

# BANGLADESH BANK HEIST

## The Immediate Tasks at Hand

DR. ABDULLAH SHIBLI

MORE than three months have passed since the Bangladesh Bank (BB) heist, and in the interim much water has flown down the Padma, Meghna, and Brahmaputra. The internal commission chaired by Dr. Farashuddin has submitted its interim report. He has held SWIFT responsible for making the payment system vulnerable to cyber attacks. Other accounts, including the CID report, have revealed many of the shortcomings of the security environment and practices followed by BB before the heist. The country is eagerly waiting to know if the more egregious of the weaknesses or "vulnerabilities" in BB's cyber network has been addressed, whereby we can enjoy our weekends knowing that some other miscreants and hackers have not been roaming undetected in the infamous SWIFT room or in BB's cyberspace.

It is laudable that the government is directing its efforts to limit the damage done by the "weekend caper" of February 4 in many directions, most notably to recoup the lost money, identify the culprits and their modus operandi, and strengthen BB's electronic infrastructure. I do not intend to harp on the same tune, listing the many failures or existing vulnerabilities of the apex financial institution of Bangladesh, but if we do not learn from our mistakes, we are bound to repeat them in future. Therefore, from the intense investigation, review, and overhaul of BB's cyber security set up, the

public would like to know the following questions: what happened and how; what are the various commissions' and investigative bodies' recommendations; and finally, what changes have been implemented and are being planned.

As ICT professionals working with sensitive data that is often compromised across the USA, we are constantly reminded of the administrative, physical, and technical safeguards necessary to protect our electronic data and transactions. In this light, I can list a few lapses at BB that stand out for me. Lack of firewall and use of obsolete routers are examples of weak technical safeguards. Other instances of weak technical safeguards include lack of procedures on virus monitoring, emergency access (e.g., inability of weekend staff to access the transfer advice on February 5, because of non-functioning equipment), audit control (to record and analyse the activities within BB's information system), and transmission security. Adequate policies and procedures pertaining to transmission security would have ensured that there were technical controls in place to ensure that SWIFT transmissions are authentic and are not tampered with, and that the encryption protocols are secure.

There are also many evident loopholes in the "policy and procedures" followed by BB's administrative departments, including the Forex Reserve and Treasury Department, and the



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Budget and Account Department. In a rare pronouncement last week, SWIFT reported that "The attackers clearly exhibit a deep and sophisticated knowledge of specific operation controls within the targeted banks - knowledge that may have been gained from malicious insiders or cyberattacks, or a combination of both." The report also mentioned that the criminals attacked the banks' connections to the SWIFT network and obtained login credentials and dispatched fraudulent SWIFT

messages. This indictment from SWIFT raises the following questions (and answers to these will serve as stark reminders of the work that lies ahead of us):

Who was responsible for maintaining the hardware, for example, the printer connected to the SWIFT financial messaging company which was not functioning?

What is the protocol for escalating the problems that the weekend staff came across on February 5? To remind the reader, BB staff "visited again the following day, also a

holiday, and attempted to fix the issue but the software connected to the terminal did not respond, instead displaying a message saying "a file is missing or changed"!

What do the existing rules and regulations stipulate when critical equipment and the software that supports them have such catastrophic failures?

Where are these activities logged/documentated in real-time during the weekend, and what procedures were followed to review them?

Were the backup procedures for the task followed?

Has the lack of oversight audit reporting been addressed?

I hope that one of the administrative safeguards in place now will remedy the negligence evident in its failure in securing the SWIFT communication room, which, "considering the importance of the room, the bank should have deployed staff to monitor activity round the clock, including weekends and holidays."

If all the above sounds like I am beating a dead horse, allow me to mention that Bangladesh Bank can take some comfort from the fact that the central banks of India, USA, and other advanced countries are currently undertaking a "detailed examination of the status of the information technology (IT) that's currently being used by banks." The Governor of Reserve Bank of India (RBI), Raghuram Rajan, recently said, "Across the world, we understand too little IT and there are various ways of getting through cyber defenses, including through people rather

than through processes or networks." RBI will be issuing IT examination reports to judge the security preparedness of banks, as well as assess the effectiveness of the technology adoption of banks, Mr. Rajan said. Similarly, in the US, where cyber security is now apparently religiously followed, the Federal Deposit Insurance Corp (FDIC) reported to Congress that five major incidents of data breaches have occurred since October 30.

