

# Introduction to Blockchain Technology: Cryptocurrency & Beyond

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#### Introduction

#### What is Cryptology

- cryptography: The act or art of writing in secret characters.
- cryptanalysis: The analysis and deciphering of secret writings.
- cryptology: (Webster's) the scientific study of cryptography and cryptanalysis.

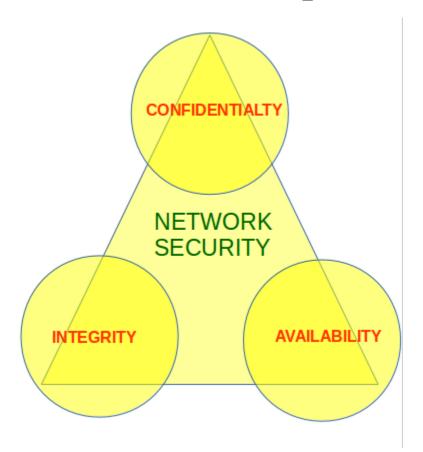
In our context **cryptology** is the scientific study of protection of information.

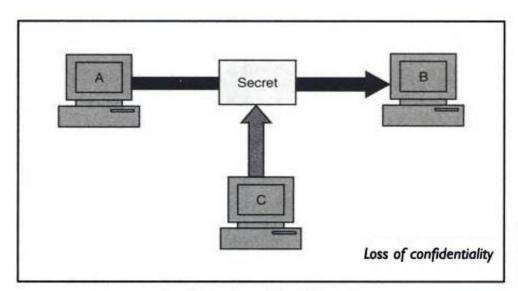
### **Applications**

- Secure Communications (war-time)
- File and data base security
- Electronic funds transfer
- Electronic commerce
- Digital cash
- Contract signing
- Electronic mail
- Electronic voting
- Authentication: Passwords, PINs
- Secure identification, Access control
- Secure protocols

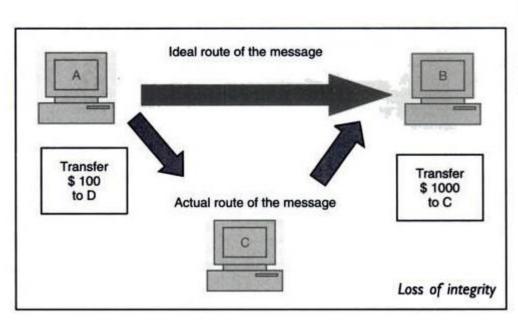
## The CIA triad in Cryptography

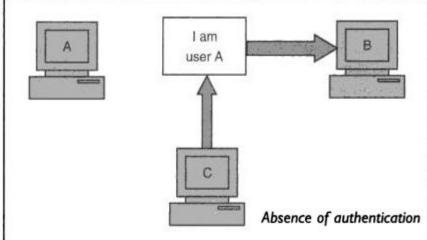
• Three Fundamental Principles





## Principles of Security

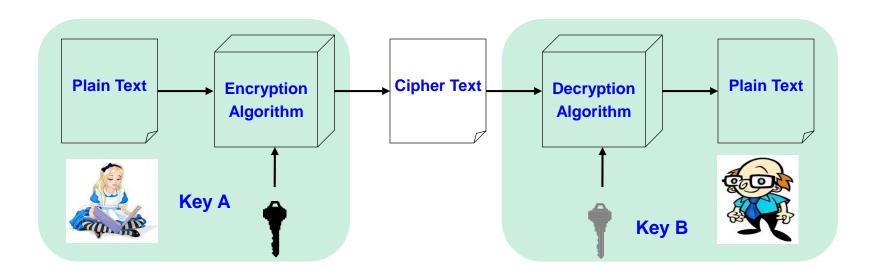




## Principles of Security

- Secrecy/Confidentiality
  - Only intended receiver understands the message
- Authentication
  - Sender and receiver need to confirm each others identity
- Message Integrity
  - Ensure that their communication has not been altered, either maliciously or by accident during transmission
- Nonrepudiation
  - Sender should not be able to falsely deny that a message was sent
- Availability (System)
  - Ensure that the information concerned is readily accessible to the authorized viewer at all times

