Introduction to Information Security

Lecture 9: Electronic Commerce

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1. Electronic Commerce
E-Commerce and E-Business

- **Electronic commerce** (e-commerce, EC) describes the buying, selling, transferring or exchanging of products, services or information via computer networks, including the Internet.

- **E-business** is a broader definition of EC that includes not just the buying and selling of goods and services, but also
  - Servicing customers
  - Collaborating with business partners
  - Conducting electronic transactions within an organization
Pure EC vs. Partial EC

- Pure EC vs. Partial EC: based on the degree of digitization of product, process, delivery agent
  - ✓ The product can be physical or digital
  - ✓ The process can be physical or digital
  - ✓ The delivery agent can be physical or digital

- **Brick-and-mortar organizations** are purely physical organizations.

- **Click-and-mortar organizations** are those that conduct some e-commerce activities, yet their business is primarily done in the physical world. i.e. *partial EC*

- **Virtual organizations** are companies that are engaged only in EC. i.e. *pure EC*
Dimensions of EC

Exhibit 1-1 The Dimensions of Electronic Commerce

Virtual Product

Electronic Commerce Areas

The Core of Electronic Commerce

Digital Product

Traditional Commerce

Physical Product

Physical Agent

Digital Agent

Virtual Process

Digital Process

Physical Process

Virtual Player

A Framework for EC

Exhibit 1.2 A Framework for Electronic Commerce

Electronic Commerce Applications
- Direct Marketing
- Search Jobs
- Online Banking
- E-government
- E-purchasing
- B2B Exchanges
- C-commerce
- M-commerce
- Auctions
- Travel
- Online Publishing
- Consumer Services

People:
- Buyers, Sellers, Intermediaries, Service, IS People, and Management

Public Policy:
- Taxes, Legal, Privacy Issues, Regulations, and Technical Standards

Marketing and Advertisement:
- Market Research, Promotions, and Web Content

Support Services:
- Logistics, Payments, Content, Security System Development

Business Partnerships:
- Affiliate Programs, Joint Ventures, Exchanges, E-marketplaces, Consortia

Infrastructure

(1) Common business services infrastructure (security, smart cards/authentication, electronic payments, directories/catalogs)
(2) Messaging and information distribution infrastructure (EDI, e-mail, HyperText Transfer Protocol, Chat Rooms)
(3) Multimedia content and network publishing infrastructure (HTML, JAVA, XML, VRML)
(4) Network infrastructure (Telecom, cable TV, wireless, Internet) (VAN, WAN, LAN, Intranet, Extranet) Access (cell phones)
(5) Interfacing infrastructure (with databases, Business partners applications)

Management
Brief History of EC

- **Electronic Fund Transfer (EFT)** – early 1970s
  - Limited to large corporations, financial institutions

- **Electronic data interchange (EDI)** — electronic transfer of documents:
  - Purchase orders
  - Invoices
  - E-payments between firms doing business

- **Inter-O rganizational systems (IOS)**
  - Stock trading
  - Travel reservation systems

- **Internet became more commercialized in the early 1990s**
  - Almost all medium and large-sized organizations in the world now have a Web site
  - Most large corporations have comprehensive portals
Categories of E-Commerce

- Business-to-consumers (B2C)
- Business-to-business (B2B)
- Consumer-to-consumer (C2C)
- Business-to-employee (B2E)
- Government-to-Business (G2B) – E-Government
- Government-to-Customer (G2C) – E-Government
- Mobile Commerce (M-Commerce)
Benefits of E-Commerce

- **Benefits to organizations**
  - Makes national and international markets more accessible
  - Lowering costs of processing, distributing, and retrieving information
  - Allows reduced inventories and overhead by facilitating pull-type supply chain management
  - The pull-type processing allows for customization of products and services which provides competitive advantage to its implementers
  - Reduces the time between the outlay of capital and the receipt of products and services
  - Supports business processes reengineering (BPR) efforts
  - Lowers telecommunications cost - the Internet is much cheaper than value added networks (VANs)
Benefits of E-Commerce

- **Benefits to customers**
  - Enables consumers to shop or do other transactions 24 hours a day, all year round from almost any location
  - Provides consumers with more choices
  - Provides consumers with less expensive products and services by allowing them to shop in many places and conduct quick comparisons
  - Allows quick delivery of products and services (in some cases) especially with digitized products
  - Consumers can receive relevant and detailed information in seconds, rather than in days or weeks
  - Makes it possible to participate in virtual auctions
  - Allows consumers to interact with other consumers in electronic communities and exchange ideas as well as compare experiences
  - Facilitates competition, which results in substantial discounts
Benefits of E-Commerce

