Cryptojacking and Cryptocurrency Mining

What is the issue?

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- The ever increasing attractiveness for cryptocurrency mining is leaving way for new threats in the cyber space.
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- Cryptojacking has become the latest threat to computers worldwide.
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How do cryptocurrencies work?

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- Cryptocurrencies like Bitcoin are based on the **blockchain technology.**
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- The blockchain technology involves maintaining a **digital ledger** to publicly record transactions.
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- A blockchain is reliant on the **network of computers** that run the software for the cryptocurrency.
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- The computers participate in the relay of information regarding **transactions** made between holders of the currency.
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- These computers in the network are called **nodes**.
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- They can be operated by anyone who downloads the **bitcoin software** available for free online.
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- When a transaction is initiated, **encrypted details** are transmitted among all nodes.
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What is cryptocurrency mining?

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- The money in cryptocurrency is not printed. It is rather discovered, or “mined”.
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- Mining is used to confirm waiting transactions and then record it into a public ledger called blockchain.
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- The web of nodes in blockchain technology includes those operated by **miners**.
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- Miners' objective is to group the outstanding transactions into blocks and then add them to the blockchain.
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- A mining hardware competes with others on the network to earn cryptocurrencies.
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How does mining work?

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- Computers around the world “Mine” for bitcoins competing with each other.
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- Adding encrypted transactions to the blockchain is accomplished by the miner's cryptocurrency software.
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- This involves solving a complex mathematical puzzle involving the numerical keys to the encryption.
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- Once a node has hit upon the right combination, it conveys its success to other nodes.
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- Subsequently, other miners drop processing that block and move on to the next.
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- The winning node that registers a transaction by adding it to the blockchain is rewarded in Bitcoin.
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What are the challenges?

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- The cost of mining is often highly expensive.
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- High-end machines with substantial computing power are required to solve the puzzle in a timely manner.
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- The electricity required to power the hardware also considerably adds to the cost.
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Why is mining attractive yet?

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- **Anonymity** - Cryptocurrencies are a boon for individuals or corporations which seek financial anonymity.
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- The lack of a central regulatory authority facilitates trade in illegal goods through the virtual currencies.
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- **Lucrative** - Exchanges that trade bitcoin have witnessed massive hike in prices owing to speculation.
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- The valuation of a single bitcoin was around Rs.65,ooo in January, 2017.
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- Its value had peaked at around Rs.12,60,000 in December 2017.
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- **Hardware assets** - The software for mining cryptocurrencies like bitcoin is open source and available online.
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- But the hardware processing speed required to make mining feasible are found only in high-end workstations that are powered by GPUs.
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- Leveraging hardware assets to mine for coins is another means to have a share in the process.
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What is the latest cryptojacking threat?

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- A said earlier, cryptocurrency mining is lucrative but still involves huge costs, diminishing the attractiveness.
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- To balance the cost overruns, attackers have started employing malware.
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- It is a way to force an entry into the computers of remote users, and then using their hardware to mine for coins.
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- This is cryptojacking. It is profitable since it eliminates the cost burden of owning a mining assembly with hundreds of processors.
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Who are vulnerable?

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- The phenomenon is not restricted to the miniscule minority that trades in cryptocurrencies or uses their systems to mine for coins.
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- All users who browse the internet are vulnerable to their systems being ‘cryptojacked’.
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- Desktops, laptops, tablets, or even mobile devices can be maliciously subverted without the knowledge of their owners.
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How does crptojacking work?

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- Cryptojackers usually target popular websites which draw audiences numbering in the millions every day.
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- Once the malware patch has been embedded on a website, it infects the web browsers of visitors.
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- It slows down their machines, often causing them to overheat.
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- Websites and apps that do not charge a fee for consuming their content survive on revenue from digital advertising.
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- However, websites like the file-sharing platform have been found to be employing code which hijacks users' system.
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- It then uses it for mining cryptocurrency.
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- Many websites view this as an alternative source of revenue, bypassing intrusive advertisements.
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What is the way forward?

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- The transition to a digital economy has made financial services more dependent on technology.
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- The emergence of cryptocurrencies has made it even more difficult to check hackers trying to access online finances.
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- It is thus crucial to address the rising concern of cryptojacking.
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- There are a range of applications that could protect computers from attacks by cryptojackers.
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- Some of them inlcude 'NoCoin', 'MalwareBytes', 'minerBlock'.
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- While these tools are not completely infallible, they provide a first line of defence against potential security breaches.
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Source: The Hindu

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