



Corporate & Cyber Security Trends – 2010 and beyond

From the 2010 IBM X-Force[®] Trend & Risk Report

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Agenda

IBM's Threat Management R&D: X-Force

- 2010 Trend Report
- Q&A



Mission - Provide the most respected security brand to our Customers and Business Partners.

IBM X-Force Research and Development

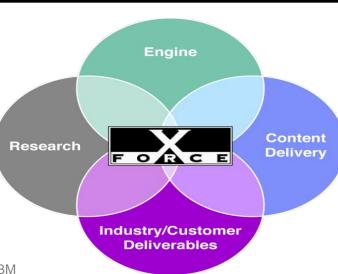
The world's leading enterprise security R&D organization

Engine

- Support content stream needs and capabilities
- Support requirements for engine enhancement
- Maintenance and tool development

Research

- Support content streams
- Expand current capabilities in research to provide industry knowledge to the greater IBM



Global security operations center (infrastructure monitoring)

Content Delivery

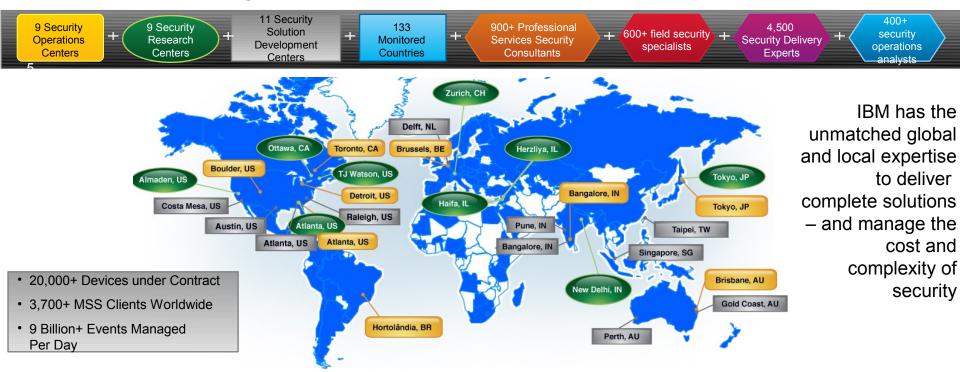
- Continue third party testing Dominance
- Execute to deliver new content streams for new engines

Industry/Customer Deliverables

- Blog, Marketing and Industry Speaking Engagements
- X-Force Database
 Vulnerability Tracking
- Trend Analysis and Security Analytics



IBM Security – One of the Largest Players in the World





World's largest URL filter list

Topicality

- Crawlers collect image and text data from the Internet 24 hours a day on 365 days, which adds up to 200 million pages each month
- Every day, customers receive updates, equaling some 150,000 changes

Quality

 Largest URL database meets practically every filtering requirement by means of indexed URLs in 68 categories

Quantity

- World's largest URL filter list contains 170 million sites
- World's largest database with **10** billion evaluated web pages and images







Spam Database

Topicality

- World wide distributed Spam Collectors collect spam 24 hours a day on 365 days -> up to 1.6 m. unique spams per day
- Update cycle for costumer: 12 times daily

Quality

- Approx. 45 mio. hot and relevant spam signatures in the database
- > 99.7+ % spam recognition
- < 0.01 % over blocking

Quantity

 Additional methods for an efficient spam recognition (Bayes Filter, URL Checker, Meta Heuristics, Flow Control, Structure Analysis, Phishing detection, ...)





Agenda

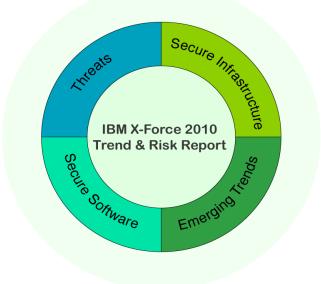
• IBM's Threat Management R&D: X-Force

• 2010 Trend Report

• Q&A



New layout and design



Section I–Threats

Section II—Operating Secure Infrastructure

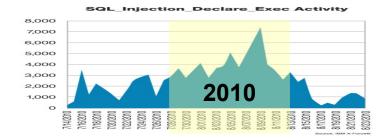
Section III— Developing Secure Software

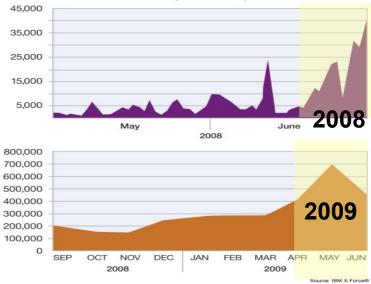
Section IV—Emerging Trends in Security



SQL Injection Attacks

- During each of the past three years, there has been a globally scaled SQL injection attack some time during the months of May through August.
- The anatomy of these attacks is generally the same: they target .ASP pages that are vulnerable to SQL injection.

