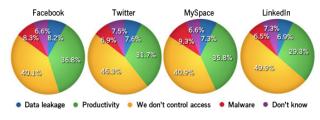
Web 2.0 and social networking

A battleground for malware

Increasing worker productivity has always been a top priority for most organizations. It was also the initial driver to control access to social networks. Sites like Facebook were quickly identified as a procrastinator's paradise, with some firms determining that their workers were not only spending more time using the site than any other but also using excessive bandwidth.

Organizations have become increasingly concerned about malicious attacks originating from social networking sites, as well as the risks of users revealing sensitive personal or corporate data online.

What is your primary reason for controlling access?

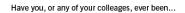


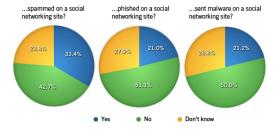
source: Sophos research*

Sophos research reveals two-thirds of businesses fear that social networking endangers corporate security¹.

Research findings also revealed that 63 percent of system administrators worry that employees share too much personal information via their social networking sites, putting their corporate infrastructure — and the sensitive data stored on it — at risk².

Evidence shows that their worry is justified. In June 2009, the personal information belonging to the incoming head of MI6 was exposed to the entire Facebook network, when his spouse allowed members of the "London" network to view her profile³.





source: Sophos research*

The same research findings also indicate that a quarter of businesses have been the victim of spam, phishing or malware attacks via sites like Twitter, Facebook, LinkedIn and MySpace.

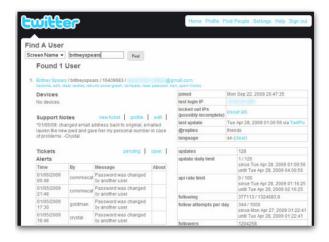
Here is a sample of some of the social networking attacks Sophos has discovered in the past six months:

 January Twitter users received direct messages from their online followers enticing them to visit a phishing website⁴ that attempted to steal their username and password.

Direct messaging enticed Twitter members to phishing website

- January Sophos learned of a Facebook scam⁵ that usurped user accounts and attempted to derive sensitive information from Facebook users' friends and family.
- January MySpace user Shane Symington, lost over US\$210,000 in an email scam⁶. The postman was weaseled out of money when his Nigerian cyber-pal started asking for money to help her ailing mother. In actuality, the woman and the FBI investigation that followed was an elaborate hoax designed to take advantage of a Good Samaritan.
- April Two cross-site scripting attacks crafted by 17-year-old Mikeyy Mooney were inflicted on Twitter users⁷. These XSS attacks attempted to load a remote highly-obfuscated script from a third-party website and take over the profiles of unsuspecting users.

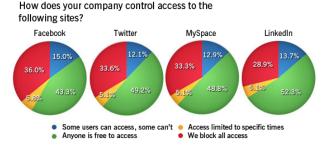
 May A French hacker broke into Twitter's internal administration systems⁸, gaining access to Twitter users' accounts. Users known to have been affected by the hacker's subsequent actions include Barack Obama, Britney Spears, Ashton Kutcher and Lily Allen.



- May Hundreds of accounts on the Twitter microblogging service were hacked by Acai Berry weight loss spammers⁹, emphasizing the need for better password security.
- June Hackers gained access to British politician Michael Fabricant's ¹⁰ Facebook username and password, sending messages to 1,500 of his friends that pointed them to a malicious webpage.

To combat the growing problem of Web 2.0 threats, Sophos has discovered that approximately 50% of companies are blocking all or some access to social networks¹¹.

But by completely denying access to their favorite social networking site, organizations will drive their employees to find a way around the ban, creating even greater holes in corporate defenses. This will inevitably lead to IT teams having less visibility into their users' activities.



source: Sophos research*

Social networks are here to stay; and as they can bring business benefits as well as risks, it is better to ensure that users can participate in social networks sensibly and safely rather than banning them from taking part at all.

To protect users, corporations should run web security solutions that check every link and webpage as it is clicked on, to see if it contains malware or suspicious activity. Companies should also:

- Educate their workforce about online risks make sure all employees are aware of the impact that their actions could have on the corporate network.
- Consider allowing access to popular social networking sites only at specific times e.g., to Facebook over lunch.
- Check the information that the organization and staff share online. If sensitive business data is being shared, evaluate the situation and act as appropriate.
- Apply multi-layered security at both the gateway and the endpoint.

