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# OT Security Engineering

Powerful New Tools to Address Cyber Risk to Industrial Operations and Critical Infrastructure



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A decorative graphic in the bottom right corner featuring a globe and a network of glowing lines, symbolizing global connectivity and resilience.

# Rees Machtemes, P.Eng.

Director of Industrial Security  
at Waterfall Security Solutions Ltd.



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A graphic for "Resilience Unlocked" featuring a blue globe with a grid pattern and a stylized blue and white structure resembling a network or data flow.

# About WATERFALL SECURITY



**2007**

Founded

**>1000**

Sites

**>20**

Verticals

**6** Global

Sales & Ops Hubs

**14**

Published Patents

Leading the world's OT unidirectional gateway market with superior solutions, worldwide presence, and proven track record of success



**Key Sectors:**



Power



Oil & Gas



Water



Rails



Manufacturing



Facilities



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# OT Cyber Risk: Changed Forever



## Exponential growth

More than doubling annually

## This is a state change

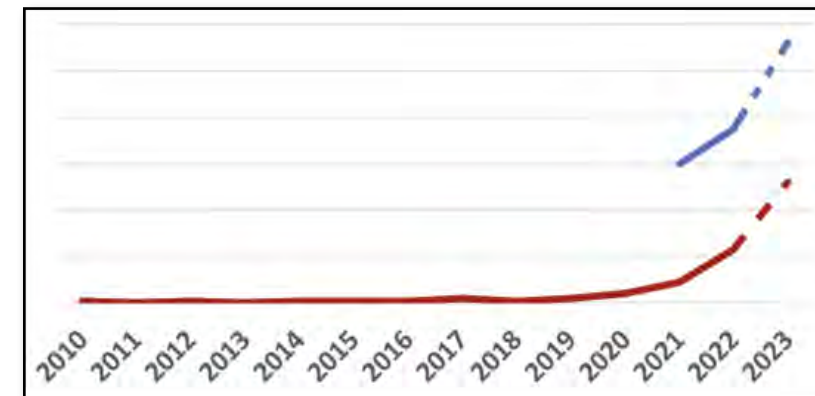
From “theoretical possibility” to “real and growing exponentially”

## Will we ever go back

To a year like 2018 with one attack?

## Similar trend in FBI stats (2021-22)

[www.ic3.gov/Home/AnnualReports](http://www.ic3.gov/Home/AnnualReports)



Legend:

- WF Threat Report
- FBI OT Incidents Reported



[waterfall-security.com/  
2023-threat-report](http://waterfall-security.com/2023-threat-report)



**At 150% annual growth, we will see 4,500 attacks in 2027 affecting 15,000 sites**



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# Who Is Behind All This?

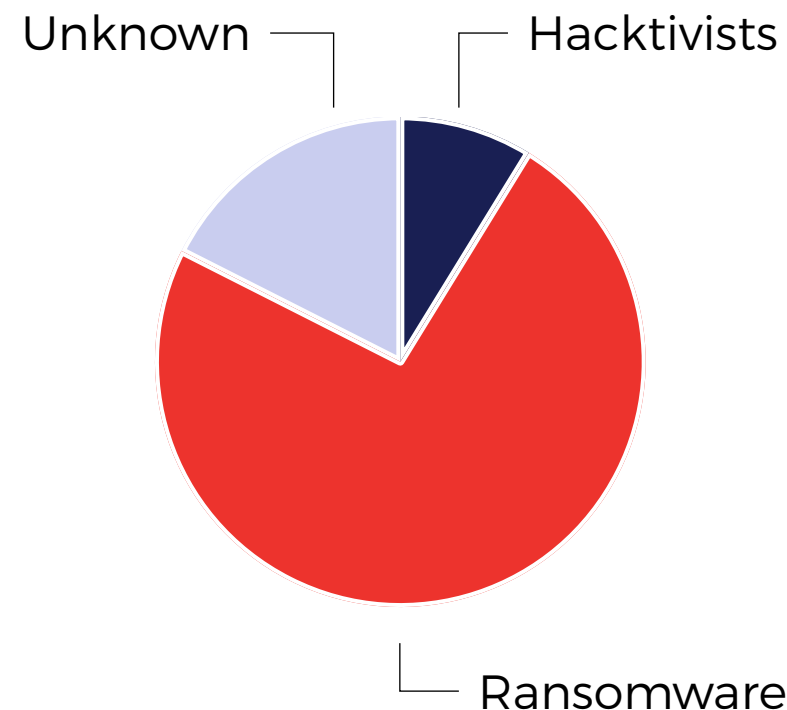
## Almost all ransomware – how?

