A Brief Introduction to Phishing, Spear Phishing, Whaling & Social Engineering
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Why Am I Doing This?

1) The Internet has greatly expanded the reach of Bad Guys, and turned the Internet into the World’s largest electronic cesspool (This greatly upsets me; did you notice?)

2) I am a dedicated Security professional and want to help make the World and the Internet a safer places.

3) I am part of the Northshore ASIS Chapter, and I want to demonstrate service and willingness to help

4) I promised I would help out and present, even if it was on unexpected short notice.

5) I meant what I said, 
   And I said what I meant. 
   An Elephant’s Faithful, 
   One hundred percent! 
   -- Dr. Seuss

“I meant what I said 
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one-hundred percent!”
- Dr. Seuss
Agenda

• What Is Phishing?
• What is Spear Phishing?
• What Is Whaling?
• What Social Engineering?
• Why Does Social Engineering Work?
• Recent Whaling Attack Examples
• How and Why Did the Recent Whaling Attack Work?
• How Does Can Your Security Staff Try to Protect Employees and Contractors?
• How to Protect Yourself and Your Company
• Conclusion
• Final Thoughts
• Questions
What Is Phishing?

• The attempt to acquire sensitive information such as usernames, passwords, and credit card details (and sometimes, indirectly, money), often for malicious reasons, by masquerading as a trustworthy entity in an electronic communication.

Source: [http://www.wikipedia.org](http://www.wikipedia.org)
What Is Spear Phishing?

• Phishing attacks directed at specific individuals, roles, or organizations are referred to as "spear phishing". Since these attacks are so pointed, attackers may go to great lengths to gather specific personal or institutional information in the hope of making the attack more believable and increasing the likelihood of its success.

• The best defense against spear phishing is to carefully, securely discard information (i.e., using a cross-cut shredder) that could be used to gather information for such an attack. Further, be aware of data that may be relatively easily obtainable (e.g., your title at work, business cards, websites, your favorite places, or where you bank), and think before acting on seemingly random requests via e-mail or phone.

Source: https://kb.iu.edu/d/arsf
What Is Whaling?

• The term "whaling" is used to describe phishing attacks (usually spear phishing) directed specifically at executive officers or other high-profile targets within a business, government, or other organization.

• A whaling attack is also known as a C-level fraud and **BEC (business e-mail scam)** and involves targeting high level executives with forged e-mails asking for urgent payments. Usually they are spoofed to appear to come from a trusted colleague or business partner.

Source: [https://kb.iu.edu/d/arsf](https://kb.iu.edu/d/arsf)
What Social Engineering?

• Social engineering is the art of manipulating people so they give up confidential information. The types of information these criminals are seeking can vary, but when individuals are targeted the criminals are usually trying to trick you into giving them your passwords or bank information, or access your computer to secretly install malicious software—that will give them access to your passwords and bank information as well as giving them control over your computer.

• Criminals use social engineering tactics because it is usually easier to exploit your natural inclination to trust than it is to discover ways to hack your software. For example, it is much easier to fool someone into giving you their password than it is for you to try hacking their password (unless the password is really weak).

Source: http://bit.ly/1U1cXFq
Social Engineering Techniques

- Shoulder Surfing
- Dumpster Diving
- Role Playing
- Trojan Horses
- Phishing
- Surfing Online Content
- Reverse Social Engineering
Social Engineering

- Includes extensive research information (legal and illicit) about an enterprise, which is gathered and used to exploit people.

- Successful social engineering results in partial or complete circumvention of an enterprise’s security systems. The best firewall is useless if the person behind it gives away either the access codes or the information it is installed to protect.

- Social engineering *principally* involves the manipulation of people rather than technology to breach security.
Why Does Social Engineering Work?

• Pretexting:
  – Much of the information required by Social Engineers to plan and launch a successful attack is easily available from:
    • Web Searches
    • Social networks and media
    • Loose documents carelessly left unprotected on your desk or in the open
    • Publically filed documents (Annual Reports, 10K statements, news releases, etc.)
    • Business cards
    • Dumpster diving
    • Shoulder surfing
    • Eavesdropping
    • Lost or misplaced documents
Why Does Social Engineering Work?

• Humans are hackable

The 6 Best Persuasion Strategies Ever

1. Reciprocity
2. Social proof
3. Commitment & Consistency
4. Liking
5. Scarcity
6. Authority
SOCIAL ENGINEERING SPECIALIST
Because there is no patch for human stupidity

JINX.COM
## Recent Whaling Attack Examples

<table>
<thead>
<tr>
<th>Year of Attack</th>
<th>Year Detected</th>
<th>Company</th>
<th>Location</th>
<th>The Victims</th>
<th>Financial Impact(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>2016</td>
<td>Unknown</td>
<td>U.S. (Most likely NYC)</td>
<td>CEO</td>
<td>$98.9 million</td>
</tr>
<tr>
<td>2015</td>
<td>2016</td>
<td>FACC</td>
<td>Ried im Innkreis, Austria</td>
<td>CEO &amp; CFO (both were later fired by the Board of Directors)</td>
<td>$46.5 million, AND 17% loss of stock value</td>
</tr>
<tr>
<td>2016</td>
<td>2016</td>
<td>Unnamed Company</td>
<td>Chicago, IL</td>
<td>Director &amp; Manager</td>
<td>$14,500</td>
</tr>
</tbody>
</table>

Note: Each of these examples are valuable and “teachable moments” because by nature, they are rare and seldom, if ever, disclosed.
Recent Whaling Attack Example –
Unknown American Company

• An unnamed American company fell victim to $98.9 million in CEO E-mail Fraud

• First discovered by a Bank in Cyprus

• $74 million was recovered

• This scam only surfaced as the U.S. government filed a civil forfeiture lawsuit in federal court in Manhattan seeking to recover about $25 million held in at least 20 bank accounts around the world.

