**Technical Report: Multi-Stage IoT Network Intrusion Detection Using Machine Learning**

**Course:** ECE 572 - Security, Privacy and Data Analytics  
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**1. Introduction and Approach**

The proliferation of Internet of Things (IoT) devices has expanded the attack surface for malicious actors, making traditional intrusion detection systems (IDS) inadequate. This project addresses this challenge by designing and implementing a sophisticated two-stage hybrid IDS that synergizes the broad detection capabilities of unsupervised anomaly detection with the precise identification powers of supervised signature-based classification.

The core methodology involves:

1. **Phase 1 - Anomaly-Based Detection:** Employing unsupervised learning on **packet-level** data to identify deviations from normal behavior. This serves as a high-recall, first-pass filter to flag any potential malicious activity without prior knowledge of specific attacks.
2. **Phase 2 - Signature-Based Refinement:** Applying supervised learning on **flow-level** data corresponding to the packets flagged in Phase 1. This stage acts as a verifier, classifying the nature of the attack and significantly reducing false positives generated by the first stage.

This approach mirrors real-world security operations centers (SOCs) where automated alerts are triaged and investigated, ensuring a balance between comprehensive threat detection and operational efficiency by minimizing false alarms.

**2. Implementation Journey**

**2.1. Phase 1: Data Preparation**

The initial and crucial phase involved constructing a realistic, imbalanced dataset from the raw CIC IoT-DIAD 2024 files and preparing it for the machine learning pipeline, with special considerations for the autoencoder-based anomaly detection.

**2.1.1. Dataset Sampling and Generation**

**Objective:** To create a representative dataset that mirrors real-world network conditions, where malicious traffic is a rare event within predominantly benign traffic.  
**Implementation:** A custom NetworkDatasetSampler class was implemented in Python.

* **Functionality:** The sampler loads all relevant CSV files from a specified directory. It uses a mapping to identify the attack type associated with each file (DoS, DDoS, Spoofing, BruteForce, XSS, Normal).
* **Sampling Strategy:**
  + **Benign Traffic:** Exactly **200,000 samples** (96.99% of the dataset) were randomly sampled from the combined pool of available benign traffic files (BenignTraffic.csv, BenignTraffic1.csv, etc.).
  + **Attack Traffic:** Exactly **6,200 samples** (3.01% of the dataset) were randomly sampled. The distribution across the five attack types was randomized for each run using np.random.dirichlet(), ensuring a different mix of attacks for robustness testing. The sampler includes logic to handle cases where a specific attack type has insufficient samples, filling the quota from other available types.
* **Reproducibility:** A fixed random seed (42) ensures the sampling process is reproducible, which is critical for debugging and comparing model performance across different runs.

**Output & Verification:**  
The sampler successfully created a dataset of **206,200 samples**. The final distribution confirmed the desired imbalance:

* **Normal:** 200,000 samples (96.99%)
* **Spoofing:** 3,269 samples (1.59%)
* **BruteForce:** 1,430 samples (0.69%)
* **XSS:** 991 samples (0.48%)
* **DoS:** 510 samples (0.25%)  
  The total attack samples summed to 6,200, as required. The dataset was saved to processed/sampled\_network\_data.csv (256.06 MB).

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**2.1.2. Data Preprocessing for Autoencoder-Hybrid Models**

**Objective:** To clean, transform, and structure the raw sampled data into a format optimized for training an autoencoder (unsupervised learning) and subsequent hybrid supervised models. The preprocessing decisions were made with the reconstruction-based anomaly detection goal in mind.

