



CYLANCE[™]
CONSULTING

***LESSONS FROM THE WANNACRY / ICS
TRENCHES***

***WHERE ARE WE HEADED, AND HOW DO
WE RESTORE TIME TO OUR
ADVANTAGE?***

Scott Scheferman
Director of Consulting

MISSION

Protect my little warfighter

DoD is FULL of ICS where safety/life, mission availability and operational challenges can often mirror traditional ICS environments in Energy, O&G

That said, I am not an ICS expert



HUMAN PREDICTIONS

- July 2016 article in ITSP

Critical Asset Targeting

A criminal may not need to target an entire enterprise's set of hosts for maximum return potential. Targeting a few critical assets and preventing restoration ahead of time may be all that is needed to extract a higher ransom amount from some organizations. Think of print servers sitting in a massive warehouse distribution operation. Many of these print servers are still running Windows XP – oftentimes because they are so critical to the Destruction

This is basically “throw away the key.” Scheferman and team have seen worming
Source-Code Injection / Co-Packaged Mobile Apps

Why encrypt one laptop, if you can encrypt them all? If a large open-source software distribution ever gets back-doored by a ransomware campaign, it could be devastating. Imagine hundreds of thousands of end-users all getting hit with the same time-delayed and coordinated ransomware all at the same time. This event would overwhelm third-party

Focus on Human Life as Leverage

This last April and May, Scheferman and his team were responding to an incredibly nasty samsam (aka samas) ransomware campaign that was victimizing hospitals and medical centers, worming through externally-facing JBoss servers, deleting snapshot backups, and encrypting entire networks. Patients were forced to be relocated in some cases and some surgeries had to be delayed in another.

Why stoop to such lows as a criminal? Because human life and safety is the greatest form of leverage.

So what's next then? EMS systems? Critical Infrastructure controller systems? Water treatment plants? Paying a ransom may be an infinitely-safer bet than attempting an off-site restoration – especially when human life and safety is in the mix. By the time a cloud-backup strategy can restore an entire network, it may simply be too late. Prepare for merciless ransomware timelines and extortion-level ransom amounts.

EVENTUALLY IN ICS, WE NEED TO BE HERE



“It is a **renaissance**, it is a **golden age**...
we are now solving problems with ML
and AI that were in the realm of science
fiction for the last several decades...ML
and AI is a horizontal-enabling layer, it
will empower and improve every
business, every government
organization, philanthropy, basically *there
is no institution in the world that cannot
be improved with ML*”



Jeff Bezos, CEO of Amazon



ALPHA (PREDICTIVE AI)

During simulated aerial engagements with ALPHA, Lee could not score a single kill and was repeatedly shot out of the air.

ALPHA processes sensor data and plans combat moves ... over 250 times faster than the eye can blink — reaction times far beyond human abilities...

And it runs on a \$500 laptop...



“It seemed to be aware of my intentions and reacting instantly to my changes in flight and my missile deployment. It knew how to defeat the shot I was taking.”

RETIRED AIR FORCE
COLONEL GENE LEE

EA-18G GROWLER AND *PREDICTIVE* “COGNITIVE ELECTRONIC WARFARE”



“[...] we respond and **react faster than human timescales**, [...] scouring the spectrum in real time and applying [...] artificial intelligence. [Then we] build onboard systems that can learn what the adversary is doing in the electromagnetic spectrum, **start making predictions about what they’re going to do next**, and then adapt the onboard jammer **to be where the adversary’s going before they get there.**”

DARPA DIRECTOR ARATI PRABHAKA

NETFLIX PREDICTIVE AI

NETFLIX

Netflix's predictive AI is so effective that now you don't even have to use a 5 star rating system for it to know what you'll want to watch for years to come...all based on a predictive self-learning A.I. that knows your movie/TV tastes in ways you'll likely never even comprehend yourself.

Netflix found that customers, on average, give up 90 seconds after searching for a movie. By improving search results, Netflix projects that they have avoided canceled subscriptions enough to prevent \$1B of losses every year. (\$2.7m/day!)

BETTERMENT RETIREMENT INVESTING AKA: ROBO-ADVISING



Jon Stein, CEO of Betterment, a fast-growing A.I. “robo-advisor” for personal finance and investment decision-making, said “When Betterment started, there was a lot of fear that the human role [of investment advisor] would disappear. But that did not happen. Each person instead can now serve more customers better.” Longtime New York venture capitalist Alan Patricof chimed in to say “We’re going into a phase where we’re teaching ourselves to get better and better” through the use of computing.

IF TIME WAS A SPEAR...

KNOWN THREATS

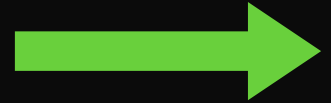
Legacy Antivirus
NG Firewalls
Web Proxies
IDS/IPS
All Signature/Heuristic-Based Tech

UNKNOWN THREATS



Detonation Chambers,
Call-back
Detection,
Anomalytics,
Cyber Threat
Intelligence

AHEAD OF ALL THREATS



PREDICTIVE AI

TEMPORAL ADVANTAGE

To put it simply: threat actors have had a *temporal advantage* over us. We have been playing catch-up for decades, especially in ICS/OT

INTRODUCING THE TEMPORAL PREDICTIVE ADVANTAGE

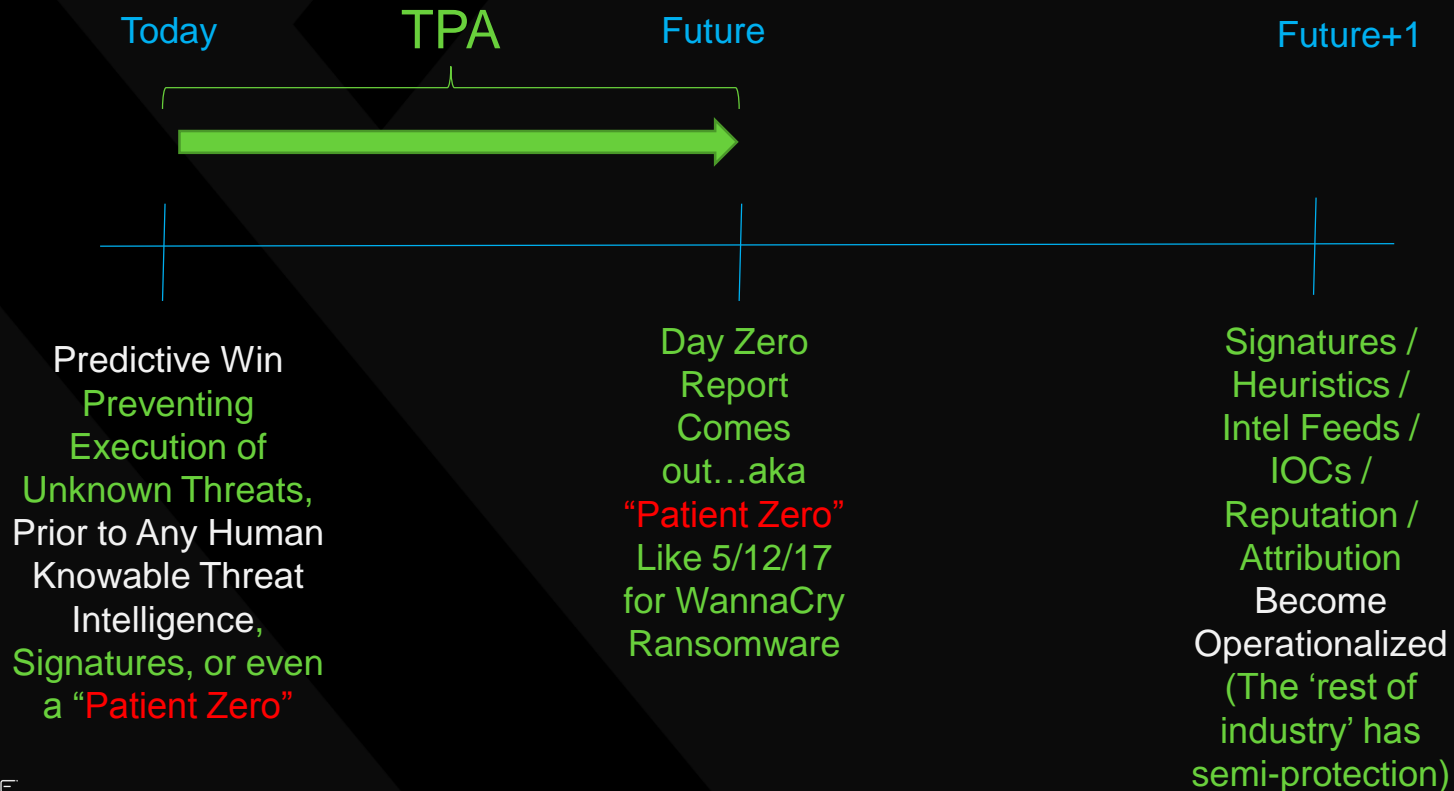
What is it?

