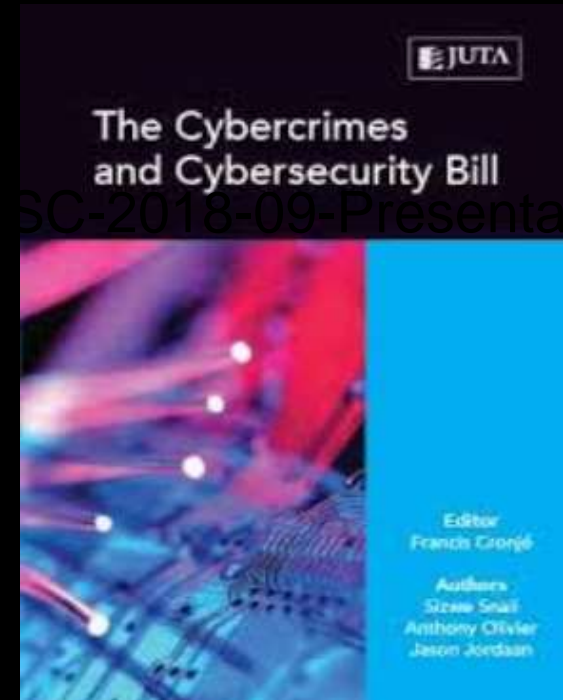


# The Art of the Possible...

## Information Sharing In the Globalizing Era of Cyber-Resilience, Contextualization & Orchestration

[For access to IISC presentations, send email address to anyckt@ibm.com - Content::https://ibm.box.com/v/IISC-2018-09-Presentation](mailto:anyckt@ibm.com)



<https://www.linkedin.com/in/anyckturgeon/>  
<https://twitter.com/AnyckTurgeon>

# Outstanding progress

*“Cyber-threat intelligence ecosystem: a shopping center of ISAOs”*

*“Over 50 US ISAOs sharing cyber-intelligence”*

*“Automated (1-5 levels) Cyber-Security Information Sharing”*

*“Leveraging Traffic Light Protocol (TLP) for multi-tier exchanges”*

*“Use of STIX (Structured Threat Information Exchange) language & framework”*

*“The seed for global cyber-diplomacy”*

# The Art of the possible: It has been done...

## IoT Contextualization



Global  
Collaboration



AI + Quantum =  
The need for speed



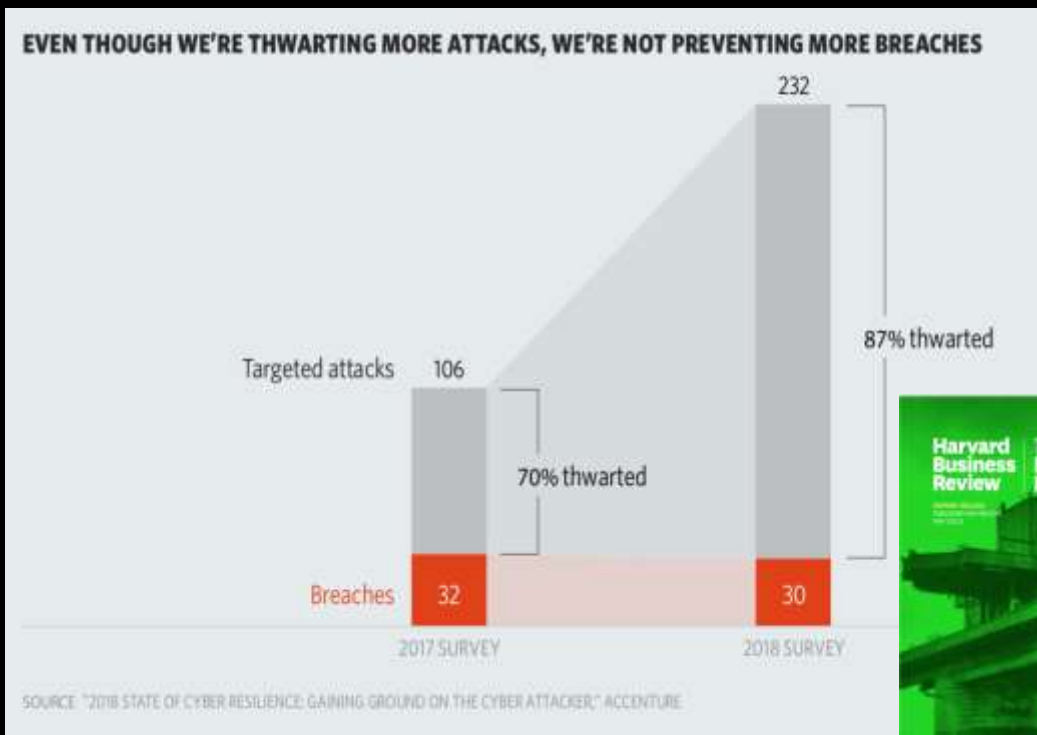
Un-biased  
Cyber Profiling  
(United Clear & Dark Web)





# What is Next: Innovating Information Sharing

*To live is to suffer.  
To survive is to find some meaning in the suffering.*  
Friedrich Nietzsche



We choose to thrive by :

- 1) Prioritizing **Cyber-Resilience**
- 2) Zooming analysis with **AI & Quantum Contextualization** of cyber-intelligence
- 3) Delivering unprecedented outcomes with **Orchestration**

# The Art of the Possible



Stop firing the  
fireman

Empower  
information sharing  
starting with  
cyber-resilience

## Before and After Cyber-Resilience

*There are millions of ways to cyber-attack an organization today.*

*Large organizations already face billions of attacks per day.*

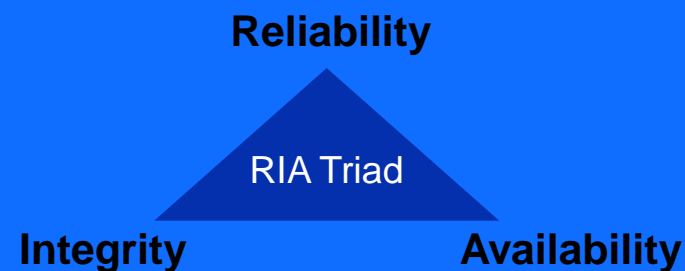
*By 2020, we will have to deal with trillions of cyber-events daily.*

*Most organizations are already plagued by insider threats.*

*How to improve our response to global cyber-BOOMs?*

Why Cyber Resilience? The “Always-On” Client Demand / Expectation

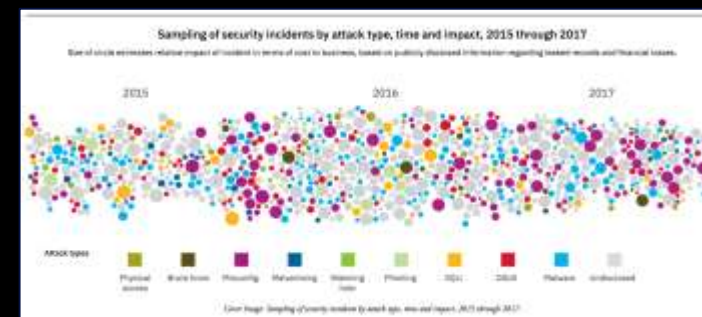
Cyber Resilience is an organization’s ability to continue delivering the intended outcomes despite adverse cyber incidents.



