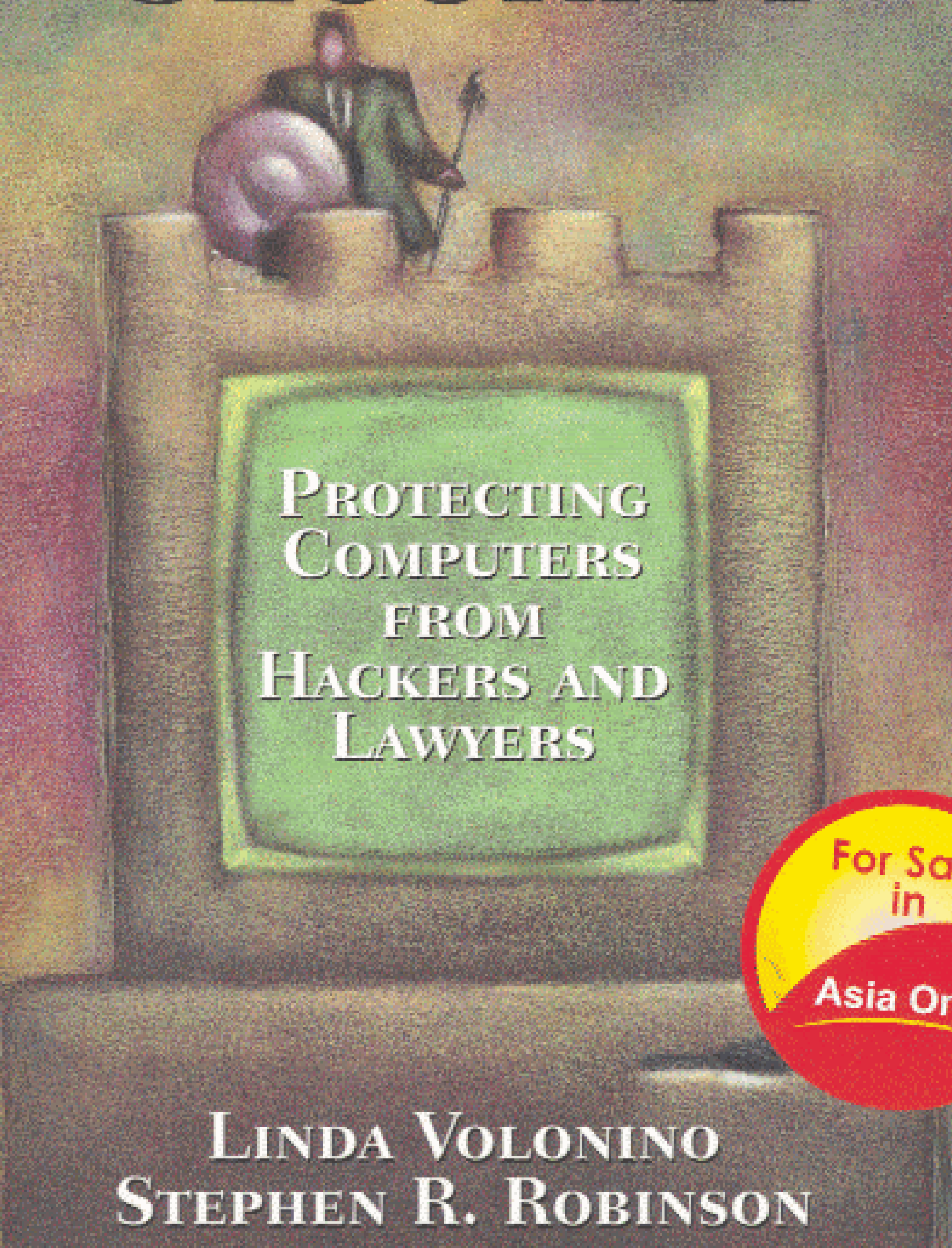
Principles and Practice of Information Security