The Ability to Predict and Be where the Enemy is Going to
be Before they Get There



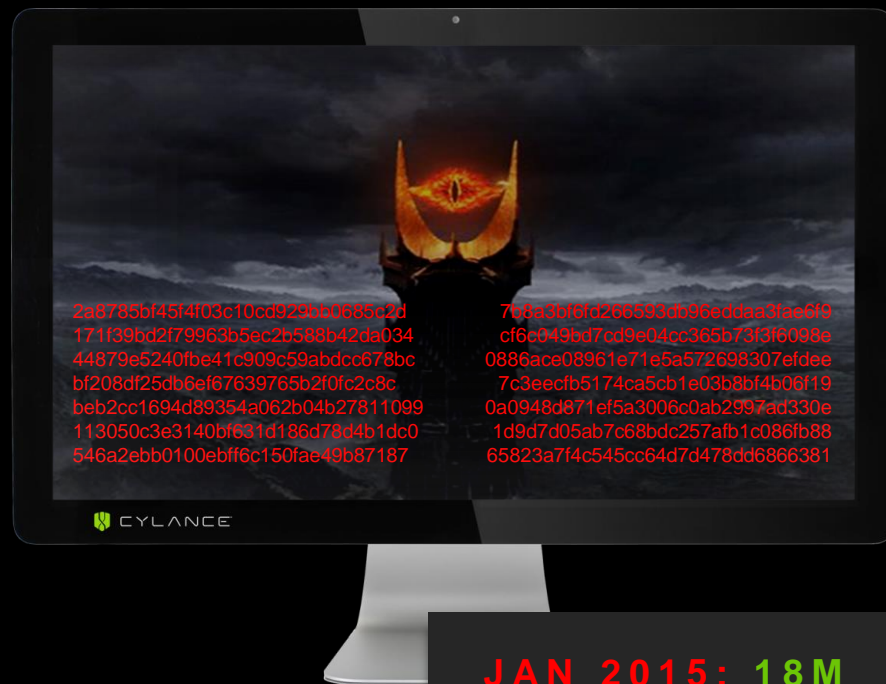
*“The number of days by which Predictive AI is able to
successfully predict and prevent the execution of threats,
prior to the date of the first industry report on that threat campaign
....and do so without need for the cloud.”*

TEMPORAL PREDICTION ADVANTAGE



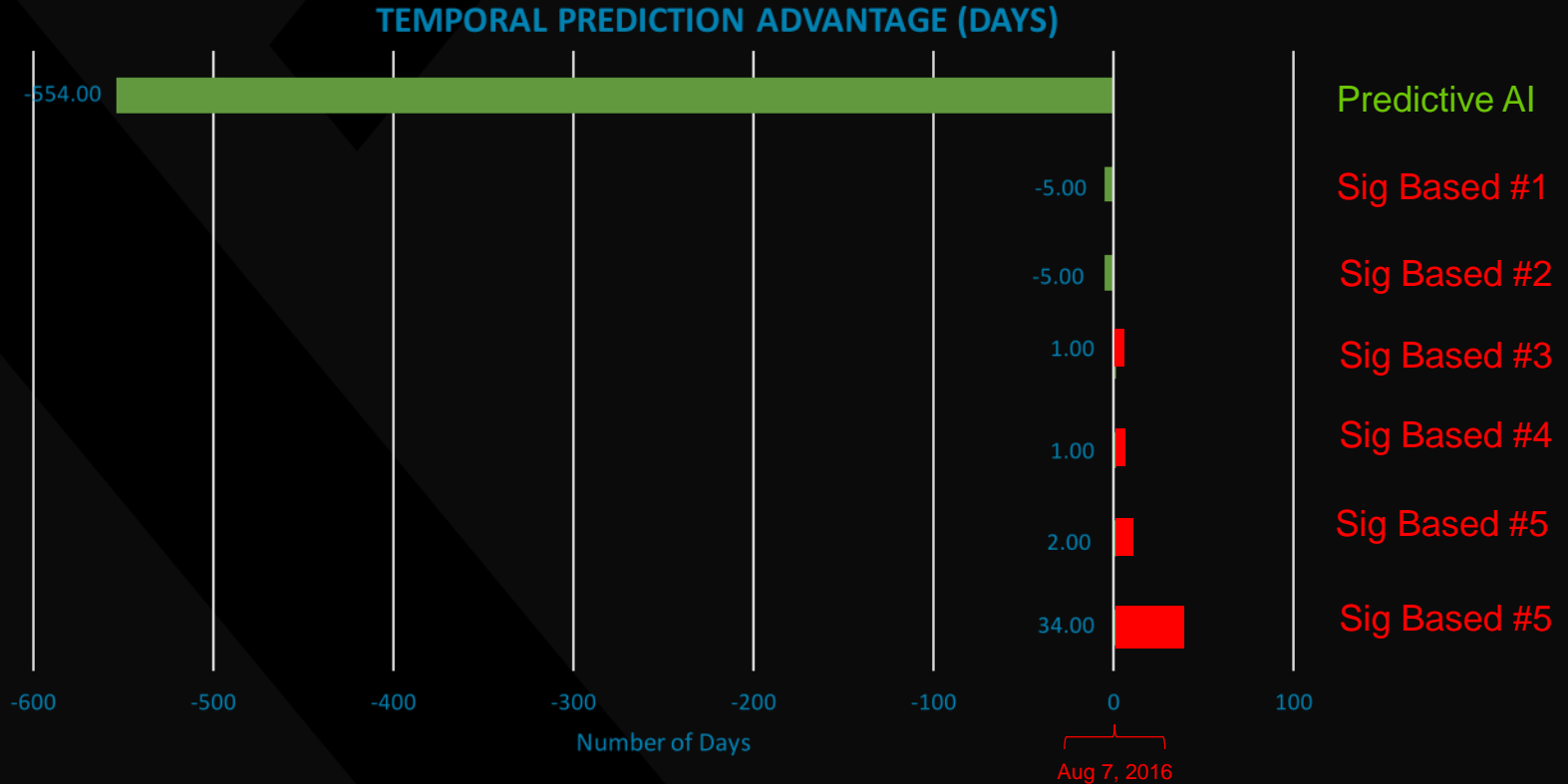
SAURON/ STRIDER/ REMSEC

- Espionage Backdoor dating back to 2011. Undetected until
- Human Discovered **August 2016**
- Uses blobs (Binary Large Objects), LUA, and memory resident code over the network to evade detection