1. Some ransomware targets OT specifically
2. Some victims stop OT in an “abundance of caution”
3. Some OT systems fail because of OT to IT dependencies

## Ransomware uses nation-state tools

2023 US Cyber Strategy: ransomware criminals are using nation-state tools and techniques

## Threat actors



# Cyber-informed Engineering



**If your life depends on a boiler not exploding**

Would you prefer spring-loaded pressure relief valve? Or longer PLC password? Where is the valve in IEC 62443 or NIST CSF?

**Engineering profession**

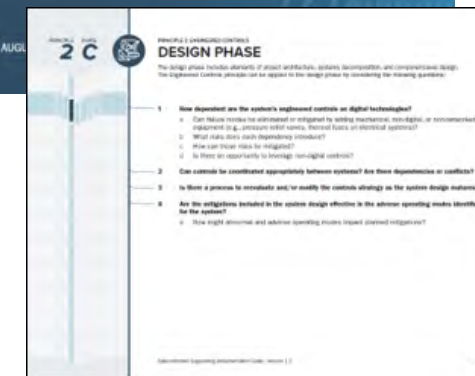
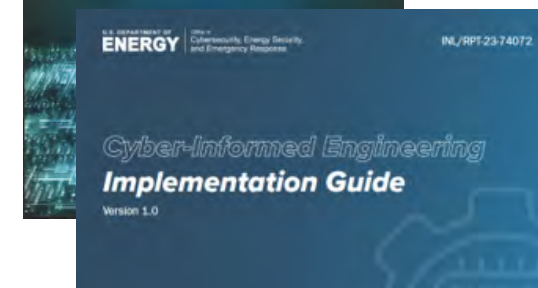
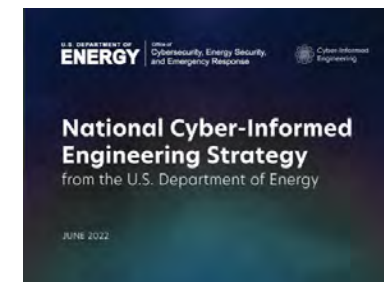
Managed physical risk for a century or more

New threat, same risks to public, safety and environment

**Engineering-grade**

Would you trust a bridge whose designer hopes it will carry a specified load, for a specified number of decades?

**CIE is a “coin with two sides” – IT-grade cybersecurity + engineering-grade designs – we always need both**



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# Security Engineering – SEC-OT



## Security PHA Review

Physical protection from safety incidents – security applications of OSHA Process Hazard Analysis

## Consequence-driven, Cyber Informed Engineering

Risk assessment + unhackable mitigations

## Secure Operations Technology

All cyber attacks are information – control information flows physically, and you control the attack vectors

**Engineering-grade solutions  
work predictably and deterministically**



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# Cyber Design Basis Threat (cDBT) model



