

# E-Business Systems Security for Intelligent Enterprise

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## INTRODUCTION AND BACKGROUND

*Security* became a topic of research with the introduction of *networked information systems*, or networked IS, in the early eighties. In the mid-nineties the proliferation of the Internet in the business area exposed security as one of the key factors for successful online business, and the majority of effort to provide it was focused on technology. However, due to lessons learned during this period, the paradigms have since changed, with increasing emphasis on human factors. It is a fact that security of information systems is becoming part of the core processes in all e-business environments. While data is clearly one of the key assets and has to be protected accordingly, IS have to be highly integrated and open. Appropriate treatment of these issues is not a trivial task for managers of intelligent enterprises and requires new approaches, especially in light of new technologies.

Proper management of security in *e-business systems* requires a holistic methodology with a two-plane approach, technological and organizational. In every case IS security management starts with the identification of threats and threats analysis - a typical example is based on risk probability and damage estimates (Raepple, 2001). Following this, the approach differs according to the plane:

- The technological plane takes into account machine-related interactions. This plane is about deployment of appropriate *security services* that are based on *security mechanisms*. To become operational, key management issues (i.e., handling of cryptographic algorithms' keys) have to be resolved. Finally, human-to-machine interactions have to be addressed carefully.
- In parallel, it is necessary to properly address the organizational plane where human resources management plays a central role. This plane emphasizes the organizational issues and socio-technical nature of contemporary IS, where modern methodologies play a central role.

## FUTURE TRENDS: TECHNOLOGICAL PLANE OF IS SECURITY MANAGEMENT

From the technological point of view, the prevention of threats is achieved by use of security mechanisms and security services (ISO, 1995). Mechanisms include symmetric and asymmetric cryptographic algorithms, for example, AES (Foti, 2001) and RSA (RSA Labs, 2002); one-way hash functions such as SHA-1 (Eastlake, 2001); and physical mechanisms. For devices with weak processing capabilities like smart-card, elliptic curve-based systems such as ECDSA (ANSI, 1998) can be used. Regarding physical security, using cryptographic algorithms one can only reduce the amount of data that has to be physically protected, but the physical protection cannot be avoided.

To ensure that a particular public key indeed belongs to the claimed person, a trusted third party called *certification authority*, or CA, has to be introduced. The CA issues *public key certificates* that are digitally signed electronic documents, which bind entities to the corresponding public keys (certificates can be verified by CA's public key). CA also maintains certificate revocation lists, or CRL that should be checked every time a certificate is processed in order to ensure that a private/public key is still valid. The *de iure* and *de facto* standard for certificate format is X.509 standard (ITU-T, 2000).

By use of security mechanisms, the following security services are implemented:

- **Authentication:** Ensures that the peer communicating entity is the one claimed.
- **Confidentiality:** Prevents unauthorized disclosure of data.
- **Integrity:** Ensures that any modification, insertion, or deletion of data is detected.
- **Access Control:** Enables authorized use of resources.
- **Non-Repudiation:** Provides proof of origin and proof of delivery, where false denying of the message content is prevented.

- **Auditing:** Enables detection of suspicious activities and analysis of successful breaches, and serves as evidence when resolving legal disputes.

To enable these services, a certain infrastructure has to be set up. It includes a Registration Authority (RA) that serves as an interface between a user and CA, identifies users, and submits certificate requests to CA. In addition, a synchronized time base system is needed for proper operation, along with a global directory for distribution of certificates and CRLs. All these elements, together with appropriate procedures, form a so-called *public key infrastructure* or PKI (Arsenault, 2002).

To provide security, mostly commercial off-the-shelf solutions are used. Such solutions typically include firewalls, which are specialized computer systems that operate on the border between the corporate network and the Internet, where all traffic must pass through these systems (Cheswick & Bellovin, 1994). Further, real-time intrusion detection systems (Kemmerer, 2002) are deployed for detecting acts that differ from normal, known patterns of operation, or for detecting wrong behavior. Further, IPSec (Thayer, 1998), which is a security enhancement for IP protocol, can be used to prevent masquerade, monitoring of a communication, modification of data, and session overtaking. IPSec is suitable for Virtual Private Networks or VPNs, where one can establish secure private networks using public networks such as the Internet. Further, Secure Sockets Layer protocol or SSL (Freier, 1996) provides a common security layer for Web and other applications, and is available by default in Web browsers. It provides authentication, confidentiality, and integrity with the possibility of negotiating crypto primitives and encryption keys. Further, Secure/Multipurpose Internet Mail Extensions standard or S/MIME (Ramsdell, 1999) is often deployed as security enhancement for ordinary e-mail, and provides authentication, confidentiality, integrity, and non-repudiation.

Finally, the security of new paradigms has to be covered. These paradigms include objects, components, mobile code (computing), and *intelligent agents*. Every code (and object) can be treated as an electronic document. The creator defines its initial data and behavior (methods) and, optionally, signs it. The signature on the code gives a user the possibility to be assured of proper functioning of this object, where the problem is analogous to that of ensuring authentication and integrity for

ordinary electronic documents. When considering intelligent mobile agents that are objects that satisfy certain conditions (Griss, 2001), the security paradigm is reversed. Agents operate in unpredictable environments and have to be protected from malicious hosts. These important issues have yet to be resolved (FIPA, 2001).

## FUTURE TRENDS: ORGANIZATIONAL PLANE OF IS SECURITY MANAGEMENT

Even superior technological solutions will be in vain, if the complementary organizational issues are not treated properly. Therefore the second plane must be concentrated on organizational issues through human resources management, which has to be properly embodied in *security policy*. The basic standard in this area is BS 7799 (BSI, 1999), which recently became an international standard (ISO, 2000). It presents the main methodology, which is followed by the growing number of organizations for establishing security policy. It consists of two parts. The first part describes a code of practice for information security management, while the second specifies information security management systems.

This standard plays a central role as far as security policy is concerned. However, to implement successfully a concrete security policy, it is essential to support managers of intelligent enterprises with appropriate techniques. The organizational plane is characterized by a complex interplay between human factor and technology. The two constituent parts are coupled in many ways, such as by interactions - a large number of these interactions form various feedback loops. There are also soft factors that have to be taken into account, for example, human perception of various phenomena like trust. Therefore, to support decision making properly with regard to security, one has to deal with physical and information flows. Additionally, decisions are often to be made in circumstances where there is not enough time or resources to test decisions in a real environment; often such checks are not possible at all. Therefore support from computer simulations is highly desirable.

The methodology that can be used to support the resolution of the above-mentioned problems is *business dynamics* (Stermann, 2000). It enables qualitative and quan-

Table 1. Summary of basic security-related elements—technological plane

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| <ul style="list-style-type: none"> <li>• <b>Security Mechanisms:</b> Symmetric and asymmetric algorithms, one-way hash functions, physical mechanisms</li> <li>• <b>Security Services:</b> Authentication, confidentiality, integrity, non-repudiation, access control, auditing</li> <li>• <b>Security Infrastructure:</b> Public key infrastructures, commercial off-the-shelf solutions (firewalls, intrusion detection systems, IPSec, SSL, S/MIME)</li> </ul> |
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