IBM Cyber Resilience =  
Security + Resiliency + Networking solutions

Top 5 Threats of 2018<sup>1</sup>:

1. Cyber attack
2. Data breach
3. Unplanned IT outage
4. Interruptions to utility supply
5. Adverse weather



Business impact of cyber attacks and data breaches is very high

- \$3.86 million average cost of a data breach<sup>1</sup>
- \$350.44 million average cost of a mega data breach<sup>2</sup>
- Damaged brand reputation, loss of trust

<sup>1,2</sup> Ponemon Institute 2018 Cost of Data Breach Study

Analysts predict increased attacks and higher security and DR spending

- 27.9% average probability of material breach in the next 24 months<sup>1</sup>
- \$96 billion security spending in 2018<sup>2</sup>
- \$12.5 billion DRaaS market by 2022<sup>3</sup>

<sup>1</sup> Ponemon Institute 2018 Cost of Data Breach Study

<sup>2</sup> Gartner

<sup>3</sup> Markets and Markets

Cyber Risk is a C-Suite Priority:

- New worry for CEO, CIO and CISO: A career-ending cyberattack
- Mitigating cyber risks is now a top boardroom agenda<sup>1</sup>

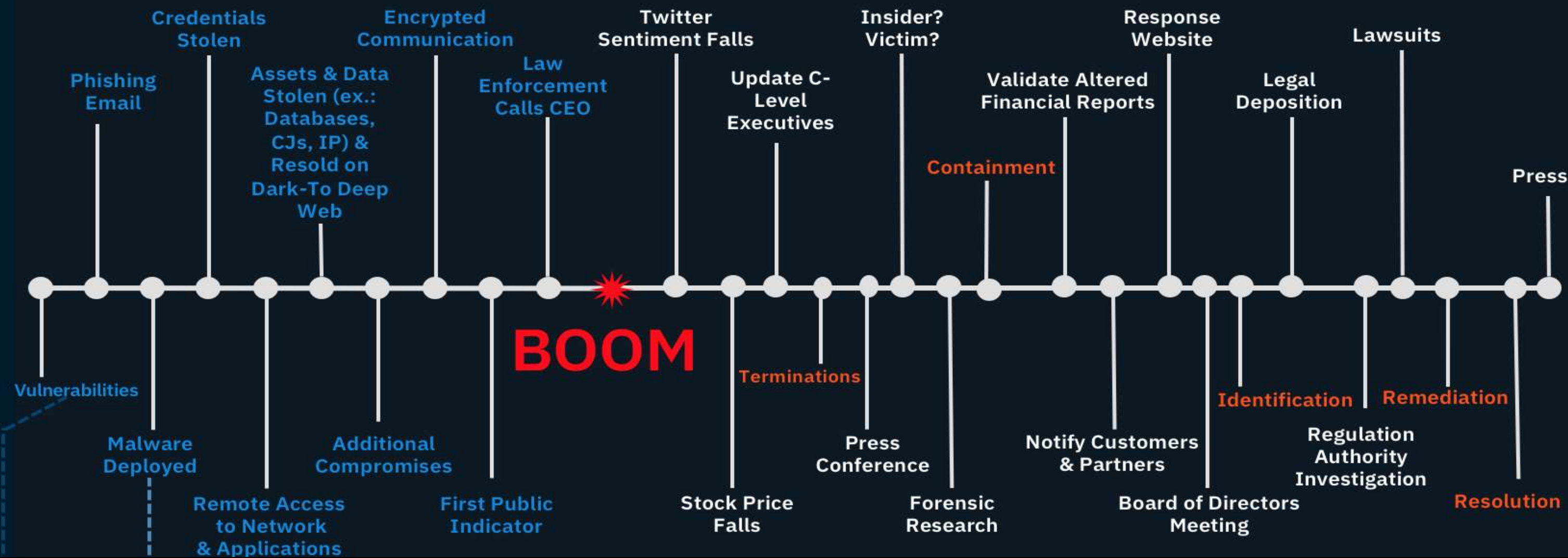
Regulations/Standards/Guidance:

- GDPR – Article 32
- ISAO 600-1
- 2015 US Presidential Executive Order 13691
- CPMI-IOSCO (Payments and Market Infrastructures)
- ISOs: [ISO27001](#) (ISMS), [ISO22301](#)(BCMS), [ISO27031](#) (comms)
- Sheltered Harbor – Appendix J
- MAS - Notice on Technology Risk Management

Key Client Challenges:

- Inability to fully comprehend rapidly evolving cyber risks landscape
- Inadequate incident response and DR plan
- Critical applications aren't covered by DR programs

# Today's Cyber-Incident Timeline



MORE COMPLEXITY, MORE RESOURCES, MORE COSTS, MORE RISKS



# Cyber-Security Today - "As Is" Experience

Did you know...

**70%** of ransomware business victims paid to get their data back  
**50%** paid more than \$10,000  
**20%** paid more than \$40,000.

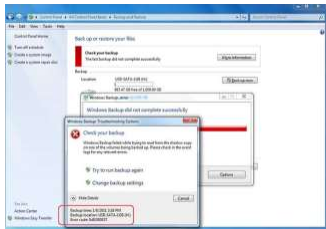
SOURCE: IBM Study - Ransomware: How Consumers and Businesses Value Their Data



**Michael**  
 Chief Information Security Officer (CISO)



Octopus tree



Client has insufficient tools, budget & resources to prevent cyber attacks.

A cyber attack occurs when the cyber-criminal creates a contagious website. The viewer may receive a phishing email offering great promotions, find the site from a Google search or get rerouted from a valid site to the new bogus IP address.

When the user views the routed website, cocktail malware (including ransomware virus infection) is installed on the client's system. Key logger is also often installed to obtain user credentials

Ransomware takes a copy of the valid data while it encrypts production filesystem and latest backup copy.  
 Key logger captures valid user credentials.  
 Other malware gets installed at different intervals

Client receives ransomware notice with terms of payment and panics. Initial terms of payment are more affordable (ex: pay \$1,000 within 30 minutes.)

Client chooses to pay ransom via bitcoin to unlock production system data and MAY receive unencrypted file back.

Is this really a solution?

Cyber-criminals sell valid credentials, data, etc. on the dark web for others to attack successfully & re-attacks organization later after being done with crypto-mining



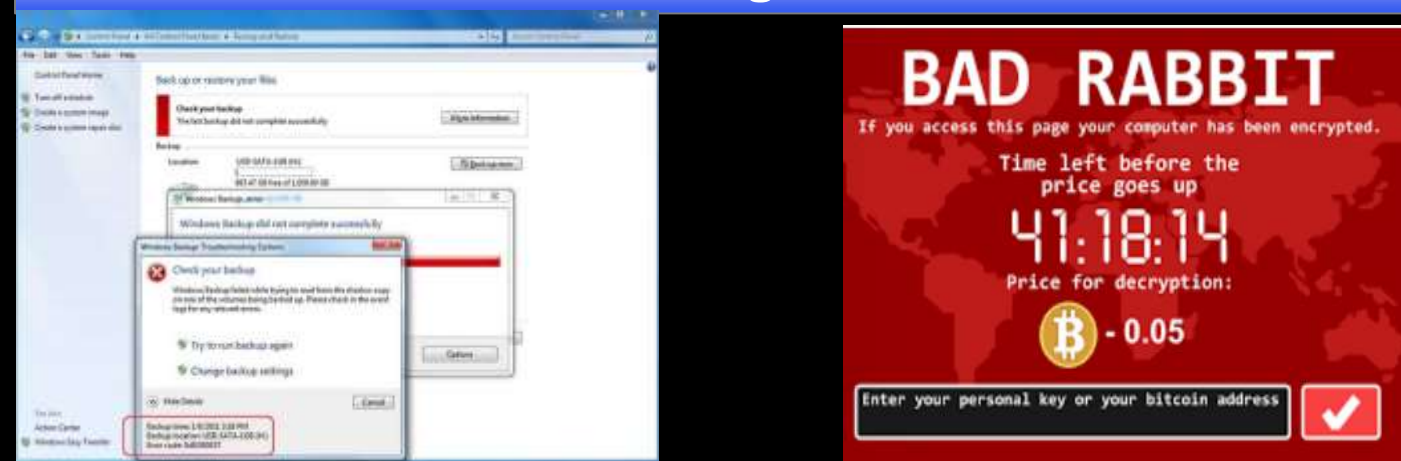


# Cyber Security – “As Is” Failure is Becoming Exponentially More Costly...

Since 2016, Angler generates \$34 Million / month



Since 2017, Ransomware generates \$40 Million /month



& is more exciting with Crypto-mining

Now, Modern Cocktail Malware is much more lucrative

WEEK 1

**\$10,000**

1 hack

WEEK 2

**\$1M**

100 hacks

WEEK 3

**\$10M**

1,000 hacks

Week 4

**\$100M**

10,000 hacks

Week AI

**\$10B**

1M hacks

# Cyber Security – “As Is” - Resulting Impacts & Business + IT Challenges

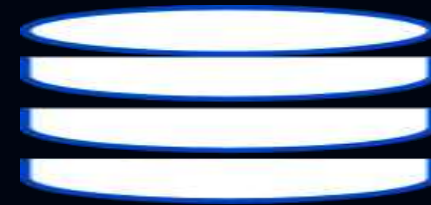
## Unacceptable Business & Economic Impacts