Web threats

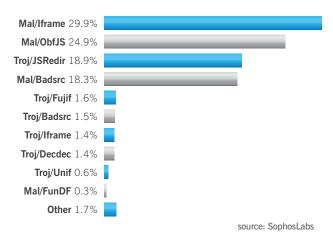
Exploiting legitimate websites

The web remains a major vehicle for cybercriminals looking to infect computers around the world.

The vast majority of infected websites are in fact legitimate sites that have been hacked to carry malicious code, or, more commonly, scripts that then download further malicious scripts from third-party websites. Users visiting the websites may be infected by simply visiting affected webpages, or be fooled into downloading malicious code onto their computer.

The scope of these attacks cannot be underestimated, since all types of sites — from government departments and educational establishments to embassies and political parties to websites devoted to high-tech gadgets and online programming communities — have been targeted.

Top 10 web-based malware threats



The most significant entry in this chart is Troj/JSRedir. Despite its arrival only in late April, it was discovered on many thousands of websites. For instance, in just one week in May it was reported to have infected six times more webpages than any other malware. ¹⁶

However, many well-known and reputable sites have fallen victim to these kinds of attacks, emphasizing the need for all organizations, both large and small, to properly defend their websites.

The following is just a tiny sample of the affected websites around the world that have fallen victim to a malicious attack during the first six months of 2009:

- January Multiple sites, including a social networking site for ex-servicemen in the UK, suffered an SQL attack and were infected with malicious code¹⁷.
- January The Indian embassy in Spain fell victim to a Mal/Iframe-F attack¹⁸.
- January Sophos discovered that Pravda.ru, the website
 of the famous Russian news service, was compromised
 and served up malicious content, Mal/Iframe-F¹⁹.
- March The Embassy of Ethiopia in Washington, D.C. fell victim to an Iframe attack²⁰.
- April Paul McCartney's website was hacked²¹, falling foul of an obfuscated JavaScript designed to spy on computer users when they went banking online.
- May Sophos discovered that obfuscated JavaScript
 was being injected into sites that host the unsavory "2
 Girls 1 Cup" viral video²². The malware attempted to
 redirect the user to another domain hosting a malicious
 payload.
- **June** The Communist Party of Britain website was infected with Mal/Iframe-F²³. The obfuscated code pointed to a malicious website in China that spoofs Google.

SQL injection attacks

One of the reasons the web is so popular with attackers is that innocent sites that users would naturally trust can be compromised and used to infect large numbers of victims. However, it is not just the unsuspecting visitor who suffers — the website owner does as well.

This is particularly apparent with SQL injection attacks that exploit security vulnerabilities and insert malicious code (in this case, script tags) into the database running a website. The attack works when user input, for instance on a web form, is not correctly filtered or checked and unexpectedly executes as code, peppering the database with malicious instructions. Recovery can be painful, and there are numerous cases of website owners cleaning up their database only to be hit again a few hours later.

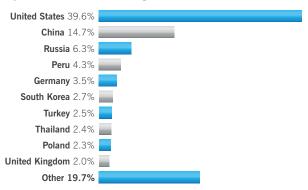
The best solution is prevention²⁴. Developing and abiding by best practices can minimize the chance of future attacks²⁵.

Malicious links

Aside from SQL injection, hackers continue to use automated systems to post malicious links into the comment sections of blogs and web forums, and use free web-hosting services to create their own sites carrying malware because new pages are trivial to set up without requiring identification.

Hackers also keep on developing automated tools that use search engines such as Google to identify potentially vulnerable websites, and then inject code into their servers. As a result, websites are rarely specifically targeted to carry malware, and are often simply unfortunate enough to have been discovered by the cybercriminals' malware distribution tool.

Top 10 countries hosting malware on the web



source: SophosLabs

User resistance to web security

Although web security is designed to protect users from malware and other threats, some users have responded negatively and taken steps to subvert the protection.

This is particularly true where companies and organizations filter URLs, blocking access to particular sites for policy reasons. For instance, companies may choose to block access to social networking or video websites for productivity or privacy reasons.

Some users have responded to web filtering by using technology such as anonymizing proxies²⁶.

Anonymizing proxies disguise the true nature of a website in order to trick an organization's web filter into allowing inappropriate or blocked content.

Perhaps the most high-profile use of anonymizing proxies recently was seen in Iran in June 2009, where citizens attempting to avoid their government's censorship of the Internet made use of the technology²⁷.

