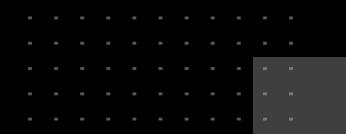


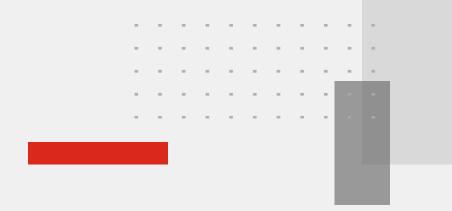


Readiness Against the Rising Tide of Industrial Cyber Attacks

Steven Dahlin – Region Director

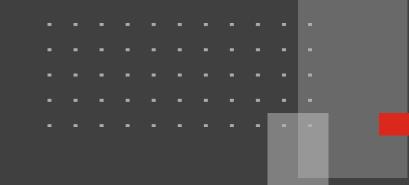
Fortinet





Welcome and Agenda

- State of the Industry
- Industry Research | Top Cybersecurity Findings
- How can Fortinet help?
- How are Hackers Getting into your Network?
- Best Practices for Securing SCADA Systems
- Take the Next Step | Grant Funding
- Q&A



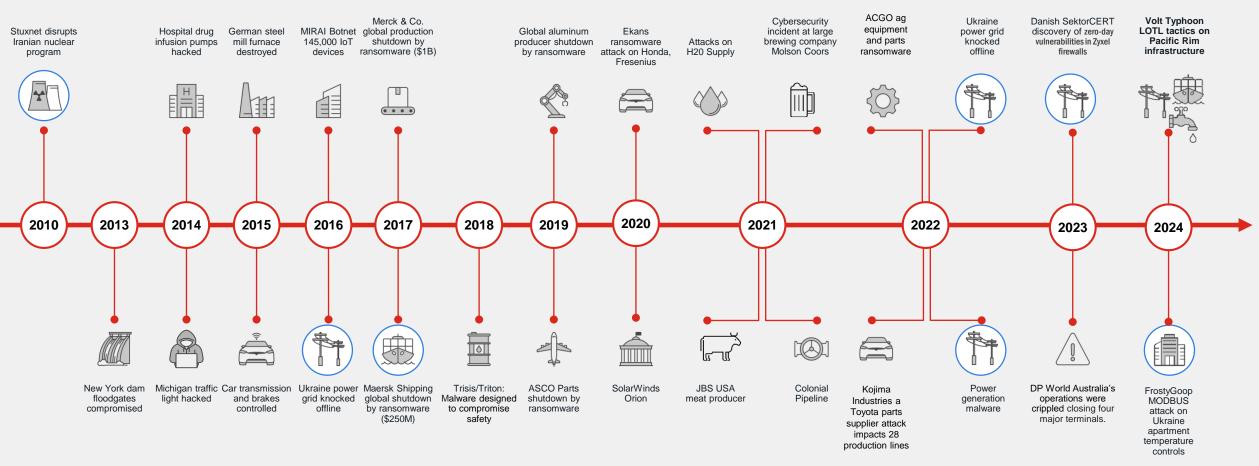
State of the Water Segment

Water and Wastewater Industry Risk and Insights

Known or perceived risk within the industry

OT Infrastructure Attacks Are Getting Worse

Attacks are increasing in frequency and impact



4

2024 | Letter to Governors

THE WHITE HOUSE

WASHINGTON

March 18, 2024

Dear Governor:

Disabling cyberattacks are striking water and wastewater systems throughout the United States. These attacks have the potential to disrupt the critical lifeline of clean and safe drinking water, as well as impose significant costs on affected communities. We are writing to describe the nature of these threats and request your partnership on important actions to secure water systems against the increasing risks from and consequences of these attacks.

Two recent and ongoing threats illustrate the risk that cyberattacks pose to the nation's water systems:

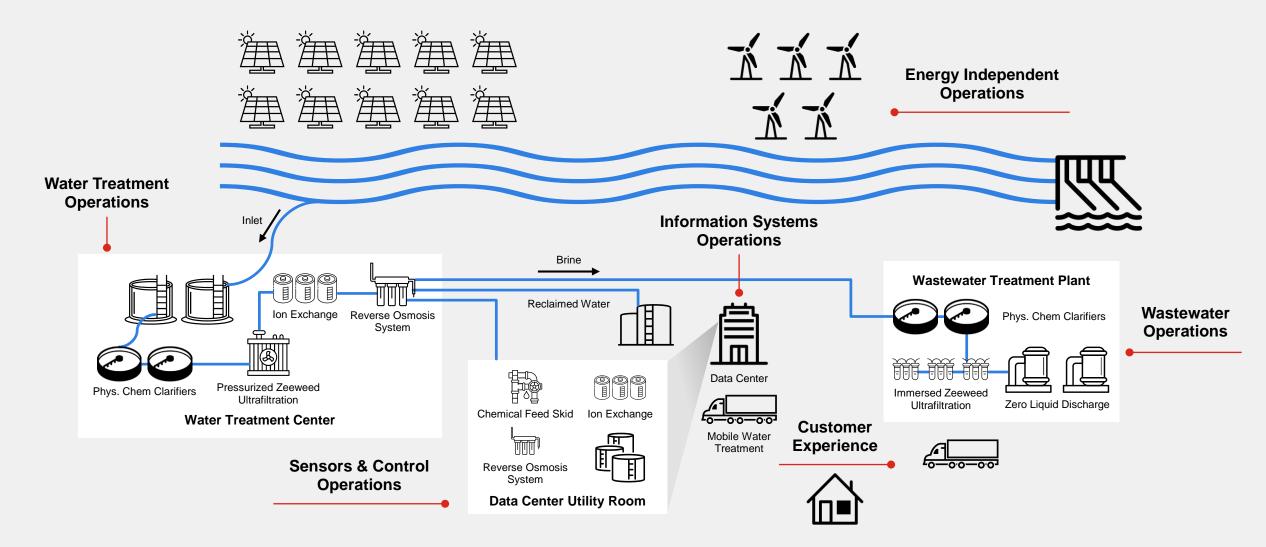
- Threat actors affiliated with the Iranian Government Islamic Revolutionary Guard Corps (IRGC) have carried out malicious cyberattacks against United States critical infrastructure entities, including drinking water systems. In these attacks, IRGC-affiliated cyber actors targeted and disabled a common type of operational technology used at water facilities where the facility had neglected to change a default manufacturer password. See Exploitation of Unitronics PLCs used in Water and Wastewater Systems | CISA for further information on these attacks.
- The People's Republic of China (PRC) state-sponsored cyber group known as Volt Typhoon has compromised information technology of multiple critical infrastructure systems, including drinking water, in the United States and its territories. Volt Typhoon's choice of targets and pattern of behavior are not consistent with traditional cyber espionage. Federal departments and agencies assess with high confidence that Volt Typhoon actors are pre-positioning themselves to disrupt critical infrastructure operations in the event of geopolitical tensions and/or military conflicts. See <u>PRC State-Sponsored Actors</u> <u>Compromise and Maintain Persistent Access to U.S. Critical Infrastructure</u> for further information.