Protecting Computers from Hackers and Lawyers

For Sale in Asia Only

Linda Volonino
Stephen R. Robinson

CONTENTS

PREFACE xv

PART I: DIGITAL LIABILITIES AND RISK MANAGEMENT 1

Chapter 1 Security in a Globally Connected Economy 1

Introduction 1

What Is Information Security? 1

Definition 1

Security Goals 1

Applying Conventional Principles to the Cyber World 3

The Digital Liability Management (DLM) Model 3

The Principles of Security 4

Security Is Complex 4

Security Is Difficult to Cost-Justify, but Not Impossible 6

Security in the Information Economy 6

Global Economy in Transition 6

Legal Liability Issues 6

Guide to the Risks Inherent to Conducting Business in a Networked Economy 6

Mistakes, Malice, and Mischief Increase Liability—and Legislation 7

Electronic Evidence 7

Threats to Information Security 7

Extended Legislation and Responsibilities 8

Liability Issues and Regulatory Obligations 8

Electronic Records Retention 9

International Organizations 10

DOJ Defines Computer Crime 10

Congress Expands Computer Crime Legislation and Authority 10

New Ethic of Responsibility 11

Chapter Summary 12

Key Terms 12

Discussion Questions 12

Endnotes 13

Chapter 2 Sources of Digital Liability 14

Introduction 14

Assessing and Protecting Digital Assets 14

Risk Assessment 14

Insufficient Protection Against Avoidable Losses 17

Digital Liability Management 17
Activities That Cause Digital Liability 18
Digital Liability: Post-1999 19
Damage Estimations 20
Common Sources of Risk 20
User Ignorance 20
Lack of Enforceable Policy 21
Social Engineering 21
Excessive Sharing 22
Revealing Candor 23
Factors Exacerbating Digital Liability 23
Intractable Problems 24
Lagging Practices 24
Business and Legal Reasons for Concern 24
Because of Zero-Tolerance Environments 24
Because the Company's Well-Being Is at Stake 25
Because of Privileged Information 27
Tests of Negligence 27
Chapter Summary 28
Key Terms 29
Discussion Questions 29
Endnotes 30
Chapter 3 Threats, Vulnerabilities, and Risk Exposure 31
Introduction 31
Classification of Computer Threats and Vulnerabilities 34
Uses of the TTV 34
Taxonomy of Threats and Vulnerabilities 35
Origin of the Intrusion or Threat 37
External Threats and Vulnerabilities 37
Internal Threats and Vulnerabilities 41
Wireless Threats and Vulnerabilities 44
External Threats with Internal Intervention 44
Internal Protocol Vulnerabilities and Threats 45
Success of Hackers and Malware 47
Intruders Expand Their Options 47
Complexity of Software and Configurations 47
Why Hack Attacks Succeed So Often 47
Threats, Vulnerabilities, and First-Party and Third-Party Risks 48
First-Party Risks 48
Third-Party Risks 48
First- and Third-Party Damages 49
Chapter Summary 49
Key Terms 50
Discussion Questions 50
Endnotes 51

Chapter 4 An Affirmative Model of Defense: Digital Liability Management 52

Introduction 52

The Information Security Challenge Is Not Being Met 52

The Importance of Execution 53

Hallmarks of Proper Execution 54

The Risk and Reward of New Initiatives 54

Higher Standards of Security 55

Why Is Information Security Poorly Executed? 55

The DLM Defense Model 56

The DLM Model 56

Tier 1: Senior Management Commitment and Support 56

Security Awareness Begins and Ends in the Boardroom 57

Overcoming Objections and Adversaries 58

Tier 2: Acceptable-Use Policies and Other Statements of Practice 59

AUPs Define Acceptable and Unacceptable Behavior 59

Stakeholders Involved in AUPs 59

AUPs Define Expectations and Demonstrate Due Diligence 60

Everyone Must Practice Information Security 60

Maintenance Is Important 60

Tier 3: Secure-Use Procedures 60

Tier 4: Hardware, Software, and Network Security Tools 61

Chapter Summary 61

Key Terms 62

Discussion Questions 62

Endnotes 62

Chapter 5 Models for Estimating Risk and Optimizing the Return on Security Investment 63

