

Practical IT security: from encryption algorithms to market products

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- Introduction
- Market Pains
 - Risks
 - Negative impacts
- Terminology
 - Basics/ Terminology
 - Secure Key lengths
- Symmetric Algorithms
 - How it works Characteristics
- Asymmetric Algorithms
 - How it works Characteristics

- Cryptosystems in Practice
 - Key Backup/ -Recovery
 - Hybrid encryption
 - X.509 Certificates
- Market products
 - Safeguard Enterprise
 - Safeguard LanCrypt

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Market pains today

- 4 out of 5 companies have lost confidential data when a laptop was lost Ponemon Institute LLC and Symantec end-user survey, August 2009
- 10% of all notebooks get stolen/lost annually Web & Collaboration Strategies 2008
- 1 in 2 USB drives contains confidential information Forrester Research, Inc. and Symantec Corp. survey, February 2008.
- 70% of all company data are stored redundant on Endpoints (notebooks, USB sticks) not only on servers Ponemon Institute, U.S. Survey: Confidential Data at Risk, August 2008
- Data breaches: increase of 47% over year 2007 2008
 Breach List and Statistics Identity Theft Resource Center (ITCP) Date: 01/12/09
- Top reason for data breaches in Enterprises: Lost laptop other other device – 35%
 Ponemon Institute, 2009, Annual Study: Costs of Security Breaches

Market pains today

12.000 laptops lost or stolen weekly in US airports*

Worldwide 7 million laptops stolen/lost in 2008

Computer Security Institute,2008

Market pains today

 How confident are you that your current security policies are able to prevent sensitive data from being lost or stolen?

Market pains today

• What is the probability that devices contain unprotected confidential data?

Ponemon Institute U.S. Survey: Confidential Data at Risk, August 2007

Market pains today

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Ponemon Institute: Confidential Data at Risk, 2007

U.S. Survey: Confidential Data at Risk, August 2007

Headlines to be avoided

'Enterprise data loss' cost businesses nearly \$105 billion last year according to U.S. government, 2009

http://searchsecurity.bitpipe.com/detail/RES/1233787228_895.html?li=16 9330&src=KA_RES_20090226&asrc=EM_KAR_5956107&uid=5097956

Incident	Date	Victims	Potential Cost	
Leak of US military personnel and veterans' data	May 2006	28.7 million	\$45 billion	(2
Laptop stolen from Nationwide Building Society, UK	Aug 2006	11 million	\$1.5 billion	
A portable hard drive with company data stolen by insider at Dai Nippon Printing	Jul 2006	8.64 million	\$1.2 billion	
A laptop stolen from the US war veterans' medical centre in Birmingham with doctors' and patients' personal data	Jan 2007	1.8 million	\$367 million	
A mobile computer stolen from Computer Services (ACS) with personal client data	Oct 2006	1.4 million	\$320 million	\$1
Laptop lost by subcontractor for Texas Guaranteed with TG's client data	May 2006	1.3 million	\$237 million	/ _
Laptop stolen from a Boeing employee's car	Nov 2006	382,000	\$147 million	~
Laptop stolen from CS Stars with names, addresses and Social Security numbers of New York workers	Jul 2006	540,000	\$84 million	2
Laptop with personal data stolen from an employee of the accountancy firm Hancock Askew	Oct 2006	401,000	\$73 million	Y 200
Investigation at the Vassar Brothers medical centre found the loss of a laptop and backup disk with patient data	Jan 2007	257,800	\$47 million	C

Top 10 Mobile Devices Leaks (2006 -2007)

Ponemon Institute:

INFOWATCH http://www.infowatch.com/threats?chapter=162971949&id=207784708

2008 Annual Study: Cost of a Data Breach

- HSBC has been fined £3.2million for losing personal details of more than 180,000 customers (unencrypted CD)
- HSBC co-operated with the FSA investigation and received a 30% discount from the potential maximum fine of £4.55 million.

FSA = Financial Services Authority

Financial News, Wednesday, July 22, 2009

- Data breach at a leading credit card processor (January 2009)
 - Company processes cards for app. 250,000 businesses in US
 - Result: Spending < US\$10 million in ...
 - Legal fees/bills
 - Fines from MasterCard and Visa
 - Administrative costs
 - Company reported a quarterly loss of < US\$2 million.