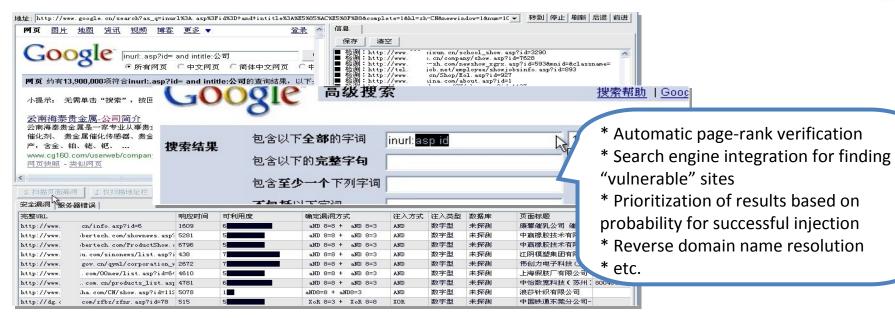




SQL Injection Attacks Monitored by IBM Managed Security Services

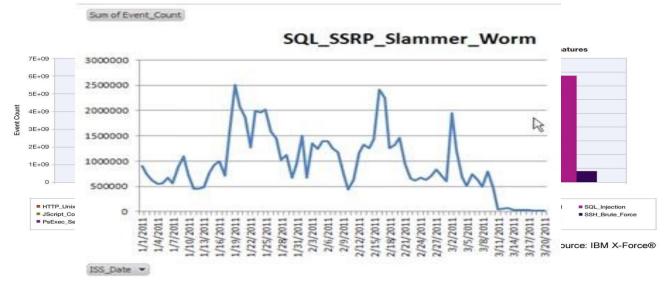


SQL Injection Attacks





SQL Slammer Worm still dominating in 2010



Breaking news: At publish time of this report X-Force witnessed a near complete drop across sensors for SQL Slammer.

Read more about this on the X-Frequency Blog

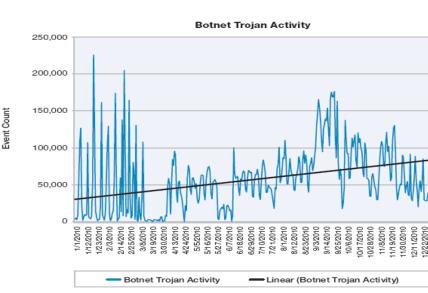


Bot Network Activity on the Rise in 2010

- Trojan Bot networks continued to evolve in 2010 by widespread usage and availability.
- Zeus (also known as Zbot and Kneber) continue to evolve through intrinsic and plugin advances.
- Various bot networks based on Zeus were responsible for millions of dollars in losses over the last few years.
- Microsoft led operation resulted in the takedown of a majority of Waldec botnet in late February.
 - Communication between Waledac's command and control centers and its thousands of zombie computers was cut off in a matter of days.
- Other activity seen is Zeus

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Zeus Crimeware Service

Member slots filled: 3 / 30 is a mix between the ZeuS Trojan and MalKit, A bro outer and start logging all outgoing connections [Q] How much does it cost? [A] Hosting for costs \$50 for 3 months. This includes th · Fully set up ZeuS Trojan with configured FUD binary. · Log all information via internet explorer Log all FTP connections Steal banking data Steal credit cards · Phish US, UK and RU banks Host file override All other ZeuS Trojan features · Fully set up MalKit with stats viewer inter graded. 10 IE 4/5/6/7 exploits 2 Firefox exploits 1 Opera exploit Admin area to view statistic: Ol Can i see a demo [A] Yes you can, there is a demo set up (Comming soon We also host normal ZeuS clients for \$10/month This includes a fully set up zeus panel/configured binary Zeus :: L Information Profile: GMT date GMT time:

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Statistics: Summary Botnet: Online bots Remote commands Logs → Search Search with template Uploaded files Logout

Hosting for costs \$50 for 3 months. This includes the following:

Fully set up ZeuS Trojan with configured FUD binary. # Log all information via internet explorer # Log all FTP connections # Steal banking data # Steal credit cards # Phish US. UK and RU banks # Host file override # All other ZeuS Trojan features # Fully set up MalKit with stats viewer inter graded. # 10 IE 4/5/6/7 exploits # 2 Firefox exploits # 1 Opera exploit"

We also host normal ZeuS clients for \$10/mon This includes a fully set up zeus panel/configured

| onth. ed binary | |
|---|--|
| Query: Log Any I Case HTTP Excl HTTPS Excl HTTPS Don' FTP POP3 Reset Grabed data Protected Storage Other | Coutput: Normal V (slow) s Search |



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MassInfect

Infects

Hits

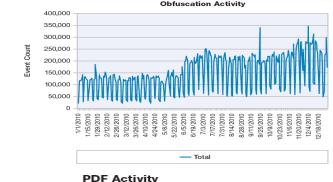
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Suspicious Web Pages and Files Show No Sign of Waning

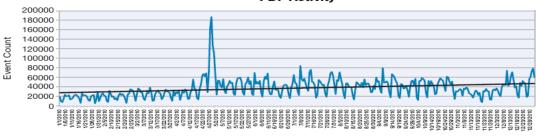
• Obfuscation activity continued to increase during 2010.

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- Attackers never cease to find new ways to disguise their malicious traffic via JavaScript and PDF obfuscation.
 - Obfuscation is a technique used by software developers and attackers alike to hide or mask the code used to develop their applications.

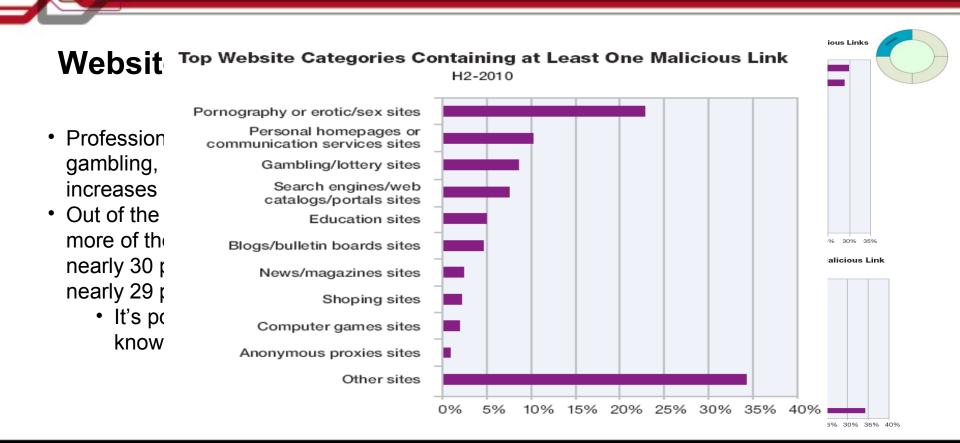


Trend Line



— Total

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Spam Continues to Change to Avoid Detection

- 90% of spam is classified as URL spam.
- Spammers continue to use "trusted" domains and "legitimate links" in spam messages to avoid anti-spam technologies.
- US, India, Brazil, and Vietnam were the top four spam-sending countries, accounting for nearly one-third of worldwide spam.
 - The US once again takes the top position for the first time since 2007.