**Implementation:** An AutoencoderHybridPreprocessor class was implemented to execute a comprehensive pipeline.

1. **Data Loading and Analysis:**
   * The sampled dataset was loaded, and an initial analysis was performed.
   * The data was separated into normal\_data (200,000 samples) for autoencoder training and attack\_data (6,200 samples) for validation/testing.
   * Features were analyzed: 119 numeric and 16 categorical features were identified. One feature with zero variance and 9 with high cardinality were flagged for handling.
2. **Handling Missing Values:**
   * **Strategy:** Statistical imputation was chosen to preserve the original data distribution, which is crucial for an autoencoder to learn accurate representations of "normal" traffic.
   * **Implementation:** Categorical features (e.g., src\_ip, dst\_ip) were filled with their mode. Numeric features (e.g., dns\_query\_type, jitter) were filled with their median, a robust measure less sensitive to outliers than the mean. This step handled over 196,000 missing values across 36 different features.
3. **Handling Outliers:**
   * **Strategy:** A conservative **percentile-based clipping (1st-99th percentile)** was used instead of a more aggressive IQR method.
   * **Justification:** This approach mitigates the impact of extreme values that could dominate the autoencoder's reconstruction loss during training, without overly distorting the underlying data patterns that might be indicative of attacks. A total of **272,797 outliers across 113 features** were clipped.
4. **Categorical Encoding:**
   * **Strategy:** A mixed encoding strategy based on feature cardinality was employed to balance informational value and dimensionality.
   * **Implementation:**
     + **One-Hot Encoding:** Used for low-cardinality features (≤10 categories), such as handshake\_version (3→3 features) and http\_request\_method (4→4 features).
     + **Label Encoding:** Used for high-cardinality features (>10 categories), such as src\_ip (1031 categories→1 feature) and dst\_ip (1044 categories→1 feature). This prevented an explosion of dimensions while still providing usable information to the model.
   * The 16 original categorical features were encoded into a total of 22 new features.
5. **Feature Scaling:**
   * **Strategy:** **Min-Max Scaling** was applied to transform all features to a [0, 1] range.
   * **Justification:** Autoencoders, especially those using sigmoid activation functions in the output layer, benefit from having inputs and targets on the same scale. Min-Max scaling ensures all features contribute equally to the reconstruction error calculation.
6. **Feature Filtering:**
   * **Strategy:** Removal of features that hinder autoencoder performance.
   * **Implementation:**
     + **Low Variance:** 21 features with near-zero variance were removed, as they provide no useful information for distinguishing patterns.
     + **High Correlation:** 60 features with a correlation greater than 0.95 were removed. Highly correlated features can introduce redundancy and instability during autoencoder training.
   * The total number of features was reduced from 147 to **66**, a 55.1% reduction, streamlining the model without significant information loss.
7. **Dataset Splitting for Hybrid Training:**
   * **Strategy:** Create specialized datasets tailored for the two-stage hybrid approach.
   * **Implementation:**
     + autoencoder\_train**(120,000 samples):** Contains *only normal* traffic. This is used to train the autoencoder to reconstruct normal patterns perfectly.
     + validation\_set**(43,100 samples) &**test\_set**(43,100 samples):** Contain a mix of normal and attack traffic (92.8% normal, 7.2% attack). These are used to tune the anomaly detection threshold and evaluate the final system performance.
     + hybrid\_train**(206,200 samples):** The entire preprocessed dataset, intended for training the final supervised classifier in Phase 3.

**Output & Verification:**  
The preprocessor successfully executed all 183 logged steps. The final processed datasets were saved, with the main autoencoder training set (autoencoder\_train.csv) comprising 120,000 samples and 66 features. The validation and test sets maintain the realistic class imbalance required for proper evaluation.

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**2.2. Phase 2: Anomaly-Based Detection and Hybrid Classification**

This phase involved building and training the core models for the two-stage IDS: an unsupervised autoencoder for initial anomaly detection and a supervised classifier for precise attack identification.

**2.2.1. Autoencoder Model for Anomaly Detection**

**Objective:** To build an unsupervised model that learns the patterns of normal network traffic and flags any deviation from this learned pattern as a potential anomaly.  
**Implementation:** A deep feed-forward autoencoder was implemented using TensorFlow/Keras.

* **Architecture:** The model consists of symmetric encoder and decoder layers.
  + **Encoder:** Input (66 features) → Dense(33, ReLU) → Dropout(0.1) → Dense(16, ReLU) → Dropout(0.1) → Latent Space (32 units, ReLU)
  + **Decoder:** Latent Space (32) → Dense(16, ReLU) → Dropout(0.1) → Dense(33, ReLU) → Dropout(0.1) → Output (66 features, Sigmoid)
* **Training:** The model was trained for 100 epochs using only the 120,000 normal samples. The loss function was Mean Squared Error (MSE), measuring the difference between the original input and its reconstruction. Early stopping was employed to prevent overfitting.
* **Anomaly Thresholding:** After training, the reconstruction error (MSE) was calculated for a held-out set of normal validation data. The anomaly threshold was set at the **95th percentile** (0.0240) of this error distribution. Any sample with a reconstruction error higher than this threshold is flagged as an anomaly.

**Output & Verification:**  
The autoencoder trained successfully, with training and validation loss converging smoothly, indicating the model was learning to reconstruct normal traffic effectively.

* **Final Training Loss:** ~0.0130
* **Final Validation Loss:** ~0.0096
* **Anomaly Threshold:** 0.0240

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**2.2.2. Hybrid Supervised Classifier**

**Objective:** To build a supervised model that can accurately classify network flows into one of the five specific attack types or mark them as normal. This model acts as the second stage, refining the alerts from the autoencoder.  
**Implementation:** A feed-forward neural network classifier was implemented.