**Inefficient Point In Time copies**  
Point in time copies provided by traditional backup has high RPO and RTO – **FAILING RECOVERY**



**Recovery is too long** and has frequent failures due to heavy manual operations. Becomes more challenging in Cyber Attacks – **FAILING BUSINESS & IT PERFORMANCE**



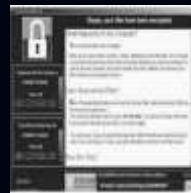
**Testing disrupts organizations** – **FAILING HIGH-AVAILABILITY**



**Regulations impose new requirements**  
FINRA Rule 4511, SEC Rule 17a-4, HIPAA, Data Protection Directive, GDPR, FFIEC Appendix J – **FAILING COMPLIANCE**



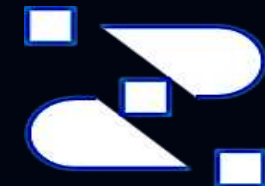
**Continuous Network Exposure** - Continuous network exposure can cause corruption propagation to the DR Sites, causing both primary and DR unusable – **FAILING SYSTEMS PROTECTION**



**DR/ Backups Being Targeted**  
Ransomware attacks corrupting DR & backup copies directly – **FAILING WITH INFECTED / INFECTING RECOVERY**



**Outdated runbooks are common** - Dynamic environments thwart application recovery activities - **FAILING RECOVERY \* SECURITY (NO ORCHESTRATION)**



Slow Recovery of Business Services, post Cyber attack leads to **Unacceptable Business Impacts** – **FAILING BUSINESS SURVIVAL**



# The "Evil Twins" Attack

#1 World's Most Lethal Cyber-Attack



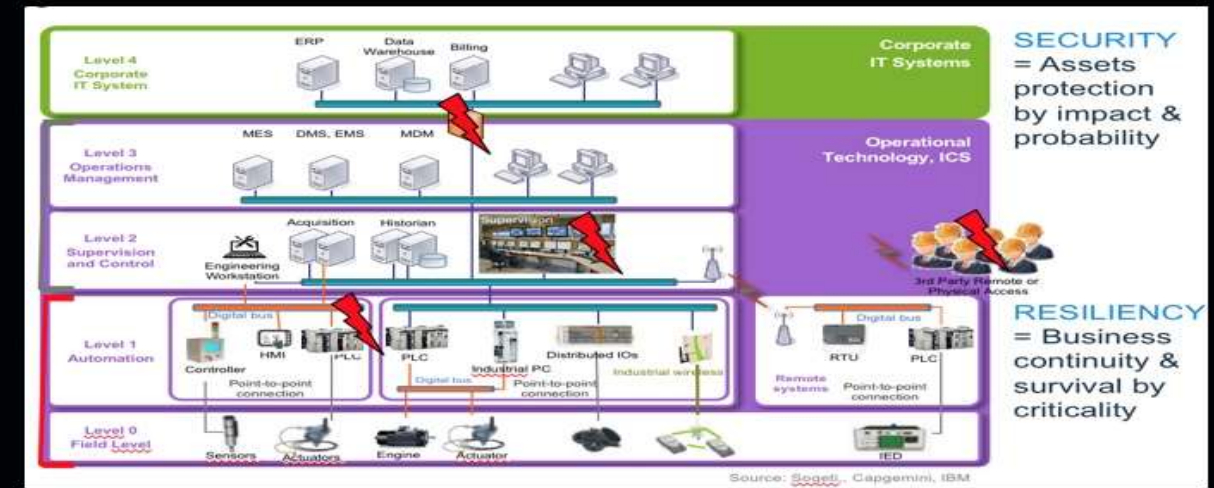
## TIMELINE:



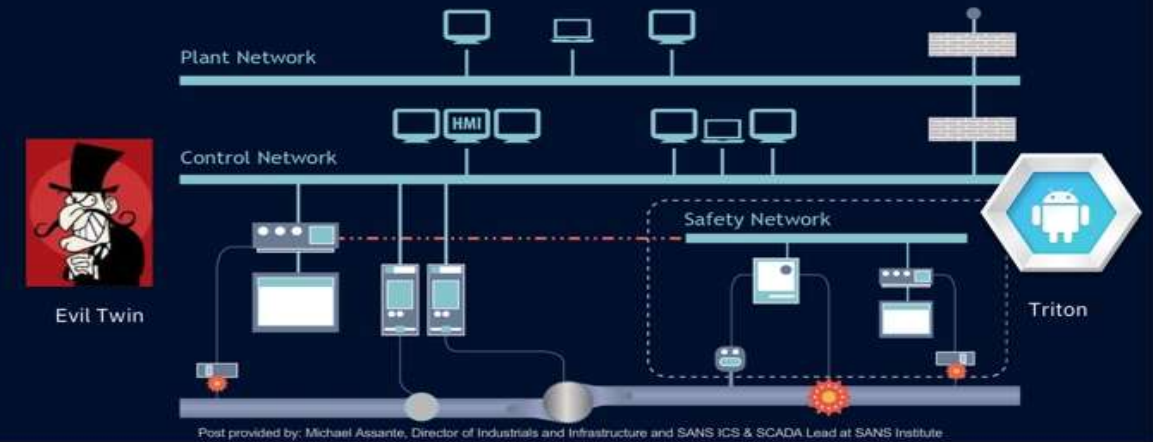
- **Advanced:** Coordinated & expensive attack (1 man year+) gaining access & control of OT control & safety systems (levels 0 to 4 were impacted).
- **Intentionally Malicious:** Objective was NOT to shutdown the plant and was preformed by professional hackers that removed their trails.
- **Insider-Access:** Coordinated attack of separate devices with different access performed by Nation-State professionals
- **Impact:** Plant shutdown when tests of irregular commands in memory were detected.
- **Remaining threat:** 18,000 plants part of critical infrastructure globally are now vulnerable
- **Heightened risks:** from medium-high IT / cyber-risks to critically-lethal enterprise & global-risks

MORE: <https://www.midnightbluelabs.com/blog/2018/1/16/analyzing-the-triton-industrial-malware>

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Simplified Control System Layout  
The malware had to employ a "Twin" to raise damage @ critical level



<b>For most data breaches</b>	<b>\$4B</b> Estimated global cost of WannaCry attack <sup>1</sup>
	<b>\$3.62M</b> Average total cost of a data breach in 2017 <sup>2</sup>
	71% Say customers demand 24x7 services <sup>3</sup>
	65% See direct link between IT disruption, lost revenues and damaged reputations <sup>3</sup>
<b>Breach at a large credit reporting agency<sup>4</sup></b>	145+ million Consumers affected
	CEO Resignation
	Investigation By Financial Conduct Authority, New legislation proposed
<b>For one OT attack</b>	<b>\$1 Trillion</b> - Estimated total costs
	<b>\$243 Billion</b> - Estimated total impact to the US economy
	Insurance claims related to the blackout could range between <b>\$21.4B to \$71.1 billion</b>
	<b>50 generators damaged</b> (out of 700)
	<b>93 million people</b> without power for approximately 4 hours