Introduction 63

The Importance of Risk Assessment 63

Getting Management's Attention 63

Risk Assessment: A Basic Requirement of ISO 17799 65

Raising the Status of Information Security Budgets 65

Assessing the Expected (Average) Cost of a Loss 65

Risk Assessment Cube 66

Expected Loss Value Estimations 67

Expected Loss Computation 67

Marginal Cost—Benefit Analysis—An Application of Expected Value 68

Balancing Expected Loss with the Cost of Security Defenses 69

Challenges in Estimating Loss of Digital Assets 69

Intangible Assets 69

Replication Increases Exposure and Probability of a Loss 70

Outsourcing Places Data and Documents Out of Control 71

Knowledge Assets Are Difficult to Replace 71
Mission-Critical Software Applications 72
Denial of Service Risk 72

Valuation of Digital Assets and Risk 73
Software Assets 73
Knowledge Assets 73
Goodwill 74

Sources of Information for Risk Estimations 74
Research and Consulting Firms 74
Technical Tools 74
Business Partners and Industry Groups 74

Overall Risk Evaluation Profile 75
Assess the Current Situation 75
Policy and Process Perspective 76
Organizational Perspective 76
Technology Perspective 77
Audits with Trading Partners and Customers 77

Chapter Summary 77

Key Terms 78

Discussion Questions 78

Endnotes 79

PART II: POLICIES, PRACTICES, AND DEFENSIVE TECHNOLOGY 80

Chapter 6 Acceptable-Use Policies: Human Defenses 80

Introduction 80

MCIWorldcom's AUP Leads to Early Dismissal of Lawsuit 81

The AUP: The Discipline and Diligence Defense Tier 83

Dual Functions of the AUP 83
Security Breach Prevention 83
Legal Protection 84

Legal Theories and Employer Liability Issues 84
Respondeat Superior Doctrine and Liability 85
Negligent Supervision and Duty of Care 85

Characteristics of Effective AUPs 86
Comprehensive Scope 86
Clear Language 86
Adaptive Content 86
Extension to Other Company Policies 86
Enforcement Provisions 86
Consent 86
Accountability 87

AUP Template 87

Sample Acceptable-Use Policy (AUP) 87
Purpose and Scope 87
AUP Guidelines 88
Provisions and Prohibitions 88
Compliance 89

Chapter Summary 91

Key Terms 92

Discussion Questions 92

Endnotes 93

Chapter 7 Secure-Use Practices: Defensive Best Practices 94

Introduction 94

Secure Use Practices: Policies 94
Major Risk Factors 94
Limits on the Extent to Which Risk Factors Can Be Controlled 96
Enforcement of Secure-Use Practices Must Be Consistent with the AUP 96

Key Secure-Use Procedures and Practices 97
Introducing a Security Focus in the Organizational Planning Process 97
Establishing Security as a Business Function 97
Integrating Security and Business Plans 97
Deploying Information Security Standards 98
Documentation and Training 99
Incident Response Policy and Incident Response Teams 99
Developing a Notification Plan 100

Secure-Use Procedures: Technology 100
Shut Down Unnecessary Services 101
Set Up and Maintain Permissions Securely 101
Conduct Background Checks 102
Enforce Strong Passwords 102
Review Partner Contracts 102
Audit and Update 103

Physical Security 103

Audit and Test 105

Other Secure Principles and Practices 105
Insurance 105
Staying Current 106
Reinforcing Secure-Use Procedures 106
Rewarding Secure Behavior 106

Worst Practices 107
Dangerous Email Practices 107
Dangerous Sharing Practices 107

