# **BOTNETS** Detection, Classification, and Countermeasures

Prof. Dr. Peter Martini, Fraunhofer FKIE and Univ. of Bonn, Germany

October 5, 2011

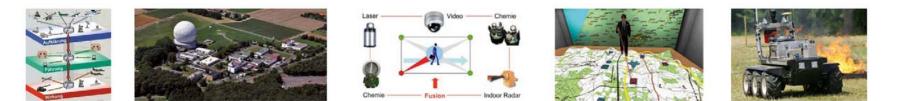




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# Fraunhofer-FKIE

Fraunhofer Institute for Communication, Information Processing, and Ergonomics



FKIE is a research institute active in the areas of defense and security. FKIE develops models, methods and tools for Network Enabled Capabilities.

#### **Research Areas** Location Wachtberg Command and Control Systems Founded in 1963 **Communication Systems** Staff > 300 > 24 Mio € Budget Multisensor Data Processing for Surveillance Human Factors & Human-Machine-Systems Director Information & Knowledge Management

- Unmanned Systems
- Cyber Defense

Prof.Dr. Peter Martini www.fkie.frauhofer.de WWW



# FKIE – Cyber Defense **Defense and Public Security**

#### Protection against "Cyber Attacks"

- Protection of Critical IT Infrastructures
- Protection of Command&Control in "Cyber-Physical Systems"

## Always in Our Minds: Practical Relevance

- "Thinking starts at the Application"
- Focus: Defense and Public Security
- Support for Decision Makers, Users, Operators
- Training, Consulting, Implementation Support
- Protection and Quick Restoration of the Reliability and the **Trustworthiness of Computer Systems and Networks**



### Introduction





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# Cyber War **Fact of Fiction ?**





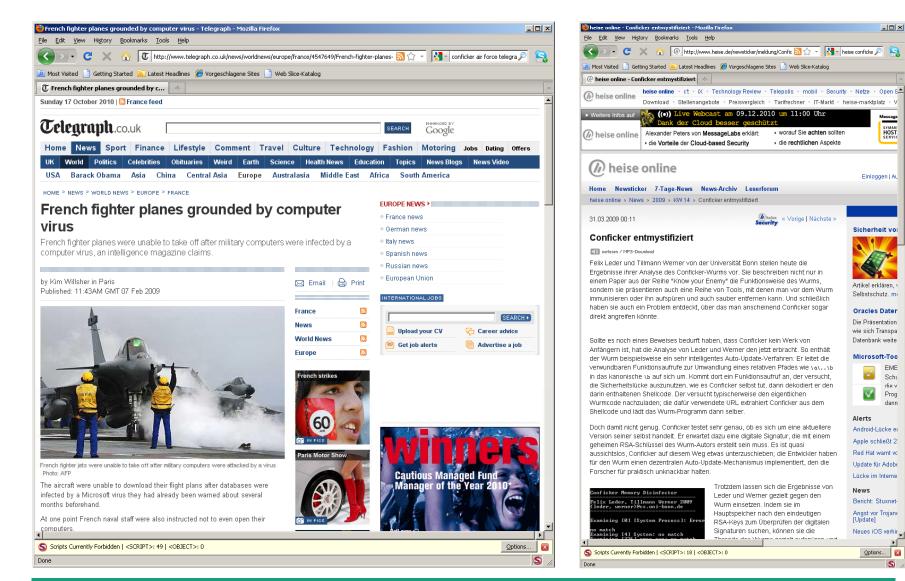
# Tages-Anzeiger 24.11.10:

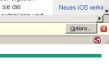
# "Stuxnet was a worldwide test of weapons"





#### 2009: "Conficker"







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Angst vor Trojane

Alerts

News

[Update]

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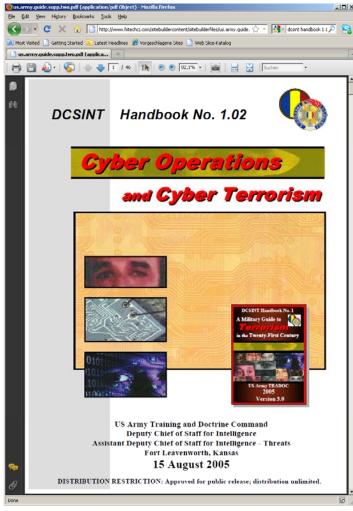
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# Goals of Cyber Attacks A Handbook from Aug. 15, 2005