**DEATHS & long-term damages to the environment**



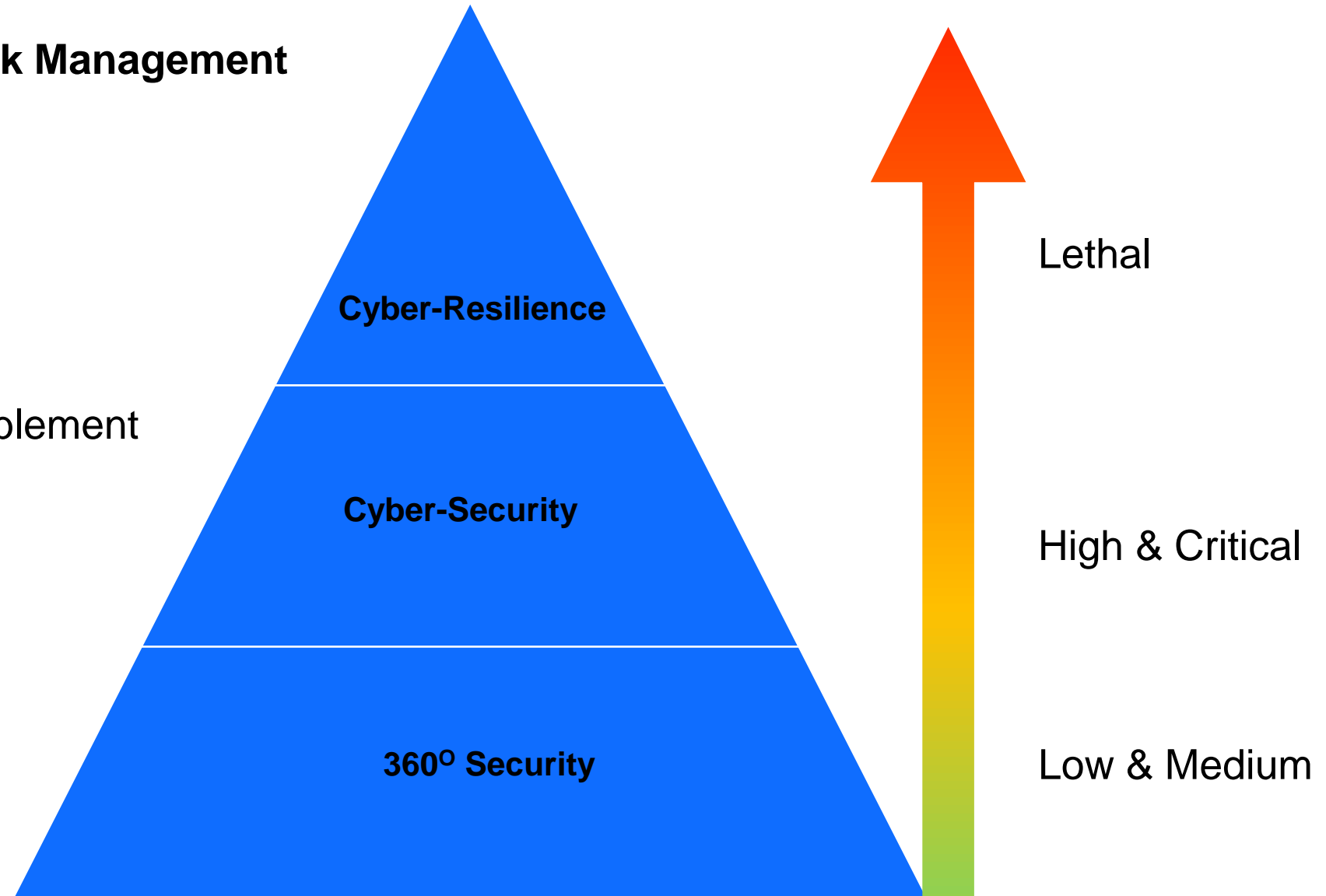


# Innovating Information Sharing

Re-Asses & Re-Align with a **Dynamic Enterprise Risk Management**  
(from 2 to 9+ AI sense-making / scaled dimensions)