Chapter Summary 109

Key Terms 109

Discussion Questions 109

Endnotes 109

Chapter 8 Technology and Auditing Systems: Hardware and Software Defenses 111

Introduction 111

Factors Driving the Need for Diverse Technology Layers 113

Growth in Computer Crime 113

Growth in Software Complexity and Flaws 113

Growth in the Release Rate of Security Patches and Service Packs 114

Security Technology 115

No "Out-of-the-Box" Solutions 115

Tools and Targets 115

Multilayered, Diverse Technology Infrastructure 115

Characteristics of a Defensive Technology Infrastructure 116

Underlying Technical Issues 117

Functional Requirements of Hardware and Software 117

TCP/IP 117

Ports 118

File Integrity Checker 118

Routers 118

Perimeter and File Protection 119

Maintaining Confidentiality and Integrity 119

Firewalls 119

Stateful Inspection Firewalls 121

Proxy Server Firewalls 121

Multiple-Defense Firewalls 121

DMZ 121

Personal Firewalls 121

What Firewalls Cannot Defend Against 123

Port Scanning and Scanners 123

Intrusion Detection Systems (IDS) 124

Honeypots 126

Cryptography and Encryption Keys 127

Public Key Infrastructure (PKI) 128

Virtual Private Networks (VPNs) 129

Access Control: Tokens and Biometrics 132

Antivirus (AV) Software 132

Technology for Enforcing Policy 133

Email and Instant Messaging (IM) Filters 133

Content Monitors 134

Sniffers and Scanners 134

Chapter Summary 135

Key Terms 135

Discussion Questions 135

Endnotes 136

PART III: COMPUTER FORENSICS, ELECTRONIC EVIDENCE, FRAUD, AND COMPUTER CRIME LAWS 137

Chapter 9 Electronic Evidence, Electronic Records Management, and Computer Forensics 137

Introduction 137

Electronic Evidence 138

Discovery of Electronic Business Records for Use as Evidence 139
Consequences of Failing to Comply with Discovery Requests 139
Preserving and Disclosing E-Evidence 141

Federal Rules of Civil Procedure—"The Rules" 143

Rule 34 Amended to Include Electronic Records 143
Unsettled Legal Issues Add Complexity and Risk 143
Other Legal Issues with Significant Consequences 144

Electronic Records Management (ERM) 144

Sarbanes-Oxley Act of 2002 145
ERM Guide for Employees 145
ERM and AUP 146

Computer Forensics 146

What Can Be Revealed 147
What Can Be Recovered 147
Handling E-Evidence: The 3 C's 147
Eliminating Electronic Records 148
High-Profile Legal Cases 149

Chapter Summary 150

Key Terms 150

Discussion Questions 150

Endnotes 151

Chapter 10 Computer Crime, Computer Fraud, and Cyber Terrorism 153

Introduction 153

U.S. Federal Statutes Defining Computer Crime, Fraud, and Terrorism 154

New and Amended Laws Address Internet Crimes 154
The Computer Fraud and Abuse Act and Other Statutes 155
Key "Computer Fraud and Abuse" Terms Defined 155
The Computer as the Target of a Crime: Crimes Against a Computer 157
The Computer as the Instrument of a Crime: Crimes Using a Computer 159

Computer Fraud 161

Defining the Problem 161
Factors Contributing to Computer Fraud 161
The Nature of Fraud—and Its Warning Signs 161
Economic Fraud and White-Collar Crime 162
Theories and Principles of Punishment for White-Collar Crimes 162
The Prosecution and Costs of White-Collar Crime 162
Money Laundering 163

Computer Forensics Techniques for Catching Cyber Criminals *164*
Documentation of Incidents and Incident Handling *165*
Finding E-Evidence of an Intrusion or Attack *169*
Tracking Down Cyber Criminals *169*

Cyber Terrorism 170
The National Strategy to Secure Cyberspace *170*
Digital Pearl Harbor Simulation *170*
The Freedom Cyber Force Militia Hijacks Al-Jazeera's Websites *171*

Chapter Summary 172

Key Terms 173

Discussion Questions 173

Endnotes 173

Appendix to Part III: USA PATRIOT Act 175

PART IV: PRIVACY 177

Chapter 11 Privacy and Data Protection 177

Introduction 177

Spam 177
Reasons for the Increase in Spam *177*
The Economic Impact of Spam *178*
Spam Defenses *179*

Privacy 180
Characteristics of Security *180*
Leaving a Digital Trail *181*
Methods of Information Collection *181*
International Privacy Law *183*
OECD Privacy Guidelines *184*
Compliance Initiatives *185*

Chapter Summary 186

Key Terms 186

Discussion Questions 187

Endnotes 187

Appendix to Part IV: HIPAA Appendix and Glossary 188

GLOSSARY 192

ABBREVIATIONS AND ACRONYMS 211

REFERENCES 214

ONLINE REFERENCES 221

INDEX 224