#### **Cryptography components: Cipher**

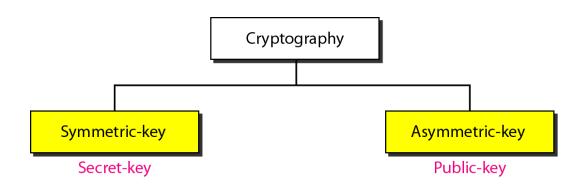


- Cipher is a method for encrypting messages
- Encryption algorithms are standardized & published
- The key which is an input to the algorithm is secret

### Basic Terminology

- plaintext the original message
- **ciphertext** the coded message
- cipher algorithm for transforming plaintext to ciphertext
- **key** info used in cipher known only to sender/receiver
- encipher (encrypt) converting plaintext to ciphertext
- **decipher** (**decrypt**) recovering ciphertext from plaintext
- **cryptography** study of encryption principles/methods
- **cryptanalysis** (**codebreaking**) the study of principles/ methods of deciphering ciphertext *without* knowing key
- cryptology the field of both cryptography and cryptanalysis

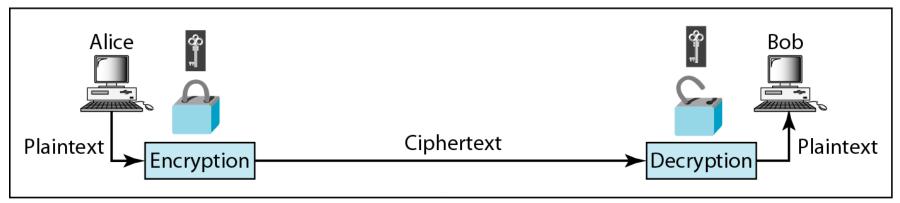
#### Categories of cryptography



#### Symmetric-key cryptography

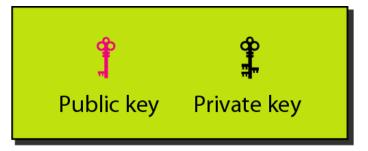


Symmetric-key cryptography

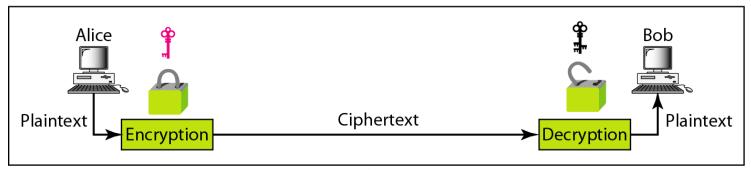


a. Symmetric-key cryptography

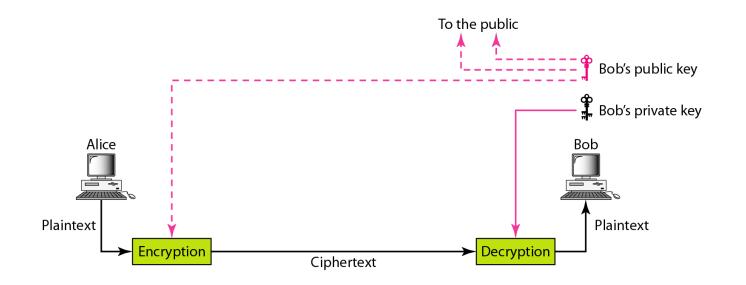
#### Asymmetric-key cryptography



Asymmetric-key cryptography

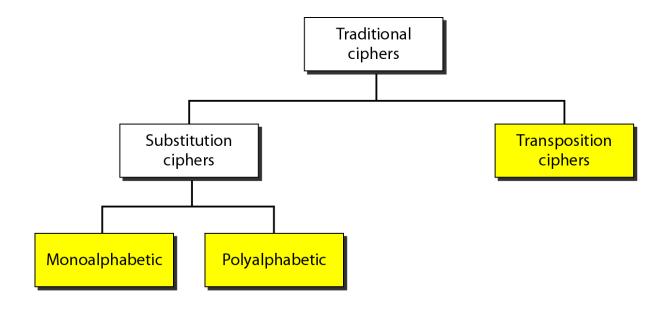


b. Asymmetric-key cryptography



#### Symmetric Key Cryptography: Traditional Ciphers

Symmetric-key cryptography started thousands of years ago when people needed to exchange secrets (for example, in a war).



