

Cybersecurity Update 2021

Jenny Jeffers
Jennan Enterprises

Michael Morrissey Morrissey Consultants

2020 - Year of the Biggest US Hack

- The SolarWinds Orion data breach, among other attacks
- What it was, how it worked and who was affected
- Why this matters to receivers and troubled companies
- Our obligation to protect Company data what to do now?

SolarWinds Attack

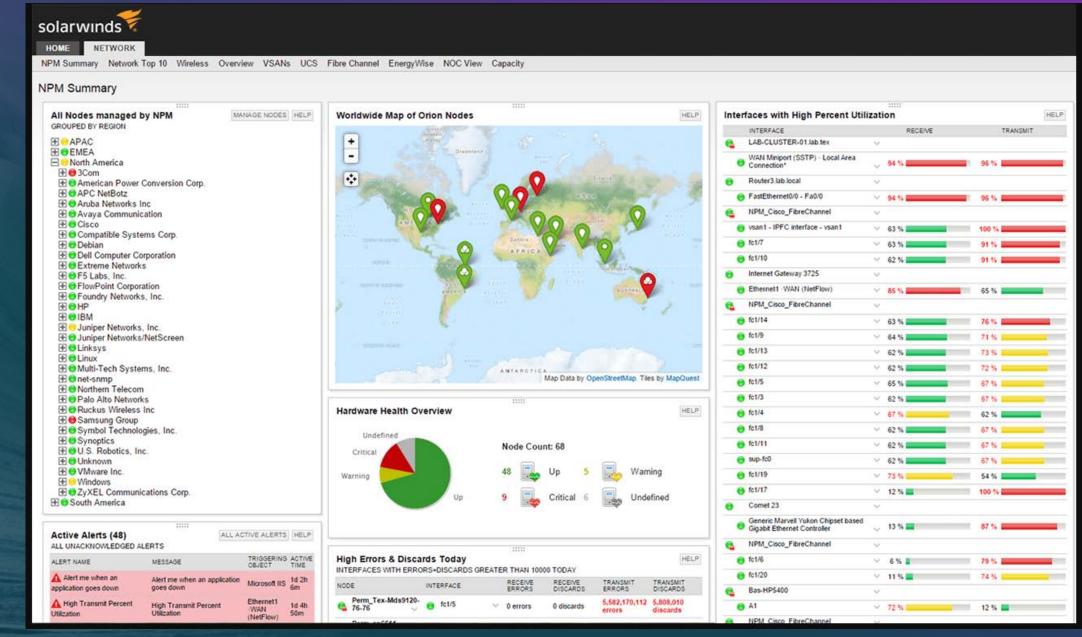
- On December 11, 2020 the U.S. government and the company SolarWinds disclosed a breach of their Orion Platform
- A sophisticated and likely nation-state-based attacker.
- SolarWinds Orion is commonly used network management software used to manage complex switched and routed IT/OT architectures.
- 30,000 companies use Orion. Approximately 18,000 downloaded infected updates.
- Congressional investigation underway

US Government Targets

- Treasury Department
- Departments of Energy and Commerce
- Department of Homeland Security
- The Pentagon
- State Department
- National Institutes of Health
- National Nuclear Security Administration



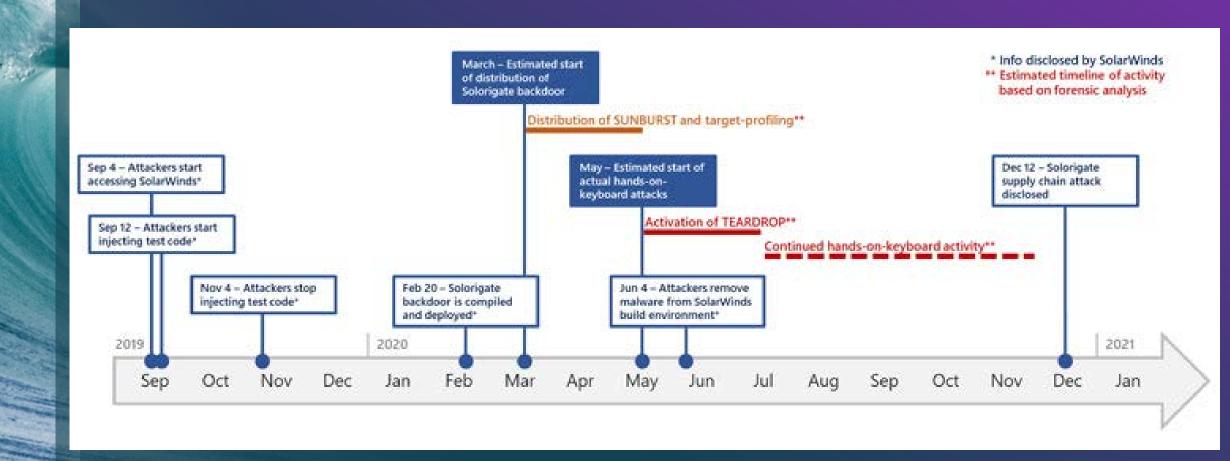
Solar Winds Management Console



How They Got In

- Attacked SolarWinds and other software vendors.
- Hackers breached a system that SolarWinds uses to put together updates to its Orion product, per SEC filing on 12/14/20.
- Carefully matched the update files with files created in situ.
- "Trojanized" the updates to create a backdoor to the customer environments and installed various tools to gain administrative access.
- The malware remained dormant for 12–14 days before attempting to communicate with one or more of several command-and-control servers (C2s).
- C2s at Amazon AWS, GoDaddy and others allowed traffic to go undetected.

