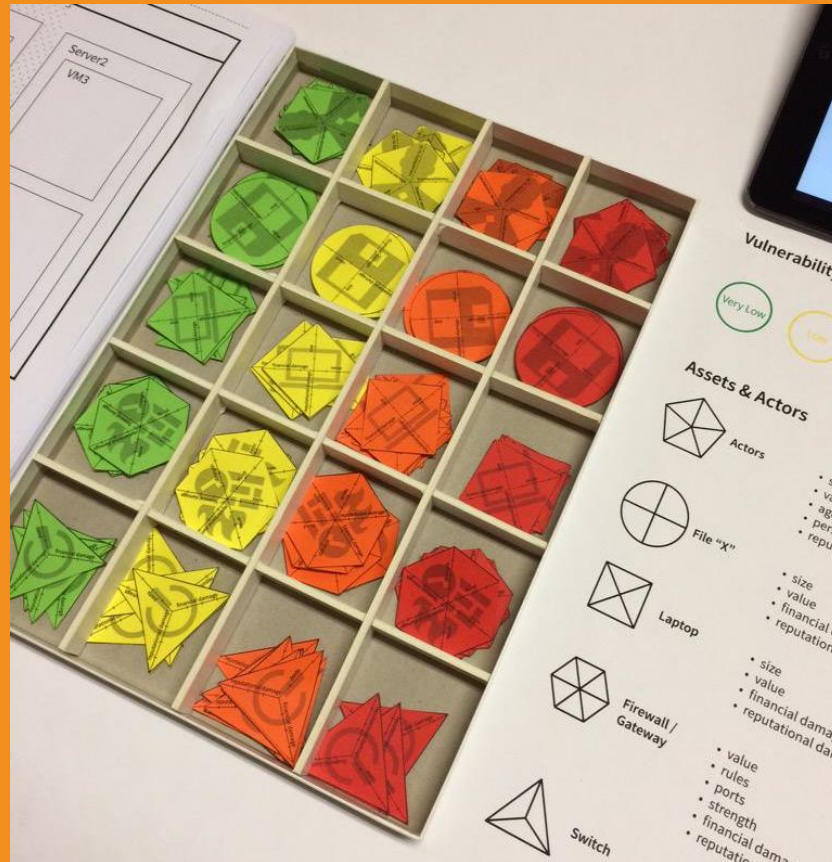# Cyber security = cyber risk management

Wolter Pieters (TUD/UT) & Jan van den Berg (TUD)

3TU cyber security specialisation kickoff

Problem: voting machine chip replacement

changing the ROMs of a Nedap e-voting computer in 60 seconds

Proposed solution: seals & non-reprogrammable chips

Source: Teletekst / Wij Vertrouwen Stemcomputers Niet

Problem: Facebook invades users' privacy

Proposed solution: more privacy settings

- Hides users' personal data from each other

- But not from Facebook itself

- Encryption? But what about the business case?

Problem: vulnerability in OV-chipkaart

Proposed solution: replace in 2 years time

- "Limited gain for attacker" because fraud can be detected and stopped within 2 days

- Individual fraud vs. business case for criminals

Back in 2001 (New Security Paradigms Workshop):

Information Security is Information Risk Management

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ABSTRACT

Information security is important in proportion to an organization's dependence on information technology. When an organization's information is exposed to risk, the use of information security technology is obviously appropriate. Current information security technology, however, deals with only a small fraction of the problem of information risk. In fact, the evidence increasingly suggests that information security technology does not reduce information risk very effectively.This paper argues that we must reconsider our approach to information security from the ground up if we are to deal effectively with the problem of information risk, and proposes a new model inspired by the history of medicine.

1. INFORMATION RISK

consequence of an event is the dollar amount of the reduction in business value which the event will cause if it occurs [Har]

1.2 Measuring Risk

A common measure of the cost of risk is "Annualized Loss Expectation," or ALE. ALE is the expected cumulative cost of risk over a period of one year as estimated in advance. For example, a chemical company estimates the probability of an explosion at one of its plants during the year 2001 as one in a million. If an explosion occurs, it will cost the company 150 million dollars in direct and indirect expenses, (for example, repair costs, legal costs, or lost business).

The ALE created by the risk of a plant explosion for the year 2001 is simply:

$$ALE = \$15,000,000 \times (1/1,000,000) = \$150$$

The big question

- How do we evaluate which cyber security controls we should implement?