To sum up, with regard to cyber-security, Bangladesh Bank and other financial institutions need to devise a "Great Leap Forward" strategy to catch up with the modus operandi of cyber criminals and take advantage of the latest tools available to protect the system and detect such crimes. Therefore, news headlines which pronounce that the BB heist is just a wakeup call causes ICT professionals some dismay. Like the Red Queen in Lewis Carroll's story, BB needs to run faster to stay in the same place. In the next op-ed on this topic, I will weigh in with some best practices from the international community. In the meantime, allow me to leave the readers with the following to chew on. In a presentation on April 3, 2016, Boston Federal Reserve president warned of cyber risks, and how with the growth of electronic transactions, the onslaught on the banking and financial systems is only likely to increase. The Fed President warned that the industry must be proactive.

The writer is an economist and has been working in ICT for three decades.

## In a relationship

CHINITTO SINCE 1995



NIZAMUDDIN AHMED

It will perhaps be beyond the imagination of a couple today that the year-old baby they are cuddling so fondly as their keeps-forever heart and soul, may in two decades (or a little more) totally ignore them or worse deny the bond written in

blood. Parenthood can sometimes be reduced to being a source of licensed birth, and no more.

A young mother died at labour. Her surviving daughter was hugged into this world by her only sister, still sobbing, who from day one brought up the child as her own, if that is possible some will opine. And yet it is. Relationship is least founded on blood, but more on association, mutual feeling, reciprocal need, and some amount of trust.

The baby daughter grew up to be a fine young lady, and in time, was married off to live a life of her own in a foreign land. Nothing wrong with that. However, for reasons we will never understand, she did not feel the need to remain connected with her foster mother, more so her blood aunt. Psychologists say love has a downward tendency, and the coming generation has thus been eternally benefitted. So, perhaps the girl moved on. Given the trends worldwide, in some respect, nothing wrong with that either.

The girl's aunt or foster mother, whichever way you look at it, has been diagnosed with a life-threatening severe illness. Her body can no longer bear the pain, she can barely move. Being a divorcee for over two decades, and her parents long gone, she has no family here. But, hey, she has a 'daughter' (call her a niece, if you will) abroad.

The disease is in an advanced stage. She has to be taken abroad if she has to have



any chance of survival. Doctors and colleagues contacts the 'daughter', and readies papers and travel plans accordingly. The day before the patient's flight to Singapore, they call the 'daughter' (call her a niece, if you will), and the young 'lady' living abroad in an advanced society drops the anchor: she won't be able to do anything for her 'aunt/mother' (the patient), because she was leaving for Pataya on a pre-planned holiday.

Not even for your aunt who nursed you when your birth mother died? Not even for a blood relative who sang you lullabies for years as you dozed off to sleep? Not even for a human being who cleaned up your mess that others would not touch? No one asked her any of those questions, because it seemed that as a young individual, she has the right to enjoy the occasional vacation. And, look here people, she was not even a doctor. Yet it is true, not many can look into

a similar future that is but a couple of decades away.

A story from a *briddha ashram* (old age home) - probably fictional, but not far from truth: an ageing mother wrote her son a letter stating she hardly had a few days left, as she was very ill. She pleaded with her son to arrange for a ceiling fan in her room, not for her, she quickly added. The son was thinking between the handwritten broken lines, "Why does she need a fan now of all things after

having stayed in that 'home' for more than seven years?" She wrote, as if in reply, "Khoka, your son will also send you here soon, and I know that you cannot sleep without a fan."

Men are no different, obviously. The following is a true account. The name has been changed to protect a man despised by all, save his mother. Manik left for England in the late 1950s. His mother lived for another forty years before she was buried, physically, that is. During all those years, the ageing mother, becoming frailer by the decade, waited for her son to come and see her. She too wanted to see her *manik*.

He had a great job in a UK multinational company that took him to Thailand, Malaysia and Singapore several times, sometimes every three months. However, he was too busy to stop over even once in Dhaka to meet his Ma, not even during the long Christmas and New Year holidays that everyone in the West enjoys every year. He had at least forty such occasions to put a smile on his mother.

