



**CYLANCE™**  
CONSULTING

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***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**.

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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

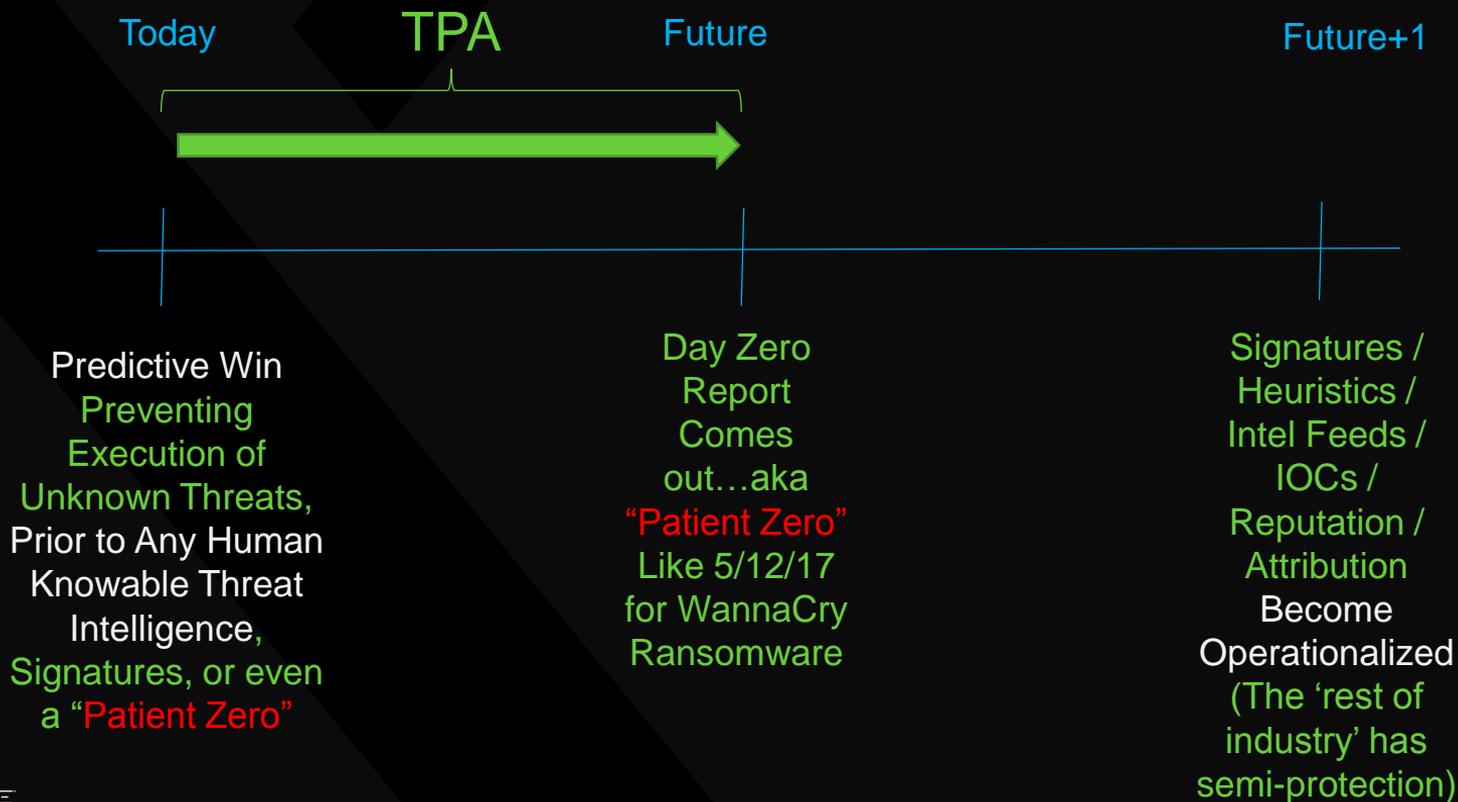
*What is it?*

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



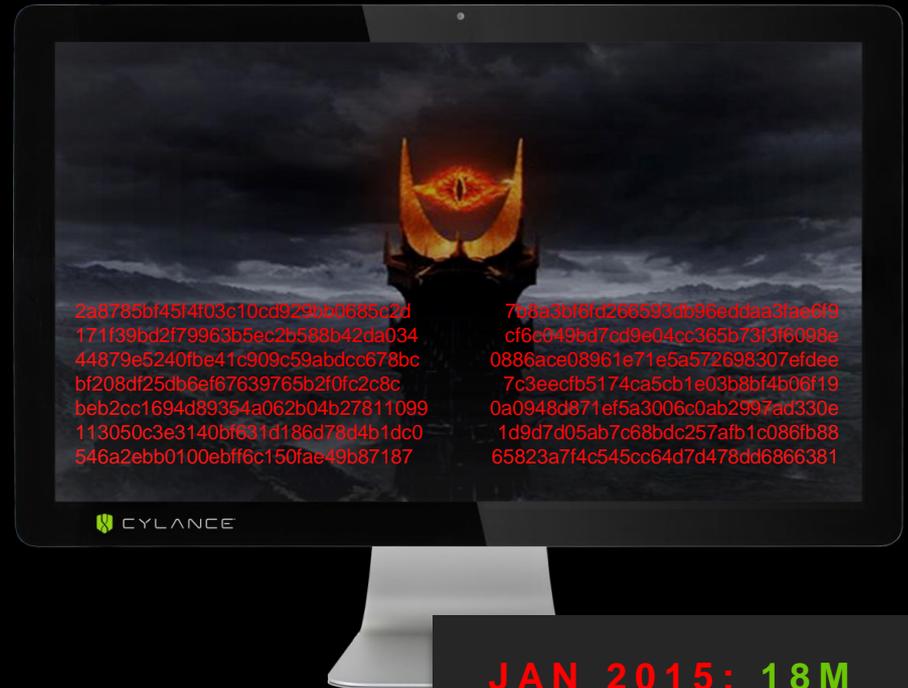
*“The number of days by which Predictive AI is able to  
successfully predict and prevent the execution of threats,  
prior to the date of the first industry report on that threat campaign  
....and do so without need for the cloud.”*