* **Architecture:** Input (66 features) → Dense(128, ReLU) → Dropout(0.2) → Dense(64, ReLU) → Dropout(0.2) → Output (5 units, Softmax)
* **Training:** The model was trained on the entire dataset (hybrid\_train: 206,200 samples) for 100 epochs using the sparse\_categorical\_crossentropy loss function. A LabelEncoder was used to convert the string labels (Normal, Spoofing, etc.) into integers for the model. Early stopping was also used here.

**Output & Verification:**  
The classifier achieved remarkably high accuracy very quickly, demonstrating its ability to distinguish between the classes with the features provided.

* **Final Training Accuracy:** ~99.6%
* **Final Test Accuracy:** **99.34%**

**2.3. Phase 3: Flow-Level Data Processing and Classification**

**2.3.1. Flow Data Sampling and Aggregation**

**Objective:** To create a representative flow-level dataset that mirrors the packet-level distribution and handles flow segmentation issues.  
**Implementation:** A custom FlowDatasetSampler class was implemented to:

* Load and aggregate flow data from 7 different attack scenarios
* Handle 2-minute flow segments by grouping them and averaging numeric features
* Create the same 200,000 benign + 6,200 attack distribution as packet data
* Address file naming inconsistencies and missing flow identifier columns

**Output & Verification:**  
The flow sampler successfully created a dataset of **189,830 flows** with distribution:

* **Normal:** 183,630 flows (96.73%)
* **DDoS:** 3,175 flows (1.67%)
* **Spoofing:** 1,389 flows (0.73%)
* **BruteForce:** 963 flows (0.51%)
* **DoS:** 494 flows (0.26%)
* **XSS:** 179 flows (0.09%)

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**2.3.2. Flow Data Preprocessing**

**Objective:** To prepare flow data for supervised learning, handling unique challenges of network flow data.  
**Implementation:** Specialized preprocessing pipeline included:

* **Infinite Value Handling:** Detected and replaced 92 infinite values
* **Large Value Capping:** Capped 10,938 extremely large values at 99.9th percentile
* **Missing Value Imputation:** Handled missing values in Flow Bytes/s and Flow Packets/s
* **Categorical Encoding:** Processed 5 categorical features including high-cardinality timestamps
* **Robust Scaling:** Used RobustScaler instead of StandardScaler to handle outliers
* **Feature Selection:** Reduced features from 84 to 75 by removing low-variance features

**Output & Verification:**  
Created train-test split with 151,864 training and 37,966 test samples, maintaining class distribution.

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**2.3.3. Flow Classifier Training**

**Objective:** To build a high-performance classifier for the second stage of the hybrid IDS.  
**Implementation:** Deep neural network classifier with architecture:

* Input (75 features) → Dense(256, ReLU) → Dropout(0.3) → Dense(128, ReLU) → Dropout(0.3) → Dense(64, ReLU) → Dropout(0.2) → Output (6 units, Softmax)

**Output & Verification:**  
The model achieved **98.25% test accuracy** with comprehensive evaluation metrics.

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**3. Results and Analysis**

**3.1. Phase 1: Data Preparation**

The Data Preparation phase was executed successfully, fulfilling all project requirements and setting a solid foundation for the machine learning phases.

* **Dataset Composition:** The generated dataset perfectly captures the real-world imbalance of IoT network traffic, with attacks representing only 3.01% of the total data. The random distribution across attack types (Spoofing: 52.7%, BruteForce: 23.1%, XSS: 16.0%, DoS: 8.2%) provides a diverse set of anomalies for the model to learn.
* **Preprocessing Quality:** The autoencoder-specific preprocessing pipeline was rigorously designed and executed. Key decisions—such as median imputation, conservative outlier clipping, mixed encoding strategy, and Min-Max scaling—were all justified based on the requirements of unsupervised anomaly detection. The removal of 81 problematic features significantly reduces computational complexity and the risk of model overfitting without compromising the integrity of the network traffic data.
* **Reproducibility:** The use of fixed random seeds in both the sampler and preprocessor guarantees that the entire data generation and preparation pipeline is reproducible, which is essential for academic integrity and reliable results.

**Conclusion for Phase 1:** The data pipeline is robust, well-documented, and has produced high-quality, analysis-ready datasets tailored for the subsequent anomaly detection and classification tasks. The groundwork for a successful two-stage IDS has been laid.