Expand to **Global Exchanges**

Gain near **Real-Time Speed** with AI & Quantum enablement



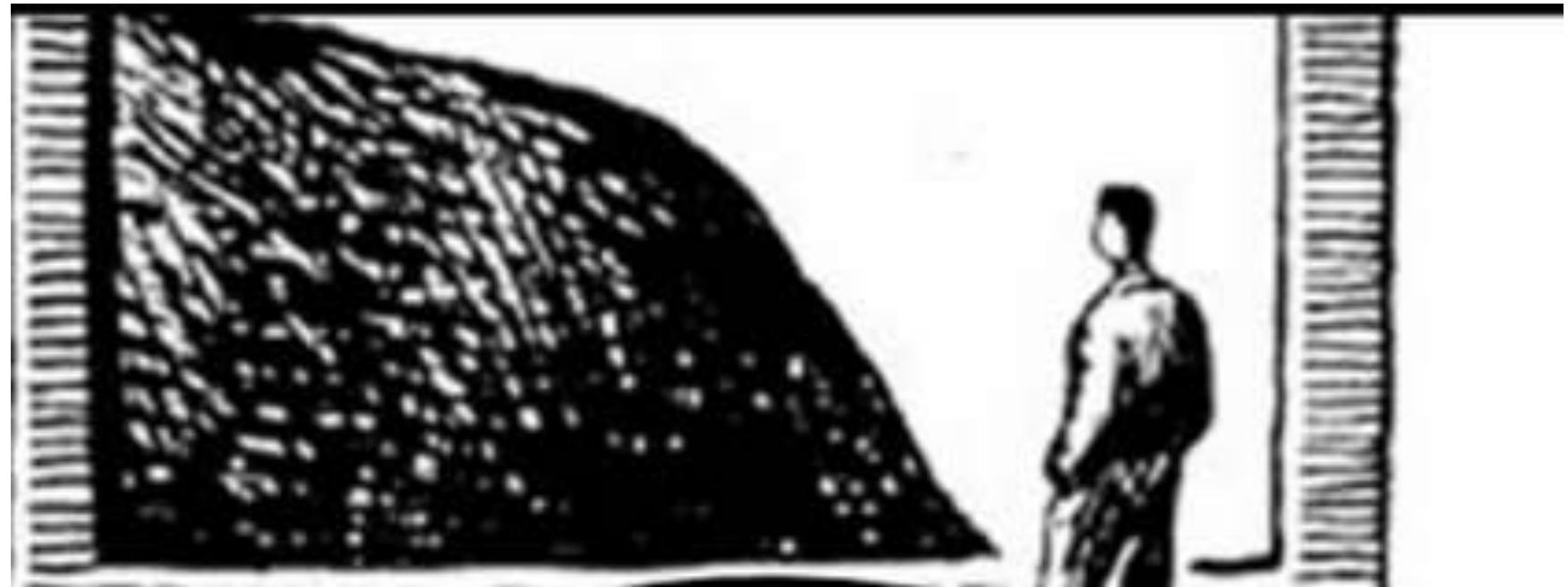
# The Art of the Possible

Contextualization

# Innovating Information Sharing with Contextualization

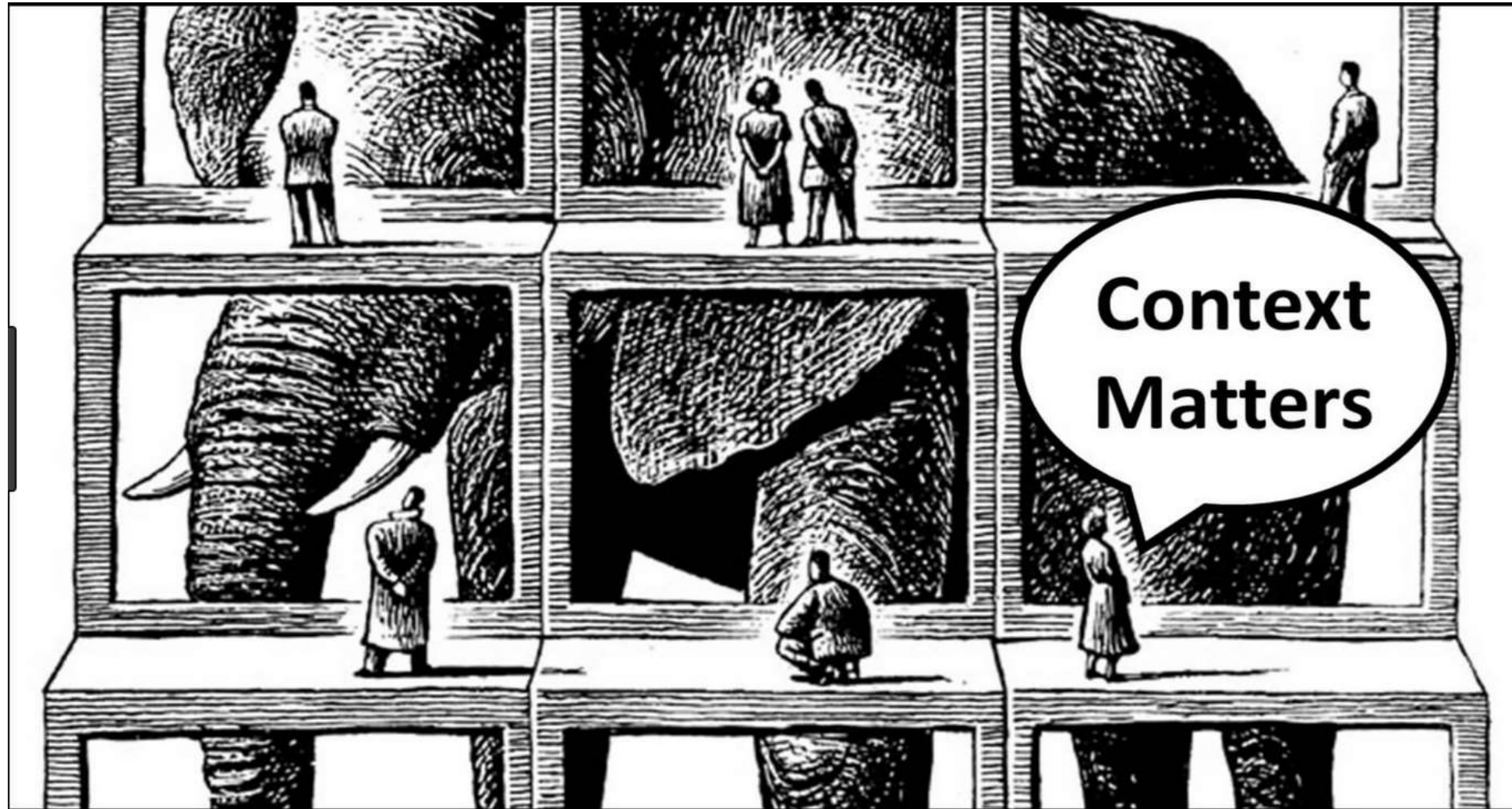
Do you get a fuzzy feeling when you are reviewing shared information?

- Unsure / Non-conclusive
- Feeling incomplete
- Not actionable





# Innovating Information Sharing with Graded Contextualization



## GRADE YOUR CONTEXTUALIZED INFORMATION

- What information will incite action?
- Can you gain information that meets “beyond reasonable doubt?”
- How do you expand to trusted holistic information?

# Innovating Information Sharing with Complete Contextualization

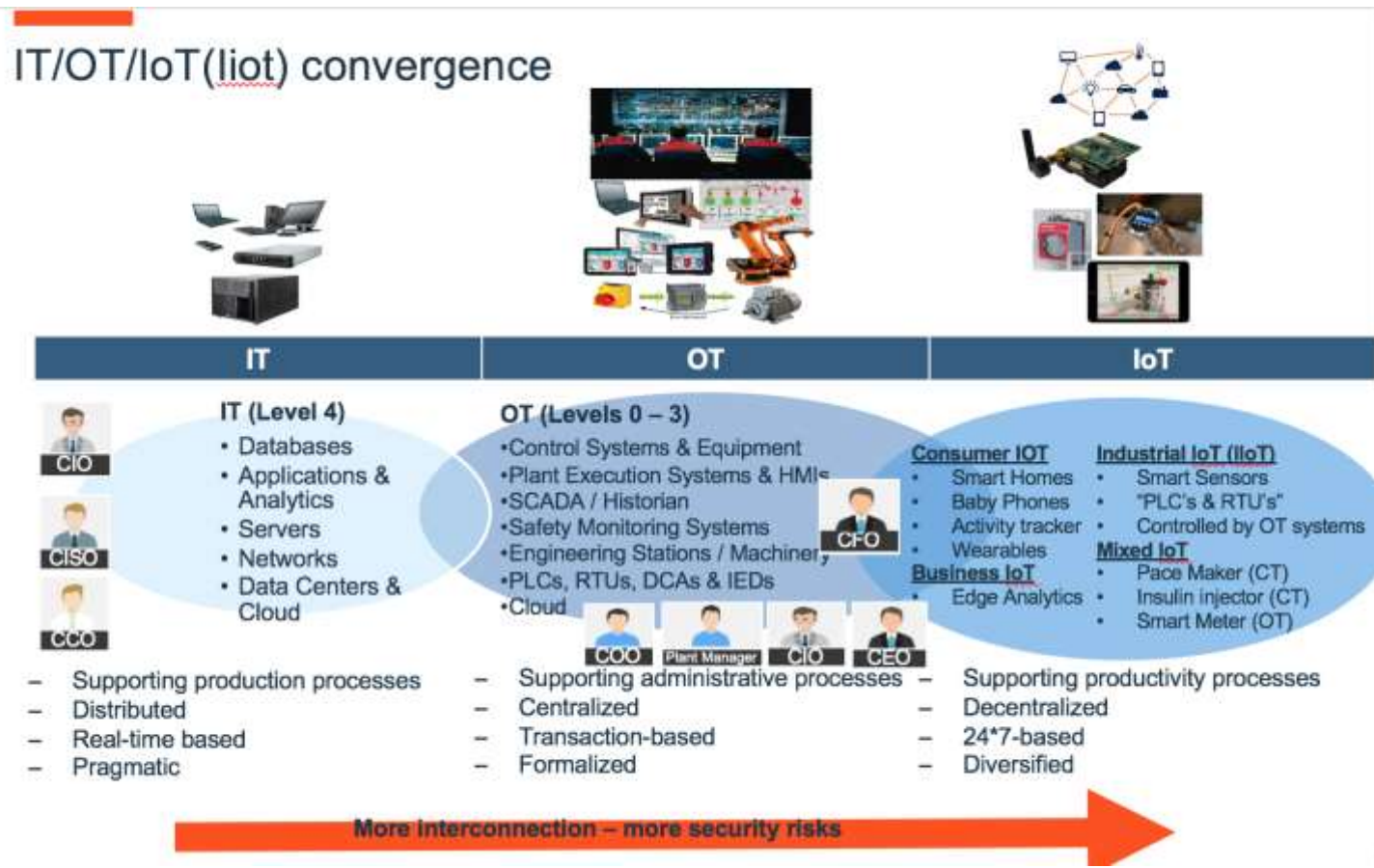
Let's get to global exchanges



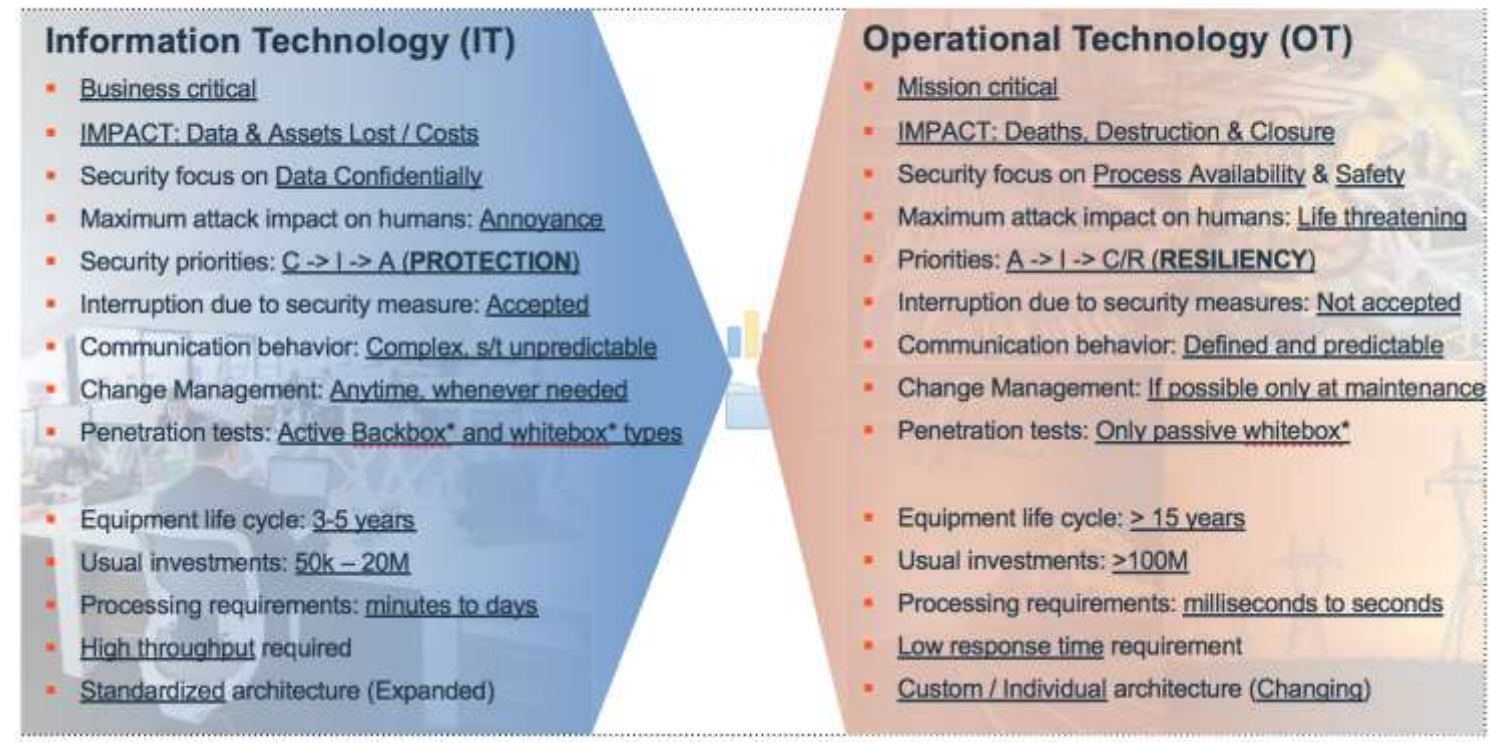
What degree of contextualization do you need to provide?