Source:
https://blog.knowbe4.com/us-company-falls-victim-to-100-million-ceo-e-mail-fraud
Recent Whaling Attack Example - FACC

• At FACC, an Austrian-based aircraft manufacturing company, both the CFO and the CEO, Walter Stephan, were fired after a successful whaling attack cost FACC € 50 million ($56.5 million) and wiped out the company’s annual profits.

• The fraud was discovered in January 2016.

• This publicly traded company also lost 17% of its market value.

Source: SC Magazine
Recent Example – Unnamed Company in Chicago

- In May 2016, a manager at an unnamed company was contacted by an authentic looking e-mail from what was believed to be his boss, a Director.
- The e-mail was sent from the Director’s e-mail account, looked completely authentic, with an e-mail signature, and came from INSIDE the unnamed company’s Infrastructure.
- It directed an electronic funds transfer in the amount of $14,500 to a bank account at Wells Fargo.
- The manager unwittingly responded because the requester appeared to be a Director that he knew and worked with.
- Earlier in that week, the Director’s login credentials were compromised because the Director had responded to a phishing e-mail.
- The entire series of events in this whaling incident has been investigated by IT Security, Corporate Investigations, and even the CFO was later involved.

**Account Name:** Terrance M. Wolford
**Bank Name:** Wells Fargo
**Account Number:** 1113427543
**Rounting:** 021200025
**Amount:** $14,500
How and Why Did the Recent Chicago-based Company Whaling Attack Work?

• How? Five-stage attack
  1. Identification and Reconnaissance from outside
  2. Spear Phishing to get Executive credentials, Director was tricked into providing user credentials
  3. Reconnaissance and Research from the inside about the employees the Director would normally interact with
  4. Attack execution, ordering an unsuspecting manager to electronically transfer money
  5. Successful wire transfer of $14,500 to a Wells Fargo account

• Why?
  – The attacker did their homework
  – Launched the attack from inside the company network using compromised user credentials
  – The manager believed the attacker was a real Director and responded to his authority
  – The manager was worried about the consequences of not following orders
How Can Your IT Security Staff Try to Protect Employees and Contractors?

- Information Security Awareness Training
- Phishing Campaigns commissioned by your IT Security and conducted by Third Party vendors to understand user behaviors and susceptibility to Phishing and the need for additional training and/or coaching
How to Protect Yourself and Your Organization

- Your company and other reputable organizations will never use e-mail to request that you reply with your passphrase, Social Security number, or confidential personal information.

- Be suspicious of any e-mail message that asks you to enter or verify personal information, through a website or by replying to the message itself.

- Never reply to or click the links in a message.

- When you recognize a phishing message, delete the e-mail message from your Inbox, and then empty it from the deleted items folder to avoid accidentally accessing the websites it points to.
More on Protecting Yourself and Your Organization

• **Slow down.** Spammers want you to act first and think later. If the message conveys a sense of urgency, or uses high-pressure sales tactics be skeptical; never let their urgency influence your careful review.

• **Research the facts.** Be suspicious of any unsolicited messages. If the e-mail looks like it is from a company you use, do your own research. Use a search engine to go to the real company’s site, or a phone directory to find their phone number.

• **Delete any request for financial information or passwords.** If you get asked to reply to a message with personal information, it’s a scam.

• **Reject requests for help or offers of help.** Legitimate companies and organizations do not contact you to provide help. If you did not specifically request assistance from the sender, consider any offer to ‘help’ restore credit scores, refinance a home, answer your question, etc., a scam. Similarly, if you receive a request for help from a charity or organization that you do not have a relationship with, delete it.

• **Don’t let a link be in control of where you land.** Stay in control by finding the website yourself using a search engine to be sure you land where you intend to land. Hovering over links in e-mail will show the actual URL at the bottom, but a good fake can still steer you wrong.

Conclusion

- People execute Social Engineering attacks because they know they have a high probability of success.

- If humans are unaware of social engineering techniques, they are vulnerable.

- Successful social engineering attacks will easily cause other security controls, such as firewalls, and access control lists (ACLs), etc., to fail.

- Social engineering attacks such as *phishing, spear phishing and whaling* are extremely dangerous because when they succeed, other security controls fail, they can lead to theft, espionage, and in some cases, threats and/or violence.

- Through education, training, application of Social Engineering Defenses, and diligence, Employees and Contractors can minimize vulnerabilities to Social Engineering attacks.
Questions?
"It's easier to fool people than to convince them that they have been fooled."

- Mark Twain -
I've learned that people will forget what you said, people will forget what you did, but people will never forget how you made them feel.

Maya Angelou
Current Positions -
Information Security Engineer, Project Manager / Sr. IT Consultant, President & CEO of Slater Technologies, Inc., and Adjunct Professor at the Illinois Institute of Technology -

Working on projects related to

- Subject Matter Expert in Risk Management and Cybersecurity
- Security reviews and auditing
- ISO 27001 Project Implementations
- Software Development
- Created an eBook with articles about Security, Risk Management, Cyberwarfare, Project Management and Data Center Operations
- Providing subject matter expert services to Data Center product vendors and other local businesses.
- Also Developing and presenting technical training materials for undergraduate and graduate students at the Illinois Institute of Technology in the areas of Data Center Operations, Data Center Architecture, Cyber Security Management, and Information Technology hardware and software.
- Developing and delivering Cybersecurity Classes for Triton College in River Grove, IL.
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Thank You!
I Will Fight in the Tohkon XXII Classic Judo Tournament - June 10, 2017 - Wish Me Luck!

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