Drinking water and wastewater systems are an attractive target for cyberattacks because they are a lifeline critical infrastructure sector but often lack the resources and technical capacity to adopt rigorous cybersecurity practices. As the Sector Risk Management Agency identified in Presidential Policy Directive 21 for water and wastewater systems, the U.S. Environmental Protection Agency (EPA) is the lead Federal agency for ensuring the nation's water sector is resilient to all threats and hazards. Partnerships with State, local, tribal, and territorial governments are critical for EPA to fulfill this mission. In that spirit of partnership, we ask for your assistance in addressing the pervasive and challenging risk of cyberattacks on drinking water systems.

- Iranian's (IRGC) attacked US drinking water systems and disabled Unitronic PLCs. Simply because a default username and password wasn't changed.
- China's sponsored cyber group Volt Typhoon is embedding threats into our nation's infrastructure – laying in wait for a future attack.
- How do you know that they aren't in your network right now?

Digitizing the Water and Wastewater Operations

From engagement to delivery of water and services



Water and Wastewater Cybersecurity Principles



Safety & Operations First

Safety-critical and operationalcritical functions needs the highest protection



Cohesive, Purpose-based Zoning

Zones impose security service requirements to the functions/devices/components



Asset Assumed Vulnerable

Field digitalization will rise exponentially

Consequences

What happens if Water and Wastewater public providers do not act:









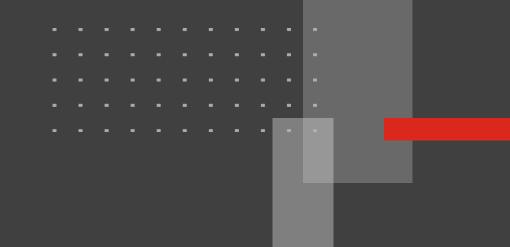
A Regional or National Emergency

Service Disruption

Customer Harm

Economic Impact

Negative Media Exposure

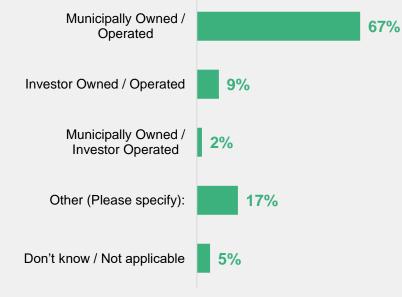


Recent Research

Water World and Wastewater Digest



Recent Research | Water World and Wastewater Digest

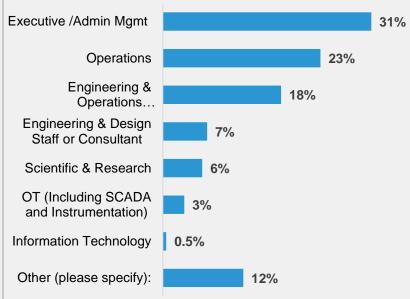


OWNERSHIP

POPULATION



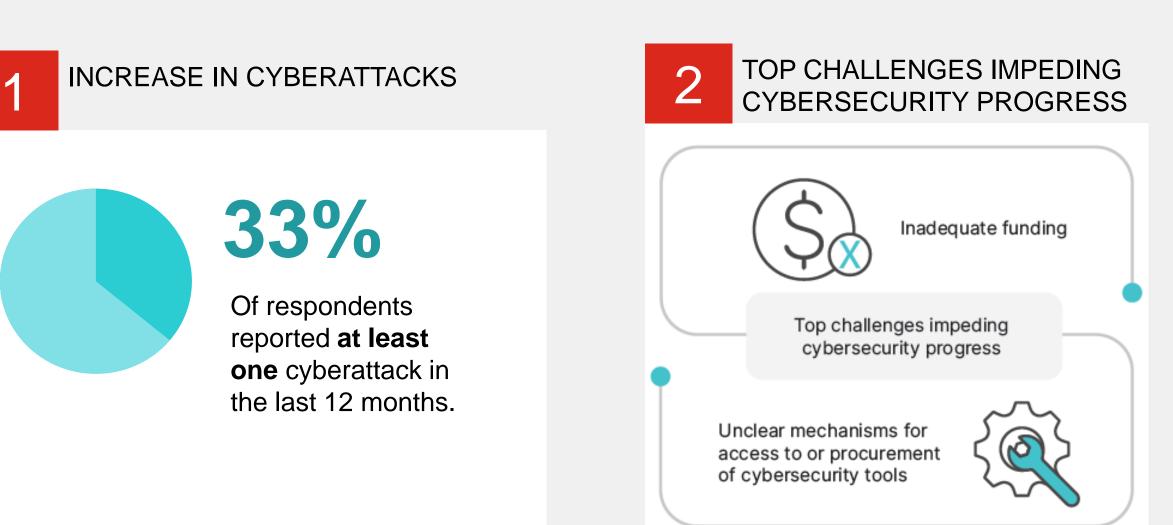
JOB ROLE





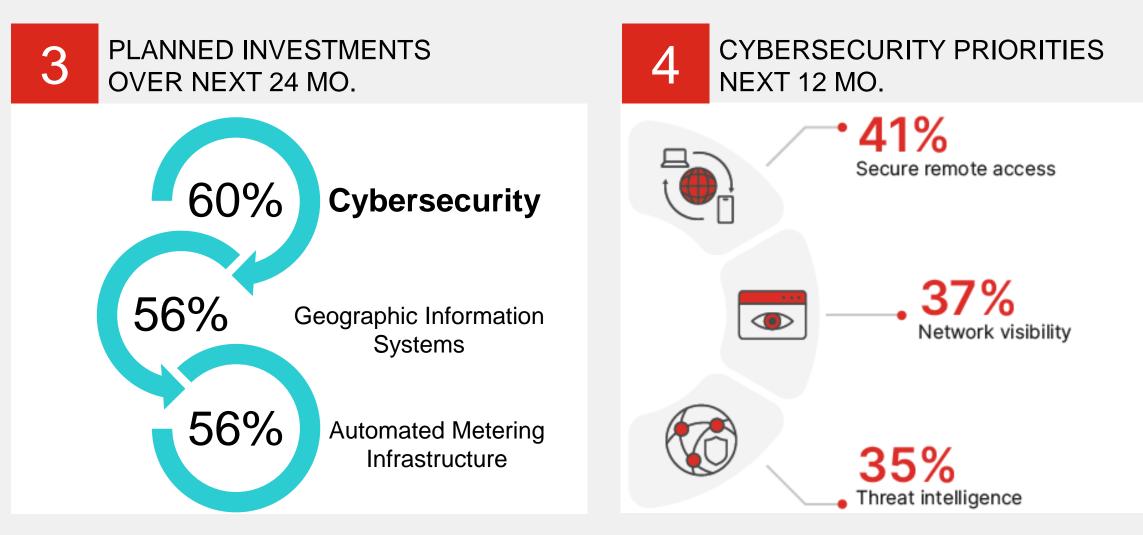
Cybersecurity in Water Management Facilities