# Innovating Information Sharing with Complete Contextualization

Plan for various degrees of holistic cyber-resilience, cyber-security & 360° security information sharing



### Main IT-OT differentiators

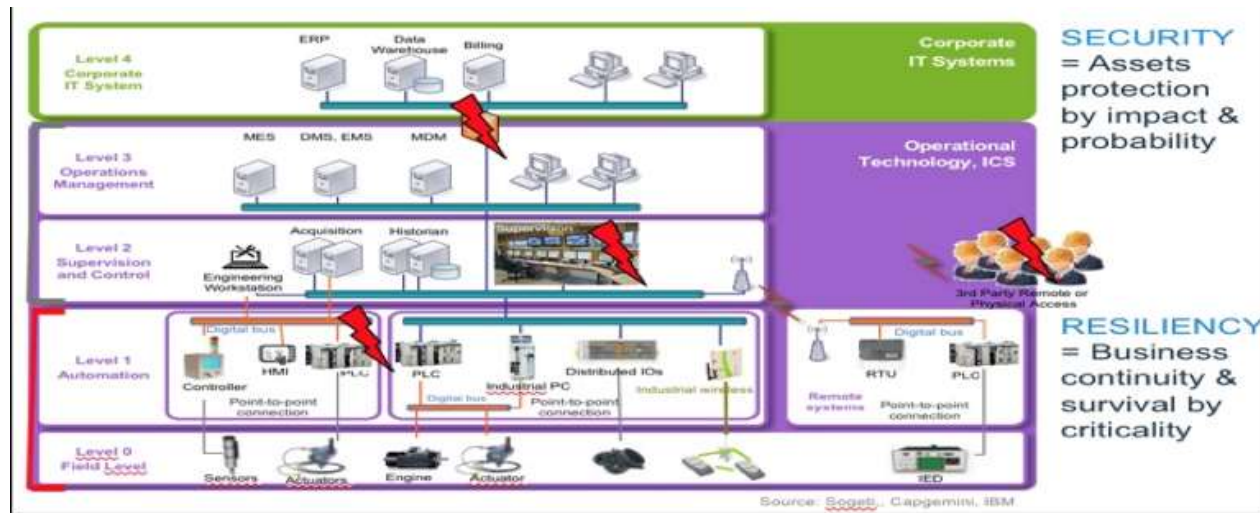




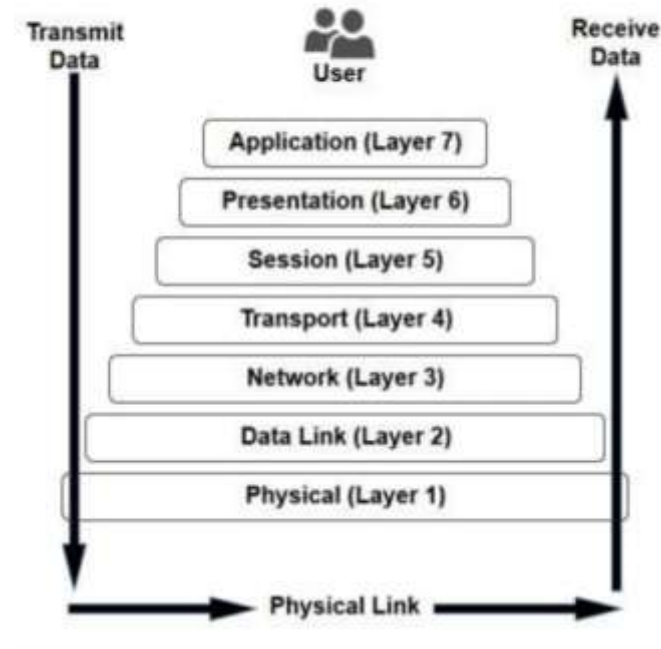
# Innovating Information Sharing with Reliable & Actionable Contextualization

Use intelligent automation for reconciliation

Intrinsically... for reliability (from 3+ independent sources)