JAN 2015: 18M
Prior to human discovery

REMSEC: 2a8785bf45f4f03c10cd929bb0685c2d



SHAMOON 2 / WAVE 2

- Energy / S.A. Focused, destructive, leverages hard-coded user account/passwords to target related VDI systems, and destroys MBR
- Human Discovered by PAN Unit42 on **Nov 30 2016** **Shamoon 2**
Jan 9 2017 **Shamoon 2, 2nd Wave**
- Human Discovered by Symantec on **Jan 23 2017** **GreenBurg (PW stealer)**

```
network boot from Intel E1000
Copyright (C) 2003-2014 VMware, Inc.
Copyright (C) 1997-2000 Intel Corporation
```

```
CLIENT MAC ADDR: 00 0C 29 C9 50 0A GUID: 564DEE19-3DD4-B069-B136-949F24C9500A
PXE-E53: No boot filename received
```

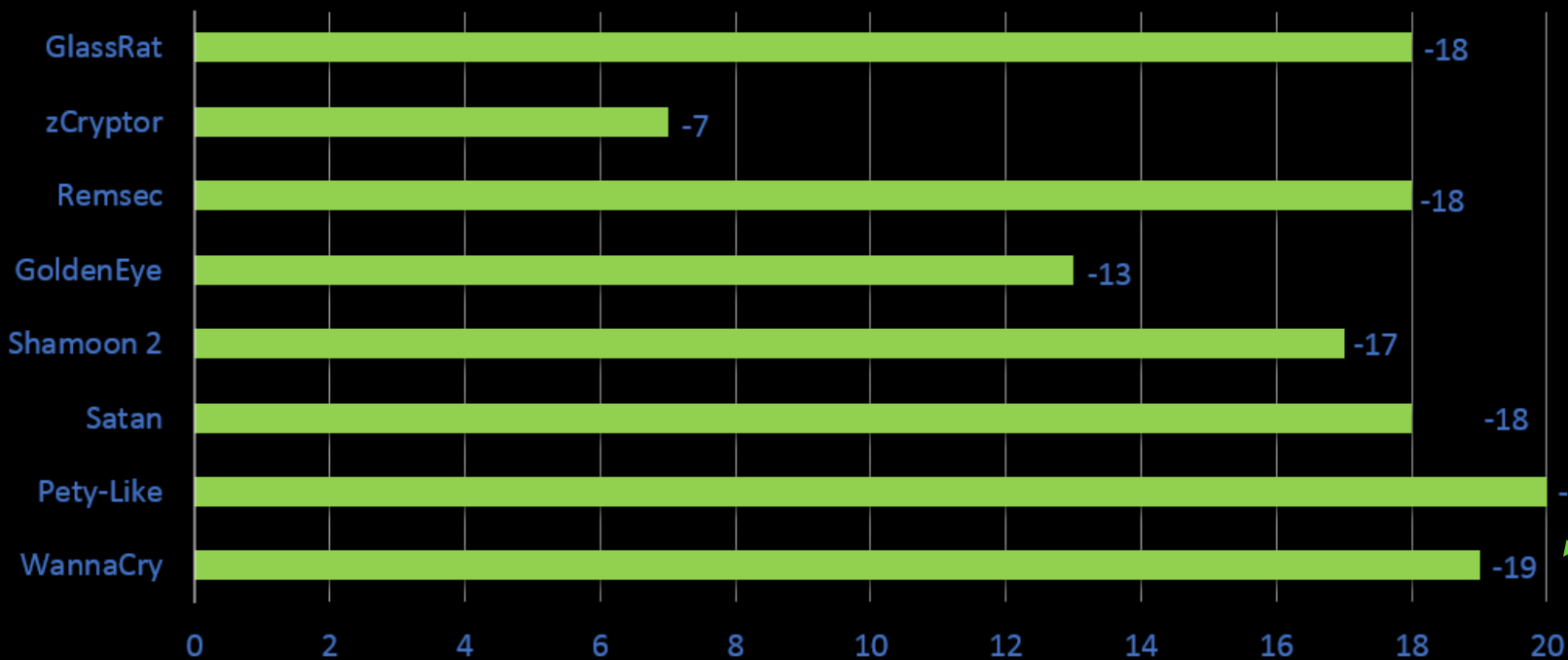
```
PXE-M0F: Exiting Intel PXE ROM.
Operating System not found
```

```
47bb36cd2832a18b5ae951cf5a7d44fba6d8f5dca0a372392d40f51d1fe1ac34 (x64)
394a7ebad5dfc13d6c75945a61063470dc3b68f7a207613b79ef000e1990909b (x86)
61c1c8fc8b268127751ac565ed4abd6bdab8d2d0f2ff6074291b2d54b0228842 (x86)
c7fc1f9c2bed748b50a599ee2fa609eb7c9ddaeb9cd16633ba0d10cf66891d8a (x64)
128fa5815c6fee68463b18051c1a1ccdf28c599ce321691686b1efa4838a2acd (x86)
308A646F57C8BE78E6A63FFEA551A84B0AE877B23F28A660920C9BA82D57748F
7F16824E7AD9EE1AD2DEBCA2A22413CDE08F02EE9F0D08D64EB4CB318538BE9C
319A001D09EE9D754E8789116BBB21A3C624C999DAE9CF83FDE90A3FBE67EE6C
82BEAEF407F15F3C5B2013CB25901C9FAB27B086CADD35149794A25DCE8ABC9
44BDF5266B45185B6824898664FD0C0F2039CDCB48B390F150E71345CD867C49
21F5E60E9DF6642DBBCECA623AD59AD1778EA506B7932D75EA8DB02230CE3685
6B28A43EDA5B6F828A65574E3F08A6D00E0ACF84CBB94AAC5CEC5CD448A4649D
010D4517C81BCDC438CB36FDF612274498D08DB19BBA174462ECBEDE7D9CE6BB
EFD2F4C3FE4E9F2C9AC680A9C670CCA378CEF6B8776F2362ED278317BFB1FCA8
```

 CYLANCE

Shamoon 2: 483D
GreenBurg: 517D
Shamoon 2/W2: 523D
Prior to human discovery

Temporal Predicative Advantage (months)



Note:
Offline Mode
Ave: ~~45.0~~ 16.5
months

So, why not leverage **Predictive AI** when
we are conducting Compromise
Assessments & Incident Response?



And for Beyond Just Malware...

QUAKBOT IN OR NEAR ICS.... ?