**RISK != CONSEQUENCE X LIKELIHOOD**

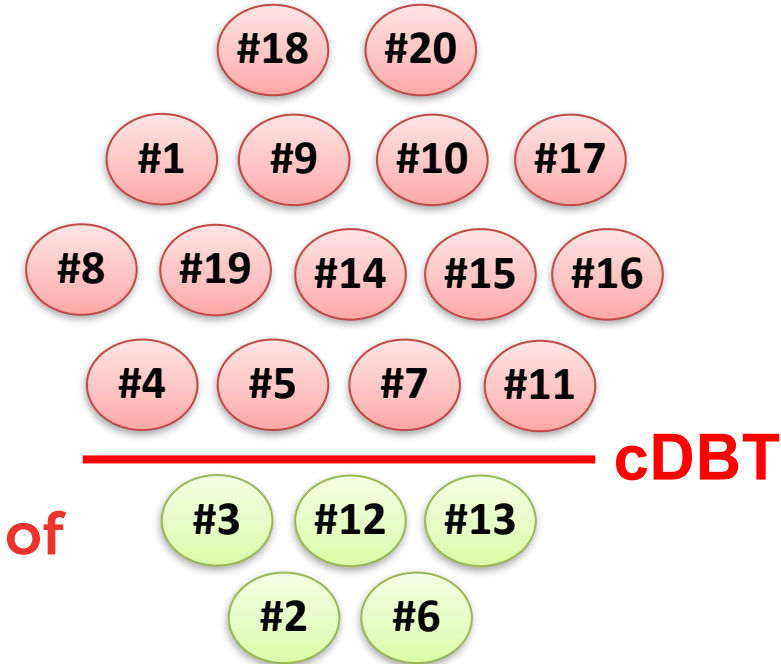
Does 1x3 really equal 3x1?  
 Cyber attacks are deterministic, not random  
 Errors & omissions confuse risk calculations

Consequence			
High	Medium	High	High
Medium	Low	Medium	High
Low	Low	Low	Medium
Likelihood	Low	Medium	High

**RISK = f(conseq, intent, c(opportunity), capability)**

If intent & (capability > c(opportunity)) then consequence

- Consequence:** result of compromise
- Intent:** does threat actor want to attack us?
- C(Opportunity):** capability needed to exploit opportunity
- Capability:** ability of the threat actor to attack



**Cyber Design Basis Threat: description of the kinds of attacks we are required to defeat reliably**

# Network Engineering Concepts



## **Consequence boundaries and network segmentation**

Must prevent propagation of these remote-control / malware attacks  
EPRI IloT model

## **Most widely-deployed solution**

Engineering-grade unidirectional gateways enable visibility into OT networks without risk of compromise

## **Dependencies and resilience**

dependency analysis, trust relationships, manual operations fallback



# Segmentation Example: EPRI IIoT



## EPRI: Safe Cloud Connections

How to safely connect vibration monitoring “edge devices” straight out to cloud / vendor turbine monitoring

## Engineering study: No control

Convince yourself that the edge devices are physically incapable of control – truly monitor only

## Deploy on own network

Physically separate from control network, straight out to cellular Internet if you like



**No way to pivot attack from Internet or cloud into control network**



# Unidirectional Security Gateway Technology



Absolute protection with complete network visibility



## NIST 800-82: Unidirectional gateways are a combination of hardware and software

- The hardware sends information in only one direction
- The software copies servers & devices from the OT network to the enterprise network
- No attack, no matter how sophisticated, can propagate back into the OT network through the gateway



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# Engineering-Grade Unidirectionality



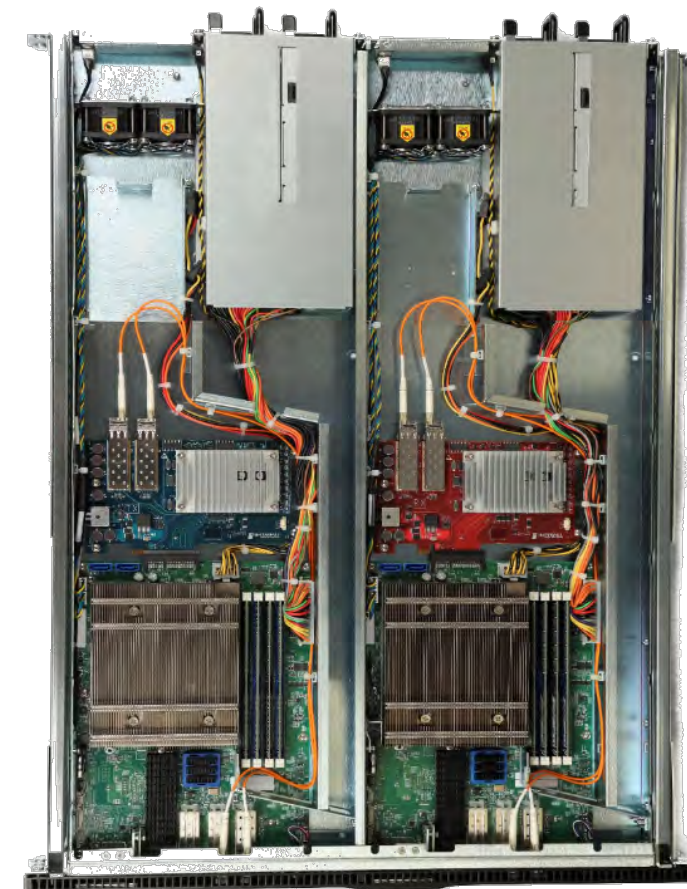
**Zero internal cross-connects** provide robust and certified unidirectional engineering