| Rank | January 2010 | February 2010 | March 2010 | April 2010 | May 2010 | June 2010 |
|---|-------------------|-------------------|--------------------------|---------------------|----------------------|-----------------------|
| 1. | flickr.com | radikal.ru | livefilestore.com | livefilestore.com | imageshack.us | imageshack.us |
| 2. | imageshack.us | imageshack.us | imageboo.com | imageshack.us | imageshost.ru | imageshost.ru |
| З. | radikal.ru | livefilestore.com | radikal.ru | imageshost.ru | myimg.de | pikucha.ru |
| 4. | livefilestore.com | flickr.com | imageshack.us | imgur.com | xs.to | imgur.com |
| 5. | webmd.com | live.com | googlegroups.com | myimg.de | imgur.com | mytasvir.com |
| 6. | picsochka.ru | imageboo.com | live.com | xs.to | tinypic.com | mojoimage.com |
| 7. | live.com | capalola.biz | akamaitech.net | icontact.com | livefilestore.com | myimg.de |
| 8. | superbshore.com | feetorder.ru | gonestory.com | tinypic.com | icontact.com | twimg.com |
| 9. | tumblr.com | laughexcite.ru | bestanswer.ru | live.com | googlegroups.com | icontact.com |
| 10. | fairgreat.com | hismouth.ru | wrotelike.ru | binkyou.net | images-amazon.com | twitter.com |
| | | | | | | |
| Rank | July 2010 | August 2010 | September 2010 | October 2010 | November 2010 | December 2010 |
| 1. | imageshack.us | yahoo.com | the.com | businessinsider.com | rolex.com | pfizer.com |
| 2. | icontact.com | the.com | of.com | migre.me | msn.com | viagra.com |
| З. | the.com | icontact.com | msn.com | 4freeimagehost.com | bit.ly | msn.com |
| 4. | myimg.de | feetspicy.com | pfizerhelpfulanswers.com | bit.ly | pfizer.com | rolex.com |
| 5. | of.com | of.com | and.com | postimage.org | 00.00 | bit.ly |
| 6. | imgur.com | ratherwent.com | bit.ly | imgur.com | royalfoote.com | product45h.com |
| 7. | by.ru | and.com | in.com | pfizer.com | royalbelie.com | newpfizermed5k.com |
| 8. | and.com | facebook.com | yahoo.com | viagra.com | royalreleasable.com | xmages.net |
| 9. | in.com | in.com | a.com | uploadgeek.com | luxurystorewatch.com | cordfork.com |
| 10. | tastymighty.com | a.com | x-misc.com | vipplayerq.com | basincook.com | onlinepfizersoft2.com |
| Table 3: Most common domains in URL spam, 2010 H1-2008 H2-2008 H1-2009 H2-2009 H1-2010 H2-2010 | | | | | | |

% of Span Country % of Spam Country USA 10.9% United Kingdom 4.4% India 8.2% Germany 3.7% Brazil 8.1% 3.3% South Korea 5.4% 3.0% /ietnan Ukraine 5.2% Romania 2.9% Russia

Table 5: Geographical Distribution of Spam Senders - 2010

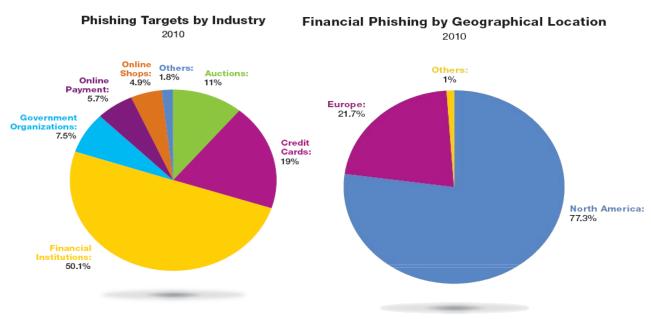
- Spam Domains





Phishing Targets Financial & Credit Card Industries

- 50.1% of phishing is targeted at the financial industry vs. 60.9% in 2009.
- 77% of all financial phishing targets in the 2010 are located in North America vs. 95% in 2009.
 - 22% of financial phishing targets are located in Europe
- **19%** of phishing emails were targeted at credit cards.





Phishing Attacks Continue to Decline

- In 2010, Phishing emails slowed and the volume did not reach the levels seen at the end of 2009.
- India is the top sender in terms of phishing volume, while Russia is in second place, and Brazil holds third place.
 - Newcomers in the top 10 are Ukraine, Taiwan, and Vietnam, while Argentina, Turkey, and Chile disappeared from this list.
- Over time popular subject lines continue to drop in importance.
 - By 2010, the top 10 most popular subject lines only represented about 26 percent of all phishing emails

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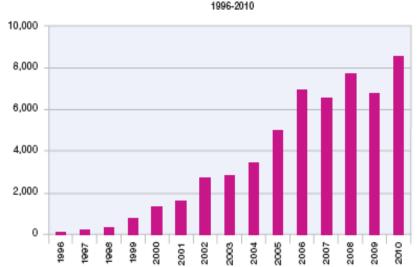
| Country | % of Phishing |
|---------|---------------|
| India | 15.5% |
| Russia | 10.4% |
| Brazil | 7.6% |
| USA | 7.5% |
| Ukraine | 6.3% |

Table 7: Geographical Distribution of Phishing Senders - 2010



Vendors Reporting the Largest Number of Vulnerability Disclosures in History

- Vulnerability disclosures up 27%.
 Web applications continue to be the largest category of disclosure.
- Significant increase across the board signifies efforts that are going on throughout the software industry to improve software quality and identify and patch vulnerabilities.