ABCDEFGHIJKLMNOPQRSTUVWXYZ ABCDEFGHIJKLMNOPQRSTUVWXYZ

ABCDEFGHIJKLMNOPQRSTUVWXYZ UVWXYZABCDEFGHIJKLMNOPQRST

— shift alphabet by n (6)

#### MY CAT HAS FLEAS

ABCDEFGHIJKLMNOPQRSTUVWXYZ UVWXYZABCDEFGHIJKLMNOPQRST

#### MY CAT HAS FLEAS

```
ABCDEFGHIJKLMNOPQRSTUVWXYZ
UVWXYZABCDEFGHIJKLMNOPQRST
```

#### MY CAT HAS FLEAS

```
ABCDEFGHIJKLMNOPQRSTUVWXYZ
UVWXYZABCDEFGHIJKLMNOPQR5T
```

GS

# MY CAT HAS FLEAS ABCDEFGHIJKLMNOPQRSTUVWXYZ UVWXYZABCDEFGHIJKLMNOPQRST GSW

# MY CAT HAS FLEAS A B C D E F G H I J K L M N O P Q R S T U V W X Y Z U V W X Y Z A B C D E F G H I J K L M N O P Q R S T GSWU

#### MY CAT HAS FLEAS

ABCDEFGHIJKLMNOPQRSTUVWXYZ UVWXYZABCDEFGHIJKLMNOPQRST

GSWUN

# MY CAT HAS FLEAS ABCDEFGHIJKLMNOPQRSTUVWXYZ UVWXYZABCDEFGHIJKLMNOPQRST GSWUNB

# MY CAT HAS FLEAS A B C D E F G H I J K L M N O P Q R S T U V W X Y Z U V W X Y Z A B C D E F G H I J K L M N O P Q R S T GSWUNBU

#### MY CAT HAS FLEAS

ABCDEFGHIJKLMNOPQR5TUVWXYZ UVWXYZABCDEFGHIJKLMNOPQRST

65WUNBUM

```
MY CAT HAS FLEAS

ABCDEFGHIJKLMNOPQRSTUVWXYZ

UVWXYZABCDEFGHIJKLMNOPQRST

GSWUNBUMZ
```

```
MY CAT HAS FLEAS

ABCDEFGHIJKLMNOPQRSTUVWXYZ

UVWXYZABCDEFGHIJKLMNOPQRST

GSWUNBUMZF
```

# MY CAT HAS FLEAS ABCDEFGHIJKLMNOPQRSTUVWXYZ UVWXYZABCDEFGHIJKLMNOPQRST GSWUNBUMZFY

**6**SWUNBUMZFYU

# MY CAT HAS FLEAS A B C D E F G H I J K L M N O P Q R S T U V W X Y Z U V W X Y Z A B C D E F G H I J K L M N O P Q R S T

#### MY CAT HAS FLEAS

ABCDEFGHIJKLMNOPQR5TUVWXYZ UVWXYZABCDEFGHIJKLMNOPQR5T

**GSWUNBMUFZYUM** 

#### MY CAT HAS FLEAS

ABCDEFGHIJKLMNOPQRSTUVWXYZ UVWXYZABCDEFGHIJKLMNOPQRST

#### **GSWUNBMUFZYUM**

- Convey one piece of information for decryption: shift value
- trivially easy to crack (26 possibilities for a 26 character alphabet)

#### Transposition Cipher: Columnar Transposition

- This involves rearrangement of characters on the plain text into columns
- If the letters are not exact multiples of the transposition size, padding with an infrequent letter such as x or z.