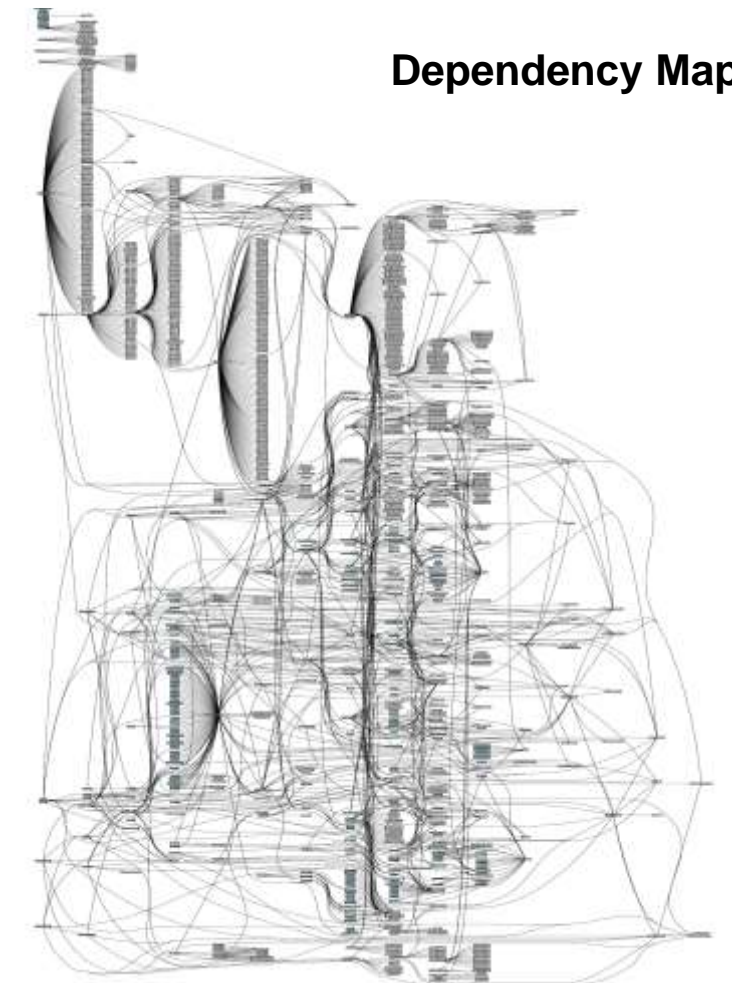


## The 7 Layers of OSI



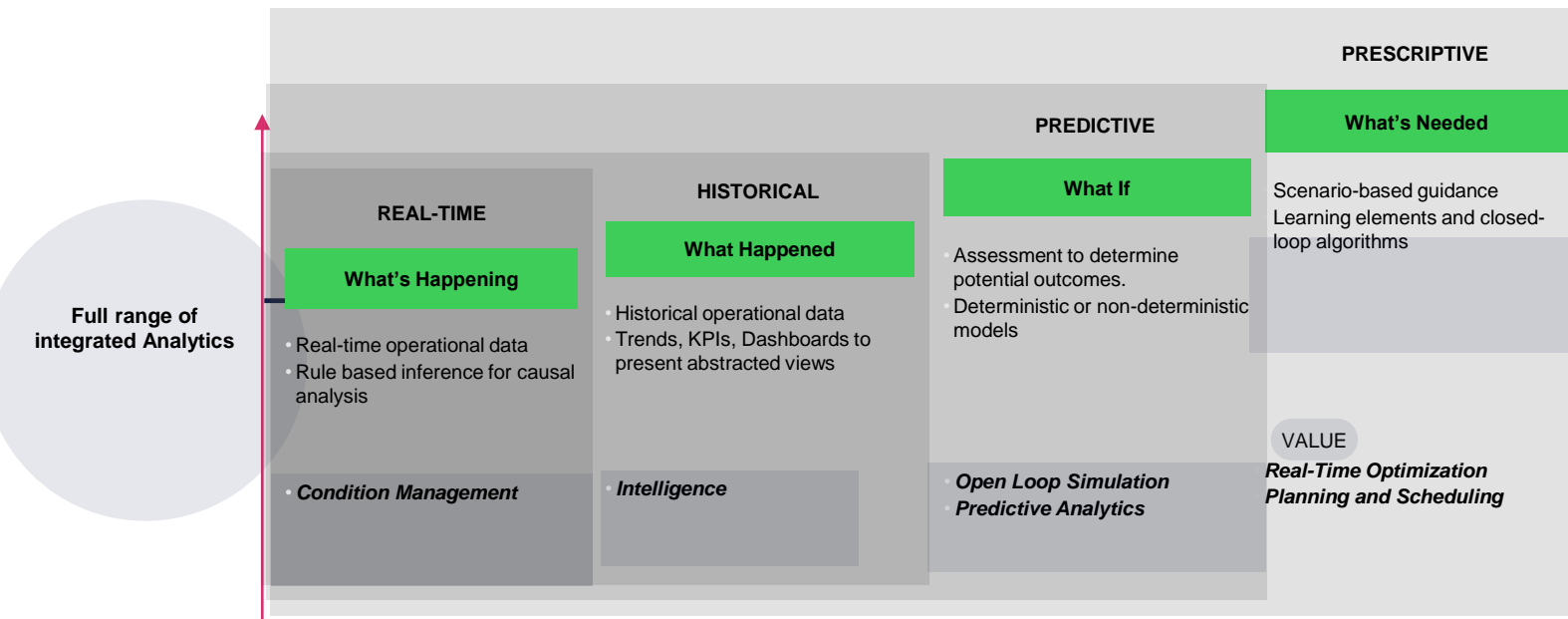
Pervasively for rapid actions

## Dependency Map



# Innovating Information Sharing

Plan for AI automation to augmentation based on graded probability



## Ethical and unbiased facial recognition software

A message from Francesca Rossi, IBM AI Ethics Global Leader

Some of you may have recently seen a couple of articles about IBM and our work on facial recognition with AI and law enforcement. With this post I would like to share with you what we do to create trusted AI that is non-discriminatory, interpretable, and respects human dignity, as well as what we will never do, so you understand our position.

Let me first state some clear principles that guide all our efforts in this space.

**First**, being a global leader in AI means more than pushing the boundaries of technology. It requires an active commitment to responsible development and ethical use of these powerful tools, be it for use by consumers, businesses, governments, or law enforcement.

**Second**, IBM does not pursue business opportunities that run counter to our company's values and our long-standing opposition to any form of discrimination.

**Third**, while IBM believes powerful technology must be applied responsibly, image analysis systems are not inherently discriminatory. We believe that both the companies developing these systems and the organizations deploying them have a responsibility to be conscious of potential bias, and to work actively to address its existence.

**Fourth**, IBM fully accepts that responsibility. Our work to address bias is an ongoing effort to improve the alignment of our systems and their underlying data sets with human values and expectations.

Guided by these principles, here's what we are doing:

1. Our researchers have defined methods to detect and mitigate bias in AI systems, and to make them explainable. We have also collaborated with other top academic researchers to **improve accuracy and mitigate bias in AI models** for facial recognition.
2. We have committed to release the **largest publicly available dataset of annotations for over 1 million images** to help solve one of the biggest issues in facial analysis—the lack of diverse data to train AI systems.
3. We were one of the first companies in the world to adopt a set of **principles for trust and transparency for new technologies**, including AI systems.
4. We recently released a new "Everyday Ethics for Artificial Intelligence" **guide** for designers and developers, a first-of-its-kind resource that will help all AI designers and developers in asking the right questions about the social and ethical aspects of the technology they are creating.
5. We are founding partners of the **Partnership on AI**, a global initiative joined by more than 70 partners so far, that works hard to discuss and define best practices for beneficial AI in a collaborative multi-stakeholder environment.

Outside of our technology, IBM's commitment to conducting ethical and principled business is underscored by legacy of diversity and inclusion, which has been recognized for policies that promote fairness and equity, and that treat all people with dignity and respect.



**Francesca Rossi**  
AI Ethics Global Leader, Distinguished Research Staff Member -- IBM Research AI  
IBM Research

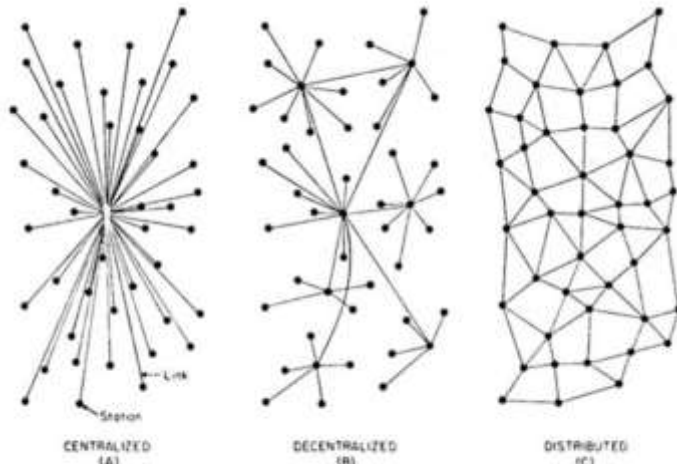


# Innovating Information Sharing

Leverage :

- Blockchain-segmentation for trust building
- Machine learning augmentation using virtual security sensors
- Unbiased aggregation of clear to dark web cyber-tracking

## Understanding the blockchain O'REILLY



Source: On Distributed Communications Networks, Paul Baran, 1962

### Viktor Bout - The Lord of War, Merchant of Death

"Viktor Bout is like the Donald Trump or Bill Gates of Arms Trafficking ..." US Defence Official

**Who is Viktor B. ?**  
 Viktor Bout is a Russian international arms dealer and war profiteer, with a network of air cargo companies that facilitates his operations in conflict zones. He controls the world's largest private fleet of Antonov cargo planes with heavy military capacity, capable of carrying tanks and other heavy arms into conflict zones.

**6th March 2008 Press Release - Viktor Bout Arrest**  
 Michael D. Gordon - US Ambassador to the Russian Consulate in New York, N.Y.  
 Michele A. Gansler - Administrator of US Drug Enforcement Agency

**Bout's Trade in Weapons**

**Viktor Bout \$6B in arms trafficker (25yrs)**

The image contains a large, complex network diagram with Viktor Bout at the center, connected to numerous other individuals and entities. It includes various text boxes, photos, and a world map showing trade routes. Key text includes: "Bout is a Russian international arms dealer and war profiteer...", "Bout is like the Donald Trump or Bill Gates of Arms Trafficking...", "Bout's Trade in Weapons", and "Viktor Bout \$6B in arms trafficker (25yrs)".

# The Art of the Possible

Orchestration  
(Beyond Automation...)



