) over testing at QA stage.

Cost Savings – of automated vs manual testing

Automated testing provides tremendous productivity savings over manual testing

Automated source code testing with periodic penetration testing allows for cost effective security analysis of applications

- Outsourced audits can cost \$10,000 to \$50,000 per application
- At \$20,000 an app, 50 audits will cost \$1M.
- With 1 hire + 4 quarterly outsourced audits (ex: \$120,000+\$80,000), \$800,000/yr can be saved (less the cost of testing software)

Cost Avoidance – of a security breach

Costs as a result of a security breach can include (but are not limited to) audit fees, legal fees, regulatory fines, lost customer revenue and brand damage



- The cost to companies is \$202 per compromised record**
- The average cost per data breach is \$6.6 Million**

* Source: Capers Jones, Applied Software Measurement, 1996

** Source: Ponemon Institute, Privacy Rights Clearinghouse, 2008





2000

A Cycle to Secure Software

Design Phase

• Consideration is given to security requirements of the application

• Issues such as required controls and best practices are documented on par with functional requirements

Development Phase

Software is checked during coding for:

- Implementation error vulnerabilities
- > Compliance with security requirements

Build & Test Phase

 Testing begins for errors and compliance with security requirements across the entire application

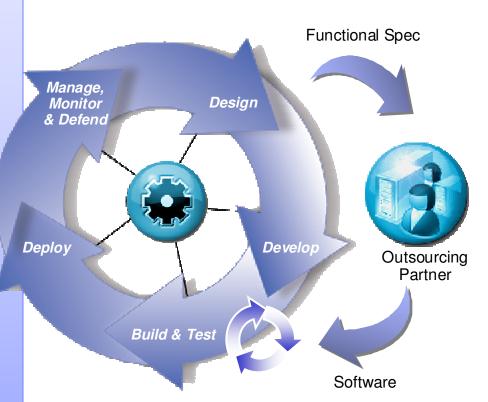
• Applications are also tested for exploitability in deployment scenario

Deployment Phase

Configure infrastructure for application policies
 Deploy applications into production

Operational Phase

• Continuously monitor applications for appropriate application usage, vulnerabilities and defend against attacks

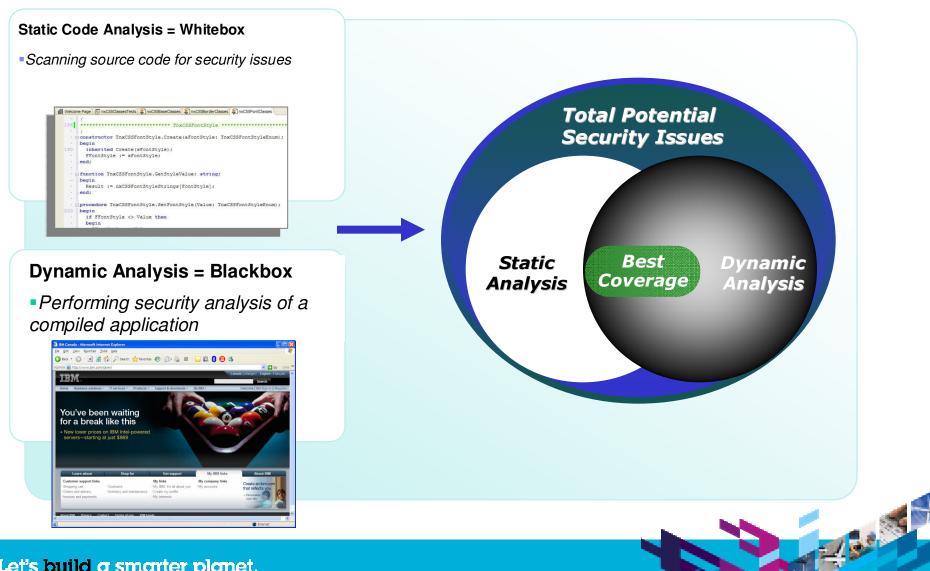






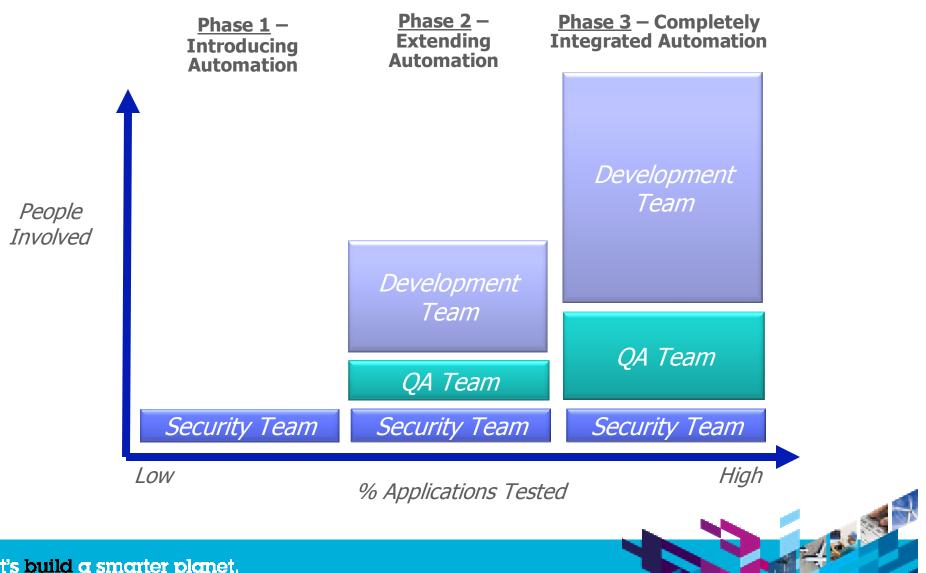
Security Testing Technologies...