Highly Sophisticated Stealth Attack



Finding and Stealing the Data

- Orion connected to customers' Office 365 accounts as a trusted 3rd-party app
- Attackers were able to access emails and other confidential documents.
- Disabling the compromised Orion software would no longer be sufficient to sever the attackers' access
- Having accessed data of interest, they encrypted and exfiltrated it -over hidden transport channels.
- As new (Zero Day) malware, the attackers were able to evade detection by Einstein, a national cybersecurity system operated by DHS

Commercial/Financial Targets?

- Most Fortune 500 Companies used Orion software, as did tech firms.
- Source Code stolen from Microsoft Azure, Exchange, VMWare, others

January 5, 2021 - Cyber Unified Coordination Group (includes the FBI, CISA, and Office of the Director of National Intelligence with support from NSA):

- > Attackers were likely Russian in origin
- > The attack was an intelligence-gathering effort

THREAT ENVIRONMENT REMAINS

- Malicious acts by highly trained attackers
- Ransomware
- Intrusion and data theft
- Denial/interruption of service
- Reputation at Risk
- Others?

The Dark Marketplace 2021

CrowdStrike

31

1 Services







Anonymity and encryption

밁첉밂







Phishing kits

testing services



Malware packing services



Hosting & infrastructure



Counter anti-virus service/checkers



Recruiting for criminal groups

2 Distribution



Dump shops



development







Collection and sale of payment card information



Reshipping fraud networks



Cryptocurrency





Source:

CrowdStrike Cybersecurity Report 2021

So What?

Why does this concern receivers and supervisors?

- If every government and business entity has been hacked, is anyone liable?
- Risks of intrusion are higher than ever
- Liability persists regardless of the challenges to protect data
- Security will cost more than ever
- IT resources are scarce in troubled companies

Follow Best Practices*

Recommendations remain the same:

- Assess Risks
- Inventory Data
- Protect the Data
- Protect the Network
- Protect Employees--and train them!

*Clearly, SolarWinds is responsible to some extent. It is owned by VC firms known for cutting costs. Management was warned of weak security in Orion applications.

One of many weaknesses was an FTP password of "Solarwinds123".

During Congressional testimony SolarWinds management blamed an intern for the [weak password] error

SolarWinds Homepage Today (sans apology)



Security Advisory: In order to help ensure the security of your environment, SolarWinds asks all customers to upgrade/update their software within the next 3 days (by March 8, 2021). More information is available in your <u>Customer Portal</u>, and in our <u>Security Advisory</u> and <u>New Digital Code-Signing Certificate pages</u>.

Monitor any application and any server, anywhere.

Server & Application Monitor

Best Practice: ASSESS RISKS

- CONSIDER A 3RD PARTY ASSESSMENT
- INCIDENT RESPONSE PLANS Complete? Current?
- OUTSOURCING AND VENDOR MANAGEMENT
 - Where is the data?
 - Clouds are they safe?
 - Managed Service Providers are they good?
 - SOCs and Vendor Attestations

Best Practice: DATA INVENTORY

Where is the sensitive or valuable data?

(Do archival records need to be online?)

- Actuarial Data it's valuable too
- Policyholder data
- Claims data
- HR Employee data
- Backups what kind and where are they? Encrypted?

Best Practice: ASSESS LOGICAL SECURITY

- "Zero Trust Mentality" Microsoft
- Password policies stated and enforced
- Multi-factor authentication -- <u>Mandatory</u>
- Lock it down partition the data
- Disable old accounts

Best Practice: Restrict Sensitive Data

- ROLE BASED ACCESS WHO AND WHY
- PASSWORD POLICIES
- ISOLATE SENSITIVE DATA (or move it offline)
- CONTINUOUS MONITORING now easier in cloud environments like 0365

Best Practice: Systems Review

Network diagrams

Server and pc inventory

Firewalls – up to date?

IPS/IDS – mandatory now

Remote access – patched?

Best Practice: Incident Response Plan

- What constitutes a security event?
- Steps to identify and assess a breach
- Seek professional help before hand
- Cyberinsurance?
- Notification new laws coming
- Repair and learn

Best Practice: Encrypt Sensitive Data

- "AT REST" ENCRYPTION
- SERVERS
- LAPTOPS
- PORTABLE STORAGE DEVICES
- DATA IN TRANSIT
- CLOUD REPOSITORIES (turn it on)

Best Practice: IT Budget Review

- Is there a budget process in place?
- What security gaps must be filled?
- Outsourcing for security?
- Find the money or accept the risk
- Timeline?

Case Study Discussion

What we have seen lately....



Questions & Comments?

Jenny Jeffers Jennan Enterprises, LLC

Michael Morrissey Morrissey Consultants, LLC

Thank You.