Business impact of data breaches

• Average cost per compromised record:

Incremental Costs

for financial firms \$197 - \$239

Lost employee productivity

Source: Ponemon Institute, Nov. 2008 www.ponemon.org/press/06-25-07-Ponemon_Consumer_Survey_FINAL.pdf

Data Protection

- Organizations recognize importance of data on mobile devices
 - More than half the respondents considered the data to be either important or very important

Ponemon Institute, LLC 2009 Annual Study: U.S. Enterprises Encryption Trends

Data Protection & Compliance

• Compliance drives companies to focus on encrypting their data Aberdeen Group, May 2008

Data Protection & Compliance

 Data theft and regulatory compliance replaces malware as top security concern

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Cryptology Positioning in general

Cryptography ...

- allows us to take existing business from the face-to-face world into the world of computers and networks.
- Can transform the Internet from a toy to a serious business tool
- is an essential part of today's information systems

Cryptography and its Subclasses Definition

Cryptosystem Published – Non published Algorithms

- Almost all unpublished (non-published) algorithms are insecure
- NEVER trust a non published (proprietary or secret) algorithm
- Also many published algorithms are insecure
 - BUT: Because source code is open (published) the strength of its implementation can be checked by specialists

Remark: Inside Sophos we are only using published algorithms

Cryptosystem Basics/Terminology

 Modification of plain text into an unreadable set of characters using Algorithms and Keys

Cryptography In general

- Encryption and decryption generally require the use of some secret information, referred to as a key
 - Symmetric Algorithms: **Same key** for encryption & decryption

Cryptography In general

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 - Asymmetric Algorithm: **Different keys** for encryption & decryption

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Symmetric Algorithms Secure Key Length

 Key length must be large enough to be protected against trying out all possible key combinations (permutations)

Symmetric Algorithms Secure Key Length

• Key length must be large enough to be protected against trying out all possible key combinations (permutations)

Investment to crack (US \$)	64 bit	80 bit	128 bit
1 Mio	37 days	7.000 years	10 ¹⁸ years
10 Mio	4 days	700 years	10 ¹⁷ years
100 Mio	9 h	70 years	10 ¹⁶ years
1 Billion	1 h	7 years	10 ¹⁵ years
10 Billions	5,4 min.	245 days	10 ¹⁴ years
100 Billions	32 sec.	24 days	10 ¹³ years

Sicherheit bei Finanztransaktionen übers Internet - TU Damstadt, Informatik 2007

Brute Force Attack: Time to find the key

Remark: The Universe exits since 10¹⁰ years

Symmetric Algorithms Advantage

- Speed/Performance
 - Rule of the thumb: 1000 times faster than asymmetric algorithms
 - Example: AES Encryption
 - 60 MB/sec on standard PC
 - CD content secure encrypted in approx. 10 seconds

rueCrypt - Encrypt	ion Algorithm	Benchmark			
Buffer Size: 10 MB	•	Sort Metho	d: Mean Speed ((Descending)	site
Algorithm	Encryption	Decryption	Mean	Benchmark	1.61mm
Blowfish	58.9 MB/s	61.7 MB/s	60.3 MB/s		0.45
AES	36.0 MB/s	59.5 MB/s	47.8 MB/s	Close	1223
Twofish	34.1 MB/s	42.9 MB/s	38.5 MB/s		8
Serpent	24.0 MB/s	22.1 MB/s	23.1 MB/s	Constant March	
CAST5	19.4 MB/s	20.5 MB/s	20.0 MB/s	Speed is affected	
AES-Twofish	19.2 MB/s	18.2 MB/s	18.7 MB/s	by CPU load and	
Serpent-AES	17.2 MB/s	15.7 MB/s	16.4 MB/s	storage device	
Twofish-Serpent	14.1 MB/s	13.6 MB/s	13.8 MB/s	undracteristics.	