# TEMPORAL PREDICTION ADVANTAGE



# SAURON/ STRIDER/ REMSEC

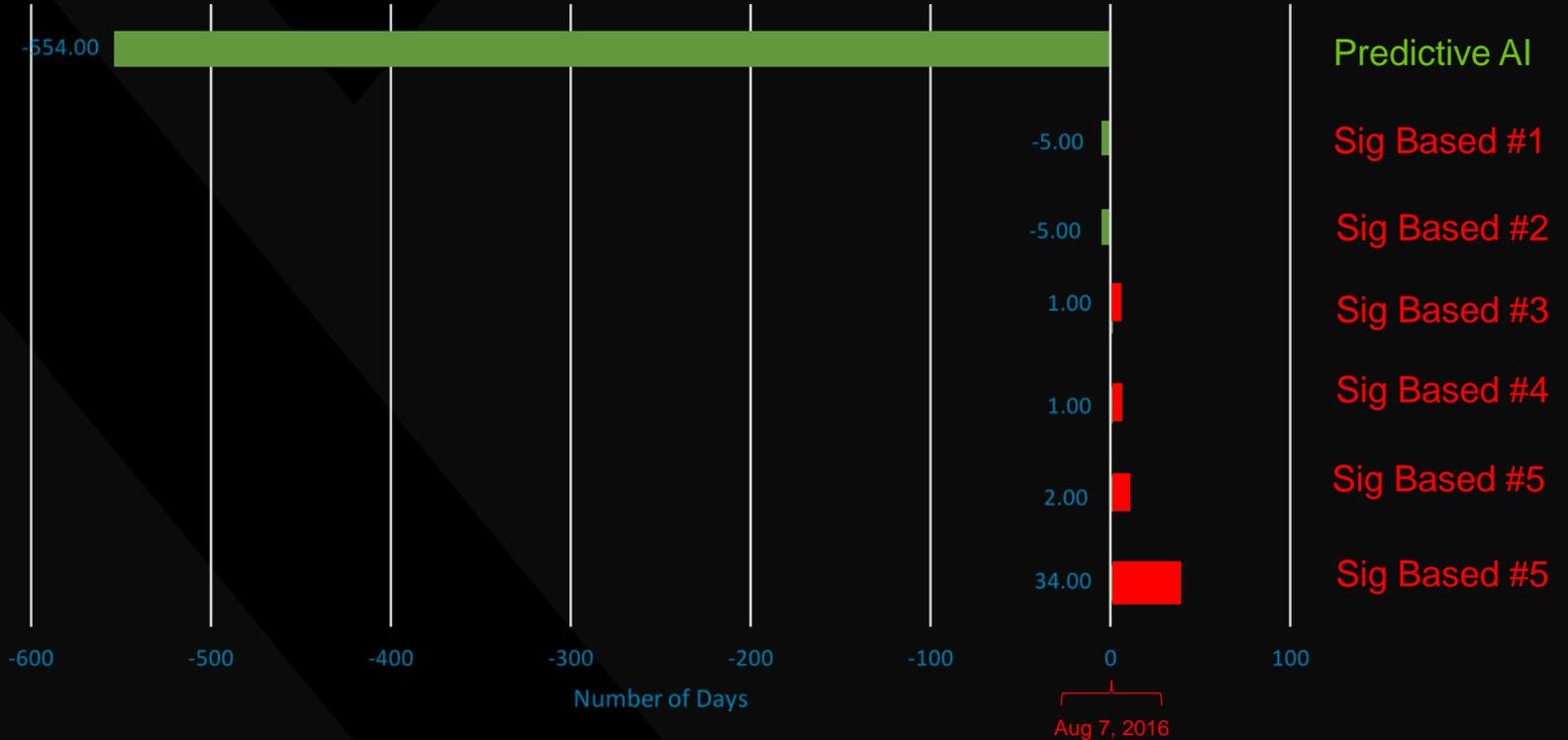
- Espionage Backdoor dating back to 2011. Undetected until
- Human Discovered **August 2016**
- Uses blobs (Binary Large Objects), LUA, and memory resident code over the network to evade detection



**JAN 2015: 18M**  
Prior to human discovery

REMSEC: 2a8785bf45f4f03c10cd929bb0685c2d

### TEMPORAL PREDICTION ADVANTAGE (DAYS)



## 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, 2<sup>nd</sup> 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
```

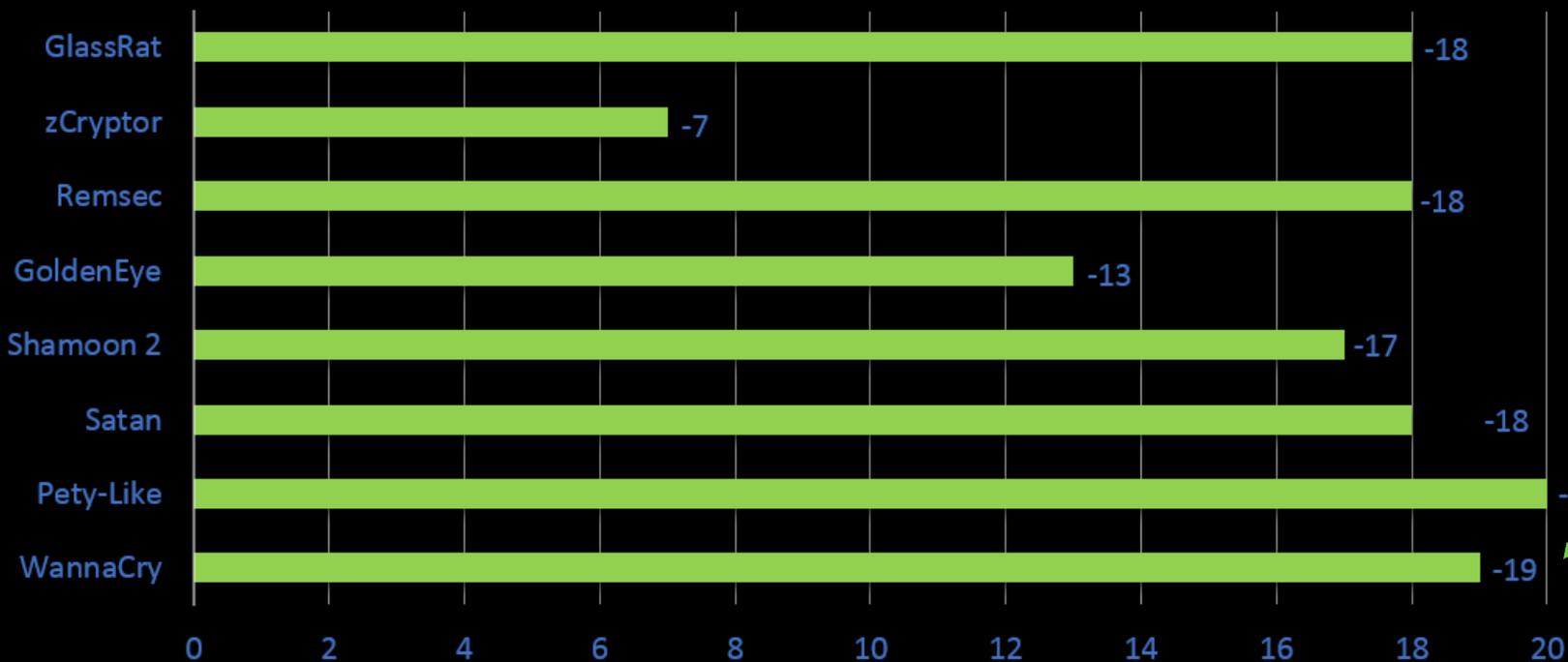
```
PXE-M0F: Exiting Intel PXE ROM.
Operating System not found
```

```
47bb36cd2832a18b5ae951cf5a7d44fba6d8f5dca0a372392d40f51d1fe1ac34 (x64)
394a7ebad5dfc13d6c75945a61063470dc3b68f7a207613b79ef000e1990909b (x86)
61c1c8fc8b268127751ac565ed4abd6bdab8d2d0f2ff6074291b2d54b0228842 (x86)
c7fc1f9c2bed748b50a599ee2fa609eb7c9ddaeb9cd16633ba0d10cf66891d8a (x64)
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EFD2F4C3FE4E9F2C9AC680A9C670CCA378CEF6B8776F2362ED278317BFB1FCA8
```

 CYLANCE

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

## Temporal Predicative Advantage (months)



Note:  
Offline Mode  
Ave: 15.0 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.... ?