**Physically divided** industrial and enterprise components

**Dual power supplies** on each of sending & receiving sides

**DIN RAIL, split (2U) and 1U** form factors

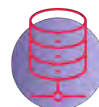
**Physical divider down center of unit ensures that there are no cross-connects inside the unit**



# Mature Software Connectors

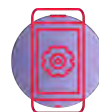
## Historians & databases

- Aveva (OSIsoft): PI, PI Asset Framework, PI Backfill
- GE: iHistorian, iHistorian Backfill, OSM, Bently-Nevada System1
- Schneider-Electric: Wonderware eDNA, Wonderware Historian, Wonderware Historian Backfill, SCADA Expert ClearSCADA, Siemens CFE & WinTS
- Rockwell FactoryTalk Historian , Honeywell Alarm Manager
- AspenTech IP.21, Scientech R\*Time, Microsoft SQL Server, Oracle, MySQL



## Industrial applications and protocols

- Siemens S7
- Yokogawa ExaQuantum OPC, GE iFix, Leidos HBS
- OPC DA, A&E, HDA, HDA Backfill, OPC UA, UA Historians, UA Alarms & Events
- Modbus, DNP3, IEC 60870-5-104, BACNet IP



## File transfer

- Folder mirroring, Local Folders
- FTP/S, SFTP, TFTP, CIFS, SMB, NFS
- Remote Folder Transfer



## Enterprise monitoring

- FireEye CloudConnect, Email/SMTP, SNMP, Syslog UDP/TCP, TCP/IP & Multi, UDP
- HP ArcSight SIEM, McAfee ESM, Splunk, Qradar
- CyberX (Microsoft), Helix & Managed Defense, Dragos, Indegy, Radiflow iSID, Ethernet Spoofing, ForeScout Silent Defense,
- MSMQ, IBM MQ, Active MQ, AMQP, TIBCO EMS, MQTT, RabbitMQ, HTTP-Request
- SolarWinds Orion, Emerson EDS



## Remote access

- Remote Screen View
- Secure Bypass



## Other connectors

- TimeSync, Netflow
- Video & audio streaming, Broadcast, Multicast
- WSUS updaters
- AV Updates
- Remote printing, rsync