Research Findings

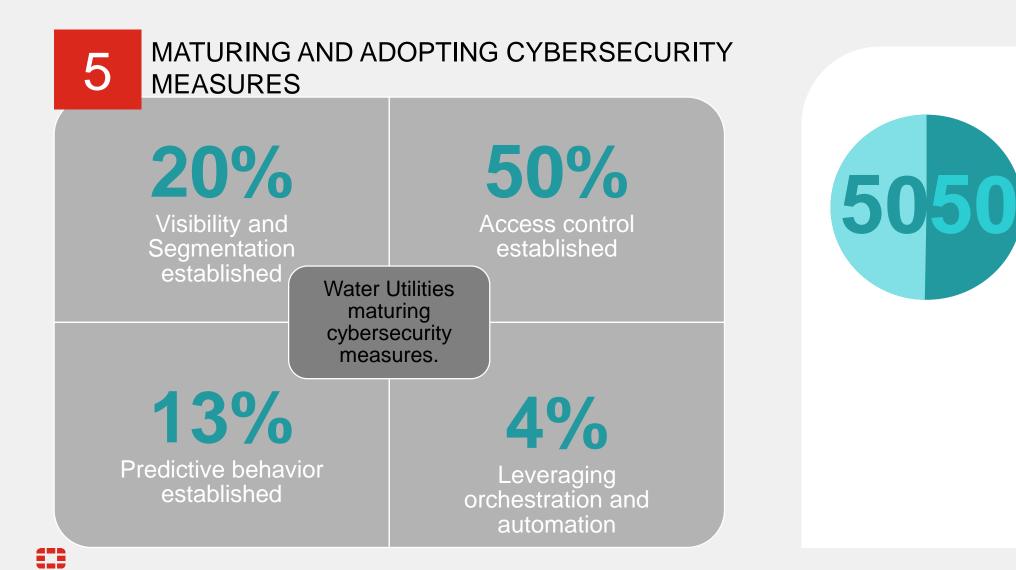


Cybersecurity in Water Management Facilities

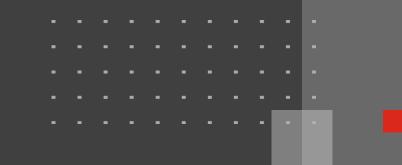
Research Findings, cont.



Cybersecurity in Water Management Facilities



Of respondents believe increased regulations and compliance will impact water / wastewater utilities within 2-5 years.

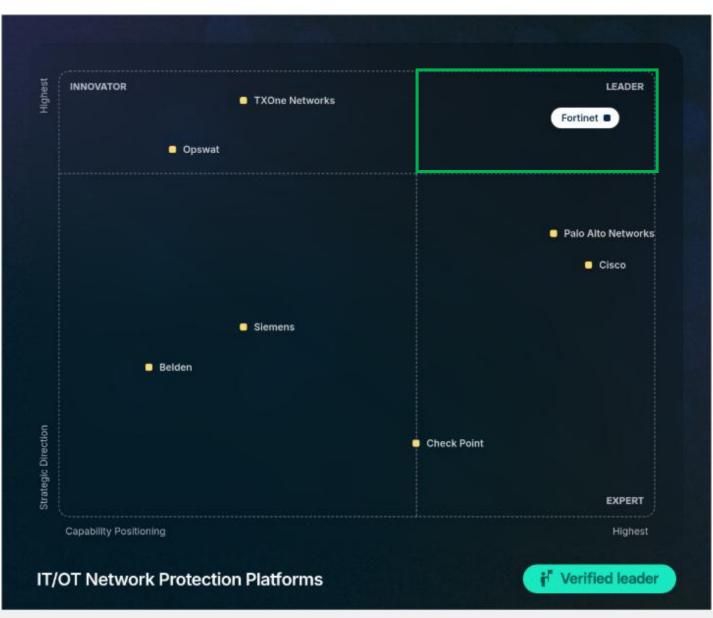


How can Fortinet help?

IT/OT Network Protection Platforms







Fortinet is one of the largest cybersecurity companies in the world.



Founded: October 2000

Founded by: Ken Xie and Michael Xie

Headquarters: Sunnyvale, CA

Fortinet IPO (FTNT): November 2009

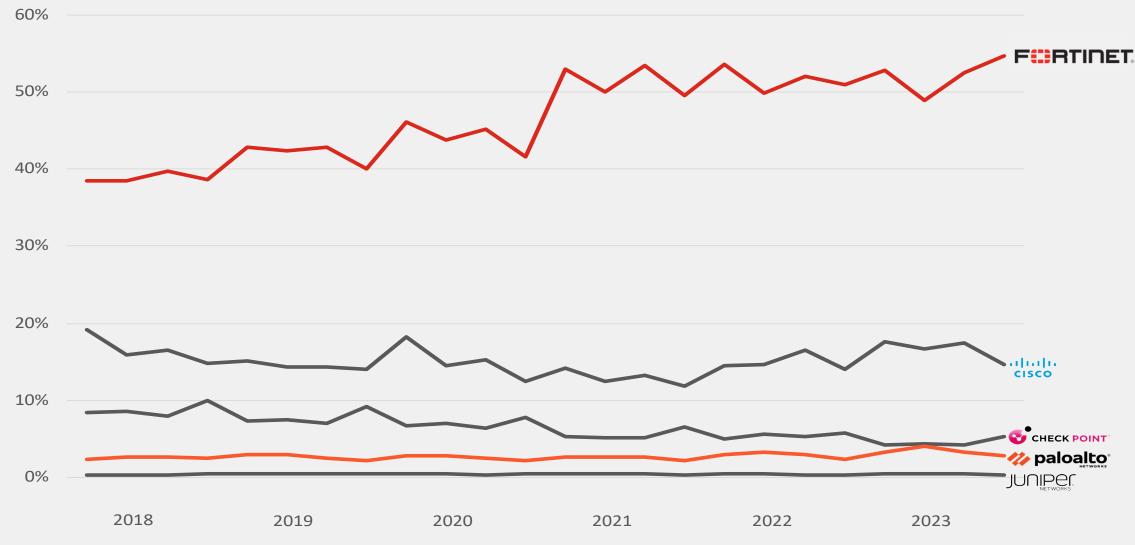
Listed in both: NASDAQ 100 and S&P 500 Indices