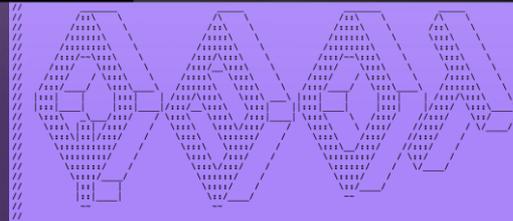
- **QuakBot / Qbot** is making a massive come-back in 2017
- 13 active IR's going on right now
- Low detection rates (<25%), highly evasive, polymorphic
- Proactively mining this campaign given our AI predicted this +17 months ago (via fuzzy hashing to work backwards from the AI)
- Reworked to target 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 AV
- Rapidly evolving, uses DGA's, locks out entire enterprises, steals creds
- Vertical-agnostic this time (not just FIN)
- Human-Discovered: **April 2017**



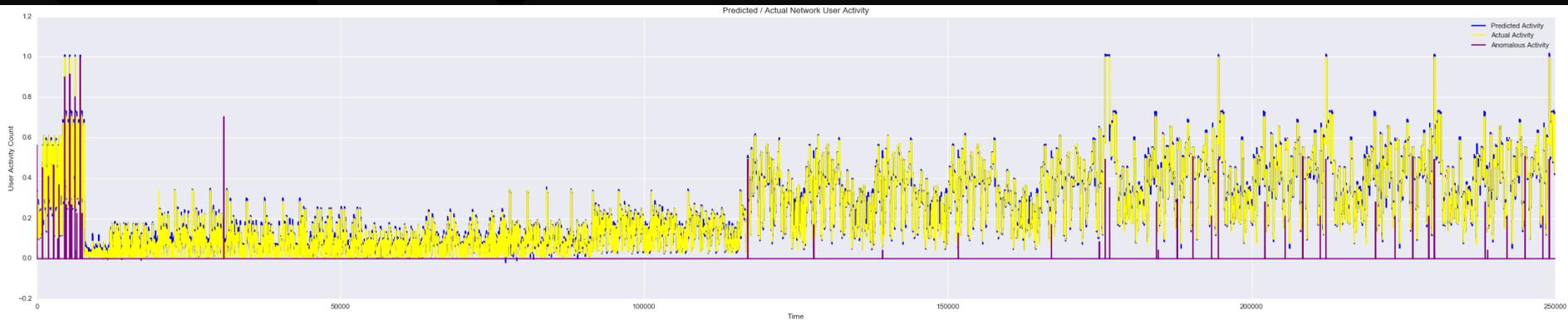