#### **1. Loss of Integrity**

Modification of Data

#### 2. Loss of Availability

Slowing-Down or Blocking of Systems/Functions

#### **3. Loss of Confidentiality**

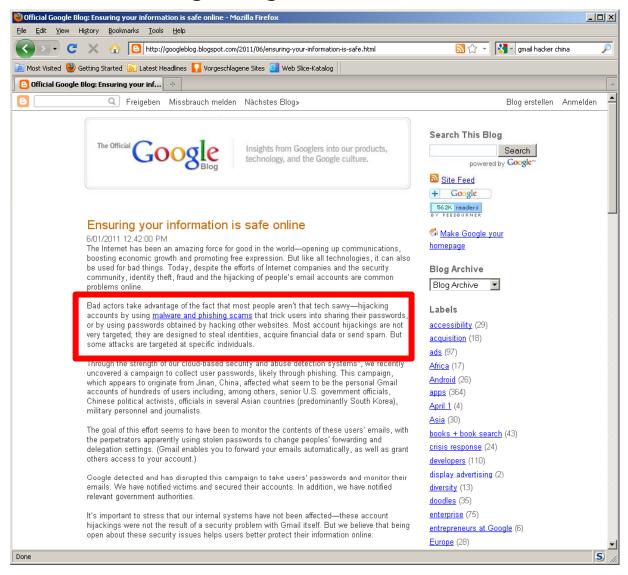
Espionage, Battle for the Public Opinion

#### **4. Physical Destruction**

Supervisory Control and Data Acquisition (SCADA)

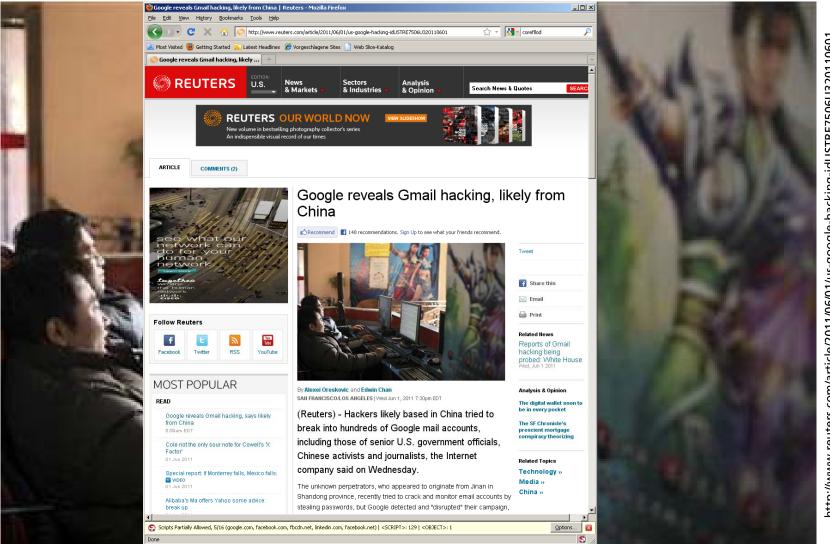


#### Example: Gmail-Hacking; Google (June 1, 2011 12:42)





#### **Reuters (June 1, 2011 7:30pm EDT)**



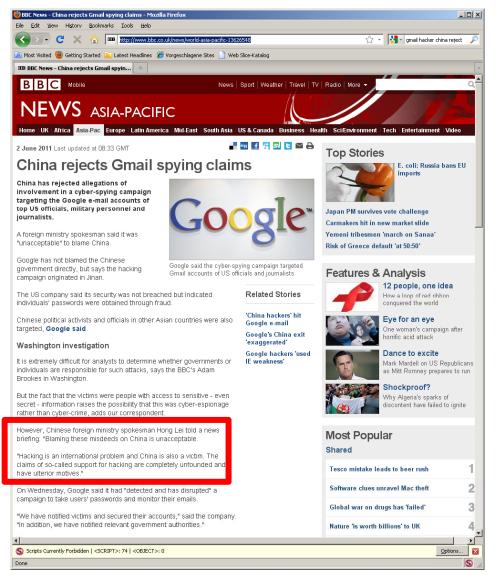
http://www.reuters.com/article/2011/06/01/us-google-hacking-idUSTRE7506U320110601







#### BBC (June 2, 2011 08:33 GMT)





# "Malware" and "Botnets"



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# Malware and Botnets The Basics

Definition: Malware (short for malicious software) is software designed to perform activities on or grant access to a computer system without the owner's knowledge or consent.

First Appearence: depends on definition, known cases are

1971 – Creeper / Worm (spreading in ARPANET)

"I'm the creeper, catch me if you can!"

(another worm named "Reaper" was used to remove Creeper)

1986 – Brain / Virus

Welcome to the Dungeon (c) 1986 Basit \* Amjad (pvt) Ltd. BRAIN COMPUTER SERVICES 730 NIZAM BLOCK ALLAMA IQBAL TOWN LAHORE-PAKISTAN PHONE: 430791,443248,280530. Beware of this VIRUS.... Contact us for vaccination...