• Attention: Password lost \rightarrow Data lost

http://blog.davebouwman.net/content/binary/tc2.gif

Use of Symmetric Algorithms In Theory

- Principle #1
 - For encryption & decryption = Same key = Same Password
 - Key/Password must be kept secret

PW

???

Use of Symmetric Algorithms Challenge: Password lost ...

Solution to solve this problem later in this session ©

- Principle #1
 - For encryption & decryption = Same key = Same Password
 - Key/Password must be kept secret

Symmetric Algorithms Disadvantage

- Key Management
 - Symmetric keys will have to be distributed through secure channels (= encrypted channel)
 - Because all keys must remain secret, symmetric cryptosystems has the problem of providing secure key management
 - Especially in systems with a large number of users (workgroups)

Symmetric Algorithms Disadvantage

- Key Management
 - Symmetric keys will have to be distributed through secure channels = keys must be encrypted
 - Especially in systems with a large number of users (workgroup)

Symmetric Algorithms Summary- Characteristics

- Advantages ③
 - Good Performance (speed)
 - Rule of the thumb: 1.000 times faster than asymmetric algorithms
 - Perfect to encrypt mass data
 - Easy Key Generation
 - Random generated
 - Derivate from a password

Disadvantage 🛞

- Key Management in big workgroup environment
- Keys will have to be distributed through secure channels



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Cryptography Types of Algorithms → Asymmetric







Cryptography In general

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 - Symmetric Algorithms: **Same key** for encryption & decryption
 - Asymmetric Algorithm: **Different keys** for encryption & decryption







Asymmetric Algorithms Basics: Key Generation

- Asymmetric cryptography uses two different but mathematically related keys for encryption and decryption
- Key pair belongs together, but ...
 - with the knowledge of one key (Public Key) there is no way to "calculate" the other key (Private Key)





Asymmetric Algorithms Basics: Key Storage





Asymmetric Algorithms Encryption for Receiver (Theory)



Advantage:

- Only recipient can decrypt (confidentiality)
- No secure key exchange needed because Public key is public





Algorithms Secure Key Length - Comparison





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SOPHOS *Reminder – here we stopped*

PW

???

Cryptosystem Symmetric. Password lost ...

- Principle #1
 - For encryption & decryption = Same key = Same Password







Cryptosystem Symmetric:

- Principle #2
 - Encryption & **decryption** = Same key = Same Password
 - Key/Password must be kept secret





Cryptosystem Symmetric: With Key Backup/Key Recovery



Symmetric Algorithms Disadvantage

Reminder – here we stopped

- Key Management
 - Symmetric keys will have to be distributed through secure channels = keys must be encrypted
 - Especially in systems with a large number of users (workgroup)
- Example
 - n-partner need





Cryptosystems The Challenge

- Asymmetric encryption can offer key management advantages
- Symmetric encryption can offer speed advantages.



Feedback session

reeapack session

96 cf c9 dd

Cryptosystems Characteristics: Summary

Algorithms Symmetric Asymmetric (e.g. RSA) (e.g. AES) Advantage \Rightarrow No key exchange \Rightarrow Easy key generation (random) necessary \Rightarrow Good \bowtie nance ⇒ Secret key change ⇔ Bad rormance Disadvantage necess ⇒ Complex key ⇒ For ea partner a eration key is needed n*(n-1)/2 Encryption of ⇒ Key management ⇒ **Used for** mass data: ⇔Authentication Data Confidentiality ⇒Digital Signature

Hybrid Encryption = Digital Envelope



Hybrid Encryption Mix of Algorithms: Symmetric - Asymmetric

- Because symmetric algorithms work much faster than asymmetric algorithms most cryptosystems use both types
 - = Hybrid Cryptosystems = Digital Envelope











CA (Trust Center)

X.509

Trust Based on Public Key Infrastructure (PKI)

- Which Public Key belongs to which user?
- How can I trust that the key belongs to a user?



CA

(Trust Center)

X.509

X.509 Certificate What is it in general?

- Trust in Certification Authority (CA) Trust in Certificates
 - Is a trustworthy institution that verifies public keys
 - Thereby issuing certificates, e.g. VeriSign.