Combination Delivers a Comprehensive Solution



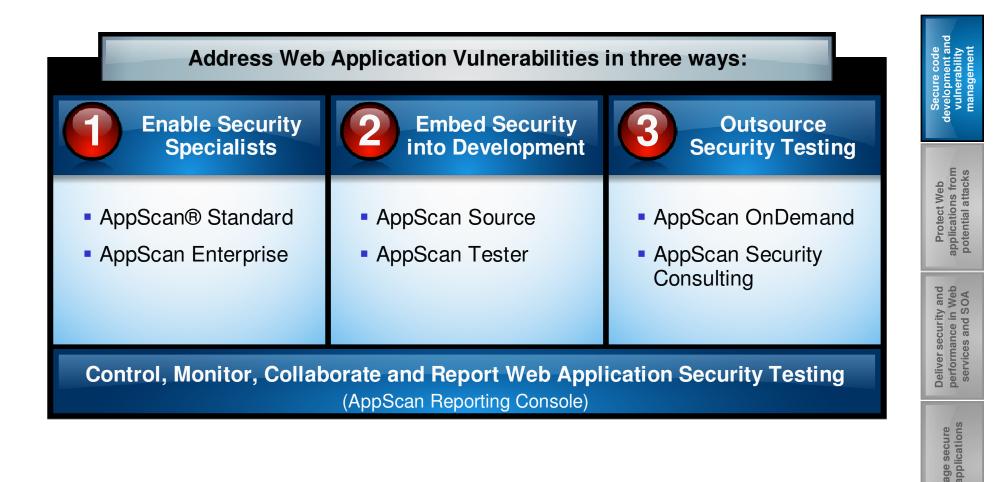


The Need to Scale Security Testing



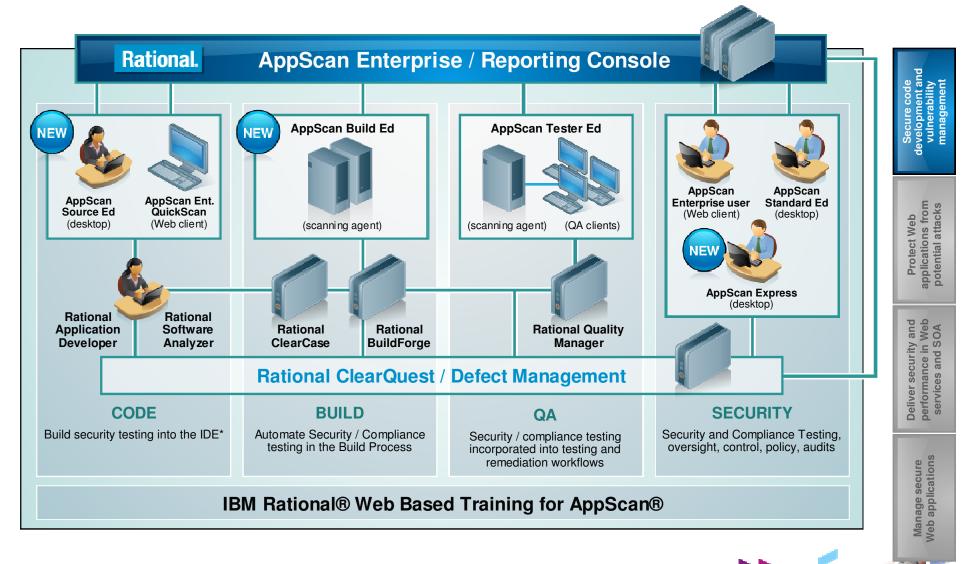


Enabling the operationalization of security testing





Enabling security testing through the SDLC





Application Security COE at System Integrator

1. Embed Security into Development

Implement Top-down driven model for Application Security with flexible user options ensuring least cost of expansion and SLA adherence for security requirements.

Incorporate Security as a Standard norm using centralized command centre and deploying the policies across all the Client Application Development /Maintenance Projects.

Integrate the security tools seamlessly into the ALM lifecycle using Rational SDLC tools thereby causing minimum hindrance/change management issues.

Develop the culture for Security within entire software development organization thereby reducing cost/increasing marketability of software to a great extent and reducing the bottle necks at the testing/security practice level.



AppScan Source Edition

- A static code analysis security testing solution with centralized control of security policies
- Allows organizations to create, distribute and enforce consistent security policies
- Provides automated security testing by seamlessly integrating security source code analysis into the build process

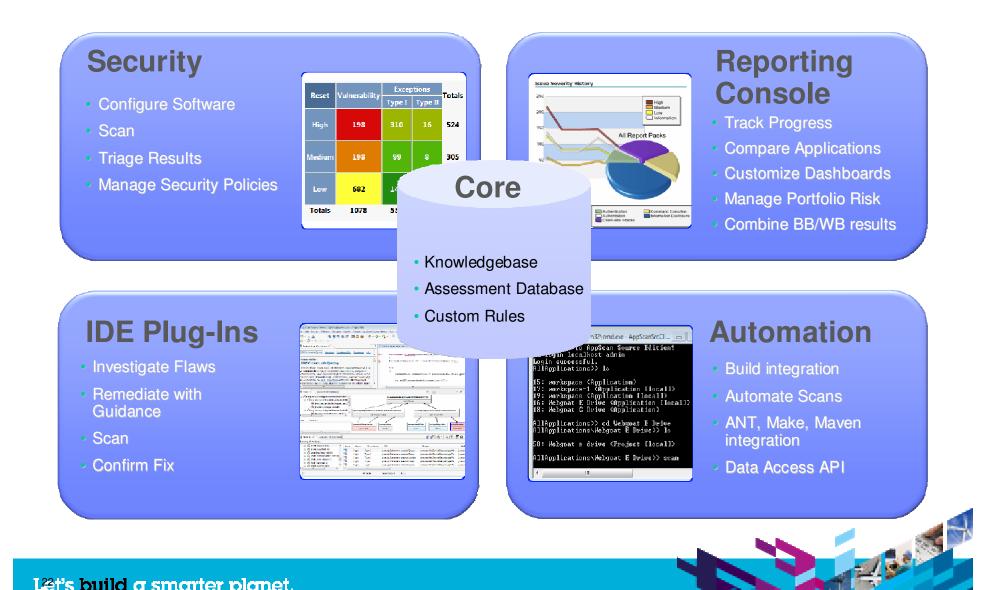


Benefits:

- Enables security teams strengthen application security, protect confidential data and improve compliance
- Enables the cost effective remediation of vulnerabilities early in the development process to support on-time delivery of projects

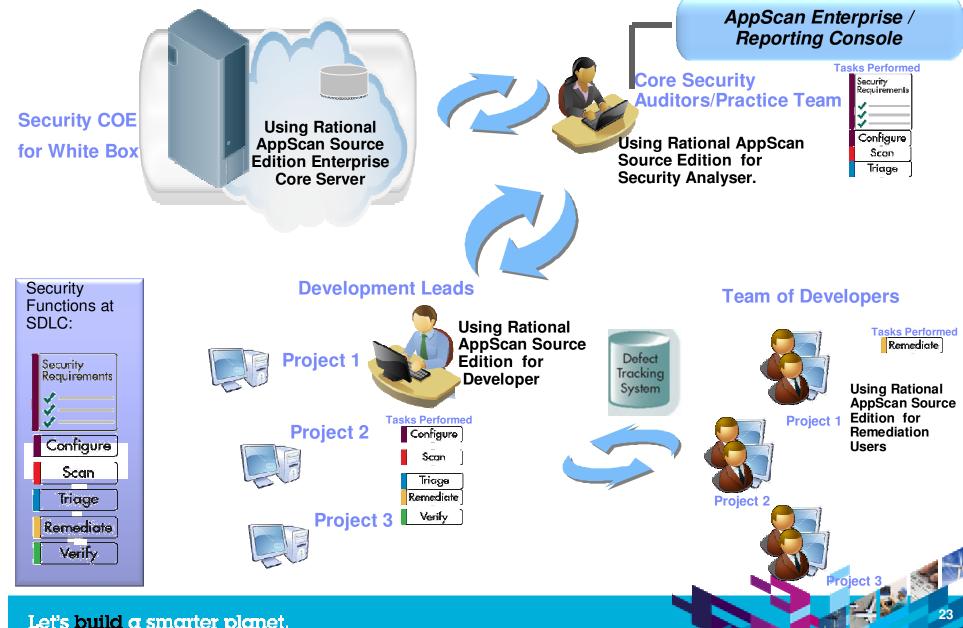


IBM Rational AppScan Source Edition Solution





Deployment of Security Testing in System Integrator's SDLC





Basic Operational Responsibilities

Security Requirements
*

Set security requirements: A manager or security expert defines vulnerabilities and how to judge criticality



Configure: Use the Project Configuration Wizard to get set up to scan your applications

- Scan
- **Scan:** Scan large code bases and return results. Ounce's unique security compiler technology handles code complexity and size with maximum efficiency



Triage: Separate real vulnerabilities from potential ones, allowing triage on critical issues to begin immediately.



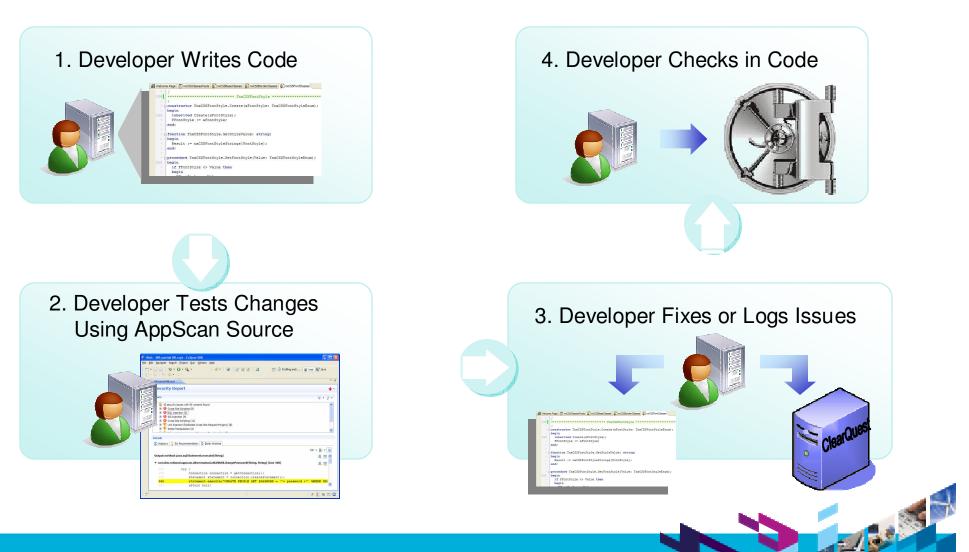
Resolve: Eliminate vulnerabilities by rewriting code, removing flaws, or adding security functions