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8891524E468BE1BD44723385C9238017090B536F922CCC007D8AC47C66802E3C  
C2d3856c203245f0849b52d46fb25f5b4ffc7b2a031e61b5141bde6fb2bbc8e0  
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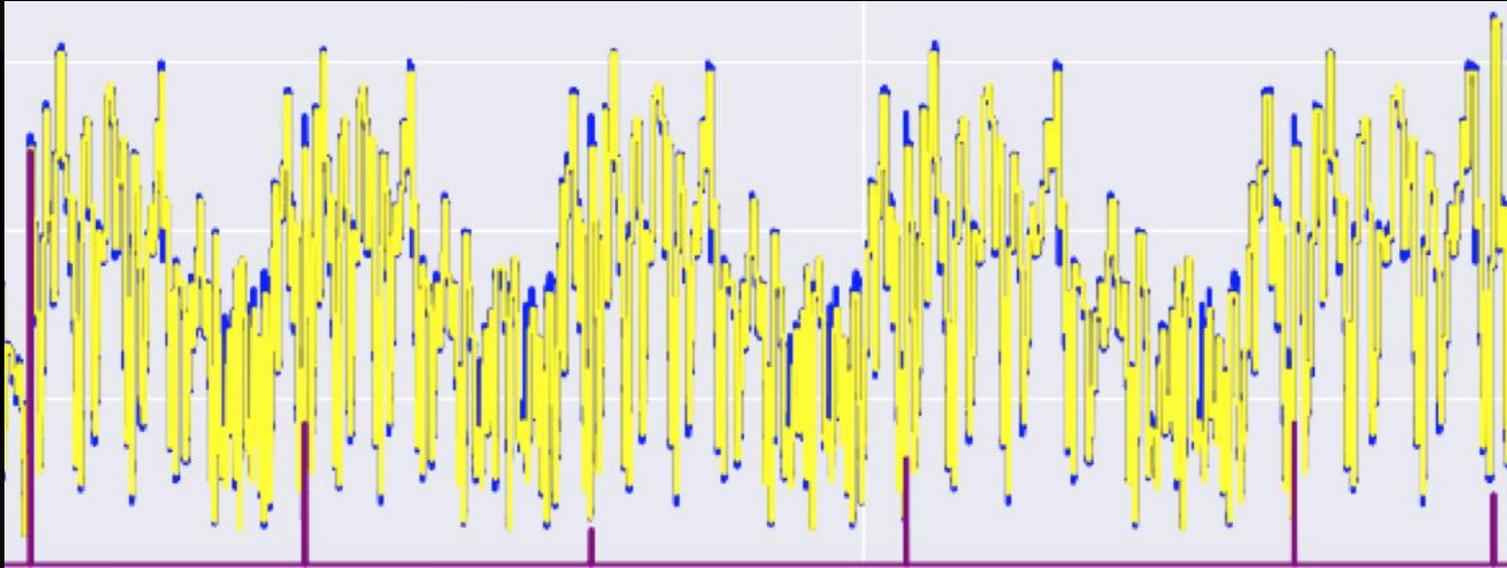
**October 2015: 18M**  
Prior to human discovery

**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 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

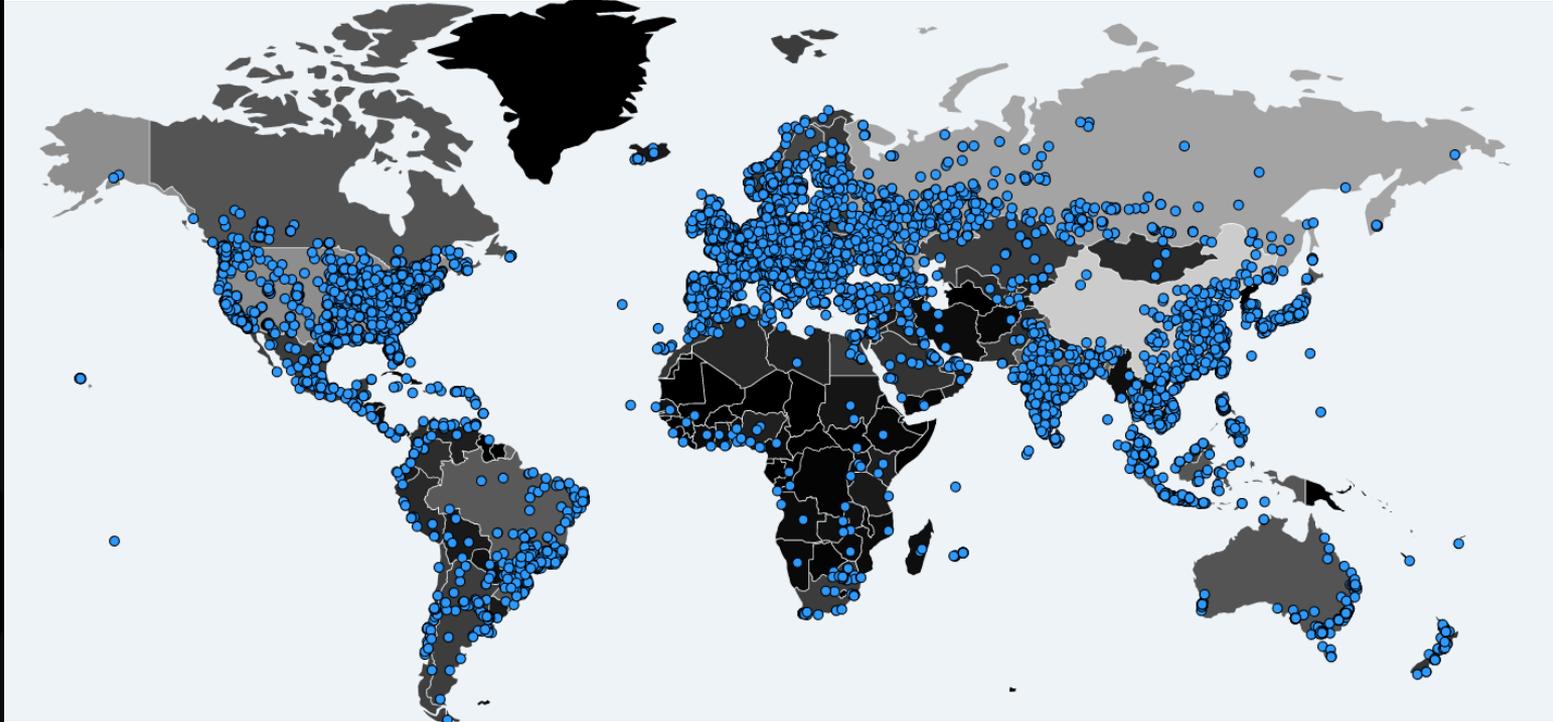


**5/12/2017**  
Traditional AV vendors issue signatures, patches, and help articles.