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# Malware and Botnets The Basics (2)

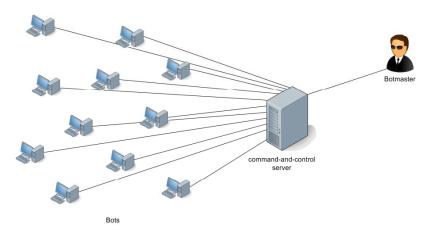


## Classical types of malicious software:

- Virus (self-replicating code)
- Worm (autonomous, network-based spreading)
- Trojan Horse (deceptive program, carrying other malware)
- Keylogger (intercepts keystrokes)
- Spyware (gathers data from an infected machine)
- Rootkit (grants hidden access to a system)
- Dialer (uses modem to generate profits over premium numbers)
- Scareware (social engineering of users)
- Ransomware (performs extortion by e.g. encrypting the hard drive)
- Today, these classifications are no longer useful, as most malware combines various aspects of functionality.



# Malware and Botnets The Basics (3)



- Definition: Botnets combine infected computer systems into a network of compromised systems (bots, zombies) .... operated and controlled by a third party (botmaster/botherder).
- Botnets combine classical malware functionality to a dangerous weapon with lots of application areas.
- Motivations:
  - Financial interests
    - Spam
    - Financial Fraud
    - Identity Theft
    - Extortion

- Political interests
  - Denial of Service ('07 against Estonia, ...)
  - Espionage ('08 GhostNet)
  - Sabotage ('09 Stuxnet)



# "Malware" and "Botnets"

## Life Expectancy of Malware

#### Symantec Security Response

http://www.symantec.com/security\_response/index.jsp-

#### Backdoor.Coreflood Risk Level 1: Very Low

Discovered: November 29, 2002 Updated: December 3, 2002 3:19:23 Plan Type: Worm Infection Length: 173,056 bytes Systems Affected: Windows 98, Windows 95, Windows XP, Windows Me, Windows Vista, Windows NT, Windows 2000

#### SUMMARY

Backdoor.Coreflood is a Trojan horse that opens a back door on the compromised computer.

#### Antivirus Protection Dates

- Initial Rapid Release version November 29, 2002
- Latest Rapid Release version May 31, 2011 revision 023
- Initial Daily Certified version November 29, 2002
- Latest Daily Certified version May 31, 2011 revision 034
- Initial Weekly Certified release date December 4, 2002

Click here 🛛 for a more detailed description of Rapid Release and Daily Certified virus definitions.

#### Threat Assessment

#### Wild

- Wild Level: Low
- Number of Infections: 0 49
- Number of Sites: 0 2
- Geographical Distribution: Low
- Threat Containment: Easy
- Removal: Easy

#### Damage

- Damage Level: Medium
- Payload: Opens a back door on the compromised computer.
- Releases Confidential Info: Gathers information relating to online transactions.

#### Distribution

Distribution Level: Low

#### **TECHNICAL DETAILS**

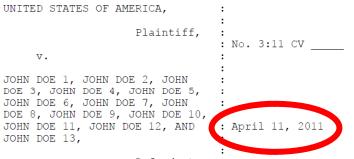
This Trojan may be downloaded and installed by another threat, which may have been downloaded while visiting compromised websites.



# "Malware" and "Botnets" Coreflood

Case 3:11-cv-00561-VLB Document 1 Filed 04/11/11 Page 1 of 18

UNITED STATES DISTRICT COURT DISTRICT OF CONNECTICUT



Defendants. :

#### COMPLAINT

NOW COMES the United States of America, by and through its attorney, David B. Fein, United States Attorney for the District of Connecticut, and alleges the following:

1. This is a civil action brought under Title 18, United States Code, Sections 1345 and 2521 to enjoin the Defendants from continuing to engage in wire fraud, bank fraud, and unauthorized interception of electronic communications, in violation of Title 18, United States Code, Sections 1343, 1344, and 2511, by means of malicious computer software known as "Coreflood."



# "Malware" und "Botnets" Coreflood

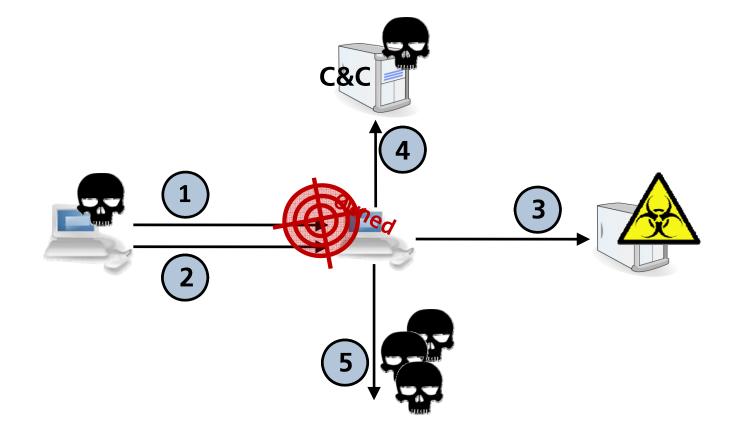
13. The victims of the fraud scheme described above

included, inter alia:

- a. A real estate company in Michigan, from whose bank account there were fraudulent wire transfers made in a total amount of approximately \$115,771;
- b. A law firm in South Carolina, from whose bank account there were fraudulent wire transfers made in a total amount of approximatel \$78,421;
- c. An investment company in North Carolina, from whose bank account there were fraudulent wire transfers made in a total amount of approximately \$151,201; and
- d. A defense contractor in Tennessee, from whose bank account there were fraudulent wire transfers attempted in a total amount of approximately \$934,528, resulting in an actual loss of approximately \$241,866.



# **Botnets** How to Set Up a Botnet





# Botnets Takeover by USB Devices





#### Botnets as autonomous or partially autonomous systems

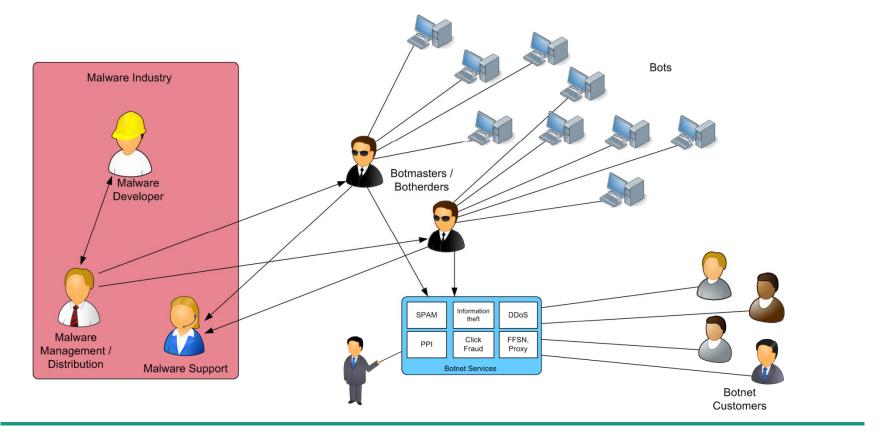
- Autonomous proliferation
- Autonomous coordination of infected systems
- > Configuration of future activities in case of pre-defined conditions
  - $\circ$  Time-of-Day
  - $\circ$  Geo-Location
  - o System Environment (Operating System, I/O devices, ...)

o ...



# **Malware Economy Roles and services**

Around malware, a complete economy has evolved.





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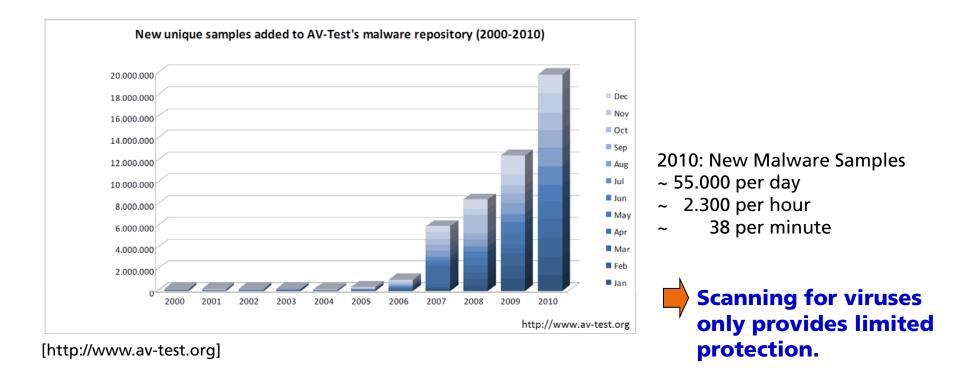
# **Analysis of Malware and Botnets**



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# A large zoo of malware Collecting malware samples

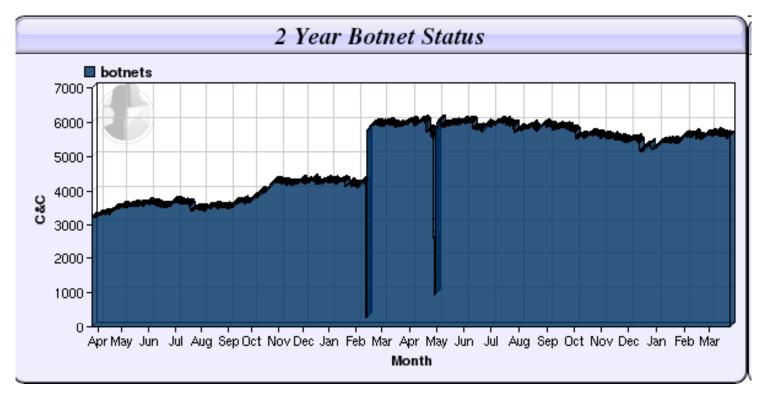
#### AV-Test: tracking of malware samples





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# A large zoo of botnets as well...