Verify fixes: Rescan the code to assure that vulnerabilities are eliminated

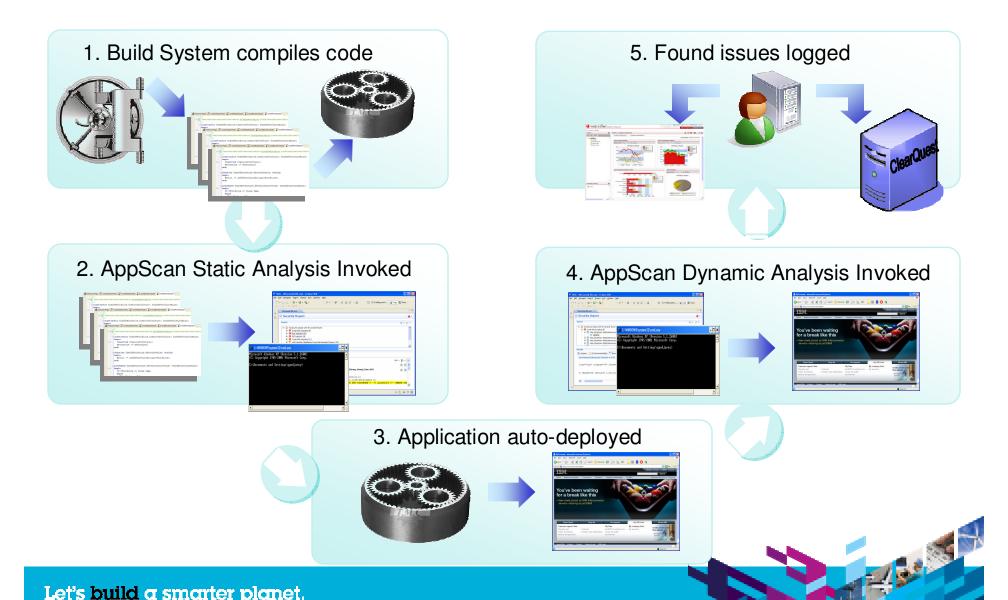


AppScan Source Edition - Proactive Use Case



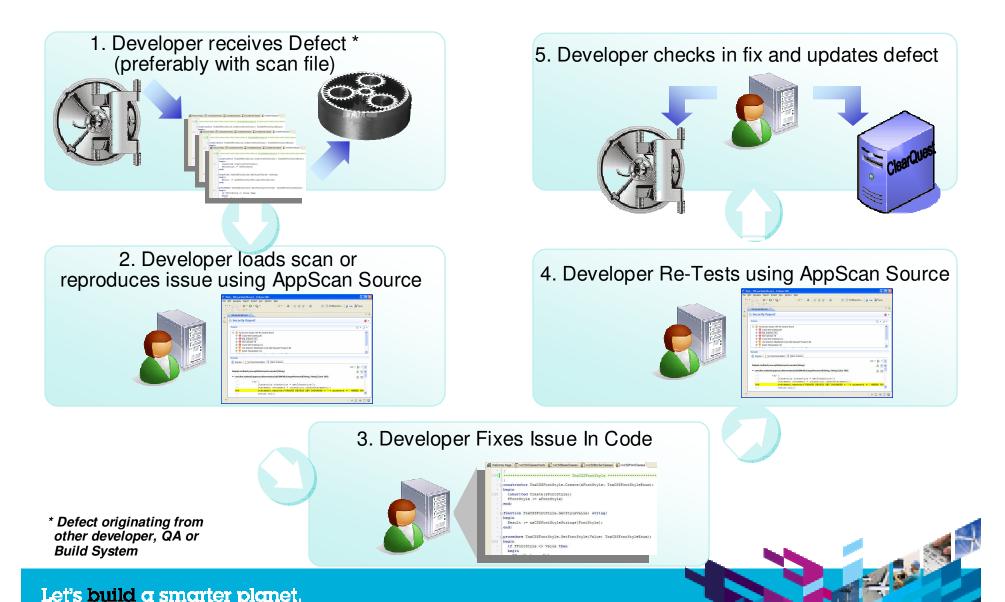


AppScan Source Automation Use Case





AppScan Source Edition - Reactive Use-Case





Addressing organizational security testing requirements Enable more testers in the process to alleviate the security bottleneck

Rational AppScan Source Edition can be embedded into the development process

Collaborative life cycle

Development & Security Analysts collaborate to achieve greater testing coverage earlier in the development process.

Powered by automation

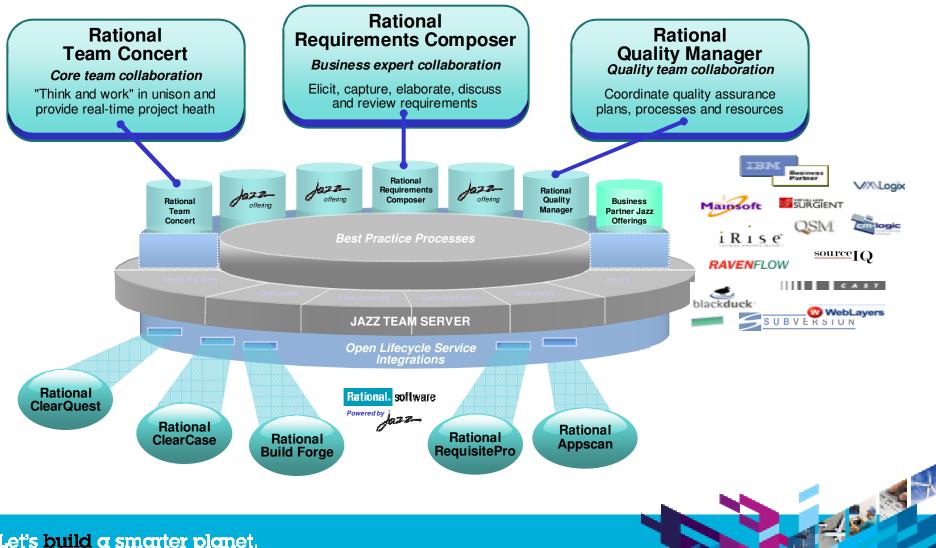
Automate security testing as part of the normal code-build process within existing development environments, eliminating the need for non-security personnel to learn new or advanced security tools

Govern software delivery

Govern the process of issue remediation by providing the ability to log security issues directly into defect tracking tools



SDLC Tight Integration facilitates ease of adoption, usage and traceability:





Application Security COE at System Integrator

2. Enable Generic Testing Teams to perform Security Test at QA

- Ensure a strong Security QA check for all the Application Development /Maintenance projects.
- Keep the control and visibility of security policies/exposure and improvements in the centralized manner.
- Eliminate training requirements for non-security experts by using highly intelligent tools and web based training on security while performing the tests.
- Ensure a highly scalable model of adding on QA teams thru client/server technology
- Enterprise wide access based/customizable Application Security dashboard, ensuring control on the confidential vulnerability reports and prevent any misuse.
- Reduction in the Application Security Audit cost by using perpetual automation tools and also increasing the frequency/coverage of Application to be scanned/rescanned for security Threats
- A central client server model giving feature benefits like Scalability, Centralizing Reporting, Permission Model, Issue Management, Historical Trending, Centralized Monitoring, Multiple Dashboards, Thin-client, Redundancy & Fail-over etc



V. 8. (15)

AppScan Enterprise Edition (Black Box) allows Testing of ready Applications at QA

Overview

Rational Enterprise is the Market Leading tool which Automatically Scans all your Web Applications and

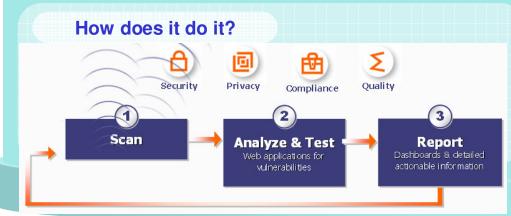
pinpoint vulnerabilities in web applications

provide guidance for fixing security defects

help ensure compliance with over 40 regulatory requirements

Gives an online enterprise wide dashboard with customized/access controlled view.

to reduce the risk of a security breach and improve compliance posture



Checks for vulnerabilities like

- Cross Site Scripting
- SQL Injection
- Buffer Overflow
- Application Malwares
- Denial of Services Attack
- Privilege Escalations
- Flash Vulnerabilities
- And many more....