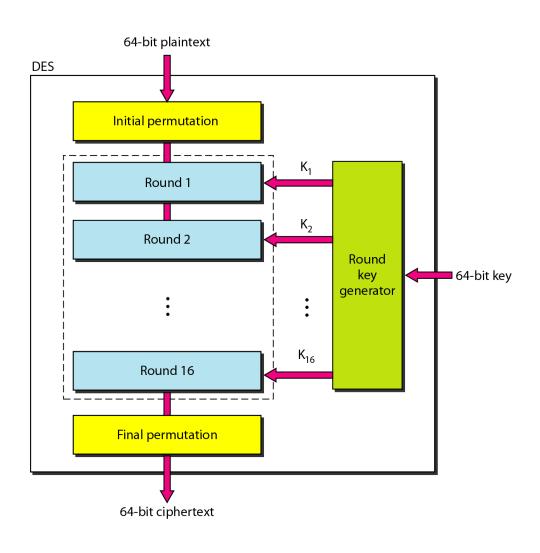
#### THIS IS A MESSAGE TO SHOW HOW A COLUMNER TRANSPOSITION WORKS

Plain Text	Cipher Text
THISI	T S S O H
SAMES	OANIW
SAGET	HAASO
0 S H O W	L R S T O
HOWAC	IMGHW
OLUMN	UTPIR
ARTRA	SEEOA
NSPOS	M R O O K
ITION	ISTWC
WORKS	NASNS

### Block vs Stream Ciphers

- Stream ciphers process messages a bit or byte at a time when en/decrypting.
- Block ciphers process messages in into blocks, each of which is then en/decrypted.
  - Like a substitution on very big characters: 64-bits or more
- Many current ciphers are block ciphers, one of the most widely used types of cryptographic algorithms

## **DES** (Data Encryption Standard)



### Strength of DES – Key Size

- 64-bit keys have 2<sup>64</sup> values
- Brute force search looks hard
- Recent advances have shown is possible
  - in 1997 on a huge cluster of computers over the Internet in a few months
  - in 1998 on dedicated hardware called "DES cracker" by
     Electronic Frontier Foundation (EFF) in a few days (\$220,000)
  - in 1999 above combined in 22hrs!

## AES (Advanced Data Encryption Standard)

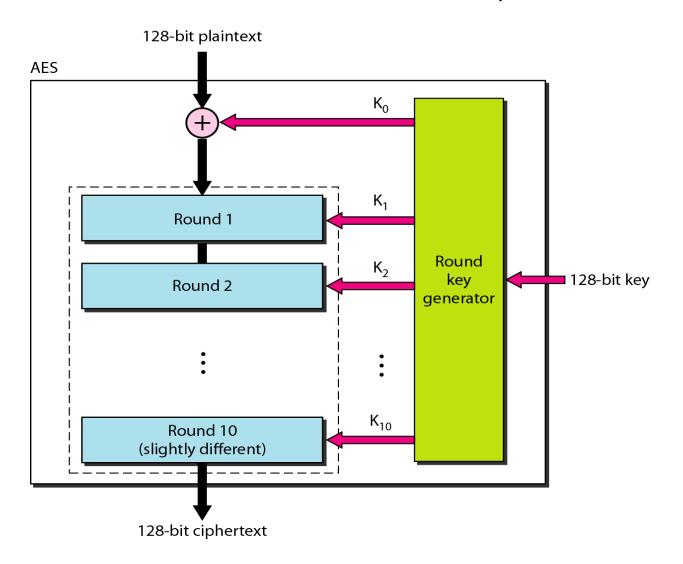
- Advanced Encryption Standards (AES)
  - US NIST issued call for ciphers in 1997
  - Rijndael was selected as the AES in Oct-2000
- Private key symmetric block cipher
- Stronger & faster than Triple-DES
- In AES, all operations are performed on 8-bit bytes. In particular, the arithmetic operations of addition, multiplication, and division are performed over the finite field GF(2<sup>8</sup>).

## AES (Advanced Data Encryption Standard)

AES has three different configurations with respect to the number of rounds and key size.

Size of Data Block	Number of Rounds	Key Size
128 bits	10	128 bits
	12	192 bits
	14	256 bits

## AES (Advanced Data Encryption Standard)



#### Substitution-Permutation Ciphers

- Substitution-permutation (S-P) networks [Shannon, 1949]
  - modern substitution-transposition product cipher
- S-P networks are based on the two primitive cryptographic operations
  - substitution (S-box)
  - permutation (P-box)
- provide confusion and diffusion of message
- These form the basis of modern block ciphers

#### Confusion and Diffusion

- Cipher needs to completely obscure statistical properties of original message
- A one-time pad does this
- More practically Shannon suggested S-P networks to obtain:
- **Diffusion** dissipates statistical structure of plaintext over bulk of ciphertext
- Confusion makes relationship between ciphertext and key as complex as possible