Member of: 2023 Dow Jones Sustainability World and North America Indices



The Most Trusted Security Vendor for Network Firewalls

More than 50% of all firewalls shipped worldwide are FortiGate NGFWs



Source: 650 Group, March 2024

564 West Randolph Street

564

Investing in Illinois

Building Size 102,700 sq. ft. gross, 93,700 sq. ft. usable (28% is leased)

> Purchase Price \$20.8M (February 1, 2022)

> > Renovation costs ~\$10M

Total Fortinet investment +\$33M Head Count Capacity Fortinet's used portion of building: 137 Current Chicago Headcount: 57

> Breakdown of Chicago Jobs 40% R&D, 45% Sales

Chicago Job Growth Grown jobs by over 70% since 2021

> Chicago Job Openings Roles in Sales and R&D

Free Educational Services for IL

Academic Partner Program

- Free Curriculum for all Uni, College, & Tech Schools
- Free Hosted Lab access
- Free products in VM format and on line
- Free certifications for all students

• K-12 Free Cybersecurity Awareness Training

- Customized for School Districts
- Age-specific content modules
- Included administration and Management
- Active Monitoring and Reporting
- Certificate of Completion

Water/Wastewater Cyber Awareness Training

- Providing Cyber Awareness training statewide via the IRWA
- Free Threat Assessment Service offered to Industrial environments



Academic Partner Program







Amazing Customers

"If I am looking for a particular device, one search turns it up. And the ability to manage the switches remotely is a huge efficiency benefit, which is crucial since we have 26 locations and only one network engineer." – Bill Sadlick

F

CASE STUDY

It Takes a Village: How Fortinet Helps Keep the Village of Schaumburg Secure

Located 30 miles northwest of Chicago and 11 miles west of O'Hare International Airport, the Village of Schaumburg bills itself as the "premier suburban business destination in Illinois." Over the past several decades, Schaumburg has transformed from a small farming community into a thriving economic center that houses more businesses than any other Illinois community except Chicago. The village also prides itself on the Woodfield Mall, which was once the nation's largest shopping center.

The Schaumburg village government supports residents and businesses using many of the same services as other municipalities. "Our core solutions include ERPs [enterprise resource planning systems], permitting systems, payment systems, and water billings systems," says Chris Westgor, technical services manager. "We have OT systems in our utility division. We also own a hotel, airport, and ballpark. We help manage the train station and run community facilities such as a teen center and senior center."

All told, the village government has 26 locations. Protecting those sites from cyberattack falls to Westgor and Network Administrator William Sadlick. "A cyberattack or data breach could cause massive challenges," Sadlick says. "Our service to village residents could certainly be impacted. Even water delivery might be affected by a successful attack."



"The Fortinet solutions have improved security throughout the village by enabling us to monitor things more closely and find issues more quickly. We have a better understanding of potential vulnerabilities, and we can respond and remediate issues much faster than ever before."

Chris Westgor Technical Services Manager, Village of Schaumburg The result is a substantially lower total cost of ownership for the network. "With our previous vendor, the total cost of ownership amounted to \$5 million over five years," Pegues says. **"We have successfully achieved cost savings and avoidance totaling millions of dollars."**

F

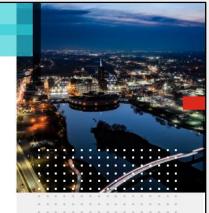
CASE STUDY

How Fortinet Saved the Second-Largest City in Illinois Millions of Dollars on Networking and Security

Located about 41 miles west of Chicago, Aurora is the second-largest city in Illinois, "But I would say we are second to none," proclaims Michael Pegues, Aurora's Chief Information Officer. The city has a long history as an industrial hub, home to companies such as Caterpillar and Burlington Northern. It is known as the "City of Lights" because it was one of the first cities in the United States to install electric streetlights.

Recently, Aurora has gained recognition as a pivotal technology hub within the Illinois Technology and Research Corridor, largely due to the proliferation of data centers.

When Mayor Richard Irvin was elected in 2017, he welcomed Pegues back home. An Aurora native, Pegues had been working abroad in IT and cybersecurity for Fortune 500 companies for decades. "Mayor Irvin said, 'I want you to transform the city of Aurora in terms of innovation and technology," he reports. "The three pillars of his government are public safety, education, and economic development. He wanted technology to be the foundation underpinning all three of those main pillars, and





"In my experience, the big difference between Fortinet and its competitors is that Fortinet streamlines network management. Fortinet solutions are very efficient to manage because the interfaces are easy to use."

Keith Wouk

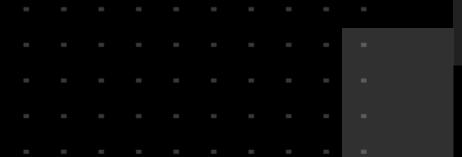
Director of IT Operations, City of Aurora





How are Hackers Gaining Access to your Network?

Common Challenges



Cyber Threat Categories

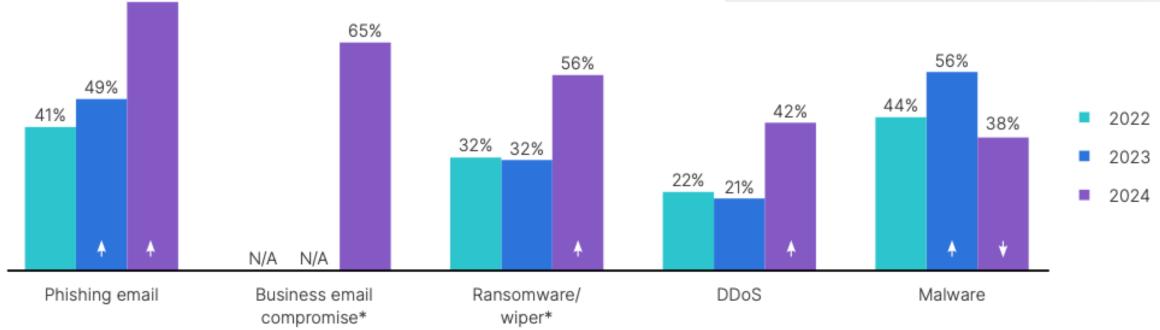
- Social Engineering
- Malicious Software
- Unauthorized Access to physical places or systems
- System Design Failure



What types of intrusions are most common in OT?

