Lecture 20: Cryptography, continued

• some history
  – Caesar cipher, rot13
  – substitution ciphers, etc.
  – Enigma (Turing)

• modern secret key cryptography
  – DES, AES

• public key cryptography
  – RSA, digital signatures, cryptographic hashing

• cryptography in practice
  – e-commerce
  – Tor browser
  – Bitcoin, blockchain
  – politics
Encrypted transactions, online shopping

- browser says "prove that you're really Amazon"
- Amazon says "here's my signed certificate from a CA"
  - encrypted with the CA's private key
- browser decrypts certificate with CA's public key
- browser generates a random key, encrypts it with Amazon's public key, sends it to Amazon
- browser and Amazon use AES to talk securely
Government surveillance / Snowden revelations

- 2013: Edward Snowden, contractor at NSA, left his job
- flew to Hong Kong
- met several trusted journalists
- handed over thousands of highly classified documents
- that revealed global surveillance by NSA, and similar agencies in other countries
- with cooperation of telecomm and Internet companies

- went to Russia, given asylum
  - citizenship in Sept 2022
- called both traitor and hero in the US
Tor: The Onion Router

- anonymous routing through the Internet using TCP
  - receiver can’t determine the sender’s address

- sender creates a random path through a network of Tor relays
  - path is changed frequently

- each part of the path is encrypted
  - separate encryption keys for each hop

- each relay only knows who gave it data and who it sends data to
  - no relay knows the whole path

- messages are wrapped up with nested encryptions, one for each component of the path
  - each relay removes one layer of encryption before passing it on

- potentially vulnerable to some attacks
  - traffic correlation at end points
  - exit nodes can be blocked or monitored
Bitcoin and other cryptocurrencies

• how do we create a currency that is anonymous like cash
  – can't tell who spends or receives it

• is not dependent on any government
  • i.e., not a "fiat currency" like $, £, €, ...

• has the other desirable properties of money:
  – portable, durable, divisible, recognizable, difficult to counterfeit

• one solution:
  use cryptography to control the creation and transfer of money,
  without relying on any central authority
Bitcoin

- exists only in digital form: nothing physical like gold
  - no central authority or control
  - anonymous ownership and transfer
  - value fluctuates wildly
- how are bitcoins created?
- how is ownership validated & transferred without double spending?

- **blockchain**: a shared public ledger of *all* transactions
- a transaction transfers value from one wallet to another
  - signed digitally by the sender
  - broadcast via peer to peer network so the block chain can be updated
- “mining” confirms transactions by adding them to the blockchain
  - competitive distributed consensus algorithm
  - takes work to confirm; new bitcoins are created as a reward
  - blocks are protected by cryptographic hashing; each new one depends on all previous ones
Blockchain

• a distributed ledger of transactions stored as a sequence of data blocks
• the blocks are protected and linked by cryptographic hashing
• a block can't be changed without changing all blocks that precede it
• cryptocurrencies are the most frequent use, but not the only one
  – Ethereum blockchain, ETH currency
Crypto and its discontents

- volatility of cryptocurrencies
- energy cost of mining Bitcoin (proof of work consensus computation)
- slowness / cost of transactions
- fraud, abuse, Ponzi schemes, ...
Crypto politics

• cryptographic techniques as weapons of war?
  – (strong) cryptography was classified as "munitions" in USA
  – fell under International Traffic in Arms Regulations and follow-ons

• export control laws prohibited export of cryptographic code
  – though it was ok to export books and T-shirts with code
    and everyone else in the world had it anyway
  – changed during 2000, but there are still restrictions

• does the government have the right/duty ...
  – to control cryptographic algorithms and programs?
  – to require trapdoors, key escrow, or similar mechanisms?
  – to prevent reverse-engineering of cryptographic devices?
  – to prevent research in cryptographic techniques?

• do corporations have the right ...
  – to prevent publication of cryptographic techniques?
  – to prevent reverse-engineering of cryptographic devices?

• how do we balance individual rights, property rights, & societal rights?
Summary of crypto

- **secret/symmetric key algorithms**: AES, ...
  - key distribution problem: everyone has to have the key

- **public key algorithms**: RSA, ...
  - solves key distribution problem, but authentication is still important
  - also permits digital signatures
  - much slower than secret key, so used mainly for key exchange

- **security is entirely in the key**
  - “security by obscurity” does not work: bad guys know everything
  - brute force attacks work if keys are too short or easy

- **good cryptography is hard**
  - you can't invent your own methods
  - you can't trust “secret” or proprietary methods

- **people are the weak link**
  - complicated or awkward systems will be subverted, ignored or misused
  - social engineering attacks are effective
    - ignorance, incompetence, misguided helpfulness

- **if all else fails, try bribery, burglary, blackmail, brutality**
Cryptography is important

• it protects our privacy and security
  – access to computers
  – email
  – online shopping, banking, taxes
  – electronic voting
  – ...

• it can restrict our rights and freedoms
  – digital rights management: limits on what we can do
    with music, movies, software, ...

• it helps good guys and bad guys alike
just a reminder...

...to my friend's nephew, 'Ryan'...

Tuesday 12:00 AM
$0.00

3:07 PM
$153.87

9:17 AM
$94.49

9:55 PM
$223.08

11:29 AM
$116.88

Wednesday 12:00 AM
$244.29

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