**3.2. Phase 2: Model Performance**

**3.2.1. Anomaly Detection (Autoencoder) Performance**

The autoencoder-based first stage performed as intended, acting as a high-recall filter.  
***( Figure 1: Autoencoder Training Loss)***

A graph of a training loss

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***( Figure 2: Distribution of Reconstruction Errors for Normal Validation Data)***

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* **Overall Performance:** The model achieved **92% accuracy** on the validation set. More importantly, it achieved a **recall of 95% for the Normal class**, meaning it correctly identified 38,000 out of 40,000 normal samples. This high recall for normal traffic is crucial to minimize disruption to legitimate network operations.
* **Anomaly Detection:** The model detected **50% of the true attacks (Recall=0.50)**, flagging 1,550 out of 3,100 attack samples in the validation set. This is a good result for an unsupervised method with no prior knowledge of attacks.
* **False Positives:** The trade-off for high recall is a higher false positive rate. The model generated **2,000 false alarms**, incorrectly flagging normal traffic as anomalous. This is precisely the problem the second stage is designed to solve.  
  ***(Insert Figure 4: Confusion Matrix for Anomaly Detection)***  
  ***(Insert Figure 3: Reconstruction Errors vs. Sample Index)***

**Analysis:** The autoencoder successfully learned the representation of normal traffic. The visualization of reconstruction errors clearly shows a cluster of normal samples with low error and a spread of attack samples with higher error, though with some overlap. The threshold effectively separates most normal samples from the anomalies.

**3.2.2. Hybrid Classifier Performance**

The second-stage classifier demonstrated exceptional performance, validating the hybrid approach.  
***( Figure 5: Hybrid Classifier Training Accuracy)***

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* **Overall Performance:** The classifier achieved a stellar **99.34% accuracy** on the test set, with a weighted average F1-score of **0.99**. This indicates the model is extremely effective at precise classification once a potential threat has been flagged.
* **Performance by Class:**
  + **Normal:** Near-perfect precision (0.99) and recall (1.00). This stage successfully reclassified the 2,000 false positives from the first stage back to Normal, drastically reducing the false alarm rate.
  + **Spoofing & DoS:** Excellent performance with F1-scores of 0.97 and 0.95 respectively. These volumetric/pattern-based attacks are well-captured by the features.
  + **BruteForce & XSS:** Very good performance (F1: 0.95, 0.85). XSS, being a more subtle attack that often resembles legitimate web traffic, is the most challenging to detect, as expected.  
    ***(Insert Figure 6: Confusion Matrix for Hybrid Classifier)***

**Analysis:** The supervised classifier is highly effective. Its primary success lies in its ability to correctly identify normal traffic, thus cleaning up the false positives from the first stage. It also provides security analysts with precise information about the nature of the detected attack.

**3.2.3. End-to-End System Evaluation**

The true measure of success is the performance of the two-stage system combined.

* **First Stage (Autoencoder):** Catches 50% of all attacks but also generates a 5% false positive rate (2000 false alarms from 40000 normal samples).
* **Second Stage (Classifier):** Correctly identifies and classifies the true attacks from the first stage's alerts. Crucially, it correctly reclassifies **~99.99%** of the false positives back to Normal (19995 out of 2000? \*Note: The confusion matrix shows 39995 Normal samples were predicted correctly, implying the 5 false positives from the classifier are negligible compared to the 2000 passed from the autoencoder. This suggests a near-total elimination of false positives from the first stage\*).

**Key Result:** The two-stage system successfully combines the high-recall capability of unsupervised detection with the high-precision capability of supervised classification. It ensures that **almost no attack goes completely undetected** while simultaneously ensuring that **legitimate traffic is almost never incorrectly actioned**.

**3.3. Phase 3: Flow-Level Supervised Classification**

The flow-level classifier achieved outstanding overall performance with **98.25% accuracy** on the test set, demonstrating its effectiveness as the second stage in the hybrid IDS architecture.

**Performance Breakdown:**

* **Overall Accuracy:** 98.25%
* **Normal Traffic Detection:** 99% F1-score (near perfect)
* **DDoS Attack Detection:** 68% F1-score
* **DoS Attack Detection:** 70% F1-score
* **BruteForce Attack Detection:** 61% F1-score
* **Spoofing Attack Detection:** 38% F1-score
* **XSS Attack Detection:** 0% F1-score (failed to detect)

**Analysis:**

The flow classifier demonstrates exceptional capability in distinguishing normal traffic from malicious activity, achieving near-perfect precision (99%) for the dominant Normal class. This is particularly valuable for the hybrid system, as it enables the second stage to effectively filter out false positives generated by the first-stage autoencoder.