Supporters outside Iran even posted details of anonymizing proxies on social networks like Twitter and Facebook to assist Iranians trying to find out what the outside world was reporting.

However, anonymous proxies are not just used for political reasons — office workers can also use them in order to bypass company policies and perimeter defenses.

Information about public anonymizing proxies is shared freely on thousands of blogs, forums and websites, and there are an unknown number of private anonymizing proxies built for the use of an individual or small group. This makes it easy for users to access an anonymizing proxy, but difficult and time consuming for administrators to track and block them.

Malware chart rundown

The chart showing which countries contain the most malwarehosting webpages reveals some interesting changes:

- The proportion of the world's malware hosted in China has halved from 31.3% in the first half of 2008, to 14.7% today. However, it's worth remembering that during the same period the volume of infected webpages detected by Sophos quadrupled around the globe.
- Peru's significant contribution to the problem largely was due to a massive number of webpages that were determined to have been compromised by Mal/iframe-F.

It is worth noting that although websites may be carrying malware, it does not necessarily mean that the hackers are based in the same country as the affected site. Hackers abuse websites worldwide in their attempt to spread malware.

If employees are using anonymizing proxies, then in addition to bypassing URL filtering, they are also circumventing content scanning at the perimeter. This can obviously have an impact on security.

Sophos has even identified anonymizing proxies that are themselves infected with multiple pieces of malware. It's not possible to tell whether the anonymizing proxies are the innocent victims of infection, or have been set up knowingly with malware embedded inside them to compromise any computers making use of them.

Further research by SophosLabs reveals the use of anonymizing proxies appears to be particularly prevalent in some educational establishments, where tech-savvy students attempt to subvert acceptable use policies.

Sophos actively tracks Internet forums to discover new anonymizing proxy services to block, and incorporates real-time detection of private anonymizing proxies through traffic inspection in its web security appliance.

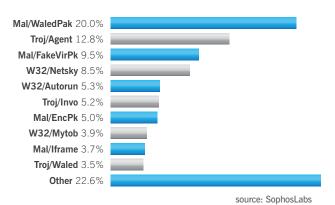
Email threats

A cause for concern

Although web-based threats have tended to dominate the malware agenda in the first six months of 2009, the number of threats distributed via email remains a cause for concern.

Aside from using malicious email attachments, cybercriminals regularly embed malicious links in emails to dangerous websites and find ways to spam out creative attacks designed to lure curious users.

Top 10 email attachment malware Jan. – Jun 2009



WaledPak's control of the email attachment malware chart — accounting for 20% of all reports in the first six months of 2009 — is significant as it first surfaced in late December 2008. It has since used several disguises to propagate:

 January On the eve of Obama's inauguration, Sophos discovered a malicious spam campaign that posed as news that Barack Obama was refusing to be the President of the United States²⁸. Each email led unsuspecting users to a malicious webpage that infected Windows PCs with WaledPak.



WaledPak disguised as bogus news about President Obama

 March Hackers distributed emails posing as breaking news from a Reuters-related site of a bomb blast in your city²⁹. Each email contained a link to a webpage that installed malicious code, and video footage, which actually downloaded WaledPak.

However, while not topping the chart, many of the other viruses listed have spread during the first half of the year.

 March Sophos warned of a new malware campaign that affected members of Classmates and FriendsReunited³⁰. Each email enticed users to click on links to view a video about an imminent school reunion, but instead took them to a malicious webpage that infected their Windows PC with a malicious Trojan horse.



Web-based malware affected members of Classmates

- May One variant from the second most prevalent family
 of malware, Troj/Agent-JUC, posed as communications
 from WorldPay³¹ claiming that your credit card has
 been charged on behalf of Amazon. When the user
 clicked on the attached file, Troj/Agent-JUC infected his
 or her machine.
- June Sophos intercepted a widespread attack by hackers who distributed Mal/FakeVirPk by posing as an electronic greeting card from a family member³². When the email recipient opened the greeting card, the malicious executable file would run.
- June An email was widely circulated containing a link to what was said to be a pornographic movie the recipient had recently featured in³³. However, when users clicked out of curiosity on the link, they would be directed to a site that infected their PC with malicious spyware.

Malware

Using fear

The fake anti-virus software business continues to be a big earner for cybercriminals. Because of this, cybercriminals are putting serious resources behind it. Such attacks, commonly known as scareware or rogueware, prey on IT security fears and fool users into believing their computer has a problem when it does not.