Deployment of Security Testing in System Integrator's QA

Testing Leads

Security COE For Black Box Using Rational AppScan Enterprise Server (Black Box



AppScan Enterprise / Reporting Console

Core Security Auditors/Practice Team

Using Rational AppScan Enterprise Edition Admin License to configure Policy, assign scans to teams and validate reports.

Project 2

Application Security Reporting Viewers

Project 1

his projects

Project 3

Using Rational AppScan Reporting User for viewing reports for only

Project 2 Project 3 Project 3



Application Security COE at System Integrator

3 Handling Security Test Consulting Projects

• Executing the Application Security Consulting projects using flexible customer based licensing.

 Provide pdf/attachment free managed services to end client using Securty Dashboards and SaaS offerings.

 3 different Deployment models to cater to different kind of Consulting Projects. (Models mentioned in later slides)





Net New Revenue Opportunities for Global SI's in this Space

- Assessment Services
- Expansion of Current Application Testing Services
- Solutions Management
- Remediation Services
- Tools and Technology





Deployment Model –1 (Traditional Consulting with no option to offer SaaS)

Traditional Black Box Scanning

Modality --- It is a Desktop technology, so System Integrator Consultant can take the laptop with tool to the client site or any specific network and perform Black Box scan as long as the target URL is reachable

Scanning License --- Annual Appscan Standard Consulting License.

Scanning Rights --- Multiple Applications, Multiple customers, Global.

Reporting Mode --- PDF/HTML based reporting, the reports can be shared as attachments with the client.

Concurrency --- Concurrent desktop based.

Cost ---





Deployment Model –1 (Traditional Consulting with no option to offer SaaS)

Traditional White Box Scanning

Modality --- Scanning can be done by the consultant remotely as per the options mentioned in \succ next slide

Scanning License --- Annual Appscan Source Edition Consulting Bundle which includes 1 Appscan Source Edition Core server +1 Appscan Source Edition for Security Analyzer i.e a scanning agent.

Scanning Rights --- Multiple Applications, Multiple customers, Global. \geq

Reporting Mode --- PDF/HTML based reporting, the reports can be shared as attachments \geq with the client.

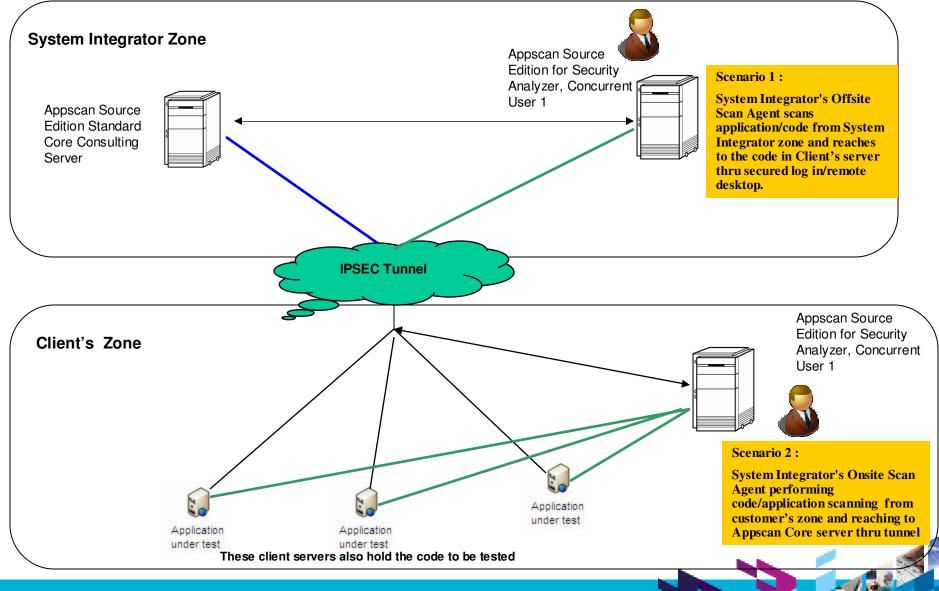
Concurrency ---- Server is Node Locked but Security Analyzer licenses are concurrent. \geq

Cost ---

Subsequent Additional License ---- Additional concurrent Security Analyzer License and additional concurrent Developer License can be purchased without investing in the server again. 100