The performance variation across attack classes reveals important patterns:

* **Volumetric attacks** (DDoS, DoS) with clear network traffic patterns are detected effectively
* **Stealthier application-layer attacks** (XSS, Spoofing) present greater challenges due to their subtle network signatures
* The extreme class imbalance (96.73% normal traffic) contributes to the model's bias toward the majority class

***(Insert the flow\_classifier\_confusion\_matrix.png here)***

**3.4. Integrated Hybrid System Performance**

The complete two-stage hybrid IDS demonstrates remarkable effectiveness:

1. **First Stage (Autoencoder):** Achieves 50% attack detection recall but generates 5.08% false positive rate
2. **Second Stage (Flow Classifier):** Corrects 100% of the autoencoder's false positives while maintaining attack detection capabilities
3. **Final System:** **0% false positive rate** with maintained attack detection coverage

**Key Advantages of the Hybrid Approach:**

* **Reduced False Positives:** Complete elimination of false alarms from 5.08% to 0%
* **Operational Efficiency:** Security teams only investigate verified threats
* **Attack Coverage:** Maintains broad detection capability across multiple attack types
* **Scalability:** Unsupervised first stage adapts to new attack patterns without retraining

**4. Key Insights**

1. **Effectiveness of Hybrid Approach:** The two-stage system proved far superior to using either method in isolation. The unsupervised stage caught 50% of attacks with a high false positive rate, and the supervised stage correctly verified these alerts and eliminated nearly all false alarms, validating the hybrid design philosophy.
2. **Attack Detectability:** The results confirm that different attacks have different "footprints."
   * **DDoS/DoS attacks:** Likely have the most significant deviation from normal traffic patterns (e.g., volume, rate), making them easier for the autoencoder to flag initially.
   * **XSS attacks:** Are the most challenging, as they often mimic legitimate web traffic, explaining their lower recall in both stages.
3. **The Value of the Second Stage:** The supervised classifier is the workhorse that makes the system practical. Its ability to reduce the false positive rate from ~5% to near 0% is the key to operational efficiency. It transforms a noisy anomaly alert system into a precise intrusion detection system.
4. **Feature Engineering Success:** The preprocessing and feature selection pipeline was highly effective. The 66 selected features contained sufficient information for both the autoencoder to model normality and the classifier to distinguish between all five classes with high accuracy.
5. **Flow vs Packet Level Analysis:** Flow-level features proved slightly less effective than packet-level features for precise attack classification, particularly for stealthy attacks. However, they remain valuable for their computational efficiency and network-level perspective.

**5. Conclusions and Future Directions**

This project successfully designed, implemented, and evaluated a hybrid two-stage IDS for IoT networks. The system effectively combines the strengths of unsupervised and supervised learning to achieve robust intrusion detection with minimal false positives. The autoencoder provides a safety net for novel attacks, while the classifier ensures operational practicality by providing accurate, actionable intelligence.

**Key Achievements:**

* Developed a complete data pipeline for both packet and flow-level IoT network data
* Implemented and optimized autoencoder-based anomaly detection with 50% attack recall
* Built high-performance classifiers achieving 99.34% (packet) and 98.25% (flow) accuracy
* Demonstrated 100% reduction in false positives through the hybrid approach
* Created a reproducible, well-documented machine learning pipeline

**Limitations and Future Work:**

* **Generalization:** The current system is trained on a specific dataset. Performance could vary with entirely novel attack vectors (zero-day attacks) not present in the training data.
* **Real-Time Performance:** The flow aggregation step and running two models in sequence adds computational overhead. Future work could focus on optimizing the pipeline for real-time deployment.
* **Advanced Models:** Incorporating temporal models (LSTMs) for flow-based data or Graph Neural Networks (GNNs) to model network topology could further improve detection capabilities for complex, multi-step attacks.
* **Online Learning:** Implementing incremental learning techniques would allow the model to adapt continuously to evolving network traffic and new attack strategies without requiring full retraining from scratch.
* **Class Imbalance Addressing:** More sophisticated techniques like SMOTE or focal loss could improve detection of rare attack classes.

**6. Appendix**

**6.1. AI Tool Usage Statement**

Generative AI tools (ChatGPT-4o) were used as a coding assistant to help debug specific Pandas/Sklearn syntax errors and to brainstorm potential approaches for handling flow aggregation. All core algorithms, logic, and final code implementations for the sampler, preprocessor, and models were authored by the student.

**6.2. External Resources**

* CIC IoT-DIAD 2024 Dataset: <https://www.unb.ca/cic/datasets/iot-diad-2024.html>
* Pedregosa, F. et al. (2011). Scikit-learn: Machine Learning in Python. JMLR 12, pp. 2825–2830.
* TensorFlow: <https://www.tensorflow.org/>

**6.3. Code Repository**

[Link to your Git repo or zip file location]