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IS THE MAFIA TAKING OVER CYBERCRIME?

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#BHUSA / @BLACKHAT EVENTS



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INTRODUCTION – THE CLAIMS

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- THE “MAFIA, WHICH HAS BEEN USING THE INTERNET AS A COMMUNICATION VEHICLE FOR SOME TIME, IS USING IT INCREASINGLY AS A RESOURCE FOR CARRYING OUT MASS IDENTITY THEFT AND FINANCIAL FRAUD”
- “THE RUSSIAN MAFIA ARE THE MOST PROLIFIC CYBERCRIMINALS IN THE WORLD”



FOCUS & APPROACH



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- ASSESS – WITH EVIDENCE – THE CLAIMS OF MAFIA INVOLVEMENT IN CYBERCRIME
- 7 YEARS OF FIELDWORK ACROSS 20 COUNTRIES (RUSSIA, UKRAINE, ROMANIA, NIGERIA, BRAZIL, USA, CHINA...)
- 238 INTERVIEW PARTICIPANTS (LAW ENFORCEMENT, PRIVATE SECTOR, FORMER CYBERCRIMINALS)

WHAT IS THE MAFIA?

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- THERE IS AN ESTABLISHED DISCOURSE ON THIS TOPIC (SCHELLING, GAMBETTA, VARESE)
- ORGANISED CRIME: GROUPS ATTEMPTING TO GOVERN A CRIMINAL MARKET
- MAFIA: ORGANISED CRIME GROUPS THAT ATTEMPT TO GOVERN ALL CRIMINAL MARKETS

GOODFELLAS GUIDE



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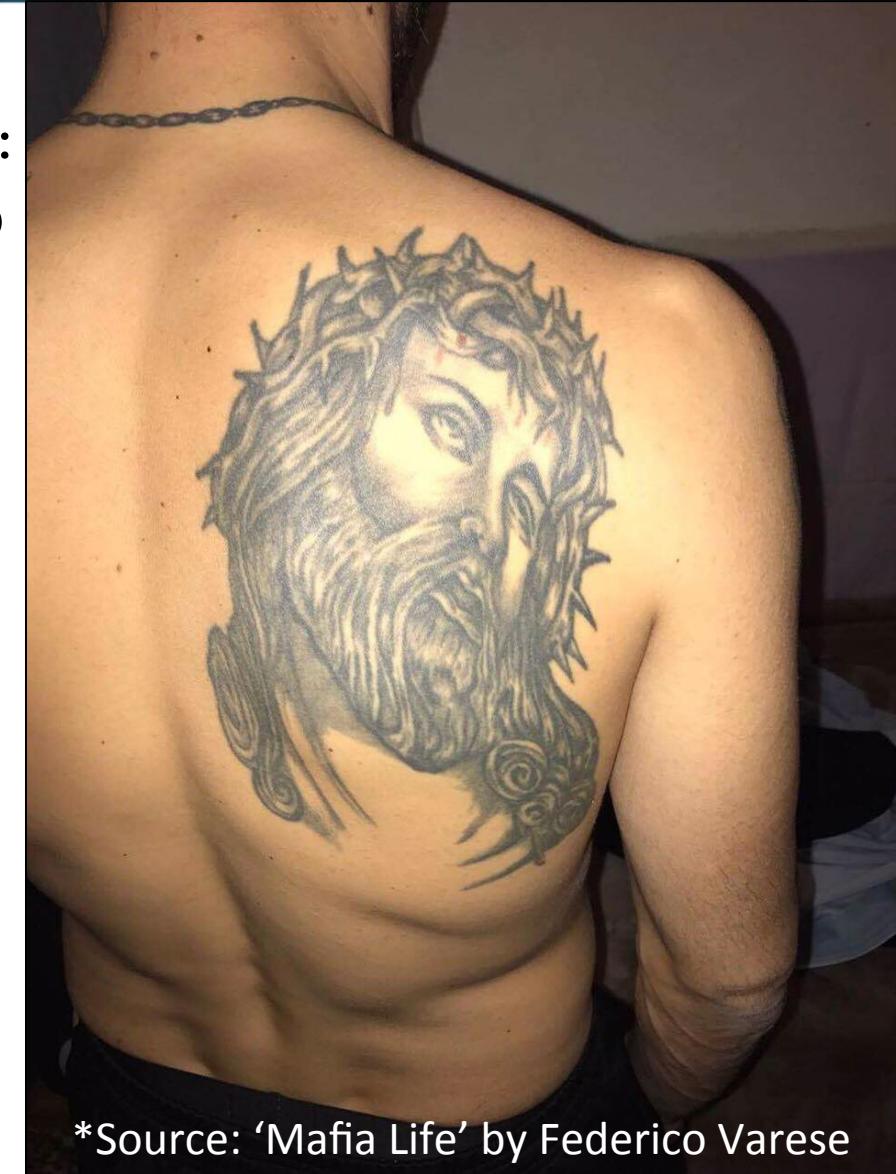