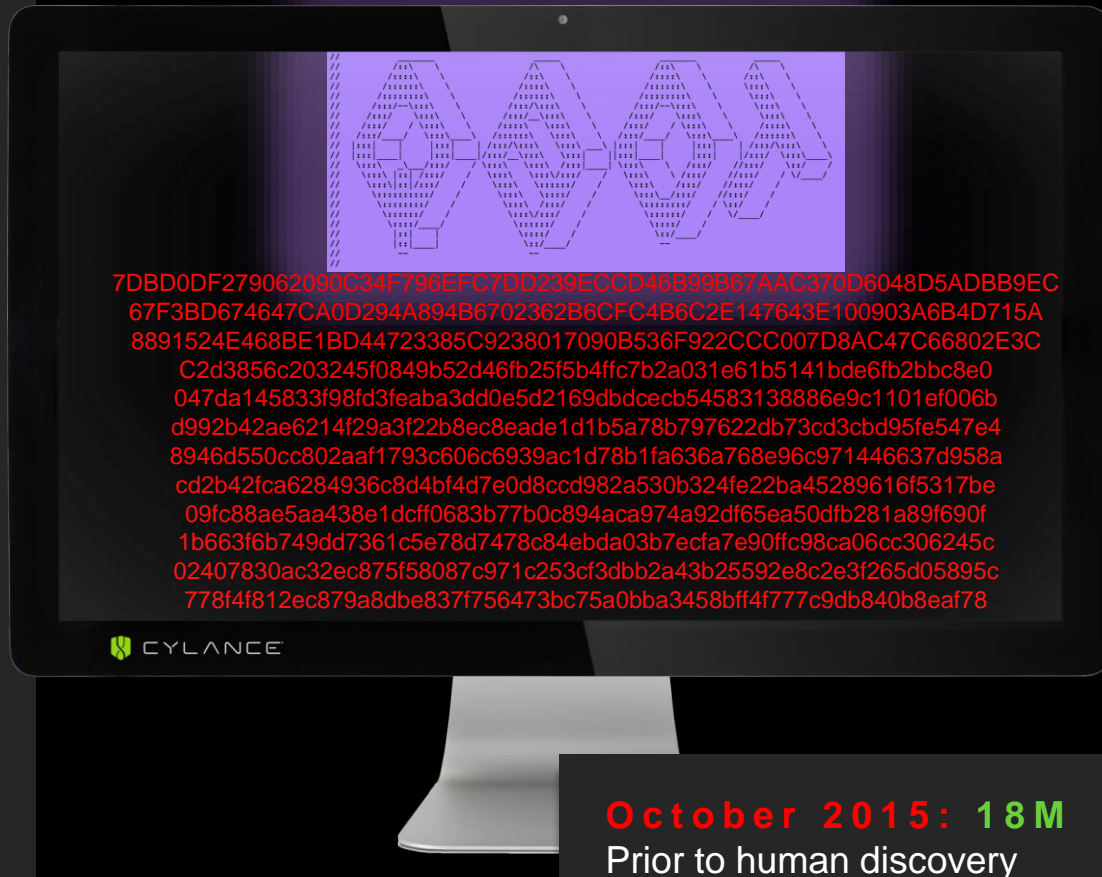
- QuakBot / Qbot is making a massive come-back in 2017
- 13 active IR's going on right now
- Low detection rates (<25%), highly evasive, polymorphic
- Proactively mining this campaign given our AI predicted this +17 months ago (via fuzzy hashing to work backwards from the AI)
- Reworked to target 64-bit browsers = no small feat / investment
- Multi-threaded = likely a new author. Cleaner code, efficiency gains
- RNG code un-changed
- 20% of code is Persistence Mechanisms that bypass:
Microsoft, McAfee, AVG, Kaspersky, NOD32, BitDefender, Avast, TrendMicro. Knocks Windows Defender completely offline
- Int'l Character Support and affecting output at several Int'l ICS clients
- Fully contained via AI during IR's

NOW THINK ABOUT YOUR OWN ICS – THE IT/OT CREDENTIALS CONNECTION

- No stones are left unturned!
 - It can easily lock out thousands of accounts in quick succession
 - Rapid automated logon attempts, some launched using accounts that do not exist
 - Deploys malicious executables to network shares & registers them as a service
 - No accounts are off limits: backup, sql, DA, application PWs
 - MITM Browser for code injection and password theft via fake logins
 - Keystroke logger
 - HTTPS auth data, digi certs, cached creds, cookies, FTP/POP3, tokens
 - Recon! IP/DNS/hostname, domain, user privs, software list, protected storage creds (all things to point to your ICS!)

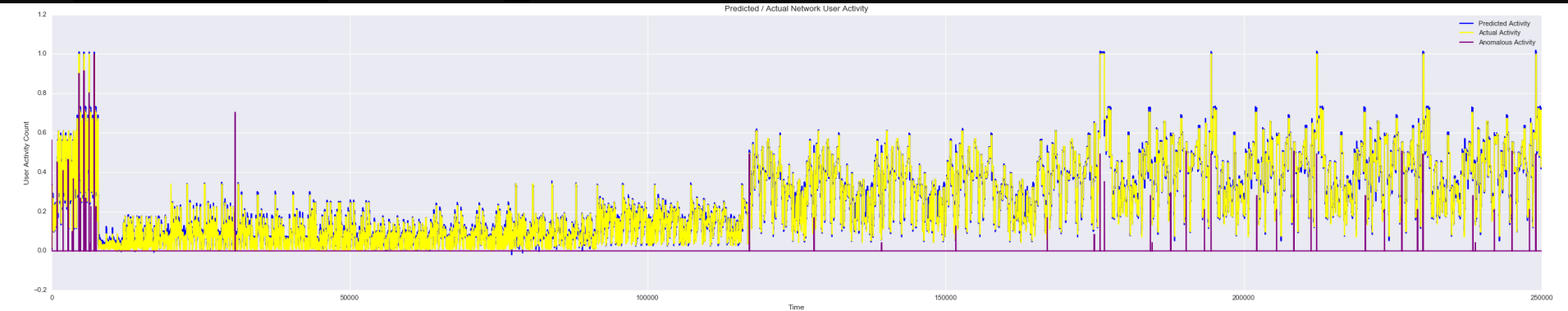
QBOT / QAKBOT 2017

- Largely rewritten from ground up: 64-bit, multi-threaded, multi-national
- Evades/Persists vs. Microsoft, McAfee, AVG, Kaspersky, NOD 32, BitDefender, Avast, and TrendMicro Legacy A/V
- Rapidly evolving, uses DGA's, locks out entire enterprises, steals creds
- Vertical-agnostic this time (not just FIN)
- Human-Discovered: **April 2017**

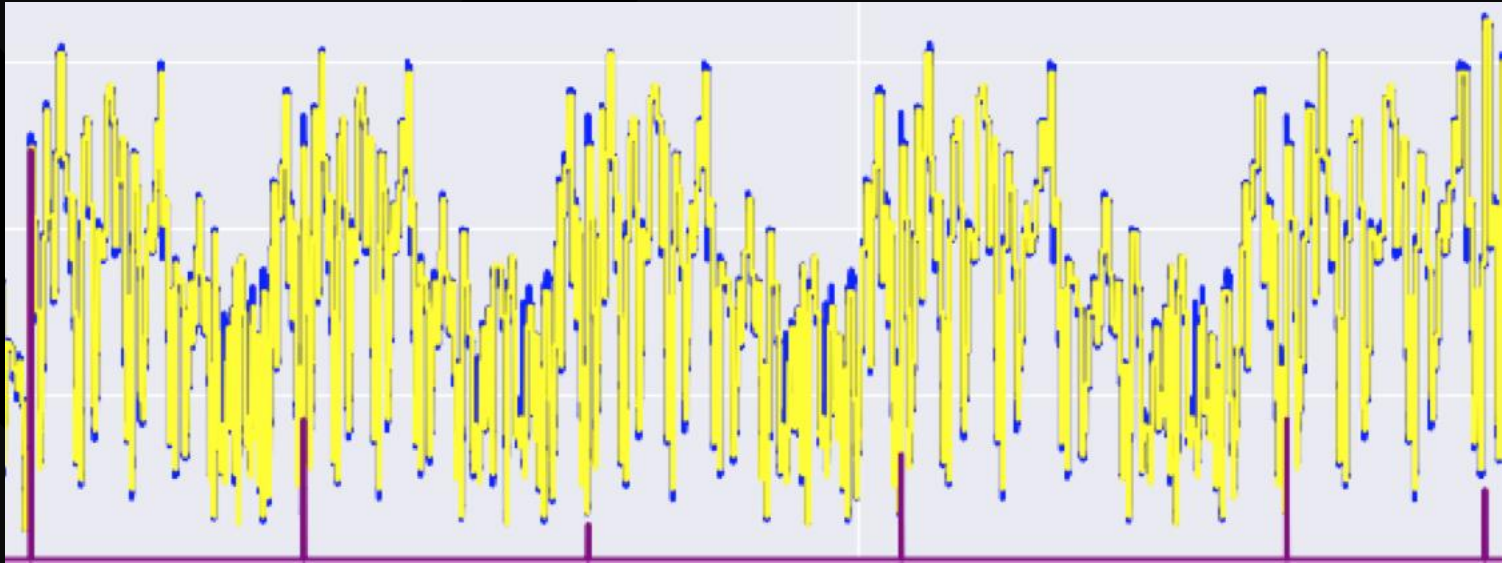


**WHILE ON THE SUBJECT OF CREDENTIALS... HOW DO
YOU KNOW WHEN YOUR ACCOUNTS ARE
COMPROMISED?**

The User Account Activity AI kind of looks like this for a 10,000+ device network



The Irony of applying AI to *more* data, where *bigger* is
easier



= Actual

= Predicted

= Anomaly (The higher the peak the more anomalous the event)

The Math Goes a Little Something like This....