**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#:04f1eb60c331be40 )
- ES Demo ( SN# 090210000000000000000000620 )

Target Name: ES Demo

Drive Serial Number: 090210000000000000000000620

Find Serial Number

Infect Local ThumbDrive



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

ES Dll Parameters

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

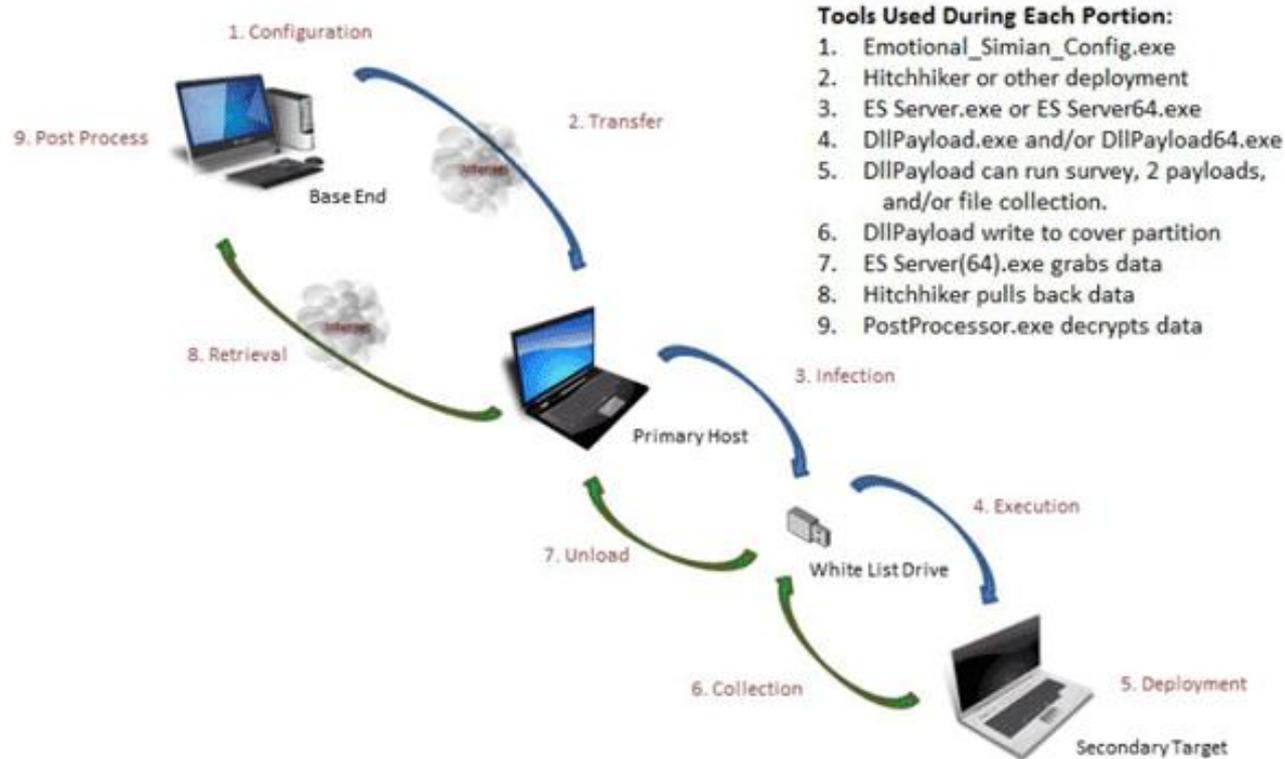
- Create Folder Structure 6
- Need System Rights 7
- OverWrite Files 8

Max Runs: 30 9

- Drop is 32 Bit OS
- Drop if 64 Bit OS
- Drop Regardless

- 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.*