Is the Western world that glittery that it can blind a son's vision and cloud the face of a mother who carried him beyond childbirth? Is life in that part of the world ruled so much by mechanics that the heart ceases to function? Does an economically developed country have the right to snatch a baby from its cradle? We hastily blame the West, and do so without rhyme or reason, because of the fault lines in the actors who have sold their soul to alienism. They do not know at what cost.

If relationships were only a matter of blood, then a husband-wife bond, one of the strongest among humans, would never have blossomed nor flourished, despite both claiming that matrimony is not a bed of roses. But, it is a bed nevertheless.

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### QUOTABLE Quote



BRIGITTE BARDOT

What could be more beautiful than a dear old lady growing wise with age? Every age can be enchanting, provided you live within it.

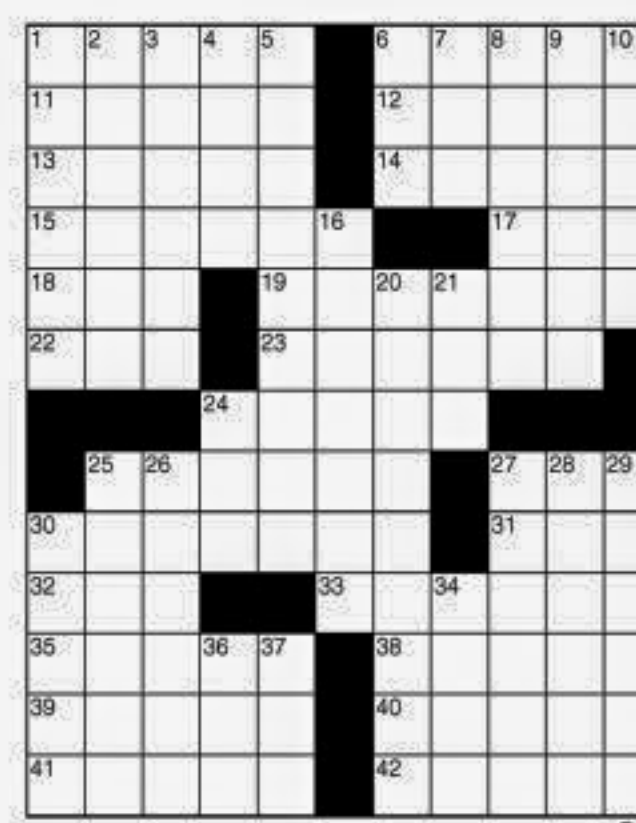
### CROSSWORD BY THOMAS JOSEPH

#### ACROSS

- 1 Molecule makeup
- 6 Muscle woe
- 11 Italian seaport
- 12 Football's Long
- 13 Top players
- 14 Laughable
- 15 More hackneyed
- 17 Boxer Norton
- 18 Concealed
- 19 Perfume counter bottles
- 22 Simile center
- 23 Globe features
- 24 Memory units
- 25 What there was at the inn
- 27 Sukkoth celebrant
- 30 Eats
- 31 Bordeaux buddy
- 32 Eden evictee
- 33 Tyler of Aerosmith
- 35 Hold stuff
- 38 Not sneaky
- 39 Psychiatrist Alfred
- 40 Homer's wife
- 41 Cake unit
- 42 Door sign

#### DOWN

- 1 Hercule's creator
- 2 Block dropping game
- 3 New York lake
- 4 Zoo feature
- 5 Snappy reply
- 6 Greek X
- 7 Harry's friend
- 8 Come to
- 9 Colliers
- 10 Hammer ends
- 16 Parish heads
- 20 "I think..."
- 21 Prof's helpers: Abbr.
- 24 Sis's sib
- 25 Reno's state
- 26 Too
- 27 "Les Miserables" inspector
- 28 Appear
- 29 Cold spell
- 30 Model art
- 34 Writer Hunter
- 36 "My word!"
- 37 Bruins legend



#### YESTERDAY'S ANSWER

N	I	T	R	O	L	E	T	G	O
A	C	H	E	D	O	T	H	E	R
P	E	E	V	E	W	H	E	R	E
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O	P	I	E	P	I	C	A		
K	E	N	T	Y	R	A	N	T	S
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A	L	L	U	R	E	S	S	P	A
O	R	A	L	W	H	E	Y		
P	A	W	N	S	W	A	G		
A	R	B	O	R	A	S	I	D	E
L	E	O	N	E	S	T	R	U	T
S	A	Y	S	O	H	E	L	G	A