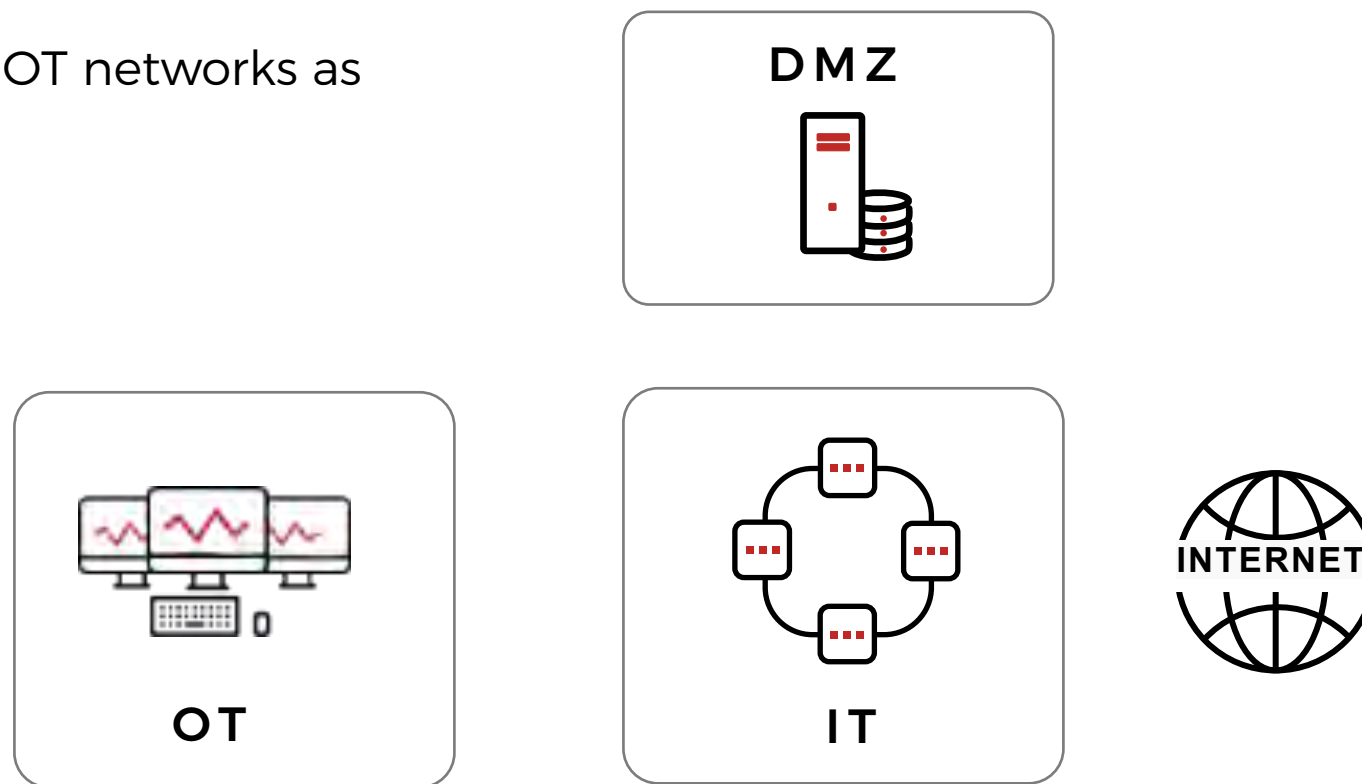


# Dependency Example: Container Tracking



## Common design

Can be hard to draw the line, so secure OT networks as safety-critical