76%





Phishing

- One of the most common attack vectors
- 9 out of 10 cyber attacks are launched using phishing emails
- Game of numbers for bad actors. They send out thousands of emails
- Statistically 1 in 20 people will fall for a phishing email.
- It only takes 1 and then malware can be deployed into the network
- Can be manipulative and very real looking

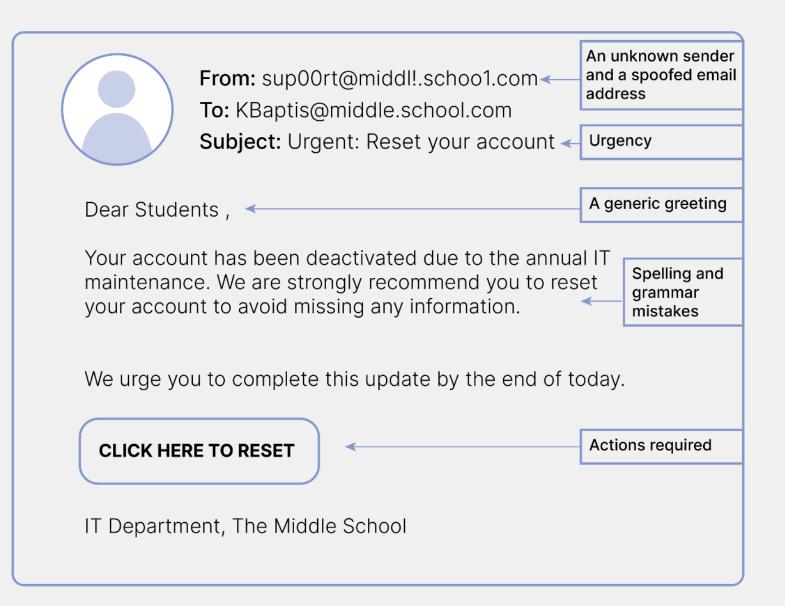


How to spot a phishing email

- AI has made phishing attacks even harder to spot
- Personalization has become easier with information about you available online
- Is the message trying to get you to feel fear urgency or excitement
- Is the message trying to get you to take action by clicking a link, entering information, or opening an attachment?
- Do you know the sender, does it seem weird that they sent you this message?
- Were you expecting this message or was this request out of the blue?
- Bad writing, spelling, or grammar?
- Does the message ask for payment or money transfer?



Answers



Malware

- Malicious Software
 - Program that runs on your devices and is meant to cause you harm
 - Spy on your activities
 - Expose your data
 - Trick you into giving away private information
 - Disrupt how your devices work
 - Spread to other devices
- Types of Malware 350K new variants discovered every day!
 - Trojan aka Troy Trojan horse used by the Greeks. Installing a backdoor
 - Spyware gain info on you to steal/sell, or use to access your accounts
 - Worm Make copies of itself and spreading to other devices
 - Ransomware Encrypts your data and requests \$ to unlock

Reminders! How to avoid phishing & malware

- Be smart and stay cautious online
- Don't click suspicious links
- Have AV installed
- Practice good password hygiene
 - All accounts use strong unique passwords
- Use VPN on public wifi
- Backup critical data & have a 3rd copy off site



Best Practices for Securing SCADA Systems

FERTINET

Case Studies						•	

Basic Principles of the Cybersecurity Solution



Protect Users

Security at the Edge to protect and secure all the infrastructure that runs the system from back office to laptops, SCADA and operators



Protect the Network

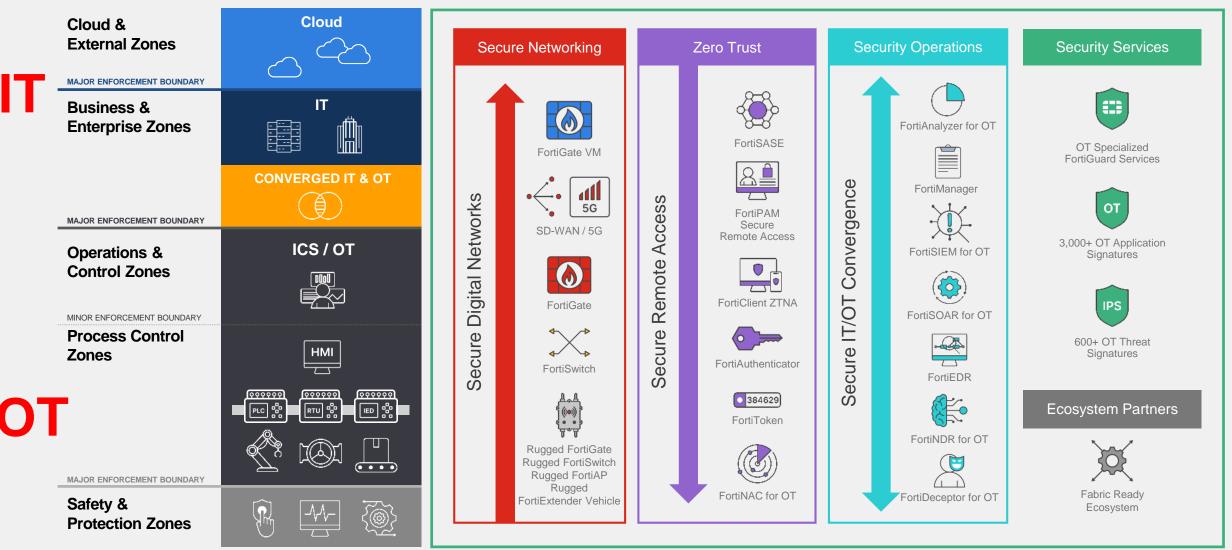
Protect and secure all communication equipment from sensors to PLCs