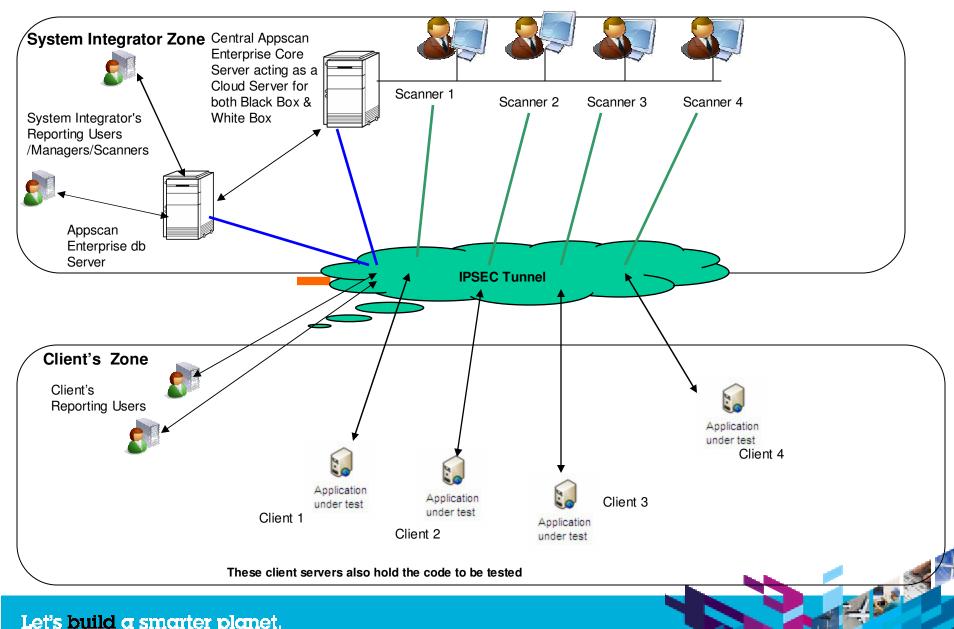


Model 1 - Using the Source Code Scanning tool remotely - Two Possible Scenarios





Using the Scanning tool remotely - Two Possible Scenarios (Visually)





Deployment Model – 2 (On System Integrator' Private Cloud)

Central Appscan Enterprise Core set up to Provide both Black Box and White Box Scanning

> **Modality** --- System Integrator provides both the Infrastructure as well as the appsec services / consulting to its' end clients using their own private cloud.

Scanning Licenses --- Monthly licenses for the all the Scanning / Reporting tools.

Scanning Rights --- Single Customer, Multiple Applications, Global.

Reporting Mode --- Dashboard reporting , Customizable as per the client or role of the report user within client side.

Cost --- Mentioned in the Bill of Material attached in the next slide.





Deployment Model – 3 (System Integrator uses IBM Cloud to offer Black Box Consulting)

On IBM Cloud, Black Box Scanning

- Modality --- For every new client System Integrator uses IBM Cloud to perform Scans, Dash boarding and SaaS access of scanning tool to the end client. System Integrator consultants performs scans. consulting and services. There will be a tri partite contract between IBM, System Integrator and Client.
- Scanning License --- Annual Appscan On demand Licenses with different limitation of Web-pages scanned.
- Appscan On Demand for Small Business --- 5 Users --- 1,000 web pages ----
- Appscan On Demand for Medium Business 10 Users 10,000 web pages ---
- Appscan On Demand for Large Business ---- 25 Users 100,000 web pages ----

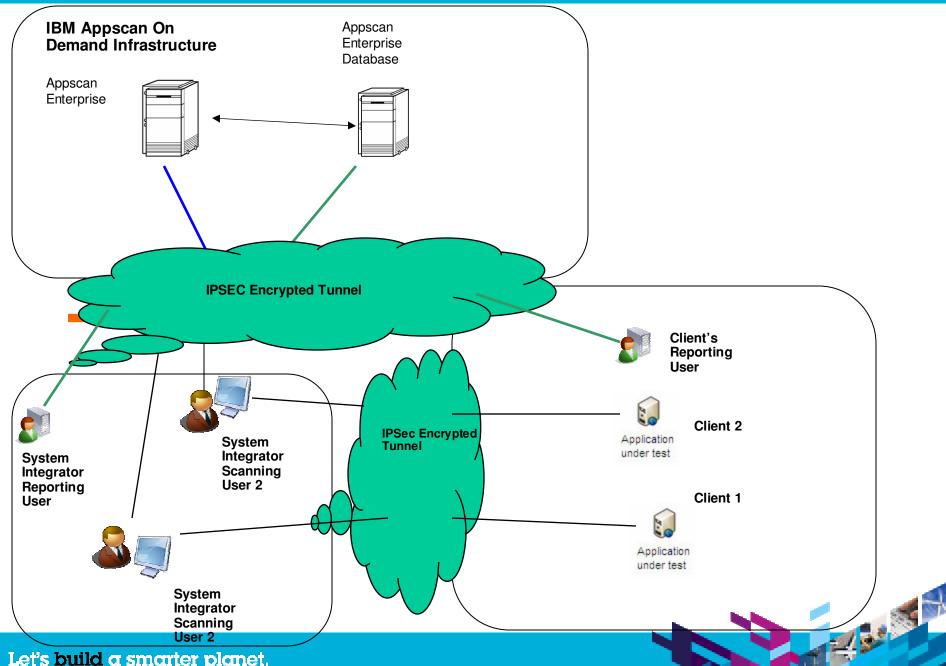
Scanning Rights --- One license used for one customer. If required, Remote scanning rights can be assigned to the End Client by System Integrator.

Reporting Mode --- Dashboard reporting , Customizable as per the client or role of the report user within client side.

- > **Concurrency ---** User defined licenses.
- **Cost ---** As mentioned above
- > Subsequent Additional License ---- Same as mentioned above.

****Licensing details of White Box solution on "IBM Cloud" are being frozen as of now, can be shared on specific request.







IBM Avenues of Investment in System Integrator as a Partner for Application Security

- Lab/COE Branding/Co-Marketing/Marketing
- Joint Press Release
- Sales/Pre-Sales Enablement
- Workshops
- Elite member of IBM Security Customer Council
- RFP Support
- IBM Management Focus with direct connect to AppSec Thought Leaders
- Lab Advocacy
- Certifications
- IBM Strategy & Roadmap discussions
- Success Stories publish/demonstrate capability at IBM WW Conferences and events attended by top Rational customers



Innovate2010 The Rational Software Conference



Why IBM?