- Looks at over 100 discreet event types and normalizes event data
- An auto encoder neural network preprocesses clusters into separated groups
- Feeds into a recurrent neural network model using Long Short-Term Memory (LTSM) hidden layers:
 - Used to model out regular user / network activity and make predictions
 - Calculates the difference of the model's predictions to the actual activity and then calculates standard deviation
 - Finds outlier time slices to point back to compromised accounts
- Ability to monitor either individual users or the entire network of users
- Takes into account scheduled events that would otherwise trigger an anomaly (FPs)
 - Uses memory cells to record and consider events like mass-logons during device inventory scans
- Constantly improves over time, yielding higher confidence and faster results

Let's take a quick look at WANNACRY



Who Could Have Predicted WannaCry?

WANNACRY WORM PREDICTION

Who could have predicted that a worm (which we haven't seen the likes of in nearly a decade) would have taken out hospital systems, two airlines, railway systems, 2 automobile manufactures, shipping companies, power companies, police departments, ATMs, and even laundry mat machines around the world, over 230,000 machines, in one weekend?



HOW DID WANNACRY ORIGINATE

- NSA discovered the 'EternalBlue' exploit
- Disclosed by Shadow Brokers dump in April 2017
- Microsoft issues patch in April 2017 as critical security bulletin MS17-010
- Flaw was so critical that even Windows XP patched
- First sample on Virus Total March 20 2017
- Major outbreak started in EMEA Friday May 12 2017 and continues

CYLANCE WANNACRY TEMPORAL PREDICTIVE ADVANTAGE

What happens when the hash changes? Or the hack method changes?

— PROTECTED
— VULNERABLE

CYLANCE



NOVEMBER 2015

Cylance releases
PROTECT model
(version) 1350.
Customers protected.

1.5 YEARS



Cylance customers are protected

OTHERS



NOVEMBER 2015

Others write patches for
**known exploits at the
time, but not for EB.**
Microsoft Windows
is vulnerable is vulnerable to
EB.



3/12/2017

Microsoft patches
Windows for known
vulnerabilities. **Not
everyone updates.**



4/14/2017

"Shadow Brokers"
hackers publish
trove of NSA attack
method documents



5/12/2017

WannaCry propagates
the internet. Impacted:

- Healthcare
- Government
- Logistics
- Transportation
- Manufacturing
- Financial Services



5/12/2017

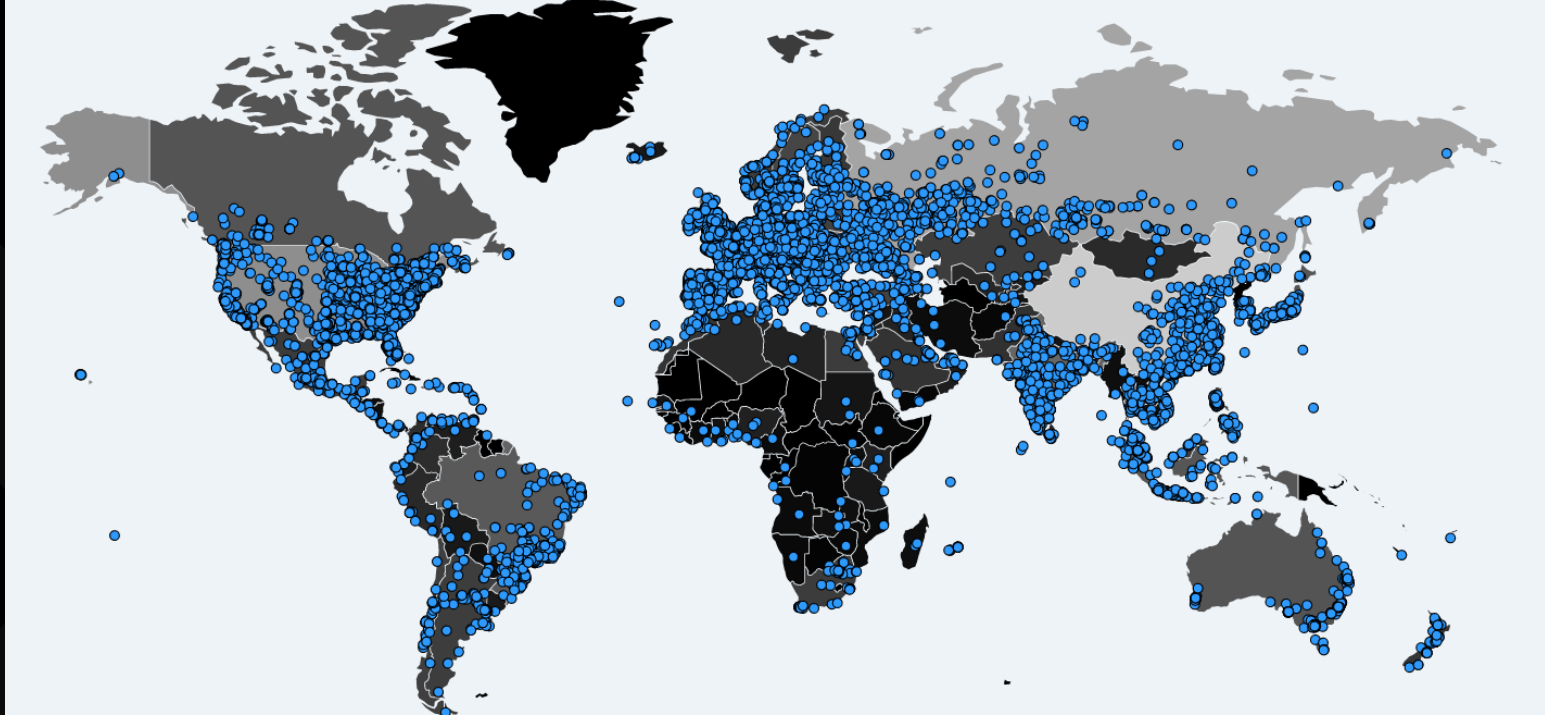
Traditional AV
vendors issue
signatures, patches,
and help articles.



5/15/2017

Traditional AV
vendors issue
emergency DAT
files for WannaCry
variants

300,000 INFECTIONS ACROSS 150 COUNTRIES



SOME OF WHAT WE LEARNED ABOUT THE BATTLE

- *Devices that can't be patched or upgraded still need a contingency plan and a place in the DRP
- *In some plant environments, SMB v1 is critical to plant operations....you can't just 'block it'
- *If you do try to disable or block SMB, you can affect your ability to manage and inventory those devices via traditional IT solutions
- *You don't have enough bandwidth in your plant to handle an SMB worm storm... No, really.
- *You don't actually have a full inventory of devices, VDI environments, and many are not label or accounted for. The basics MATTER when you are on your knees. ALL of them.
- *It may only take a squad to run a production plant...but it takes an ARMY to turn it back around
Your Vendor SLA's are part of the reason why
- *Your workforce's ability to expertly restore a diverse array of devices all at once is effectively zero
- *You won't have time to worry about attribution, motive, or RCA... Those are luxuries in the face of a worm like Eternal Blue/Double Pulsar
- *You have lost all security-control of your environment, there is no going back to 'business as usual'. Double Pulsar can be used to steal credentials and execute any file on disk, pass commands, etc. It is a *quintessential* OS exploit. Your enterprise becomes swiss cheese for any follow-on attacks, or malicious insiders.
- *Be prepared to dev your way out of the rabbit hole, be flexible, and make quick, risk-based decisions. This is true triage, and risk of re-infection and bandwidth storms is high.
- *What you think is a ransomware attack may not be...or it may. Proceed under ALL potentialities, don't pick just one. Corrupted payloads? Creds? Lack of RCA/foehold? Resistant staff?