Protect the Servers

Protect and secure everything that serves employees and facilities

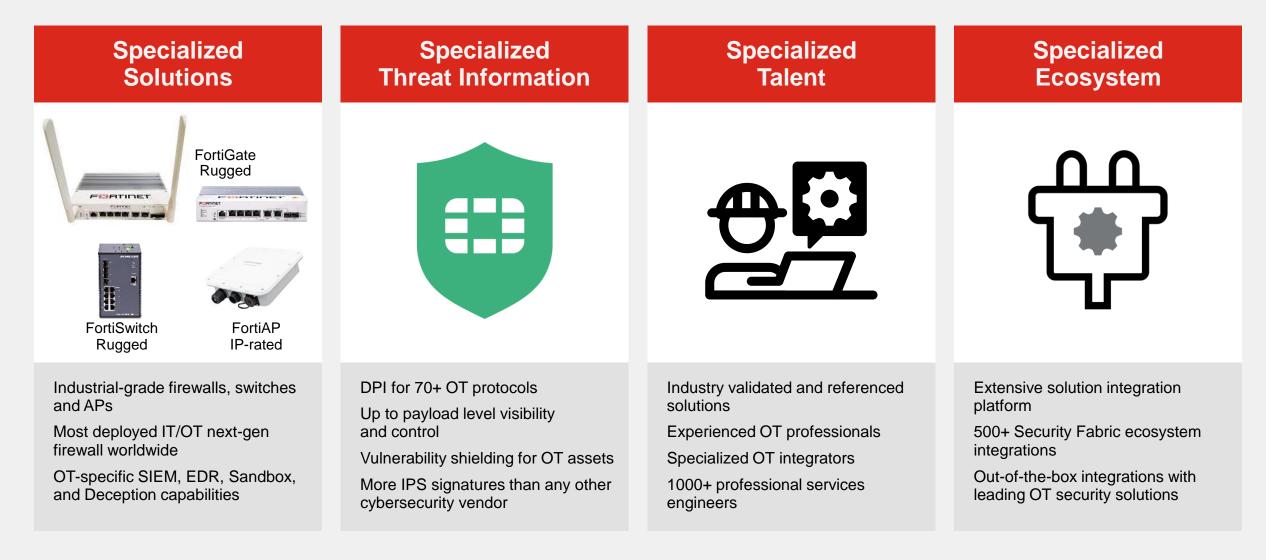
OT Security Platform



Recommended Best Practices for OT



Specialized OT Solutions and Teams



OT Ecosystem: +370 Partners, +700 Integrations and Growing

Best-in-class integrated solutions for comprehensive protection



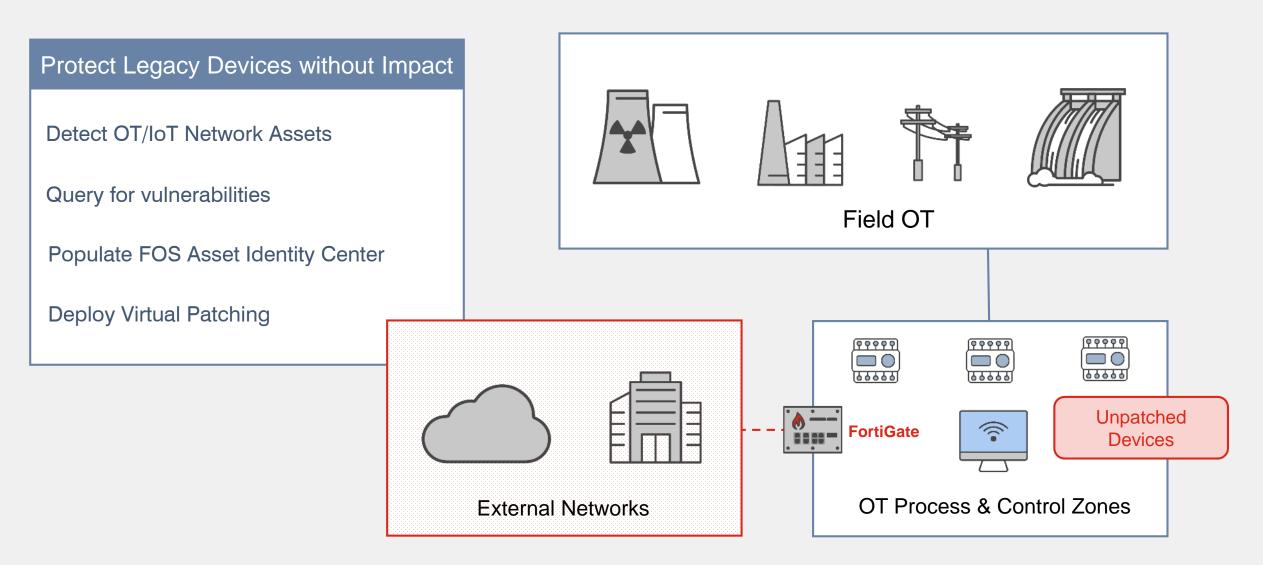


OT Security Focus Areas

Best Practices to Guide Strategy

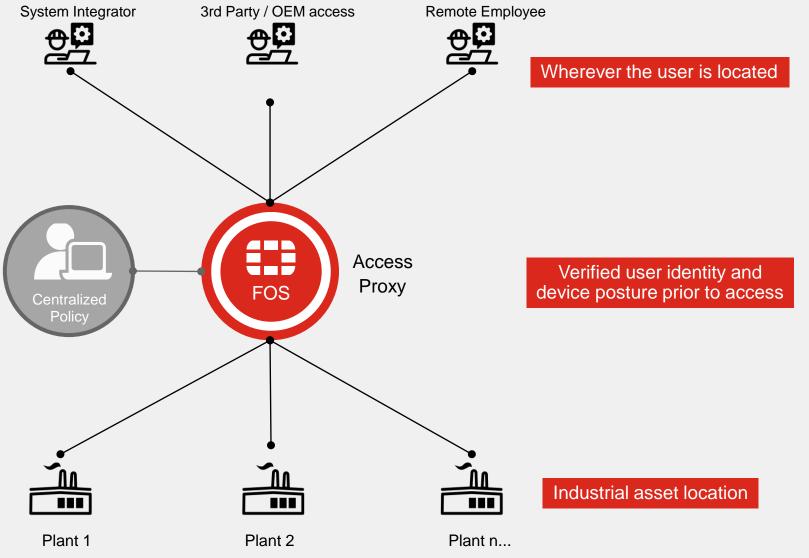
Asset Management OT Network Segmentation		Endpoint Security	Secure Remote Access				
 Include offsite or remote devices Discover and profile OT devices Identify high and critical vulnerabilities (Virtual Patching) OT Protocol visibility (Modbus, DNP3, Ethernet IP) 	 Enabled secure	 Endpoint Detection &	 Enable MFA and Role				
	communications	Response Solution Malware and Viruses	Based Access Control Provide access to				
	through DMZ North-South network	Detection OT Application	required devices only Session Management				
	traffic monitoring and	Whitelisting (Historian,	(Start/Stop), MFA,				
	threat inspection (Inter	SCADA, HMI) Integration with	Password				
	VLAN) East-West traffic	Incident Response Support Legacy &	Management, session				
	monitoring (intra VLAN	Modern Operating	recording and secure				
	inspect)	Systems (XP)	file transfer				

Virtual Patching / Vulnerability Shielding



Secure Remote Access

- Session Management (Start/Stop), MFA, Password Management, session recording, etc
- Role based access and least privilege. Provide access (read/write) to only target devices
- Remote users require different level of Access to run specialized tools (e.g. Web based and thick clients). HTTPS, VNC, SSH, etc
- Require File Transfer capabilities (e.g. firmware upgrades, config / programing, compliance reports, diagnostics, etc)
- User friendly and immediate
 access (seconds not minutes)



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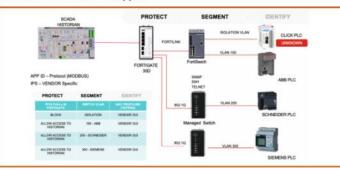
Network Segmentation and Micro-segmentation

Segmentation provides important security controls for your network using FortiGates, FortiSwitches, and FortiAPs
 Integrations with leading OT IDS and other technology vendors
 DIN rail, DEC powered version
 Transparent mode, HA fail-over, bypass ports
 (The only) Ruggedized SD-WAN NGFW
 Centralized switch / AP management with NAC integration