- Preventive, detective, responsive

Risk mitigation

- Wait until something happens

- Checklists

- Theoretical models

- Evidence-based models

Return on security investment: effectiveness & cost

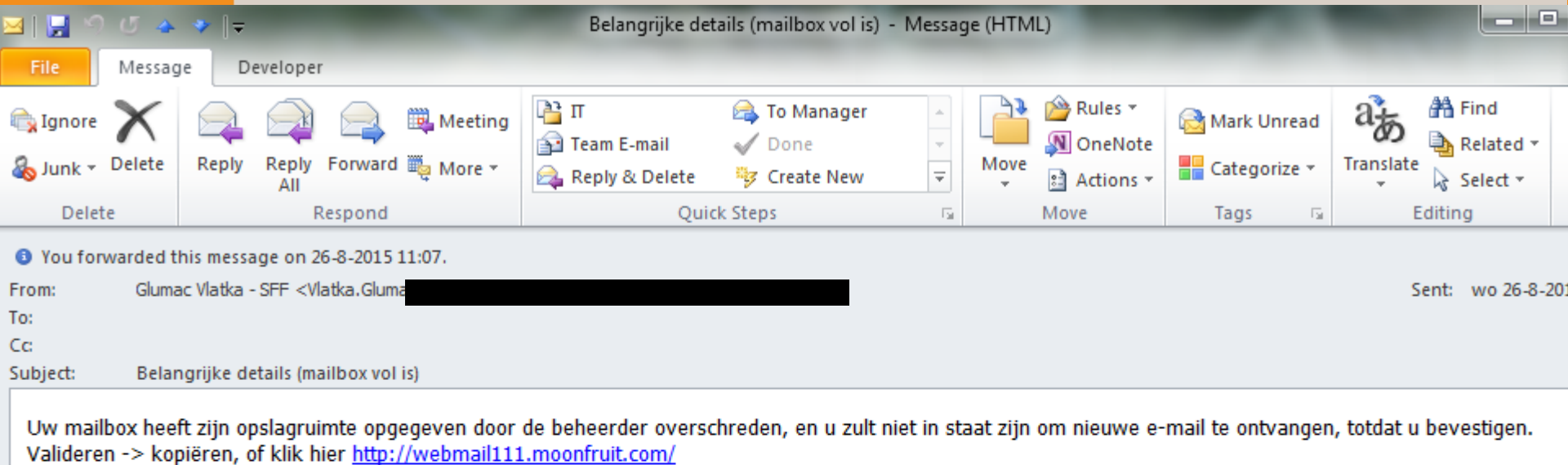# Traditional risk vs. adversarial risk

Attackers

- Cryptographic assumptions: attacker cannot perform prime factorisation efficiently

- Dolev-Yao: attacker controls the network, but cannot break crypto

- Game theory: attacker maximises his utility

- Goals, skills, resources, …

Scenarios / vulnerabilities

- Exploiting digital weaknesses

- Social engineering (e.g. phishing)

- Physical access

Belangrijke details (mailbox vol is) - Message (HTML)

File   Message   Developer

Ignore   Delete   Reply Reply Forward More   IT   To Manager   Move   Rules   Mark Unread   Translate   Find
Junk   All   Team E-mail Done   OneNote   Related
                                                       Reply & Delete Create New   Actions Categorize   Select

Delete   Respond   Quick Steps   Move   Tags   Editing

You forwarded this message on 26-8-2015 11:07.

From: Glumac Vlatka - SFF <Vlatka.Gluma   Sent: wo 26-8-20
To:
Cc:
Subject: Belangrijke details (mailbox vol is)

Uw mailbox heeft zijn opslagruimte opgegeven door de beheerder overschreden, en u zult niet in staat zijn om nieuwe e-mail te ontvangen, totdat u bevestigen.
Valideren -> kopiëren, of klik hier http://webmail111.moonfruit.com/

Possible controls

- More crypto

- Hardening / patching

- Locks / cards / biometrics

- Training

Factors

- How to combine system, attackers and possible controls in making security decisions?

- Can there be "evidence-based security" as there is evidence-based medicine?

Would you eat bananas?

"If you don't eat bananas, you might be robbed"

(Herley & Pieters 2015)

Key takeaways

- It's not only about theoretical effectiveness of controls, but about their contribution to the system as a whole

- Interesting achievements and challenges in measuring and predicting such contribution

- See the upcoming courses!