WHAT IS TO COME?

Emotional Simian Configurator

Whitelisted Drives:

- ☐ Not using this one because it is not checked (SN#:1181200000)
- ☐ ES Demo (SN#: Put thumb drive A num here)
- ☐ ES Demo (SN#: Put Thumb drive B num here)
- ☐ ES Demo (SN#: 0018f3d974b4bb503176006d)
- ☒ ES Demo (SN#: 04f1eb60c331ba40)
- ☒ ES Demo (SN#: 09021000000000000000000000620)

Target Name: ES Demo

Drive Serial Number: 09021000000000000000000000620

Find Serial Number

Infect Local ThumbDrive

ES Dll Parameters | Payloads | Survey | File Collection | ES Server Configurations

Payloads: ¹

- ☐ AdminDummy.exe
- ☒ AdminDummy w/o internet
- ☐ AdminDummy w/o internet w/o notepad running
- ☐ LoadLibrary test
- ☐ No Name

Add Remove Replicate Item

Black List: ²

Payload Identifier: ³ AdminDummy w/o internet

☐ Drop if Internet is Detected ⁴

☒ Drop if No Internet is Detected

☐ Drop Regardless

☒ Create Folder Structure ⁶

☐ Need System Rights ⁷

☒ OverWrite Files ⁸

Max Runs: 30 ⁹

☐ Drop is 32 Bit OS


☐ Drop if 64 Bit OS

☒ Drop Regardless ⁵

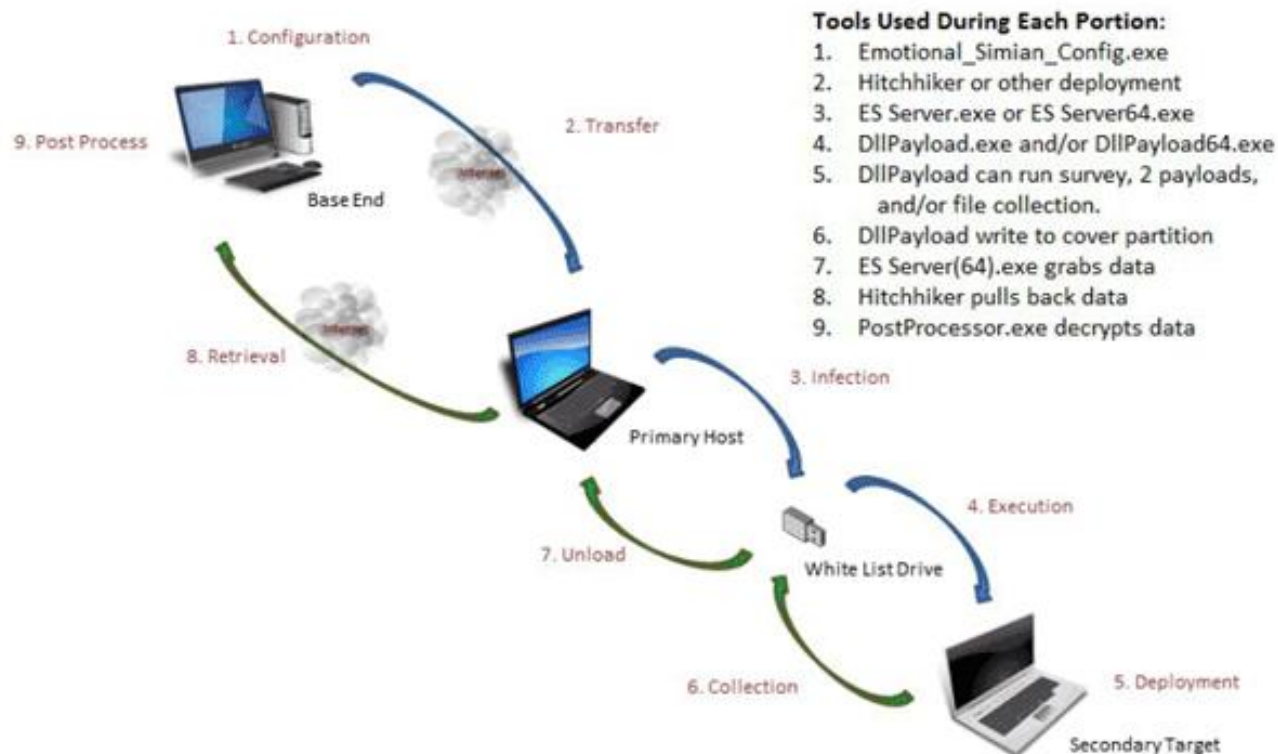
☐ Just Drop

☐ CreateProcess ¹³

☐ ShellExecute



BRUTAL KANGAROO – USB DRIVE EXFIL NETWORK



CRASH OVERRIDE – PAVING THE WAY FOR THE PERFECT STORM

- In 2015 the group that attacked Ukraine Power Plants, once maintaining a foothold, were able to manually send commands to breakers.
- In 2017, however, this portion was *automated*, and allowed the malware to continuously send reset commands to breakers
- Worse, this is a modular, regional-agnostic piece of malware that can just as easily target USA.

What happens when this is combined with the concept of ransom leverage? Who cares about encryption, when you can just as easily automate shutting off power?

A NASTY COMBINATION

Eternal Blue/DP meets Qakbot meets Crash Override

Creds (all types for all systems via Qbot)

Lockouts (via Qbots persistent BF'ing)

Air-Gap Jumping (via Brutal Kangaroo, Eternal Blue on Jump Boxes)

Bandwidth Chocking (via EB/DP)

Ransom Leverage (via Crash Override, or a proper crypto function)

ICS/Production/Mission-Critical Impacts (via bandwidth, jumping, creds)

RECOMMENDATION – PATCH OFTEN AND EARLY

How are patches and updates handled on your critical control system assets?
Select the most applicable method.