Network Access Control - FortiNAC

Detect, identify, and profile devices as they connect to the network Apply network access control policies to the devices on the network Alert and notify network access control policy violations Automate remediation actions for policy violations Network device classification per location in Purdue Levels Access policies can be applied based on Purdue Levels Multi-vendor device support

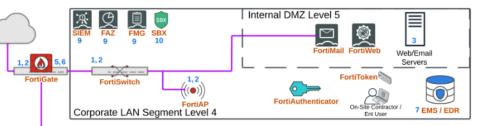


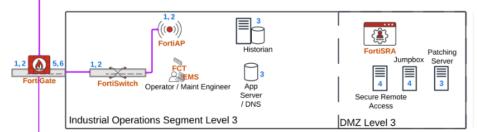
Web Server Protection - FortiWeb

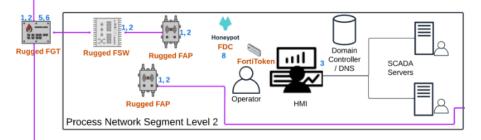
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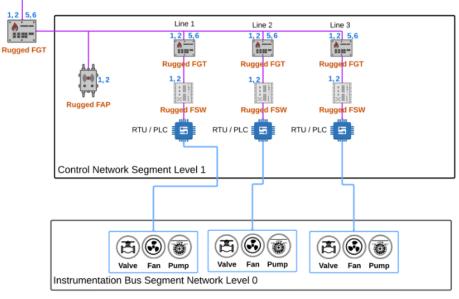
A + Threat

Secure web-based HMIs and Historians Apply web application and API security Identify and block malicious web application attacks Prevent web services from exploitation Protects against OWASP top 10 threats (SQL injections, XSS, CSRF. etc) DDoS mitigation, Bot management, DLP, Virtual Patching ANOMALY THREAT DETECTION DETECTION Ì. XXXX Normal Reques









Secure Remote Access - FortiClient and FortiSRA 0 FortiClient VPN client with MFA support FortiClient monitors and protects endpoints Endpoint telemetry, vulnerability management Malware prevention Web and application filtering D FortiAuthenticator authenticates users with MFA including PKE and OTP FortiSRA - Agent-less secure remote access w/ session recording ZTNA - Change remote access to explicitly allow application access ¥ 8 FortiSR/ (0 $\langle \uparrow \rangle$ Internet HM ł 8 1941 Ťt Threat Protection and AI Detect known malware and intrusion attempts D Monitor, block or guarantine actions when policy violation or malicious traffic is detected □ 400+ IPS signatures for OT applications and protocols □ IPS/ Virtual Patching for OT - 7 technologies, RSLogix, Siemens, Eaton, GE, Broadwin, Rockwell Automation, MOXA, IntelliCom,

Sunway, TeeChart, VxWorks, Wellintech, Yokogawa, etc

Application Control

1,800+ application control signatures for OT protocols
 3,900+ total application control signatures for IT
 Deep packet inspection for 50+ OT protocols
 Granular options for application monitoring and control
 OT protocols and Applications - ADDP, BACnet, CIP, CN.IP, DNP3, Elcom, EtherCat, EtherNET/IP, TriStation, Heart, IEC, Modbus, MMS, ICCP, OPC, etc....

Endpoint Protection - fortiEDR + FortiClient EMS

EDR for critical systems
 Compatible with legacy OS
 Air-gapped on-premises options
 Block external devices like USB sticks
 Allow / deny applications and communication paths



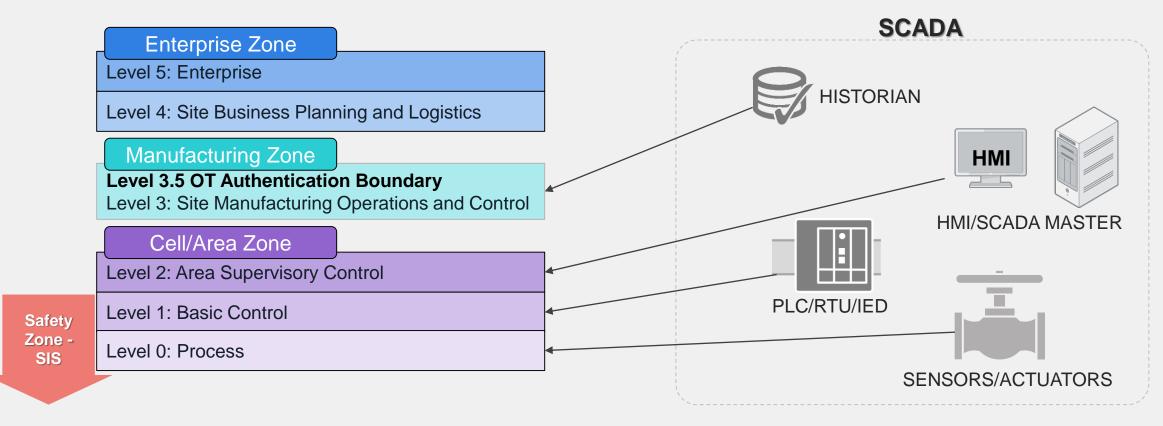
Honeypot - FortiDeceptor

Mimic servers such as Jumpboxes and VPN services for OT & IT

 Mimic OT assets such as HMIs, PLCs, and OT protocols
 Integrations into FGT and FortiSIEM and security fabric
 Decoy supported protocols - MODBUS, S7COMM, BACNET, IPMI, TRICONEX, GUARDIAN-AST, IEC104, DNP3, Trinix, HTTPS, FTP, TFTP, SNMP, etc....

Purdue Model For Industrial Control Hierarchy

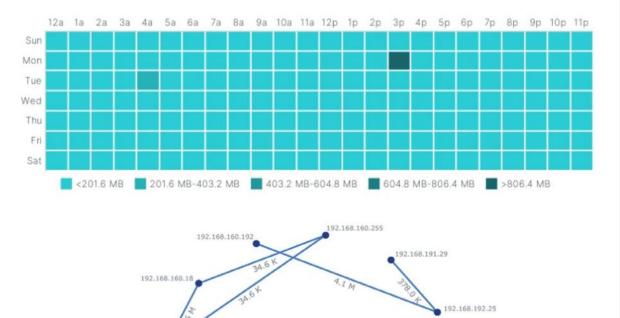
- Industry standard framework for OT cybersecurity
- Segment OT assets into security zones and conduits
- Increasing Security Levels to enhance security posture
- Validated Security Controls for protecting OT assets



Free Cyber Operational Technologies Threat Assessment

- Security and Threat Prevention How effective is your current network security solution? Learn more about application vulnerabilities are attacking your network, which malware/botnets were detected and even pinpoint "at risk" devices within your network. Make sure your existing security solution isn't letting anything slip through the cracks by leveraging FortiGuard Labs' award-winning content security.
- OT/IT Application Usage What steps are you taking to monitor traffic flows in your network? Improve your visibility to traffic and most used applications within your OT environment. Monitor traffic patterns to identify network anomalies whether accessing on-site or via remote access.
- Network Utilization and Performance How should your network security solution be optimized for performance? Find out more about your throughput, session and bandwidth requirements during peak hours. Ensure your security solution is sized and optimized properly based on your actual usage.