#### Shadowserver: tracking of known C&C servers

[http://www.shadowserver.org/wiki/pmwiki.php/Stats/BotnetCharts]



# **DDoS-Attacks: Distributed Denial of Service**



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# **Botnets: Detection & Counter-Measures Selected Methods**

#### Passive Techniques

- Traffic Analysis
- DNS-based Approaches
- Analysis of Spam
- Analysis of Log Files
- Honeypots
- Evaluation of AV Feedback

#### Active Techniques

- Sinkholing
- Infiltration
- DNS Cache Snooping
- Tracking of Fast-Flux Networks
- IRC-based detection & monitoring
- Enumeration of Peer-to-Peer Networks

#### Other Techniques

- Reverse Engineering
- C&C forensics & abuse desks



# **Botnets: Detection & Counter-Measures Selected Methods**

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## **Other Techniques**

- Reverse Engineering
- C&C forensics & abuse desks



# ", Traffic Sinkholing" ... Take a Detour

- Redirect bot communication to a "sinkhole"
  - List of infected systems  $\rightarrow$  Estimation of real size
  - If acceptable: Block commands
- Challenge

- Global Cooperation (ISP level or really global)





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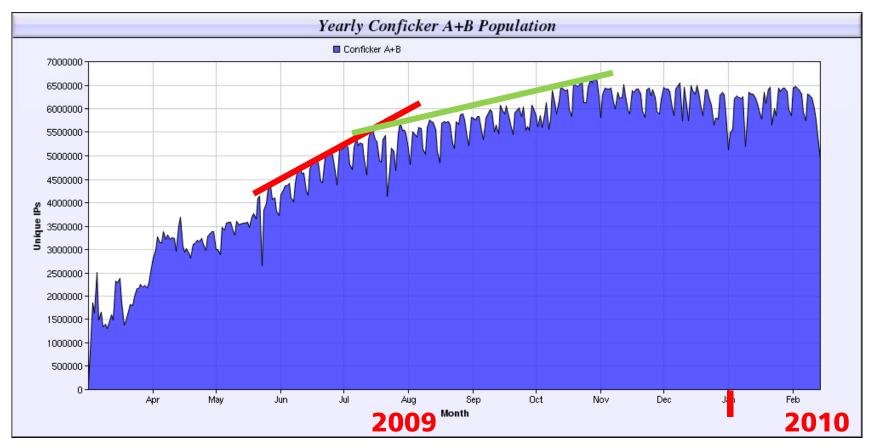
**Example: Conficker** A Domain Name generated by Conficker

# **YJOLENTXKSY.NET**

Domain Name: YJOLENTXKSY.NET Registrar: KEY-SYSTEMS GMBH Whois Server: whois.rrpproxy.net Referral URL: <u>http://www.key-systems.net</u> Name Server: NS1.MYDOMAIN-IN.NET Name Server: NS2.MYDOMAIN-IN.NET Name Server: NS3.MYDOMAIN-IN.NET Status: ok Updated Date: 14-may-2009 Creation Date: 04-mar-2009 Expiration Date: 04-mar-2010



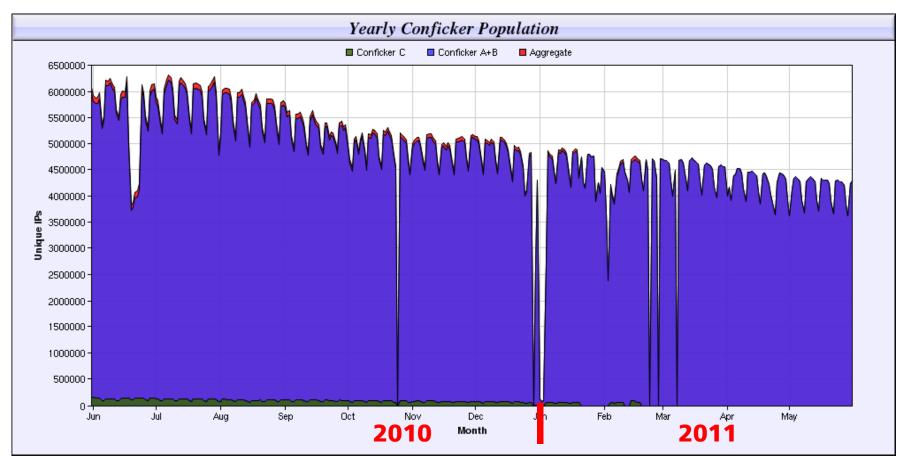
# Conficker **Number of Infected Systems**