Typically, scareware is planted on websites in the form of pop-up advertisements, or disguised downloads. However, there have also been occasions when hackers have spammed out scareware, or links to it, using traditional social engineering tricks to fool users into clicking on the attachment or link.

On average, Sophos identifies 15 new scareware websites every day. This number has tripled, up from an average of five detected per day during 2008.

Hacking gangs have become proficient at rapidly producing professional-looking bogus websites posing as legitimate security vendors. Fake anti-virus software has also been distributed via poisoning the results of popular search engines through search engine optimization (SEO) techniques and affiliate schemes.

- January SophosLabs discovered hackers were using SEO in combination with photographs of celebrities like Warren Beatty and Shania Twain in their attempts to steal money³⁸.
- March Hackers used Natasha Richardson's untimely death in advantageously³⁹ stuffing webpages with keywords about the late actress in order to lure unwary surfers into visiting their dangerous sites and infecting their computers.

News results for natasha richardson ski accident Natasha Richardson brain dead after ski accident - 11 hours ago
Actress Natasha Richardson was reported to be brain dead late Tuesday
after a seemingly innocuous fall while skiing on a bunny slope at the Mont
Tremblant ...
fed announcement - flying cars - 3421 related articles. NATASHA RICHARDSON SKI ACCIDENT Natasha Richardson Suffers Ski Accident. ... Actress Natasha Richardson suffered a skiing demi moore age - oksana mel gibson Details of Natasha Richardson's Ski Accident - TMZ.com 17 Mar 2009 ... TMZ - celebrity news, entertainment news, celebrity gossip, Hollywood rum

Hackers exploited death of an actress using SEO techniques

- March Hackers capitalized on a widespread issue with Symantec's Norton Anti-Virus product⁴⁰, poisoning search engines in an attempt to cash in on unsuspecting computer users searching for advice.
- June Opportunistic cybercriminals took advantage of the deaths of Farrah Fawcett⁴¹ and Michael Jackson⁴² to spread malware and spam.

Other trends in malware

Not all malware spreads via email or the web. The Conficker worm⁴³, for instance, uses Internet and network protocols to spread, alongside infecting USB sticks — but does not infect email or web systems.

While Conficker, which exploited a Microsoft security vulnerability and first appeared in late 2008, truly made its presence known during the first few months of 2009, media hysteria leading up to April 1, 2009 (when it was scheduled to change the way it looked for new instructions) helped push Conficker into notoriety.

Although it is clear that many firms and organizations struggled to protect themselves adequately from attack⁴⁹, it is debatable whether the hyperbole regarding the worm helped improve the general state of computer security or was mistakenly seen as the computer security industry "crying wolf."

Conficker – A worm gains notoriety

"Will your PC be jacked on April first,44" "The Conficker Worm: April Fool's Joke or Unthinkable Disaster?⁴⁵" and "PC security forces face April 1 showdown with Conficker worm⁴⁶" are just some of the headlines that helped Confickermania gain momentum before the alleged significant date of April Fool's Day.

Ironically, by and large, the computer security industry was not responsible for the hysteria regarding Conficker and April 1. Instead, it appears that the story was largely brewed up by elements of the media, despite many security vendors announcing that users were unlikely to notice anything different on April Fool's Day.

Sure enough, April 1 2009 saw no unusual activity by Conficker and many were left wondering who had started the buzz ⁴⁷— and perhaps more importantly, how to protect themselves from future iterations⁴⁸.

One of the ways in which Conficker could spread itself was via USB memory sticks, a technique that Sophos has identified as a growing trend for malware during 2009⁵⁰. Such malware typically exploits the Windows AutoRun feature to automatically execute when plugged in to a computer. As these portable drives have reduced significantly in price and increased in popularity over the years, so hackers have seen them as the modern equivalent of the floppy disk — and used their travel to spread infections.



2009 has seen a rise in using USB sticks to spread malware

The plague of USB malware spurred Microsoft into announcing it was changing the way Windows 7 will handle AutoRun functionality⁵¹.

Organizations are increasingly looking for security solutions that can control the use of USB drives — not only to prevent malware distribution, but also to prevent data leaking out of their offices.

Other trends in malware seen in early 2009 included the discovery by SophosLabs of the first malicious code seemingly designed to help criminals steal money from ATMs⁵².

Diebold issued an update to its ATM software⁵³, and recommended that it be installed on all of its Windowsbased ATMs globally. According to the company, the update should prevent the Skimer-A Trojan horse⁵⁴ from successfully stealing information from cash machine users.

