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World Bank Under Cyber Siege in 'Unprecedented Crisis'

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By Richard Behar
FOX NEWS

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The World Bank Group's computer network — one of the largest repositories of sensitive data about the economies of every nation — has been raided repeatedly by outsiders for more than a year, FOX News has learned.

It is still not known how much information was stolen. But sources inside the bank confirm that servers in the institution's highly-restricted treasury unit were deeply penetrated with spy software last April. Invaders also had full access to the rest of the bank's network for nearly a month in June and July.

In total, at least six major intrusions — two of them using the same group of IP addresses originating from [China](#) — have been detected at the World Bank since the summer of 2007, with the most recent breach occurring just last month.

In a frantic midnight e-mail to colleagues, the bank's senior technology manager referred to the situation as an "unprecedented crisis." In fact, it may be the worst security breach ever at a global financial institution. And it has left bank officials scrambling to try to understand the nature of the year-long cyber-assault, while also trying to keep the news from leaking to the public.

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The crisis comes at an awkward moment for World Bank president Robert Zoellick, who runs the world's largest and most influential anti-poverty agency, which doles out \$25 billion a year, and whose board represents 185 member nations. This weekend, the bank holds its annual series of meetings in Washington — and just in advance of those sessions, Zoellick called for a radical revamping of multilateral organizations in light of the global economic meltdown.

Zoellick is positioning himself and the bank as an institution that can help chart a new path toward global financial stability. But that reputation, more than ever, depends on the bank's stable information infrastructure.

The fact that the information vaults of the World Bank have been repeatedly pried open won't help Zoellick's case.

While it remains unclear how much data has been pilfered from the bank, it's a lot. According to internal memos, "a minimum of 18 servers have been compromised," including some of the bank's most sensitive systems — ranging from the bank's security and password server to a Human Resources server "that contains scanned images of staff documents."

• [Click here to see bank memos about the intrusions.](#)

One World Bank director tells FOX News that as many as 40 servers have been penetrated, including one that held contract-procurement data.

Despite the gravity of the break-ins, the bank is trying hard to pretend to outsiders it didn't happen. "There were attempts to hack the bank's computer systems last

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around the globe. In layman's terms, a CDS is the cyber-world's version of a bomb shelter where every piece of an organization's data is replicated and backed up in case of a data-wipe out at headquarters in Washington. While it's known that IFC data was accessible at the hub, it remains unclear if all World Bank Group data was compromised there.

The second major breach — of the bank's treasury network in Washington — was discovered in April 2008. The World Bank's Treasury manages \$70 billion in assets for 25 clients — including the central banks of some countries. It carries out substantial collaborations with the world's finance ministers on public wealth and debt management, runs an active bond-trading desk in Washington, and does everything from currency trading to capital markets financings.

After a forensic analysis of the treasury breach, bank investigators discovered that spy software was covertly installed on workstations inside the bank's Washington headquarters — allegedly by one or more contractors from Satyam Computer Services, one of India's largest IT companies.

The software — which operates through a method known as keystroke logging — enabled every character typed on a keyboard to be transmitted to a still-unknown location via the Internet.

Upon its discovery, insiders report, bank officials shut off the data link between Washington and Chennai, India, where Satyam has long operated the bank's sole offshore computer center responsible for all of the bank's financial and human resources information.

Satyam was also banned from any future work with the bank. "I want them off the premises now," Zoellick reportedly told his deputies. But at the urging of CIO De Poerck, Satyam employees remained at the bank as recently as Oct. 1 while it engaged in "knowledge transfer" with two new India-based contractors.

Satyam — one of the largest and most prestigious IT companies in India — is publicly listed on the NYSE and boasts having \$2 billion in sales and more than 150 Fortune 500 companies as clients. In 2003, Satyam — it means "truth" in Sanskrit — won a much-heralded and lucrative five-year "sole source" contract to design, write and maintain all of the World Bank's information systems.

The contract — which began at \$10 million and grew to more than \$100 million by 2007 — was suddenly not renewed this year. Satyam so far declines to comment.

Then came the June-July breaches in Washington. They were similar to the Johannesburg attack, as the same group of IP addresses from Macao were used.

This time, however, the cyber-burglars used a different spyware. They broke into an external server run by the bank's private sector development unit. They were able to acquire passwords — including the password for the systems administrator.

That enabled them to jump into the servers at MIGA, the bank's giant insurance arm. It was there that they captured the security administrator's password as he was logging on to his computer.

It took ten days for bank officials to detect that they'd been invaded. Once they did, they shut down all external servers, except for e-mail — which it turns out the invaders were already using as their entrance point. By the end of July the invaders "had completely mapped out the topography of the bank's information systems," says one expert — "where everything was, the types of servers, and the types of files on the servers."

What the intruders did with all that information is the World Bank's most sensitive and painful mystery. It has clearly left the institution in a highly vulnerable position.

And the same may go for bank president Zoellick. Bank insiders say that he needs desperately to get the security of his own house in order. Despite the vast sums that the Bank spends on data and data storage, its information systems are deeply in disarray.

Today the total cost to maintain the bank's information infrastructure is at least \$280 million per year. But according to one disgruntled bank staffer, "We don't even have an internal search engine that works."

The truly alarming fact, however, is that someone — or many people — seem to know their way around the bank's most valuable resource very well, even though they aren't supposed to be there at all.

UPDATE: After FOX News published its story, a World Bank spokesman issued the following statement:

"The Fox News story is wrong and is riddled with falsehoods and errors. The story cites misinformation from unattributed sources and leaked emails that are taken out of context.

"Like other public and private institutions, the World Bank has repeatedly experienced hacking attacks on its computer systems and is constantly updating its security to defeat these. But at no point has a hacking attack accessed sensitive information in the World Bank's Treasury, procurement, anti-corruption or human resources departments."

FOX News stands by its story.

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