Your identity



X.509 Certificate Summary

Main Content







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SGN boot process - Keymanagement









Keymanagement / Transparent encryption

- DEK?
- ► KEK?
- KSA?





Keymanagement / Transparent encryption

•

- Data is encrypted with a random Data Encryption Key (DEK)
- DEKs are encrypted with Key Encryption Keys (KEKs)
- Every SGN object (OU, domains, users groups, users) have their KEKs assigned in the database
- KEKs can be assigned to other objects if necessary, e.g.
 - ... if users from different departments want to share encrypted data
 - ... if the data on an encrypted disk needs to be recovered



SGN boot process / Key Storage Area

- Volume based encryption stores information about used Key Encryption Keys (KEKs) in Key Storage Areas (KSAs)
- Every volume based encrypted device has one KSA and a copy of it
- Users receive their KEKs in a Keyring during logon
- A KEK decrypts the DEK
- The DEK decrypts the data
- The is always only one DEK for a volume
- The DEK is encrypted be at least one KEK or several KEKs
- Boot volumes can only be encrypted volume based



Keymanagement – volume based encryption





File header – file based encryption





Transparent encryption

• Volume based vs. File based encryption

	Volume based	File based
Key storage	Key Storage Area for every single volume	File header for every single file
Encryption key used	Random Data Encryption Key (DEK)	Random Data Encryption Key (DEK)
DEK security	Multiple Key Encryption Keys (KEKs) encrypt the DEK	Only one single Key Encryption Key (KEK) encrypts the DEK
KEK storage	User keyring	User keyring



Transparent volume based encryption





Transparent volume based encryption





Transparent file based encryption driver

- SGN file based encryption changes the file size
 - because it adds a 4096 bytes header to each file
- File size correction "fakes" original file size







User Profiles

All Users get a "profile", which contains the encryption rules

- Path/Directory
- Files (Extension, Wildcards)
- Encryption-Key and Algorithm
- Encrypted Profile Encryption Key (PEK)




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Profile.

Key Management Concept

- Content of file is encrypted with a symmetric Data Encryption Key (DEK),
 - **DEK** gets encrypted with a *Key Encryption Key* (**KEK**)
 - The **KEK** is assigned to a specific SGLC user group to encrypt files. It's taken from the SGLC **profile**.
 - Profiles for each user are encrypted with a user-specific *Profile Encryption Key* (**PEK**).
 - **PEK** in turn is encrypted with the user's **public key**.



- DEKs and PEKs are generated **randomly** each time a new one is needed.
- KEKs are generated by the SG LAN Crypt administrator
 - Stored in the administration database (secured by the Security officer key pair)
 - Data Recovery possible in case of the user looses his Keys (KEKs).

Keyname	Long keyname	Algorithm	Enabled
MARKETING_GENERA	Marketing generall	AES256	Enabled
GREEN_BANNANAS	Green Bannanas	AES256	Enabled
SALES	Sales	AES256	Enabled

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Thank You

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Link per approfondimenti

- Ricerca Ponemon Institute 2010: <u>http://www.ponemon.org/local/upload/fckjail/generalcontent/18/file/US_Ponemon_CODB_0</u> <u>9_012209_sec.pdf</u>
- Portale crittografia Wikipedia: <u>http://it.wikipedia.org/wiki/Portale:Crittografia</u>
- Crittografia simmetrica: <u>http://it.wikipedia.org/wiki/Crittografia_simmetrica</u>
- AES: <u>http://it.wikipedia.org/wiki/Advanced_Encryption_Standard</u>
- Crittografia asimmetrica: <u>http://it.wikipedia.org/wiki/Crittografia_asimmetrica</u>
- RSA: <u>http://it.wikipedia.org/wiki/RSA</u>
- Differenze e crittosistemi ibridi: <u>http://it.wikipedia.org/wiki/Differenza_fra_cifratura_simmetrica_e_asimmetrica</u>
- Interessante studio sulla crittografia ibrida: <u>http://www.iacr.org/archive/crypto2004/31520425/crypto-hybrid-04.pdf</u>
- Prodotti Sophos Encryption: <u>http://www.sophos.it/products/enterprise/encryption/</u>