In addition, Diebold confirmed that hackers from Russia had attempted to plant the malicious software on ATMs in an audacious attempt to steal money. What isn't publicly known is how they managed to gain physical access to a number of ATMs in Russia.

Was it a breach in security along the supply chain that delivers ATM hardware to banks, or an inside job? All Diebold has said so far is that there was not a network-level security compromise.

Clearly, following best practices can help minimize the chances of ATM security breaches, and users should be aware that some hackers might now be targeting the ATMs directly, rather than just the bank customers using the Internet to manage their online finances.

Viruses that use polymorphism to mutate their appearance first rose to prominence in the early 1990s. However, the latest evolution of this technology is being deployed by malware today in an attempt to avoid detection. The Scribble⁵⁵, Sality⁵⁶ and Vetor virus families are all examples of malware that is both polymorphic and widespread in the wild.

Scribble, for instance, stood out for not only mutating its appearance on each infection, but also its ability to target HTM, HTML, PHP and ASP web files, alongside Windows executables, as it spreads via network shares and auto-running USB drives.

Exploiting wider programs

Instead of simply looking for operating system and browser vulnerabilities to exploit, hackers are also exploring security holes in other widely used programs and tools such as Adobe Flash and PDFs.

The rise in malicious Flash and PDF files can be partly explained by the use of malware construction kits that build web attack pages incorporating booby-trapped code. The inclusion of the Flash and PDF content targets vulnerabilities that have been found in the widely used Adobe browser plug-ins, underlining the importance of keeping these up to date.

Concerns about hackers taking advantage of security vulnerabilities in Adobe's PDF-reading software, spurred the company to announce that it would be making security updates available on a regular schedule. Adopting a similar initiative to Microsoft (which releases security patches on the second Tuesday of each month), Adobe announced that it would issue vulnerability fixes on the second Tuesday of every *third* month⁵⁷.

Mobile phones and Wi-Fi devices

BlackBerry

While there have been no reports of malware infecting BlackBerry devices, vulnerabilities have been found that can be exploited if hackers sent specially crafted files to the phone.

In January 2009, BlackBerry developers Research In Motion (RIM) issued a patch for a malicious BlackBerry PDF vulnerability that could be exploited by hackers⁶³. It was revealed if a BlackBerry user tried to open a maliciously crafted PDF file, malicious code could be executed on a computer hosting the BlackBerry Attachment Service. A similar vulnerability emerged in March 2009, with RIM issuing another patch⁶⁴.

Palm Pre and Google Android



At the time of press, there have been no reported malware attacks against Google's Android operating system or Pre, Palm's highly anticipated "iPhone killer." Nevertheless, as these devices grow in popularity, hackers will likely develop malware to exploit them for purposes of financial gain or simple notoriety.

Of course, cybercrime attacks that are not operating systemspecific (such as phishing and 419 scams) will threaten Palm Pre and Google Android users as much as any other Internet user.

iPhone

iPhones are increasingly being adopted inside enterprises by users who bring them in from home or demand that they be used for work purposes. Whereas BlackBerrry devices (which were originally popular with more security-conscious organizations including those in the fields of aerospace, defense and government) have a strong history of security built into their architecture, the iPhone originally focused on usability. As such, it now finds itself attempting to adapt itself into an appropriate and secure device for the workplace.

The iPhone 3GS has made advances in data security terms, now offering hardware encryption and remote wipe capabilities. In addition, security flaws that were present in earlier editions have been fixed⁶⁵.

But the iPhone still loses to the BlackBerry when competing for the crown of enterprise-ready secure messaging, leaving some businesses to make a trade-off between usability and risk. It's clear, however, that the total cost of ownership for managing iPhones in larger environments is still much higher.

One piece of good news is that although simple malware has already been seen, the iPhone has not yet been the target of a significant attack⁶⁶.

In the past, there has been criticism from some quarters that Apple has dragged its feet in fixing iPhone vulnerabilities, sometimes leaving the platform unpatched for months compared to the desktop Mac OS X platform. As the platform grows in popularity, it will become more important than ever that it is patched in a timely fashion. The potential for delayed patches has led some to speculate that hackers could take advantage of vulnerabilities in shared common code, such as the Safari Web browser (which is used on the iPhone and ships as standard on Mac OS X), as the platform for attack⁶⁷.