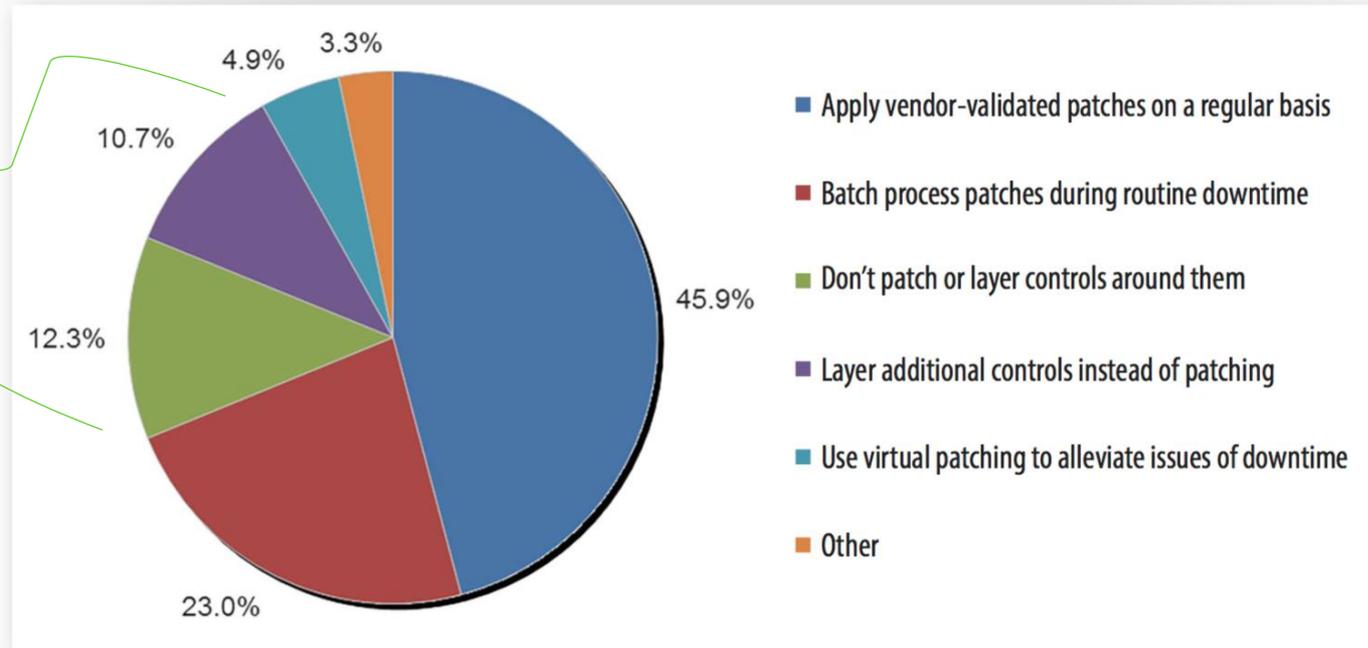


Figure 13. Patching Practices



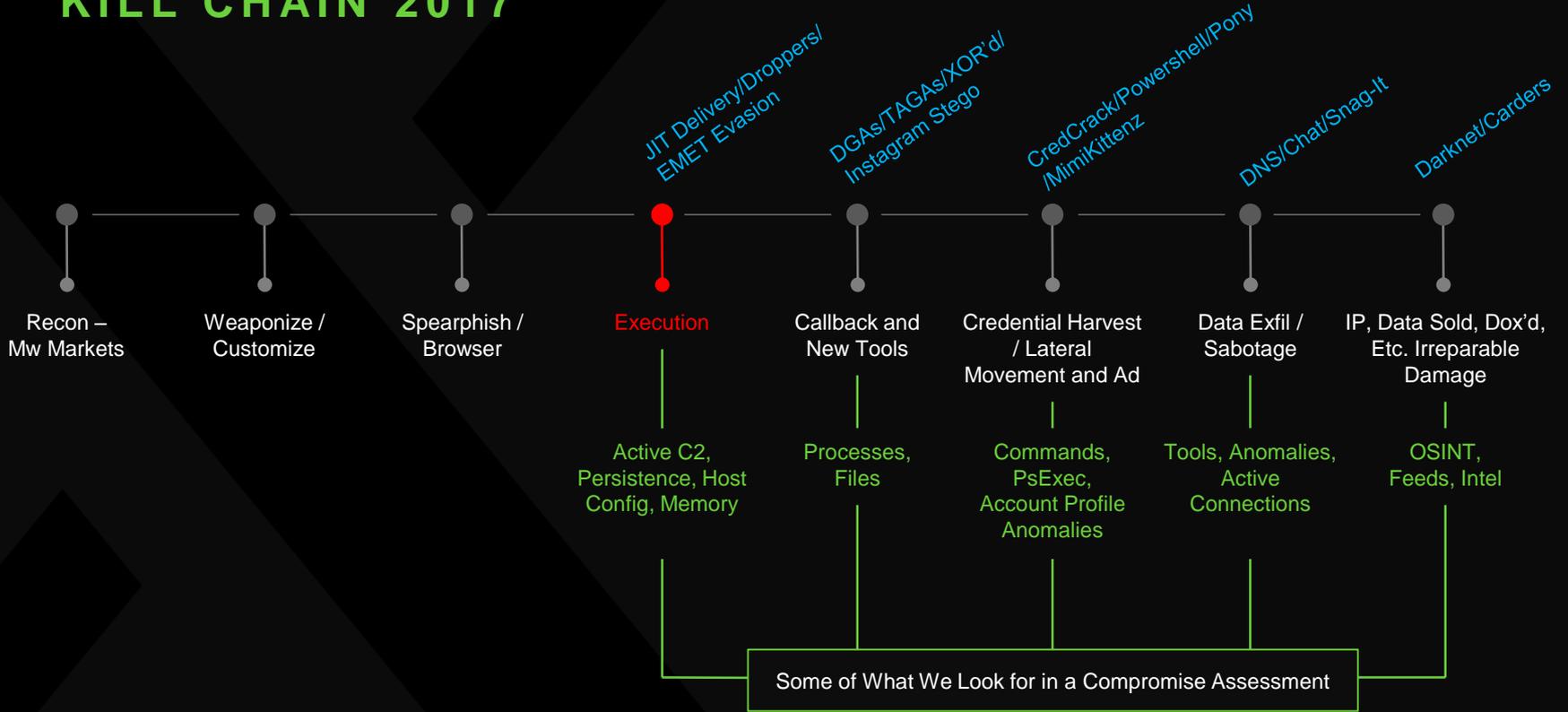
## RECOMMENDATION – CROSS TRAIN TO CONVERGE

- 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

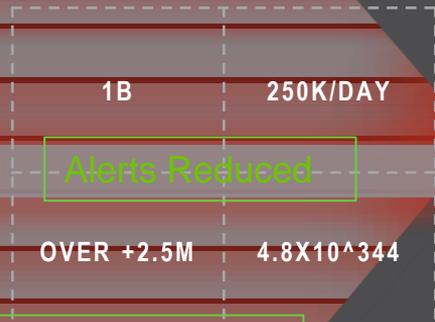
# KILL CHAIN – PREDICTIVE PREVENTION

## WORK AND RISK LEVEL

Satan RaaS	18m
Shamoon 2 / 2 <sup>ND</sup> Wave	17m
Sauron / Remsec / Strider	18m
GoldenEye / Petya	18m
GlassRat	18m
zCryptor	7m

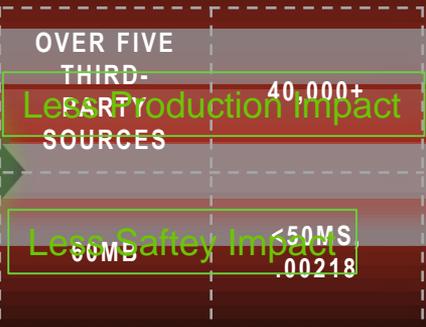


Help Desk Tickets Down



All Signal, No Noise

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



Malware Economy