Benefits to Society

- Enables more individuals to work at home, and to do less traveling for shopping, resulting in less traffic on the roads, and lower air pollution
- Allows some merchandise to be sold at lower prices, benefiting less affluent people
- Enables people in Third World countries and rural areas to enjoy products and services which otherwise are not available to them
- Facilitates delivery of public services at a reduced cost, increases effectiveness, and/or improves quality
Limitations of E-Commerce

- Technological Limitations
  - Lack of universally accepted security standards
  - Insufficient telecommunications bandwidth
  - Expensive accessibility

- Non-technological Limitations
  - Perception that EC is insecure
  - Unresolved legal issues
  - Lacks a critical mass of sellers and buyers
B2C E-Commerce

- **Electronic Storefront** has its own URL at which buyers can place orders.
- **Electronic Malls** (Cybermall or e-mall) is a collection of individual shops under one Internet address.
- **Cyberbanking** (electronic banking) conducting various banking activities outside of a physical banking location.
- **Online Securities Trading** uses computers to trade stocks, bonds and other financial instruments.
- **Online Job Market** advertises available positions, accept resumes and takes applications via the Internet.
- **Travel Services** plan, explore and arrange almost any trip economically over the Internet.
- **Real Estate** view, sort and organize properties according to your preferences and decision criteria.
- **Really Simple Syndication (RSS)** information that you request, called a feed, comes to you daily through a piece of software called a newsreader.
B2B E-Commerce

- **Sell-side marketplaces** are where organizations attempt to sell their products or services to other organizations electronically from their own private e-marketplace.

- **Buy-side marketplaces** are where organizations attempt to buy needed products or services from other organizations electronically.

- **E-Procurement** is using electronic support to purchase goods and materials, sourcing, negotiating with suppliers, paying for goods and making delivery arrangements.

- **Group purchasing** is when the orders of many buyers are combined so that they constitute a large volume.

- **Airways** business example
  - Other airways
  - Travel agents
  - Etc…
Interdisciplinary Nature of EC

- Marketing
- Computer sciences
- Consumer behavior and psychology
- Finance
- Economics
- Management information systems
- Accounting and auditing
- Management
- Business law and ethics
- Others
2. Electronic Payment
Electronic Payment

- Electronic payment systems enable you to **pay for goods and services electronically.**
  - Electronic checks (e-checks) are similar to paper checks and are used mostly in B2B.
  - Electronic credit cards allow customers to charge online payments to their credit card account.
  - Purchasing cards are the B2B equivalent of electronic credit cards and are typically used for unplanned B2B purchases.
  - Electronic cash: Stored-value money cards allow you to store a fixed amount of prepaid money and then spend it as necessary.

- Electronic payment is an indispensable technology for Pure EC
  - Also a good application of crypto technology
**Electronic Payment**

- How to protect payment information over the network?
  - **Secure socket layer (SSL)** — protocol that utilizes standard certificates for authentication and data encryption to ensure privacy or confidentiality
  - **Transport Layer Security (TLS)** — as of 1996, another name for the Secure Socket Layer protocol
  - **Secure Electronic Transaction (SET)** — a protocol designed to provide secure online credit card transactions for both consumers and merchants; developed jointly by Netscape, Visa, MasterCard, and others
Electronic Payment

- Electronic wallets (e-wallets) — a software component in which a user stores credit card numbers and other personal information; when shopping online; the user simply clicks the e-wallet to automatically fill in information needed to make a purchase
  - One-click shopping — saving your order information on retailer’s Web server
  - E-wallet — software downloaded to cardholder’s desktop that stores same information and allows one-click-like shopping
Electronic Payment

- Smart card—an electronic card containing an embedded microchip that enables predefined operations or the addition, deletion, or manipulation of information on the card
Electronic Payment

- Categories of smart cards
  - **Contact card**—a smart card containing a small gold plate on the face that when inserted in a smart-card reader makes contact and so passes data to and from the embedded microchip
  - **Contactless (proximity) card**—a smart card with an embedded antenna, by means of which data and applications are passed to and from a card reader unit or other device

- Important applications of smart card use:
  - Loyalty
  - Financial
  - Information technology
  - Health and social welfare
  - Transportation
  - Identification
Classification of Electronic Payment

- **Electronic Cash system**: Electronic version of real world cash, Don’t need any broker in transaction
  - Network type: Ecash, Netcash, Millicent, PayMe, etc.
  - IC card type: Mondex, Visa Cash, PC pay, etc