#	Risk	Threat Name	Туре	Victims	Sources	Count
1	5	Honeywell.OPOS.Multiple.ActiveX.Open.Method.Buffer. Overflow	Buffer Errors	2	1	5
2	5	Unitronics.VisiLogic.OPLC.TeeCommander.Memory.Corruption	Buffer Errors	1	1	2
3	3	Schneider.Electric.GP- Pro.EX.ParseAPI.Heap.Buffer.Overflow	Buffer Errors	3	1	112
4	2	Siemens.SIMATIC.WinCC.Flexible.Runtime.Stack.Buffer. Overflow	Buffer Errors	1	1	98
5	2	Trihedral.VTScada.WAP.Directory.Traversal	Path Traversal	3	1	14
6	1	Modbus.TCP.Report.Server.Info	Permission/Privilege/Access Control	1	1	12



How a California Water and Wastewater District Leveraged Fortinet Solutions to Protect Critical Water Treatment

SITUATION

- Water and wastewater treatment district in Central California serving about 30,000 residents
- Small IT staff to support IT Applications and Network, no OT Cybersecurity specialists
- Current OT network and devices supported by System Integrators who didn't provide access to network (Black Box)
- Network security was an afterthought

PROBLEM

- Unplanned OT downtime due to lack of system events
- Complex system to troubleshoot
- Lack of skills to manage several devices via CLI
- No timely notification of network events Login, remote users, connecting unapproved devices, etc.
- Shared credentials (no MFA)

CUSTOMER NEEDS

- Strict control to access OT network (i.e. employee, SI, OEM, third party)
- OT network visibility for non-technical staff
- Easy of Use environment
- Integrated Network and Security
- Set up notifications and system events (No Network SME)

SOLUTION BENEFITS

- FortiGate NGFW integrated with FortiSwitch (FortiLink)
- FortiToken Mobile MFA & FortiCloud (remote management)
- Easy of Use GUI to manage both Security and Networking (no separate switch config)
- Role based access control users only get access to resources they need
- Holistic visibility at the network level: tag ports, network port status, unplugged cable, Quarantine VLAN, place PLCs in respective VLAN, etc
- Notifications: email alerts, malware or viruses id, network traffic violation, OT protocols inspection, approved third-party vendor logs in, etc

OT Customer Profile: Water Treatment

COMPELLING EVENT

- Need for consolidation of products in environment
- Desire to improve security posture
- Lack of visibility across end points
- Needed OT security monitoring

CUSTOMER NEEDS

- SD-WAN capabilities
- Consolidate management of security and networking
- Ease of Use and management GUI
- Single vendor to call for support
- Network visibility and user/device restrictions

SOLUTION

- FortiGate 100Fs & 60Fs
- FortiSwitch 1024D, 124F, 108F, 148F, Rugged 112D-POE
- FortiAP 231F
- FortiAnalyzer
- FortiManager
- FortiDeceptor
- FortiNAC



Bloomington Normal Water Reclamation District



OUTCOME

- Single Pane of Glass Management
- 100% Visibility of Network and Security
- Attack surface reduced
- Single vendor environment
- Potential next steps are SIEM, EDR, and Mail protection

OT Customer Profile: Water Treatment

COMPELLING EVENT

- Desire to improve security posture after ransomware attack
- Lack of visibility across end points
- Need for consolidation of products in environment
- Needed OT security monitoring
- Needed network segmentation

CUSTOMER NEEDS

- Consolidate management of security and networking
- Ease of Use and management GUI
- Single vendor to call for support
- Network visibility and user/device restrictions
- End point monitoring and threat correlation

SOLUTION

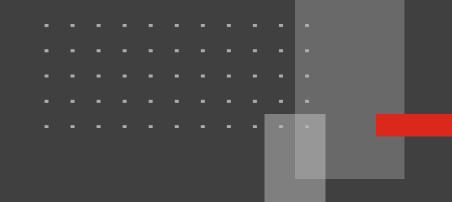
- FortiGates 501E, 600E and others
- FortiAnalyzer
- FortiManager
- FortiEDR
- FortiExtender
- FortiClient
- FortiDeceptor





OUTCOME

- Single Pane of Glass Management
- 100% Visibility of Network and Security
- Attack surface reduced
- Single vendor environment for security and networking
- Potential next steps are FortiVoice and FortiSwitch



Take the Next Step

Talk to an expert about your cybersecurity needs and strategy



Funding for Cyber Resilience and Protection

- Clean Water State Revolving Fund (CWSRF) | US EPA
- Drinking Water State Revolving Fund (DWSRF) | US EPA
- State and Local Cybersecurity Grant Program (SLCGP) | CISA
- WaterSMART | USBR

Over \$3B amongst these four programs



FERTINET

Grants Support Program Bringing Technology Funding Home for Public Sector Agencies

Get Started by emailing SLED@Fortinet.com

Get the Report



Sponsored by

F

2024 Cybersecurity in Water Management Facilities Report

Addressing the growing threat of cyberattacks on America's water supply and wastewater utilities



WaterWorld

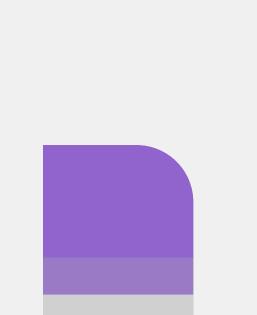


Public Service Announcement

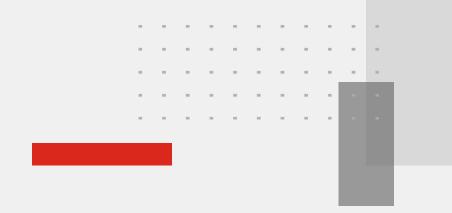
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Q&A

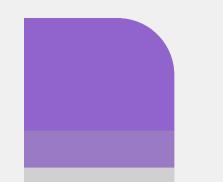


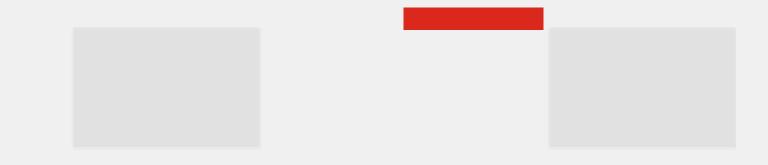




Thank you!

More info | www.fortinet.com/OT Email | OT@fortinet.com





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FERTINET