Vulnerability Disclosures Growth by Year

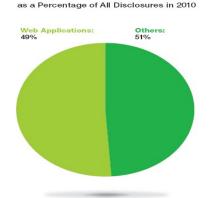


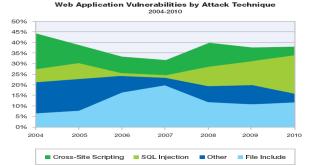


Web App Vulnerabilities Continue to Dominate

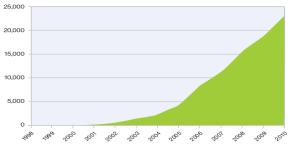
- Nearly half (49%) of all vulnerabilities are Web application vulnerabilities.
- Cross-Site Scripting & SQL injection vulnerabilities continue to dominate.

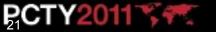
Web Application Vulnerabilities





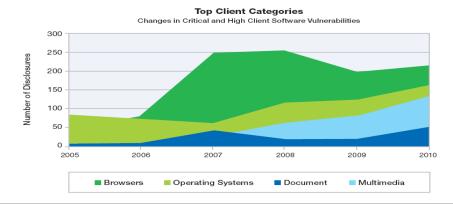
Cumulative Count of Web Application Vulnerability Disclosures 1998-2010



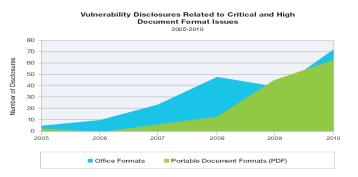


Client-Side Vulnerabilities

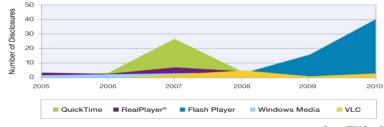
- Web browsers and their plug-ins continue to be the largest category of client-side vulnerabilities.
- 2010 saw an increase in the volume of disclosures in document readers and editors as well as multimedia players.











Source: IBM X-Force®



Patches Still Unavailable for Many Vulnerabilities

- 44% of all vulnerabilities disclosed in 2010 had no vendor-supplied patches to remedy the vulnerability.
 - Most patches become available for most vulnerabilities at the same time that they are publicly disclosed.
 - However some vulnerabilities are publicly disclosed for many weeks before patches are released.

| Patch Timeline | All | Top Vendors |
|----------------|------|-------------|
| Same Day | 3400 | 1814 |
| Week 1 | 192 | 34 |
| Week 2 | 55 | 11 |
| Week 3 | 57 | 12 |
| Week 4 | 33 | 7 |
| Week 5 | 27 | 7 |
| Week 6 | 22 | 4 |
| Week 7 | 17 | 3 |
| Week 8 | 16 | 8 |

Patch Release Timing – First 8 Weeks of 2010

Table 12: Patch release timing 2010

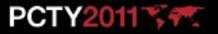




Exploit Effort vs. Potential Reward

- Economics continue to play heavily into the exploitation probability of a vulnerability
- All but one of the 25 vulnerabilities in the top right are vulnerabilities in the browser, the browser environment, or in email clients.
- The only vulnerability in this category that is not a browser or email client side issue is the LNK file vulnerability that the Stuxnet worm used to exploit computers via malicious USB keys.





Advanced Persistent Threats (APT)

Advanced

- Using exploits for unreported vulnerabilities (zero day)
- Advanced, custom malware that isn't detected by antivirus products
- · Coordinated attacks using a variety of vectors

Persistent

- · Attacks lasting for months or years
- · Resistant to remediation attempts
- · Attackers are dedicated to the target they WILL get in

Threat

- Targeted at specific individuals and groups within an organization, aimed at compromising confidential information
- Not random attacks they're actually "out to get you"







Sophisticated Targeted Attacks

Reconnaissance

- · Identification of a target and method of compromise
- Initial target is not always the true target

Social Engineering

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- Most commonly spear-phishing (email or IM that appears to come from a known trusted source)
- Message contains a malicious payload or a link to a web page that has malicious code

0-Day Tools

- Attacks involve exploitation of never-before-seen vulnerabilities discovered by the attackers
- Not all malware in APT cases is undetectable but the majority of malware used during the initial compromise is custom