Quelle: http://www.confickerworkinggroup.org/wiki/pmwiki.php/ANY/InfectionTracking



# Conficker **Number of Infected Systems**



Quelle: http://www.confickerworkinggroup.org/wiki/pmwiki.php/ANY/InfectionTracking



# Approaches to detection & measurement of botnets Example method: Sinkholing

#### Conficker Sinkhole: "Population Data"

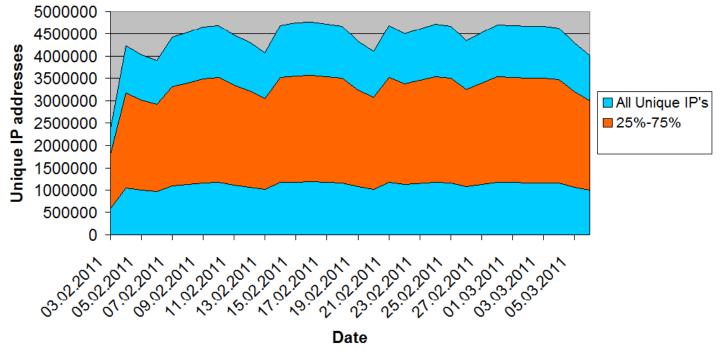
- "Many people equate one IP to one system, but that is not usually the case." (impact: NAT, mobile devices, dial-up, …)
- "The daily numbers should represent the potential maximum level of the infection, but in previous test cases usually prove to be much less than that maximum. So, take the range of 25% to 75% of the values that we display as the possible infection population and you will be close to the real value. And yes, this is a very large range, and you can see why we do not like to quote any numbers for infection populations, and why you will see very high and low numbers get quoted regularly depending on the purpose of the person making the quote."

[Conficker Working Group Website: Section on infection tracking <u>http://www.confickerworkinggroup.org/wiki/pmwiki.php/ANY/InfectionTracking</u>]

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# Approaches to detection & measurement of botnets Example method: Sinkholing

#### Daily Conficker Sinkhole Data with 25-75% region marked



Conficker A+B+C Sinkhole

[Conficker Working Group Website: Section on infection tracking <u>http://www.confickerworkinggroup.org/wiki/pmwiki.php/ANY/InfectionTracking</u>]



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# Advanced Malware Analysis Challenges

Only binary code from executables is given

- Blackbox view
- Reverse Engineering
  - Static Analysis
  - Dynamic Analysis / Debugging
- Malware uses various mechanisms to complicate analysis
  - Timing traps
  - Obfuscation
  - Runtime modification of code
  - Cryptography

...



# **Advanced Malware Analysis Blackboxing / Sandboxing**

Execution of malware in a controlled environment.

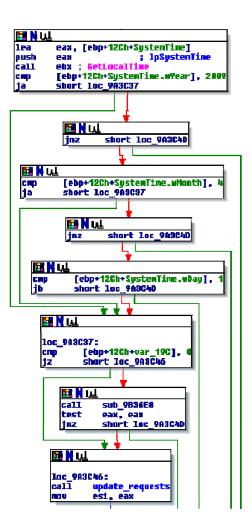
- secured against spreading
- closely monitored
- Observation of behavior provides insights into the malware functionality
  - Integration / hooking into system
  - Malicious functionality (theft, spam, DDoS, spreading)
  - Command-and-control protocols and servers



# **Advanced Malware Analysis Reverse Engineering**

## Static analysis

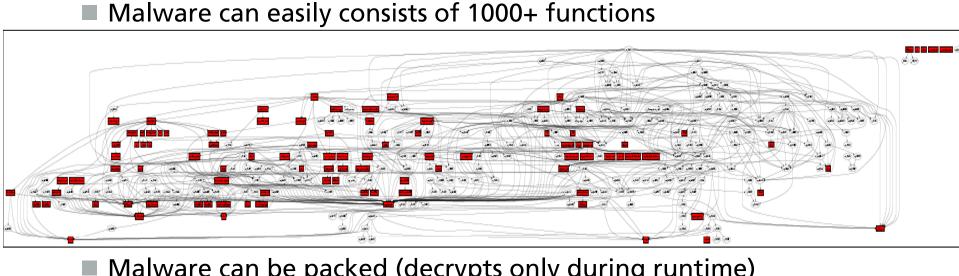
- Analysis without execution
- Assembly / Basic Block level
- Control flow analysis
- Data and Structure available
  - Strings, constants, …
  - Functions, relationships, …
- Detailed study of algorithms possible