IBM continues to demonstrate leadership in security

- IBM Wins 'Best Security Company'
- IBM recognized as International Association of Privacy Professionals "Top Privacy Innovators" in 2009

Rational is #1 in Application Security Testing Market Share

According to Gartner and IDC

Complete security from IBM Security Solutions

- 5 Security Pillars
- Enterprise-wide coverage of application security from design through development and into production
- <u>Secure Engineering Framework</u> security practices employed by IBM and for customers (Rebook)

Rational AppScan breadth of technologies and offerings

- Solutions for all SDLC stakeholder use cases
- Leverages best-of-breed static and dynamic analysis
- Over 60 application vulnerability management innovations patented or publically disclosed

Commitment to customer success – R&D Investment

More than 100 resources, 6 labs, plus extend R&D teams



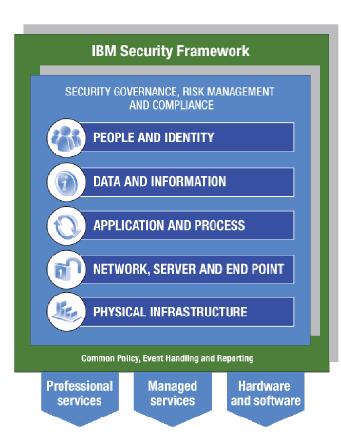
Excellence Award: 2010 Best Security Company

2007 Best Security Company – Watchfire 2006 Best Security Company - ISS





IBM Security Framework



IBM Security: Improving service, managing risk and reducing cost of Security without compromise

Market data source: IBM Security Landscape, Jan 2009

- IBM is the <u>only security vendor</u> in the market today with <u>end-to-end</u> <u>coverage of critical controls</u>
- IBM Proof Points:
 - 15,000 researchers, developers and SMEs on security initiatives
 - 3,000+ security & risk management patents
 - 200+ security customer references and 50+ published case studies
 - 40+ years of proven success securing the zSeries environment
 - Already managing more than 7B security events per day for clients
 - IBM Security Framework, Security Blueprint





Why IBM - Recent accolades

- Charles Kolodgy, IDC, March 2010

"IDC believes IBM has recognized this trend and has created comprehensive security packages that leverage various products to provide for multiple layers of security to customers." IBM and a few others can help any sized customer with security, regardless of whether they need help securing their business, implementing an enterprise security initiative, or fixing a big security problem."

- Jon Oltsik, Enterprise Strategy Group, March 2010



In light of IBM's growing presence in security and compliance, and the weight of its impact on the larger issues of business risk control, these factors should make IBM a primary partner to consider in shaping strategy and evaluating technologies and services that make a difference. Few others have the range of capabilities of today's IBM for addressing the challenge—fewer still have the resources of an IBM for understanding the nature of business risks and emerging threats, and how best to address them going forward."

High Performers and Foundational Controls: Building a Strategy for Security and Risk Management - Enterprise Management Associates[®] (EMA[™]), Dec 2009



IBM was named the **"Best Security Company"*** by SC Magazine Source: SC Magazine award, March 2, 2010

45



IBM Investment & Commitment to Customer Success

Acquisitions:

- Watchfire acquisition 2007
- Ounce acquisition 2009

Global R&D Team

- Hawthorn NY research lab
- Tokyo research lab
- Israel research lab
- Ottawa development lab
- Toronto development lab
- Boston development lab
- Rational Research lab India (supporting)

Product Team:

90 people in Rational development
13 people in IBM Research

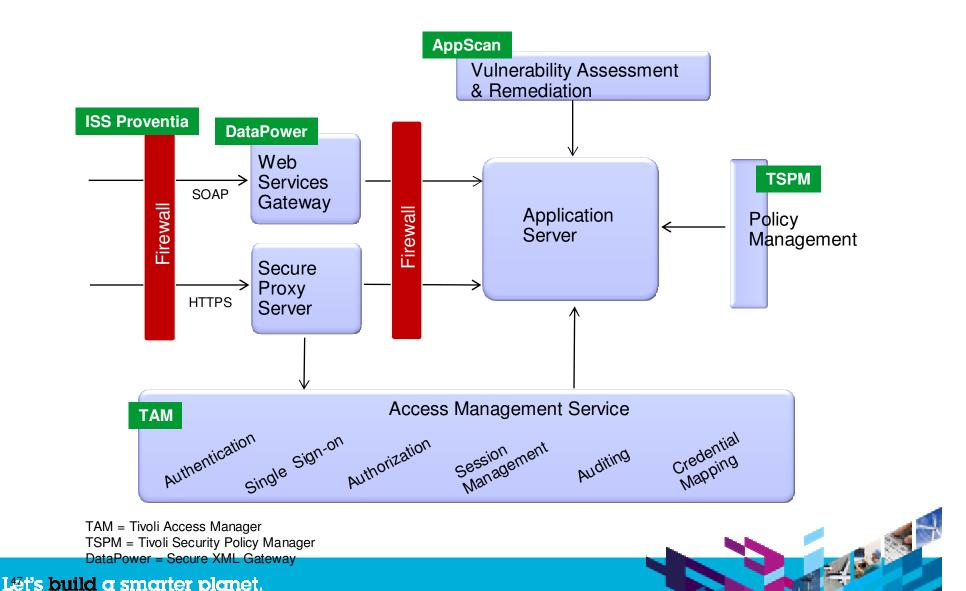
Extended Team:

(enabling us to tackle broader security requirements)

- ISS team, including X-Force research
- Tivoli team
- Datapower team
- Optim team
- GBS team
- Guardium team

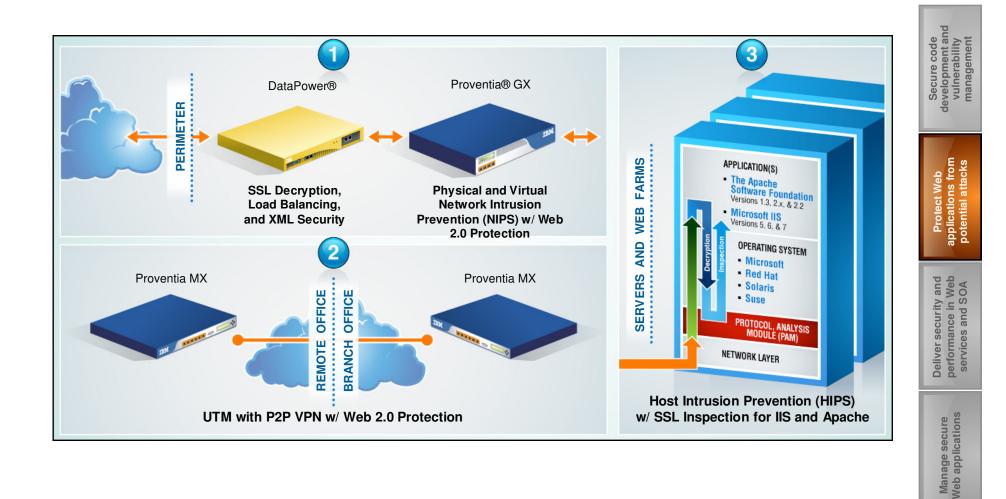


IBM Security Solutions End-to-End Application Coverage





Integrate Web application security from Network to Host





Integrate Web application security from Network to Host

Intrusion prevention and protection for:

- Web 2.0: JSON (java script object notation) hijacking
- Database: SQL, LDAP and XPath injection
- Web application protection: shell command, server side include, XSS and directory traversal

X-Force® protection across all Proventia® products:

- Network Protection: IBM Proventia Network Intrusion Prevention System (IPS)
- Remote / Branch Office: IBM Proventia Network Multi-Function Security (MFS)
- Host Protection: IBM Proventia Server IPS

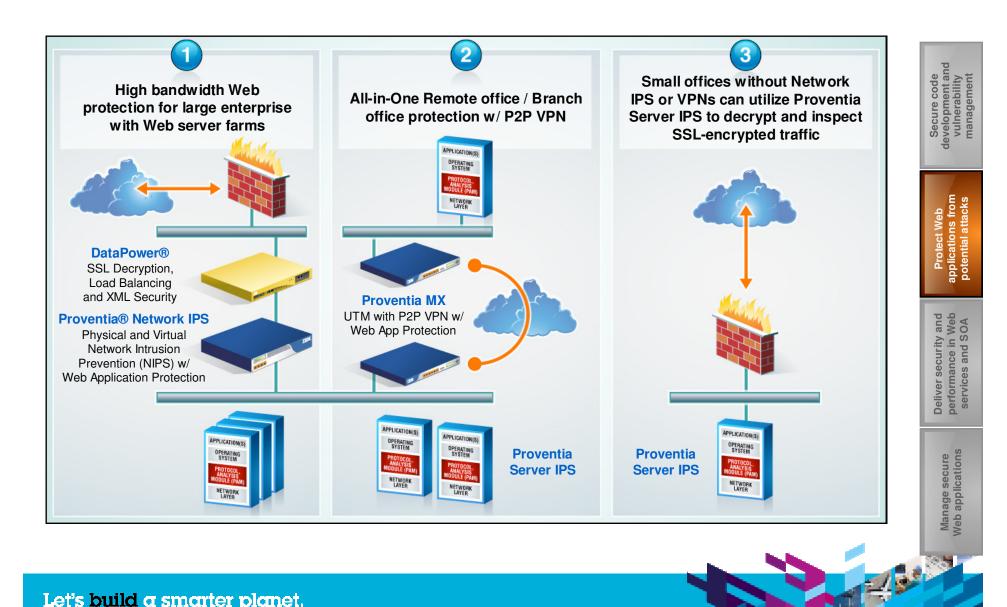
Benefits:

- Consolidated security products designed to reduce the cost and complexity of deploying and maintaining multiple point products
- Achieve PCI compliance for DSS 6.6 (June 30, 2008)
- Ease of use with wizard GUI for applying IPS policies to OWASP top vulnerabilities

Secure code evelopment an vulnerability management

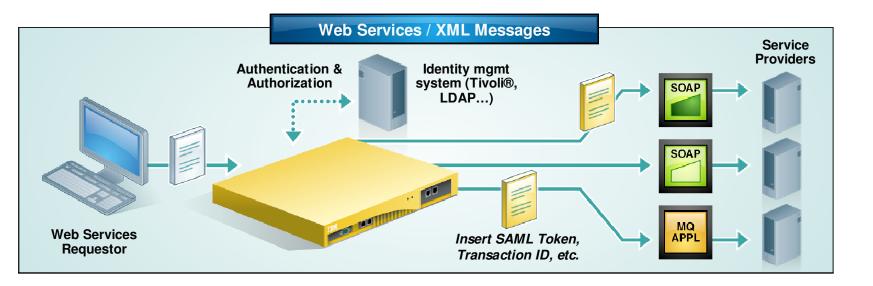


IBM Proventia Web security





Comprehensive Web services and XML security WebSphere DataPower appliances



- Encryption of transport layer HTTP, HTTPS, SSL
- XML/SOAP Firewall Filter on any content, metadata or network variables
- Data Validation Enforce incoming/outgoing XML schema, well-formedness
- Field Level Security WS-Security, encrypt and sign individual fields, non-repudiation

- Access Control (AAA) Authentication, Authorization, Accountability enforces access policy stored in an Identity Management Solution
- Message Enrichment Insert header info, SAML token, Kerberos token and transaction ID
- Anti Virus Protection Integrates with corporate virus checking through ICAP protocol
- Security standards WS-Security, WS-Policy, SAML, XACML, WS-Trust and WS-Addressing



Together Proventia® Web application security and WebSphere® DataPower® provide full Web Application Firewall (WAF) functionality

- Proventia Web Application Security Features
 - Buffer overflow exploits
 - CGI-BIN parameter manipulation
 - Form/hidden field manipulation
 - Forceful browsing
 - Cross-site scripting (XSS)
 - Command injection
 - SQL injection
 - Web site defacement
 - Well-known platform vulnerabilities
 - Zero-day exploits

DataPower Features

- Cookie watermarking (sign and/or encrypt)
- Customizable error handling
- SSL Acceleration and Termination (Link)
- Dynamic routing and load balancing
- Session handling policies
- Rate limiting and traffic throttling/shaping
- General name-value criteria boundary profiles for:
 - Query string and form parameters
 - HTTP headers
 - Cookies

Eliminate the need to purchase a stand-alone WAF

Veb Secure code s from vulnerability ttacks management

Protect Web applications from potential attacks











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