# Network engineering: Interdependencies



## Common design

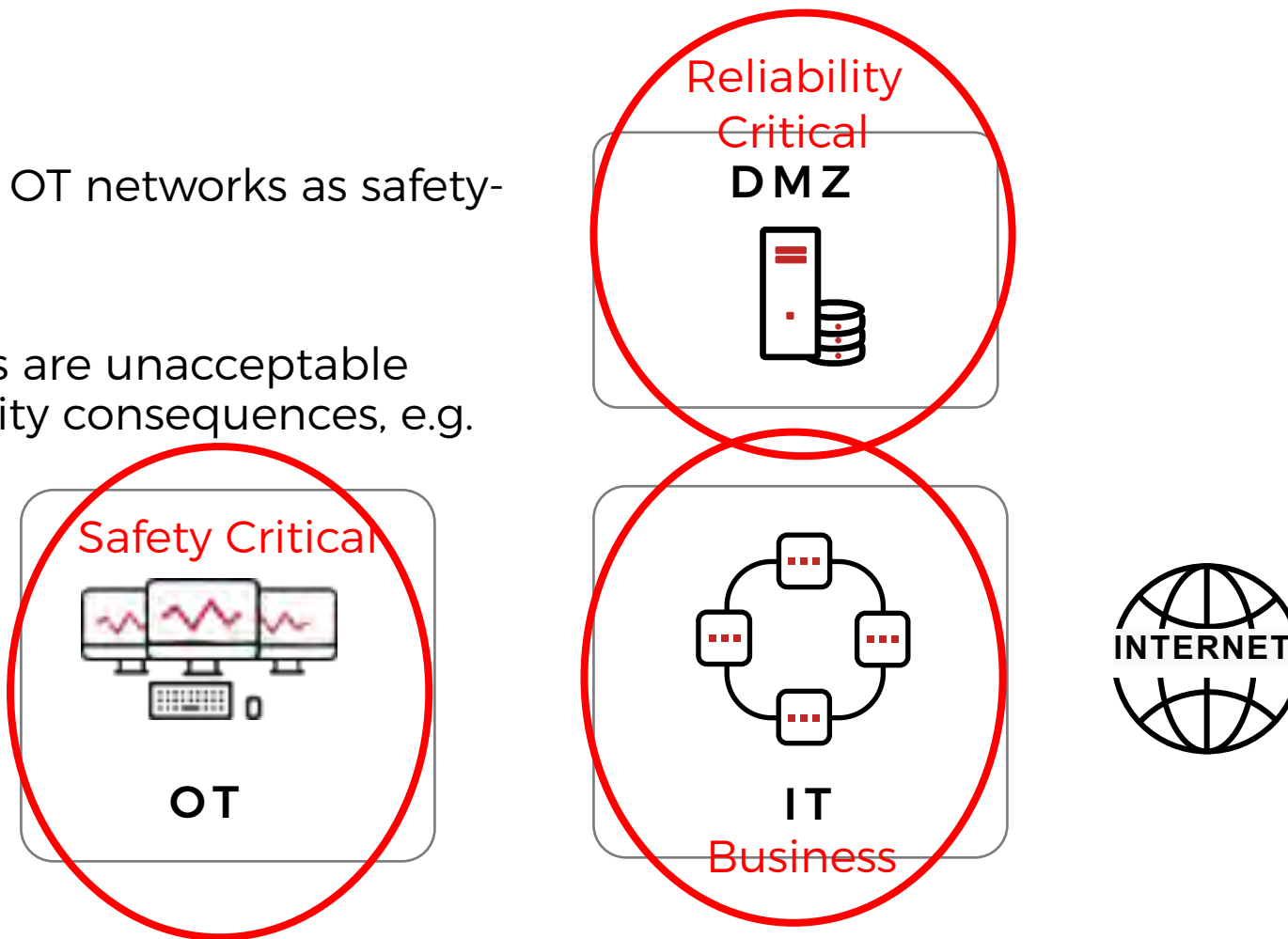
Can be hard to draw the line, so secure OT networks as safety-critical