# **Advanced Malware Analysis Reverse Engineering**

## Static analysis: Stepping stones







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# **Advanced Malware Analysis Benefits of analysis**

## Derivation of signatures for

- Anti-virus
- Intrusion Detection Systems (IDS)
- Investigation of C&C infrastructure
  - C&C servers
  - C&C protocol
  - Weaknesses and possible vulnerabilities

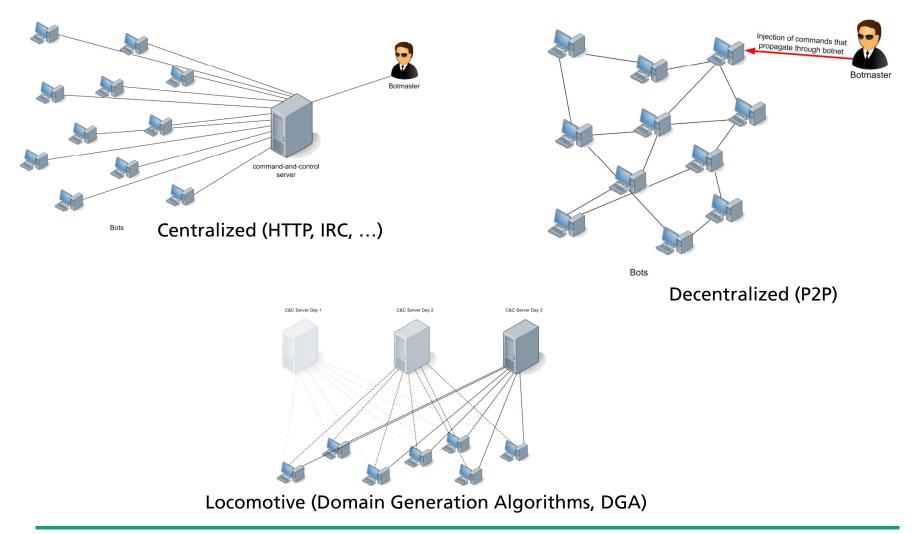


# **Botnet Mitigation**



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# Approaches to botnet countermeasures Botnet Command&Control Structures





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# **Approaches to botnet countermeasures Current practices and challenges**

#### Takedown of C&C Servers

- Abuse request to hosting provider: disconnect / power off server
- Challenge: non-cooperative (bulletproof) hosting

#### Handling of C&C domains

- Abuse request to registrar in charge: deregistration
- Register unused C&C domains in advance

#### De-Peering of rogue ISPs

- Benign ISP's decision cooperation needed to stop services
- Court: Restraining order (e.g. FTC vs. 3FN / Pricewert)



# **Approaches to botnet countermeasures Current practices and challenges**

#### Actions against botnet C&C infrastructure do not affect infections

- Systems remain instable and vulnerable
- Many computers infected with multiple malware
- Pay-per-install and update features can be used to extend botnet population
- Incomplete takedowns may raise botnet resilience
  - Infrastructure may be migrated after regaining control
  - "Teaching" botmasters to update and enhance



## **Combating Botnets**

# **Examples of Successfully Investigated Botnets**

- **Storm Worm** (2008)
- **Waledac** (2008)
- **Kraken** (2008)

## **Conficker** (2008-2009)

Theise	News		
Security	Meldung vom 09.01.2009 13:05	[<< Vorige] [Nachste >>]	
ie sind Gast	Sturmwurm-Botnetz sperrangelweit offen 🖾 🕬		
Suche	Ein Team von Forschern der Universität Bonn und der RWTH Aachen hat das berüchtigte Sturmwurm-Botnetz analysiert und dabei festgestellt, dass es keineswegs so perfekt ist, wie es immer schien. Im Gegenteilt. Mit Software, die Georg Wicherski. Tillmann Werner, Felix Leder und Mark Schlösser entwickelt und zumindest teilweise <u>verölfentlicht</u> haben, ließe sich das Botnetz in kürzester Zeit eiminieren.		
Nows 7-Tage-Alerts 7-Tage-News Newsletter English News RSS-Feed	Seit zwei Jahren ist der Sturmwurm das Paradebeispiel für die technischen Fähigkeiten organisierter, krimineller Banden im Internet. Das Sturmwurm-Botnetz bestand zwischenzeitlich aus mehr als einer Milion infizierter Rechner, die den Befehlen eines Kontrollservers folgten und Peer-to-Peer-Techniken einsetzten, um neue Server zu finden. Selbst nach einer großen Reinigungsaldion durch Microsofts Malicious Software Removal Tool durtten noch grob geschätzt 100.000 Drohnen übrig sein. Damit ist das Sturmwurm-Botnetz für einen beträchtlichen Teil der Späm-Flut und viele verteilte Denial-of-Service-Angrifte verantwortlich. Umso erstaunlicher ist es, dass es "trotzdem nicht gelingt, dieses Netz stiltzulegen. Den Ergebnissen der Forscher zu Folge liegt das keineswegs an den technischen Finessen der Sturmwurm-Entwickler. Die bisherigen Erkenntnisse über die eingesetzten Techniken des Sturmwurm zu entzaubern, beschniten die <u>Hacker</u> einen anderen Weg. Sie habei große Teile des Client-Programms der zombies aus dem Maschinencode zurückübersetzt und analysiert. Insbesondere die Fundionen zur Kommunikation mit den anderen Zombies und dem Server haben sie sich dabei genauer angesehen.		
Hintergrund BSI-Info Know-how			