“THE GUYS WHO WORKED FOR PAULIE HAD TO MAKE THEIR OWN DOLLAR. ALL THEY GOT FROM PAULIE WAS PROTECTION FROM OTHER GUYS LOOKING TO RIP THEM OFF. THAT'S WHAT IT'S ALL ABOUT. THAT'S WHAT THE FBI CAN NEVER UNDERSTAND—THAT WHAT PAULIE AND THE ORGANIZATION OFFER IS PROTECTION FOR THE KINDS OF GUYS WHO CAN'T GO TO THE COPS. THEY'RE LIKE THE POLICE DEPARTMENT FOR WISEGUYS”

THE RUSSIAN MAFIA



- COMMON PERCEPTION:
“PEOPLE WHO DO BAD THINGS IN EASTERN EUROPE...”
- REALITY: *VORY V ZAKONE* (THIEVES-IN-LAW)
- THE “90S GUYS” AND THE POST-SOVIET MAFIA TODAY



*Source: ‘Mafia Life’ by Federico Varese

- IN 1994, VLADIMIR LEVIN INFILTRATES THE CITIBANK'S NETWORKS, ALLOWING FOR ILLICIT MONEY TRANSFERS WORTH MILLIONS OF DOLLARS
- THE TAMBOV GANG IN ST. PETERSBURG COORDINATES THE DELIVERY OF THE PROCEEDS TO RUSSIA
- THE GANG USES COERCION AND THREATS OF VIOLENCE TO ENFORCE COMPLIANCE IN MULTIPLE JURISDICTIONS
- GANGSTERS AT THE TOP OF THE SCHEME AVOID GAOL TIME



KEY FINDINGS 1



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- IS THE TAKEOVER NOW COMPLETE?
- THERE IS OC INVOLVEMENT, BUT FAR FROM IN EVERY CASE...
- IT ALSO HAPPENS IN WAYS THAT MATCH THE TRADITIONAL SKILLSETS OF MAFIAS AND OTHER GROUPS...

4 TYPES OF ORGANISED CRIME INVOLVEMENT IN CYBERCRIME:

- A) PROVIDING PROTECTION
- B) INVESTING IN CERTAIN CYBERCRIMINAL SCHEMES
- C) SERVICE PROVIDERS TO BROADER CYBERCRIME OPERATIONS (MONEY ARRANGEMENTS)
- D) GUIDING CYBERCRIME SCHEMES

KEY FINDINGS 3

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- ACTING AS GUIDING HANDS (CATEGORY (D)) WAS MOST COMMONLY OBSERVED
- BUT OFTEN SIMPLY USING TECHNOLOGY TO ENHANCE EXISTING CRIMINAL OPERATIONS, RATHER THAN CYBERCRIME PER SE (DRUGS, JEWELS, PROSTITUTION)



THE MAFIA GOES HIGH-TECH.

A NEW BREED OF CRIMINAL

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- RATHER THAN OC TAKEOVER, THE DATA SUGGESTS CYBERCRIME IS DRIVEN BY A NEW CLASS OF ENTREPRENEURS
- PROTECTION OFTEN SOURCED FROM CORRUPT AGENTS OF THE STATE, RATHER THAN GANGSTERS
- BENT POLITICIANS AND LAW ENFORCEMENT AGENTS ARE BETTER POSITIONED TO SHIELD CYBERCRIMINALS



- CYBERCRIME AS AN OC PROBLEM = LAW ENFORCEMENT CHALLENGE.
- CYBERCRIME AS UNDEREMPLOYED ENTREPRENEURS AND PROGRAMMERS = OTHER OPTIONS TO DIVERT CYBERCRIMINAL TALENT AWAY FROM THE DARK SIDE:
 - A) INITIATIVES PROVIDING STARTUP CAPITAL
 - B) COMPANIES HIRING FROM AFFECTED REGIONS
 - C) SUPPORTING CORRUPTION REDUCTION EFFORTS

TAKEAWAYS



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- 1) MUCH OF THE EXISTING DISCOURSE AROUND OC AND CYBERCRIME IS BASED ON RUMOR AND INNUENDO
- 2) HOW OC IS INVOLVED IN CYBERCRIME (AND HOW IT ISN'T) IS MUCH MORE NUANCED ON THE GROUND
- 3) TO REDUCE CYBERCRIME NON LE APPROACHES SUCH AS HIRING CYBERSECURITY TALENT FROM KNOWN CYBERCRIME HUBS, MAY HELP - THIS IS SOMETHING WE CAN ALL POTENTIALLY PLAY A PART IN...

- WHITE PAPER AVAILABLE ON BLACK HAT SITE
- MY PERSONAL SITE: WWW.INDUSTRYOFANONYMITY.COM



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