Anatomy of a Crypto-Ransomware Attack

New variants of ransomware known as CryptoLocker, CryptoDefense and CryptoWall are spreading via spam emails, drive-by downloads, or by malware already on your computer. Once you’re infected, crypto-ransomware hijacks all your files, locks them up with unbreakable encryption, and demands a ransom of $300-$500 in bitcoins to unscramble them.

5 STAGES OF CRYPTO-RANSOMWARE

1. INSTALLATION
   After a victim’s computer is infected, the crypto-ransomware installs itself, and sets keys in the Windows Registry to start automatically every time your computer boots up.

2. CONTACTING HEADQUARTERS
   Before crypto-ransomware can attack you, it contacts a server operated by the criminal gang that owns it.

3. HANDSHAKE AND KEYS
   The ransomware client and server identify each other through a carefully arranged “handshake,” and the server generates two cryptographic keys. One key is kept on your computer, the second key is stored securely on the criminals’ server.

4. ENCRYPTION
   With the cryptographic keys established, the ransomware on your computer starts encrypting every file it finds with any of dozens of common file extensions, from Microsoft Office documents to .JPG images and more.

5. EXTORTION
   The ransomware displays a screen giving you a time limit to pay up before the criminals destroy the key to decrypt your files. The typical price, $300 to $500, must be paid in untraceable bitcoins or other electronic payments.