# Cyber-Security Approach Today – “As is” experience



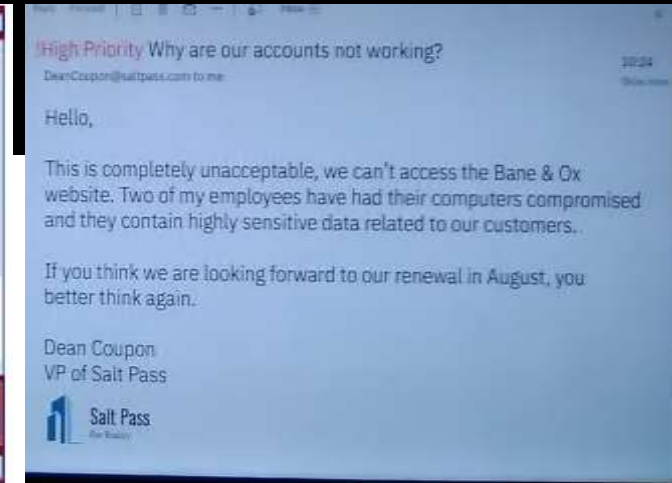
“Bane & OX cyber-range” exercise debriefing with journalist calling about breach



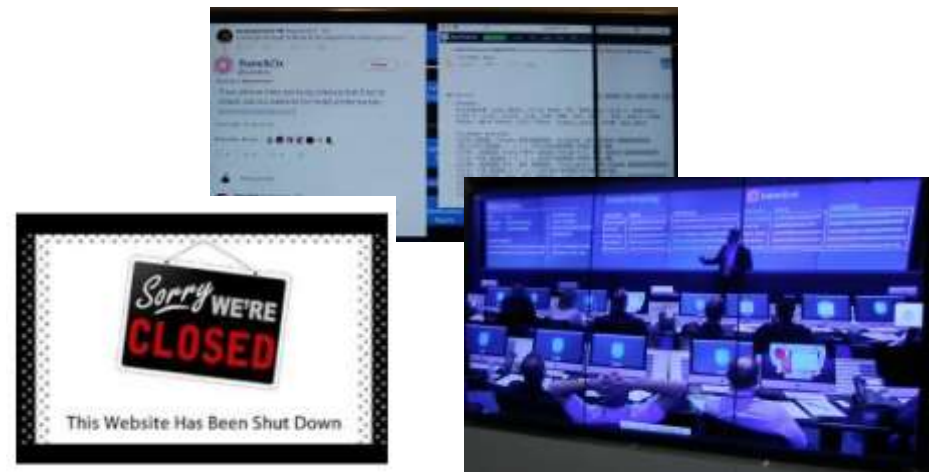
Journalists speaks to industry analyst confirming cyber-negligence



Ransomware demands



Partner threatens lawsuits as customers & staff's PII is exposed



Websites shutdown & start of breach investigation












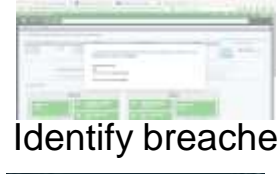


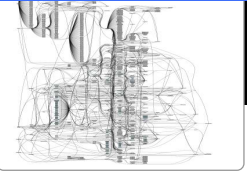
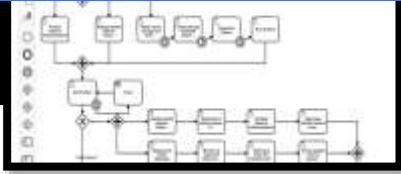







Nasdaq shutdowns stock & SEC starts investigation



FBI investigates, media publishes, staff is fired, executives testify/go to jail & ...



# The Art of the Possible – “To Be” cyber-resilient

NOTIFY	IDENTIFY	PROTECT / RECOVER
 <p><i>Did you know...</i></p> <p><b>6 out of 7</b> hacks are <b>NOT</b> detected</p>  <p>Notifications sent</p>  <p>About configuration and/or application/data changes</p>	 <p>Review latest industry threats</p>  <p>Analyze reported problems</p>  <p>Analyze criminal patterns</p>  <p>Start malware analysis / forensics</p>  <p>Manage real threats</p>  <p>Identify impacted systems</p>  <p>Identify breached DBMSes</p>  <p>Identify infected apps</p>  <p>Identify criminals networks</p>	 <p>Understand dependencies</p>  <p>Orchestrate Cyber-Incident Recovery</p>  <p>Verify &amp; Deny Access (MFA)</p>  <p>Stop Fraud</p>  <p>Orchestrate Cyber-Protection / Security</p>  <p>Encrypt</p>  <p>Secure the cloud</p>  <p>Protect Devices</p>  <p>Report Risk Resolution</p>
<p>If not already detected and fixed, client gets inquiry call from journalist about potential breach.</p> <p>At the same time, operations and security staff receive notifications about configuration and application/data changes to investigate and resolve.</p>	<p><b>Security staff:</b></p> <ul style="list-style-type: none"> <li>- starts forensics / malware analysis</li> <li>- researches threats</li> <li>- reviews security events from helpdesk cyber-security tickets</li> <li>- analyzes cyber incidents to assess cyber-threats</li> <li>- reviews the exposure of threats</li> <li>- identifies cyber networks of criminals / IP addresses</li> <li>- finds patterns of criminal activities</li> </ul> <p><b>Networking staff:</b></p> <ul style="list-style-type: none"> <li>- Verifies gaps and depth of penetration</li> </ul>	<p><b>Operations Management / Infrastructure staff:</b></p> <ul style="list-style-type: none"> <li>- reviews systems &amp; application dependencies</li> <li>- recovers in an orchestrated manner from clean copy of malicious configuration &amp; application / data changes.</li> <li>- produces compliance reports about orchestrated recovery</li> </ul> <p><b>Networking team:</b></p> <ul style="list-style-type: none"> <li>- Limits access and provides forensic trail</li> </ul> <p><b>Security staff:</b></p> <ul style="list-style-type: none"> <li>- kicks criminal out &amp; reports on resolution</li> <li>- reflects the new converted cyber to enterprise risk posture</li> </ul>

**Outcome: By the time the journalist calls, the cyber-outbreak has been prevented by quickly utilizing with IBM Cyber Resilience**



# Innovating Information Sharing

Plan for local & global orchestration

Here's **Proof**

**Without Orchestration:**

- 6 hours, 25 minutes

**With Orchestration:**

- 1 hour, 25 minutes

**77.9%** reduction  
in time to recover

	SAP APP Switchover Plan	Who	Duration in Seconds (Manual)	Duration in Seconds (with Orchestration)
1	SAP APP Switchover Plan			
1.1	Validate that blackout window is in place	DR	600	60
1.2	Suspend HA monitoring	UNIX	600	360
1.3	Put all Backup Jobs on ICE - Database and Maintenance Jobs	NOC	900	420
1.4	Validate that there is not inflight transactions still processing in the system	SAP BASIS	600	Manual
1.5	Shut down Application at PR	UNIX/ SAP Basis	1800	420
1.6	Shutdown resource groups.	Unix	1200	60
1.7	Suspend True Copy	Storage	1200	6
1.8	Reboot DR Servers.	Unix	900	397
1.9	Start all Resource groups on their home nodes	Unix	900	403
2	Database Switchover	Database	2700	120
2.1	Stop DataGuard replication btw PR and DR	Database	300	5
2.2	Perform DNS Changes for DNS Aliases from Production Hostname to DR HostName	Network	300	Manual (300)
2.3	Validate DNS changes	Unix	1200	Manual (1200)
2.4	Ensure below NFS mounts are mounted	Unix	600	60
2.5	Startup Application	SAP BASIS	1200	
2.6	BASIS team to validate	SAP BASIS	900	Incl
2.7	SAP Funtional validation	SAP BASIS	900	
2.8	GO/NO GO decision	All	1200	
3	Take jobs OFF ICE	NOC	600	
3.1	DataGuard activation between DR and PR	Database	1800	
3.2	Reverse True Copy(replication) DR and PR	Storage	600	
3.3	Start system monitoring HA and Jobs	NOC	300	Incl
3.4	Monitor system for stability	All	1800	Incl
	<b>Total Duration</b>		<b>385 minutes</b>	





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**Are you ready to become a cyber-diplomat?**