The very fact that a smartphone like the iPhone is a cellphone as well as a computing device can lead to potential new vectors of attack. For instance, security researcher Charlie Miller discovered a way of forcing a targeted iPhone to be disconnected from the cellphone network purely by sending it a maliciously-crafted SMS message⁶⁸.

In addition, iPhone users should also be aware that they may be more vulnerable to phishing attacks than their desktop counterparts because:

- They have to enter URLs via the touch-sensitive screen, and may be more willing to just click on email links.
- The iPhone version of Safari does not display URLs that are embedded in emails before they are clicked on. It is therefore harder for users to tell if the link leads, for example, to a bogus banking website.
- The iPhone's browser has limited space. Because of this, URLs may be truncated⁶⁹, making it easier for cybercriminals to fool users into believing they are on a legitimate website.

These contributing factors may also be present on other smartphone devices of course.

Cybercrime and computer crimes

Digital espionage increasing

Countries spy on each other for political, commercial and military advantage — and it would be naive to think they do not take advantage of computers and the Internet to help them do so. 2009 saw even more reports of cyberwarfare and computer crimes:

- **February** India's Ministry of External Affairs (MEA) confirmed that some of its computers had been infected with spyware⁷⁰. Affected PCs include computers dealing with sensitive Pakistani affairs, and computers in the offices of senior secretaries and joint secretaries.
- June Opponents of the incumbent government in Iran made their opinions heard when they launched distributed denial-of-service attacks against the Iranian Justice Ministry and Iranian president's websites.

Twitter users forwarded messages to each other containing links to webpages that automatically flooded Iranian government websites with traffic, overloading them and causing them to crash⁷¹.

Arrests and the law

With cyberwarfare and computer-based crimes on the rise, governments have made several attempts, some successful, to shut down malicious operations. The first half of 2009 has seen more shutdowns, arrests and harsher sentences for criminals involved in the high-profile and financially rewarding computer crimes.

Perhaps the most prominent government-forced closure during this time was the closure of Internet service provider Pricewert by the FTC in June 2009⁷², following allegations that it was knowingly involved in major spam attacks, phishing campaigns, malware distribution, and child abuse.

The FTC complaint further alleges the company consciously shielded its criminal clients by ignoring requests from the Internet security community asking for dangerous pages to be taken down⁷³.

Although this case has yet to go to court, the government's involvement proves that it is serious about stopping malicious and harmful activities.

Here are a few other success stories from the first six months of this year:

- January Maksym Yastremskiy, one of the men behind the infamous TJX data breach, received a 30-year prison sentence for his involvement with the hack⁷⁴.
- March Hugh Rodley and David Nash were convicted for their part in what would have been Britain's biggest bank robbery⁷⁵ — an elaborate scheme to steal £229 million from the London branch of Sumitomo Mitsui bank by smuggling hackers⁷⁶ into the premises afterhours to install keylogging software onto terminals.
- April Four women and five men were arrested, suspected of targeting the financial services industry with banking Trojan horses⁷⁷. The gangs are believed to have recruited mules to help move stolen funds into their own coffers.
- May The US District Court in Minneapolis sentenced
 a 23-year-old Romanian immigrant to 8.5 years in jail
 for stealing a total of approximately \$700,000 from
 over 7,000 innocent people⁷⁸. According to local media
 reports, he started his phishing campaign in June 2000,
 when he was 14 years old.

Cyber security departments — a new trend in government?

Educating users and raising awareness of Internet threats and cybersecurity amongst the general population is paramount, especially when there can be a tendency for governments to emphasize the threat posed by other countries and terrorist groups in other countries while neglecting to understand the real threat domestic terrorists present.

President Obama recently recognized this need, and in May 2009 outlined a new government strategy designed to "deter, prevent, detect and defend" against cyber attacks, from those that originate overseas and domestically. He also promised to create a cyber security coordinator "czar" whose primary responsibility is developing and overseeing this strategy. This is one of many recommendations outlined in the 60-day cyberspace policy review commissioned in February⁷⁹.

Then in June 2009, the British government published its cyber security strategy, announcing its intentions to create a central body to liaise with industry (the Office of Cyber Security or OCS) and a separate body, the Cyber Security Operations Centre (CSOC), based at the UK's surveillance headquarters GCHQ in Cheltenham⁸⁰.

Will this deter future cybercriminal activities? It's not certain. What is certain, however, is that governments increasingly want to be seen as serious in their intent to shut down cybercriminal organizations.