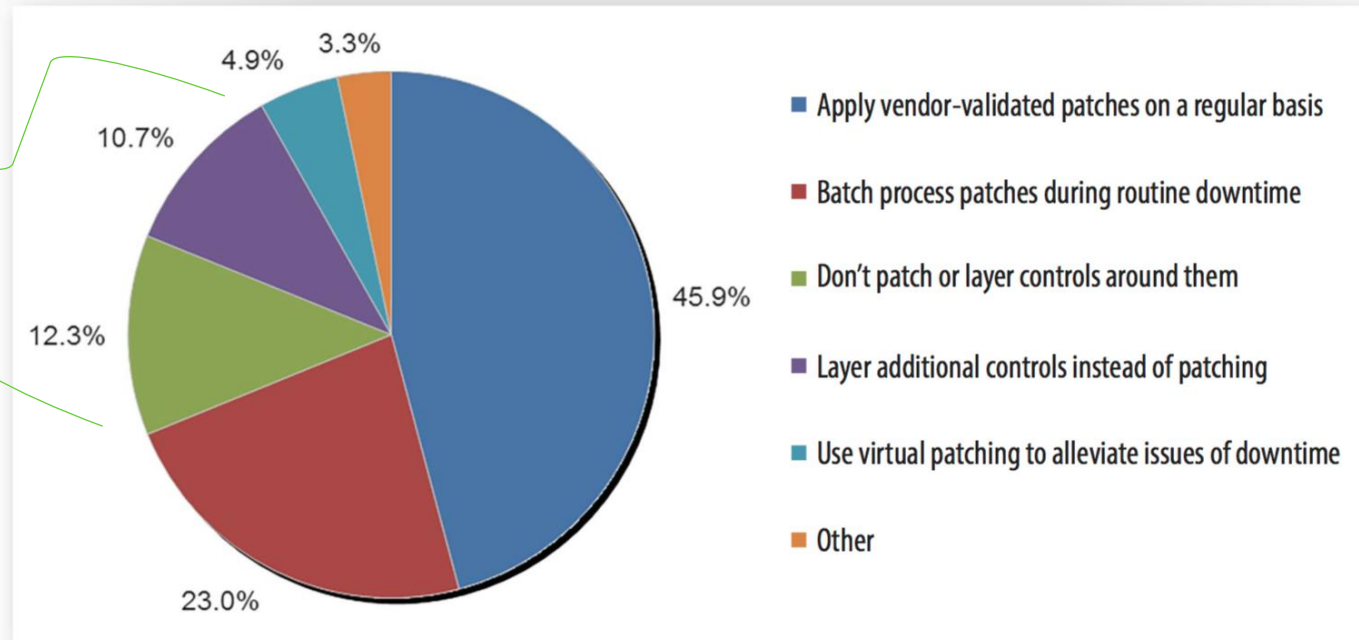


Figure 13. Patching Practices

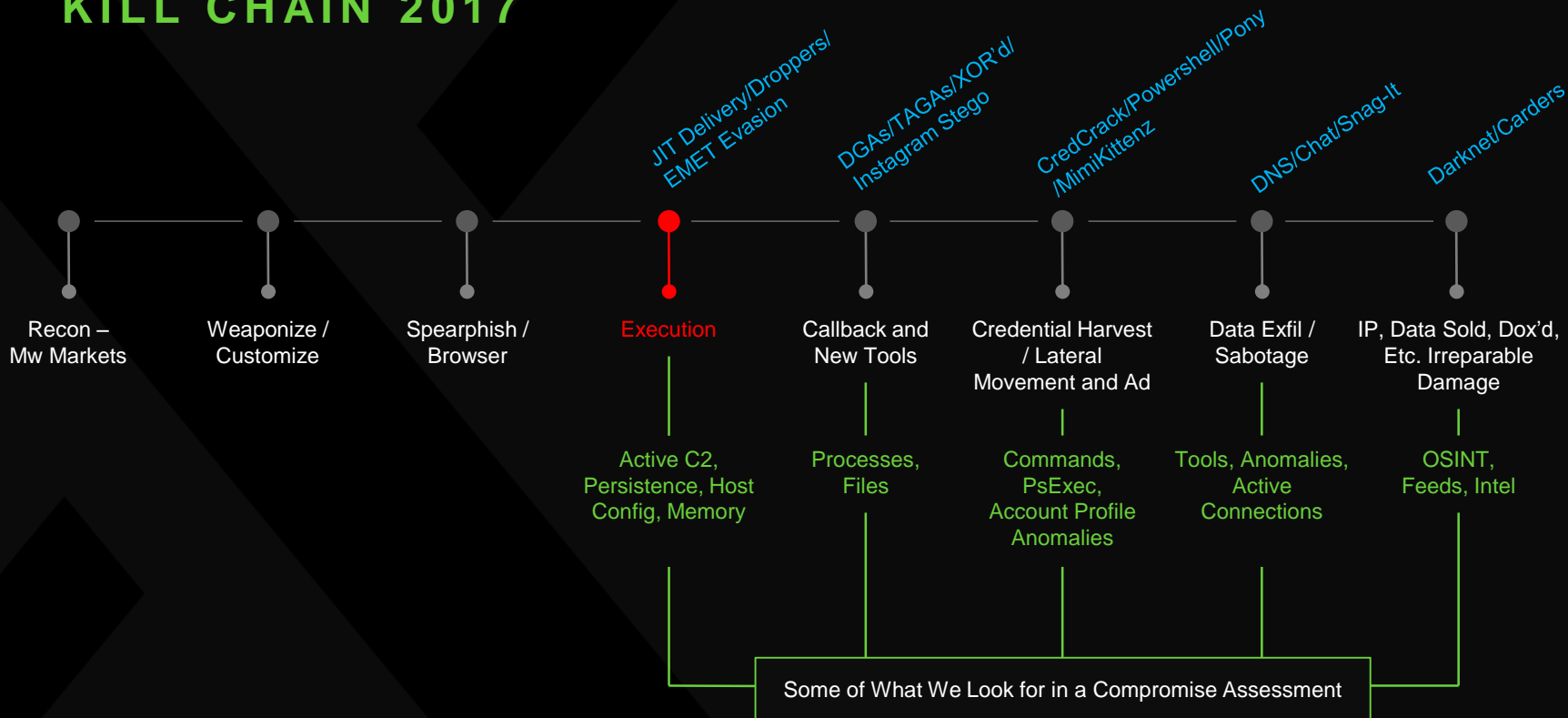
RECOMMENDATION – CROSS TRAIN TO CONVERGE

- IT sec person spend 6-months with OT – learn, and then bring back insight to the rest of IT team, and report to the OT management directly during this time
- When teaching OT personnel about spear-phishing and cyber security awareness, tie into the Safety and Awareness training curriculum / culture already in place
- Make Cyber and Safety synonymous

RECOMMENDATION – WHERE ABLE, LEVERAGE ML/AI

Let's take a look at the cyber-kill chain to understand why....

KILL CHAIN 2017



AT THE SPEED OF COMPUTING

KILL CHAIN – PREDICTIVE PREVENTION

KILL CHAIN WORK AND RISK MAY BE PRE-BASED

WORK AND RISK LEVEL

Satan RaaS 18m
 Shamoan 2 / 2ND Wave 17m
 Sauron / Remsec / Strider 18m



GoldenEye / Petya 18m
 GlassRat 18m
 zCryptor 7m

Help Desk Tickets Down



1B

250K/DAY

Alerts Reduced

OVER +2.5M

4.8×10^{344}

All Signal, No Noise

~10M
ENDPOINTS



UP TOO
200K

OVER FIVE
THIRD-
PARTY
SOURCES

Less Production Impact 40,000+

Less Safety Impact <50MS
50MB .00218

"AI does the work ahead of time so that you don't have to"

Malware
Economy

Signature/Behavior
Cylance Predictive AI
Based Legacy A/V,
at 99%
Low Efficacy

C2C2

Lateral Movement,
Whistleblower Tools,
Changing TTPs

Cylance ML
for Compromised
Credentialed
User Accounts

Data Exfiltration /
Sabotage /
Ransom

AI vs. All Threats

THREAT ACTORS



TOOLS



TACTICS



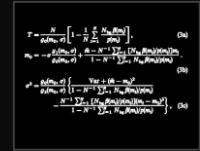
PROCEDURES



CREDENTIALS



MONEY



INTELLECTUAL
PROPERTY



DESTRUCTION

PREDICTIVE PREVENTION

THE WANNACRY EVOLUTION WILL CONTINUE

PAST



CIRCA 2009

The Lazarus Group – cybercrime group made up of an unknown number of individuals



MARCH 12, 2017

Microsoft patches Windows for known vulnerabilities. **Not everyone updates.**



APRIL 14, 2017

Shadow Brokers dump “Lost in Translation” tools and exploits stolen from the NSA (ExternalBlue)



MAY 11, 2017

EsteemAudit feared to be next zero day exploit utilizing Microsoft RDP



MAY 12, 2017

WannaCry propagates the internet



FUTURE



FUTURE

Propagation of variants to WannaCry, ExternalBlue, EsteemAudit...



FUTURE

Destructive malware targeting legacy OSes in critical infrastructure



FUTURE

More leaked NSA tools like EsteemAudit for propagation... WannaCryptor commodity RaaS



FUTURE

Combining the worming aspect of WannaCry massively disrupting businesses... A revised Qakbot



FUTURE

Nation-state grade tools like AfterMidnight will provide improved back door capabilities



FUTURE

Host of process subversion modules that can be rolled into existing or future malware campaigns.