#### E Print story

#### 1

Storm worm smackdown as researchers unpick control system But legal fears may kibosh clean-up By John Leyden - Get more from this author

Posted in Arti-Virus, 13th January 2009 00:32 GMT Free whitepaper – Seven tips for profiting from lean times with CRM

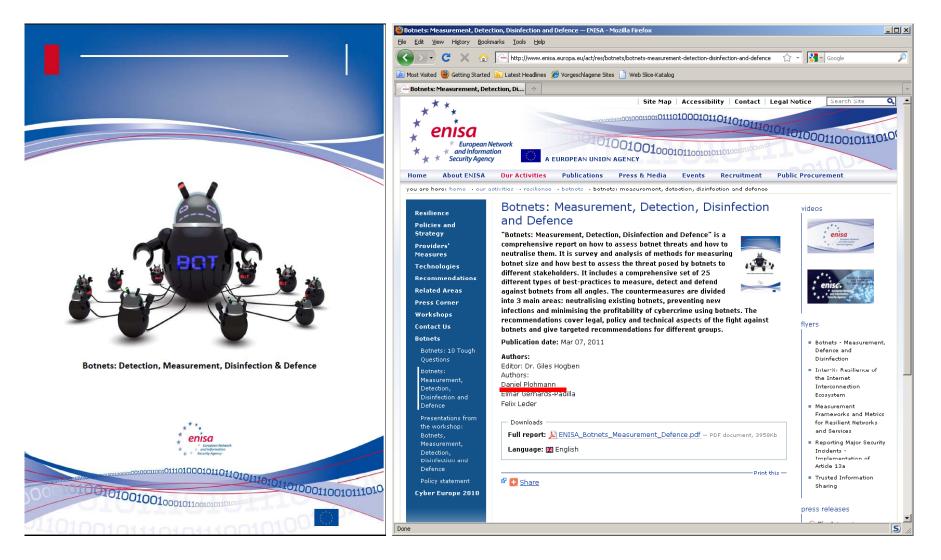
A team of security researchers have developed a technique for automatically purging the remnants of the Storm worm infection from the internet. But the approach - which involves turning the botnet's command and control system against itself - could run foul of computer hacking laws in Germany and elsewhere, which ban the modification of computer systems without consent.

Nonetheless, the work of the team from Bonn University and RWTH Aachen University have advanced knowledge about how botnets (networks of compromised zombie PCs) are established and maintained that could advance the development of more acceptable tracking and take-down techniques.

The analysis of the infamous Storm worm bothet by Georg Wicherski, Tillmann Werner, Felix Leder, and Mark Schlösser established that the network of compromised machines established by the Storm worm is far less resilient than previously suspected, Heise Security reports,

PCs compromised by Trojan agents associated with the Storm worm turned compromised machines into zomble drones under the control of Track this topic 💦

# **Additional Reading**





# Take Home Messages

## **1. Complex IT Systems are vulnerable**

- > The Anti Virus Industry lost the battle a long time ago.
- > There is a whole economy around malicious software.
- Botnets add Command&Control: They pave the way for organized attacks.

## 2. The Genie is out of the Bottle: Botnets are here to stay with us

- > Deterrance does not really work today (issue of attribution).
- > International Co-Operation is essential: Co-Operative Defense against Cyber Attacks.

## **3. Resilience is Essential**

- > Something will happen.
- Make sure that the effects of the Unkown can be controlled.





#### Practically relevant solutions for detecting, analyzing, and responding to cyber attacks

#### **Monitoring & Situational Awareness**

IDS for heterogeneous Networks Operational Picture & Situational Awareness Intrusion Response

#### **Resource-efficient Cryptography**

Efficient Key Management Application Protection Protocols Network Protection Protocols

#### cydef@fkie.fraunhofer.de +49 (228) 9435 - 378

#### **Digital Forensics & Malware Analysis**

Malware Analysis Digital Forensics Honeypots/Honeynets Botnet Analysis

#### **Secure Network Architectures**

Interoperable Coalition Architectures Multi-Level Security Gateway Concepts Protected Core Networking



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