## Often three network criticalities

Safety-critical: worst case consequences are unacceptable

Reliability-critical: unacceptable reliability consequences, e.g. container tracking

Business: worst case is accepted





# Network engineering: Interdependencies



## Often three network criticalities

Safety-critical: worst case consequences are unacceptable

Reliability-critical: unacceptable reliability consequences, e.g. container tracking

Business: worst case is accepted

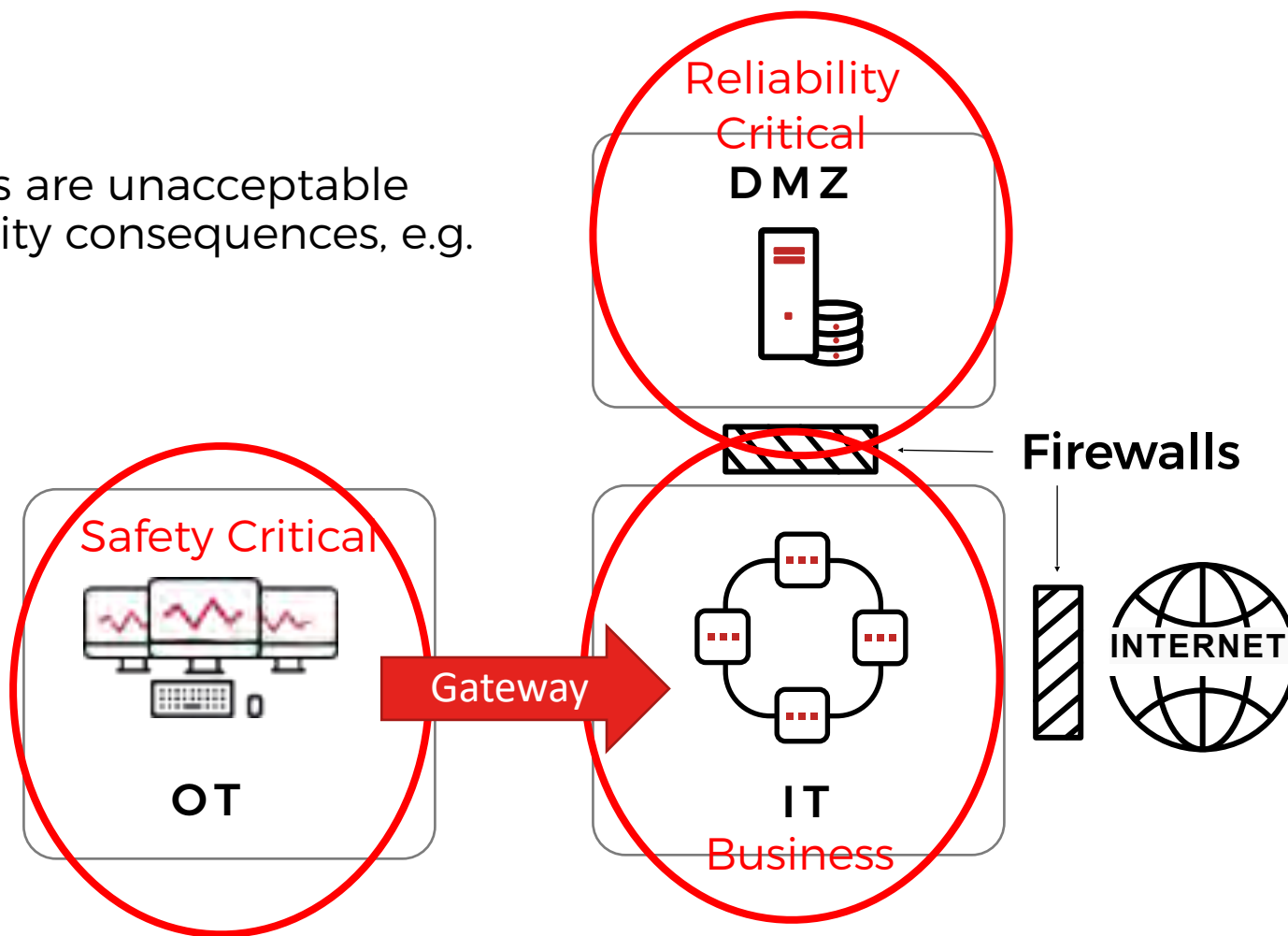
## Manage Differently

Safety-critical: prevent compromise (unidirectional) & prevent consequences (safety engineering)

Reliability-critical: prevent compromise (refining) & prioritize recovery - resilience

Business: buy insurance

**Eliminate or strictly manage dependencies at consequence boundaries**



# New Book: Engineering-Grade OT Security

FREE copies at our booth and online for a limited time



## Public safety

Demands predictable & mathematically model-able designs and safety margins

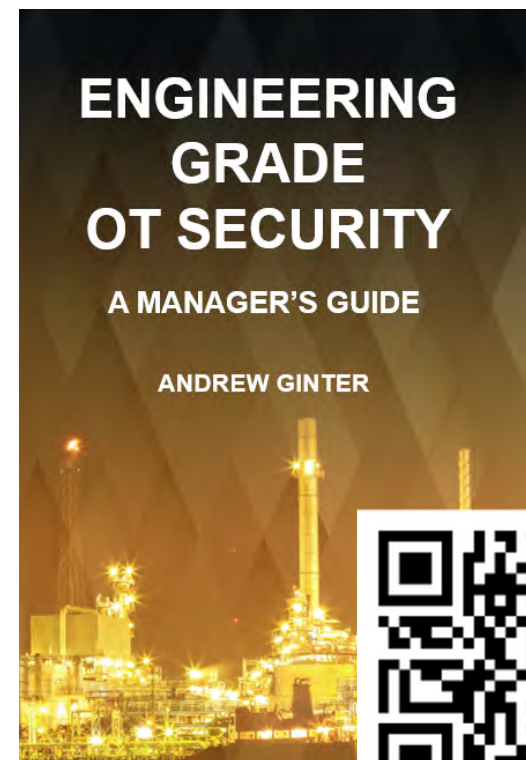
## Engineers must anticipate threat “load”

To avoid constant change in ECC systems

## Critical networks

Have unacceptable worst-case consequences and must be protected with engineering-grade designs

**Official Launch & Webinar Nov 1<sup>st</sup>**



<https://waterfall-security.com/engineering-grade-ot-security>



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