CYLANCE PREDICTIVE AI TEMPORAL PREDICTIVE ADVANTAGE

CYLANCE



NOVEMBER 2015
Cylance releases
PROTECT model
(version) 1350.
Customers protected.

1.5 YEARS



Cylance customers are protected

FUTURE



FUTURE
Propagation of
variants to
WannaCry,
ExternalBlue,
EsteemAudit...



FUTURE
Destructive
malware
targeting legacy
OSes in critical
infrastructure



FUTURE
More leaked NSA
tools like EsteemAudit
for propagation...
WannaCryptor
commodity RaaS



FUTURE
Combining the
worming aspect of
WannaCry massively
disrupting
businesses... A
revised Qakbot

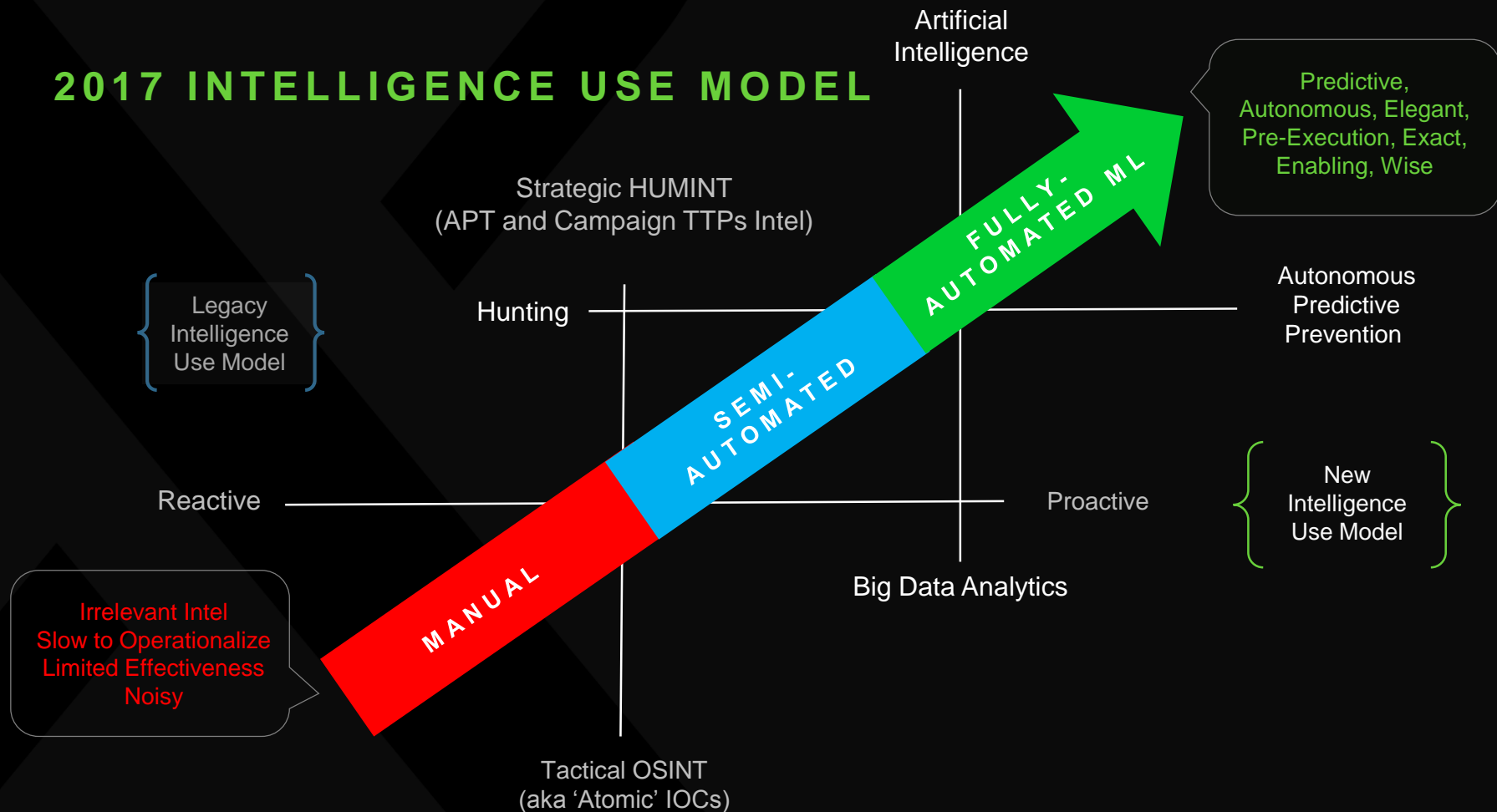


FUTURE
Nation-state grade
tools like AfterMidnight
will provide improved
back door capabilities



FUTURE
Host of process
subversion modules
that can be rolled into
existing or future
malware campaigns.

2017 INTELLIGENCE USE MODEL



ZCRYPTOR –

First appeared late May 2016

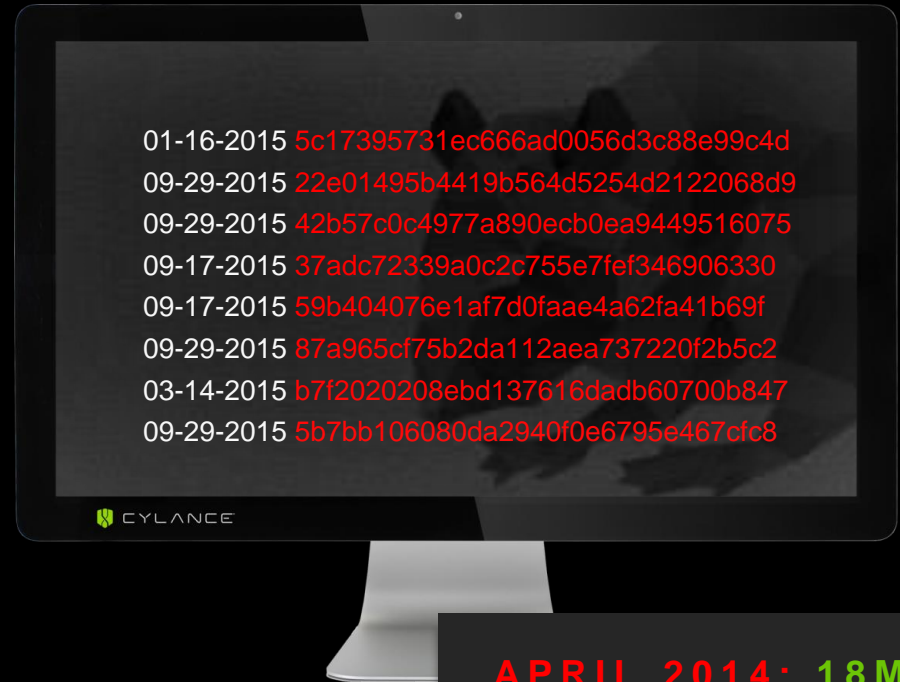
- Spear-Phishing
- Fake Installer.exe
- Macros
- USB Drives
- Worm-behavior
- Network Shares
- Bypasses EMET
- Human Discovered April 2016



GLASSRAT –

First appeared November 2015

- Espionage RAT
- Undetected for Years
- Human Discovered **Nov 23, 2015**
- A/V Did not detect new samples
- Detection rates still not high



APRIL 2014: 18M
Prior to human discovery

CYLANCE OPM RESPONSE

- Deployed CylancePROTECT enterprise-wide on 10,000+ systems
- This was a bold move based on risk avoidance (the broader risk to National Security)
- OPM had a legacy A/V deployed that did not detect the intrusions
 - 2,000+ additional pieces of unknown malware predicted and neutralized
- Time from predictive AI detection to full containment and forward-prevention: 10 days