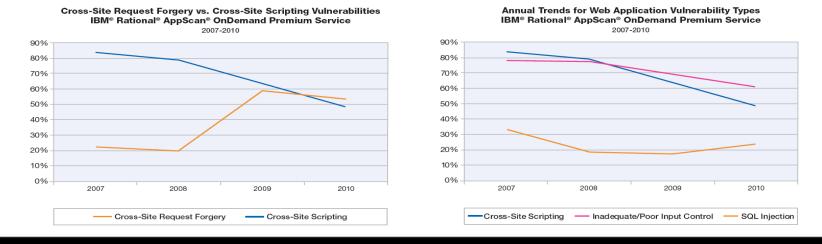




Real World Conclusions from Web App Assessments



- In 2010, for the first time, we now find that Cross-Site Request Forgery (CRSF) vulnerabilities are more likely to be found in our testing than Cross-Site Scripting (XSS) vulnerabilities.
- XSS and SQL injection are both attributed directly to a lack of input control. The likelihood of finding it in 2010 is more than 60%.





Distribution of Client-Side JavaScript Issues

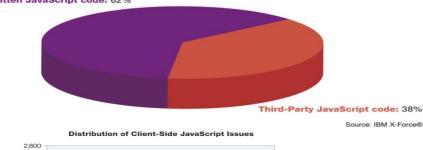


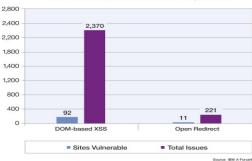
Vulnerable Third-Party JavaScript Code Versus In-House Written Code

In-House written JavaScript code: 62%

- Client-side vulnerabilities are quite common in modern web applications, especially those that rely on JavaScript for performing client-side logic—i.e. Web 2.0, AJAX and rich Internet applications.
- In addition, a substantial number of the existing JavaScript client-side vulnerabilities on the Internet are introduced from 3rd party code that is not developed in-house, and usually is not reviewed for security issues.

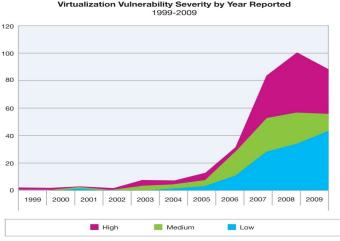
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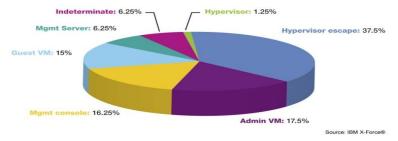


Virtualization Security Increasingly a Focus

 37.5% of server class vulnerabilities affect the hypervisor



Distribution of Virtualization System Vulnerabilities

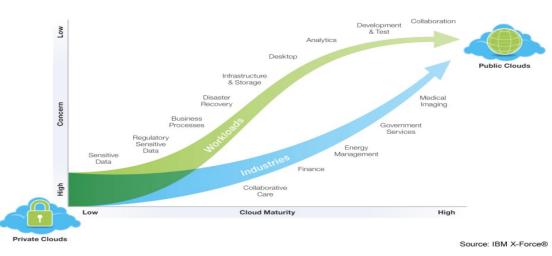


Source: IBM X-Force®



Cloud Security

- Adoption of cloud security continues to evolve and knowledge around this emerging technology increased.
 - Providing an infrastructure that is secure by design with purposebuilt security capabilities that meet the needs of the specific applications moving into the cloud.
 - As more sensitive workloads move into the cloud, the security capabilities will become more sophisticated.



Cloud Maturity Model



Proliferation of Mobile Devices Raises Security Concerns

- 2010 saw significant increases in the number of vulnerabilities disclosed for mobile devices as well as number of public exploits released for those vulnerabilities.
 - Motivations of these exploit writers is to "jailbreak" or "root" devices enabling various functionality not intended by manufacturers.
 - Malicious applications were distributed in the Android app market that used widely disseminated exploit code to obtain root access to devices and steal information.

2010

2009



2008

Mobile OS Exploits

2006

2007





For More IBM X-Force Security Leadership



X-Force Trend Reports The IBM X-Force Trend & Risk Reports provide statistical information about all aspects of threats that affect Internet security,. Find out more at http://www-935.ibm.com/services/us/iss/xforce/trendreports/



X-Force Security Alerts and Advisories Only IBM X-Force can deliver preemptive security due to our unwavering commitment to research and development and 24/7 global attack monitoring. Find out more at http://xforce.iss.net/



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- 2010 Trend Report







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