Signature/Behavior Based at 99% A/V, Low Efficacy

C2C2

Lateral Movement, Whistleblowers, Changing TTPs

CyLance ML for Compromised Credentials User Accounts

Data Exfiltration / Sabotage / Ransom

# AI vs. All Threats

THREAT ACTORS



TOOLS



TACTICS



PROCEDURES



CREDENTIALS



MONEY



INTELLECTUAL PROPERTY

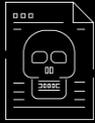


DESTRUCTION

***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

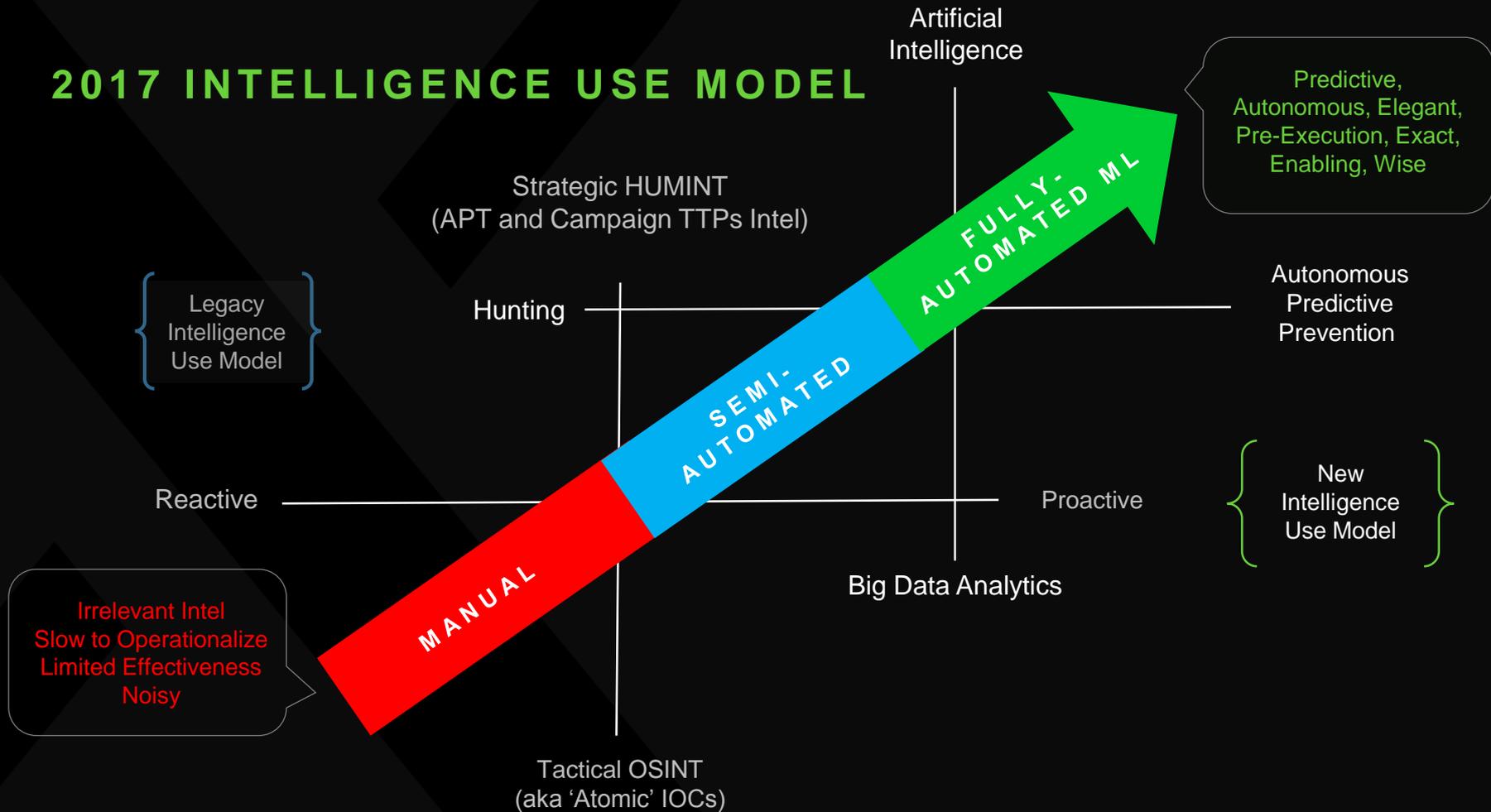


**FUTURE**  
Nation-state grade  
tools like AfterMidnight  
will provide improved  
back door capabilities



**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