- **Payment broker system**: A trusted broker mediates a payment transaction
  - Credit card system: SET, First Virtual (FV)
  - Electronic cheque system: NetCheque, Echeck
Electronic Cash

- A digital data with monetary value (signed by bank)
  - (hidden) user information, user account, value
- Payable without online help of Bank

- Classification of electronic cash systems
  - IC card type / Network type cash
  - Online / Offline cash
  - Closed loop / Open loop cash
  - Pay in advance / Pay later

- Major electronic cash system
  - Network type: Ecash, Netcash, Millicent, PayMe, etc.
  - IC card type: Mondex, Visa Cash, PC pay, etc.
Requirement of Electronic Cash System

- Security: against any forgery
- Privacy
  - Untraceability: user of a payment cannot be traced
  - Unlinkability: cannot link two payments
- Unreusability: prevent double spending
  - Detecting after double spending
  - Detecting before double spending occurs
- Offline payment: don’t need online communication with bank during payment
- Transferability: transferable to other user (not payment)
- Divisibility: divide and pay
- Anonymity revocation of illegal users
Ecash System

- Electronic cash using blind signature technology (RSA-based)
- Developed by D. Chaum in DigiCash (http://www.digicash.com/)
- Provide perfect anonymity

Diagram:

1. e-Cash 발행요구
2. e-Cash 발행
3. 상점 접속 및 상품선택
4. 상점 S/W 구동
5. 지급요구
6. e-Cash 전송
7. e-Cash 검증요구
8. 유효통보
9. 영수증 전송
10. 상품/서비스
11. 상품/서비스 전송
Mondex

- Smart card electronic cash system
- Offline cash
- COS (Chip Operating System): MULTOS (Multi-Application Operating System)

System configuration
- Mondex Wallet
- Mondex Balance Reader
- Mondex Telephone
- Mondex Card
Mondex

1. 실제현금
2. 전자화폐
3. 현금을 이체
4. 상품 구입
5. 청구
6. 대금 결제 & 수수료 지급

Mondex Cardholder

Bank

Mondex 가맹점

Mondex 회사
## Comparison of Electronic Cash Systems

<table>
<thead>
<tr>
<th>제품</th>
<th>보안 메카니즘</th>
<th>s/w 요구</th>
<th>h/w 요구</th>
<th>익명성</th>
<th>양도성</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mondex</td>
<td>마이크로 칩</td>
<td>X</td>
<td>O</td>
<td>strong</td>
<td>O</td>
</tr>
<tr>
<td>CyberCoin</td>
<td>RSA, DES</td>
<td>O</td>
<td>X</td>
<td>strong</td>
<td>X</td>
</tr>
<tr>
<td>PC Pay</td>
<td>h/w - based</td>
<td>O</td>
<td>O</td>
<td>strong</td>
<td>X</td>
</tr>
<tr>
<td>ecash</td>
<td>RSA</td>
<td>O</td>
<td>X</td>
<td>strong</td>
<td>X</td>
</tr>
<tr>
<td>PayMe</td>
<td>대칭 및 비대칭 키 암호</td>
<td>O</td>
<td>X</td>
<td>Resonably</td>
<td>X</td>
</tr>
<tr>
<td>NetCash</td>
<td>kerberos 인증</td>
<td>O</td>
<td>X</td>
<td>low</td>
<td>X</td>
</tr>
<tr>
<td>Visa Cash</td>
<td>마이크로 칩</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>X</td>
</tr>
<tr>
<td>Millicent</td>
<td>소액거래</td>
<td>O</td>
<td>X</td>
<td>Resonably</td>
<td>X</td>
</tr>
<tr>
<td>EIPaN</td>
<td>마이크로 칩</td>
<td>X</td>
<td>O</td>
<td>strong</td>
<td>X</td>
</tr>
<tr>
<td>NetFare</td>
<td>card &amp; PIN number</td>
<td>X</td>
<td>O</td>
<td>strong</td>
<td>X</td>
</tr>
</tbody>
</table>
Electronic Cash Systems in Korea

- K-Cash:  http://www.kcash.or.kr/
- iCash:   http://www.icash.co.kr/
- Mybi:    http://www.mybi.co.kr/
- Visa Cash: http://www.visacash.co.kr/

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3. Secure Electronic Transaction (SET)
Paying with Credit Card on the Internet

- Problem: communicate credit card and purchasing data securely to gain consumer trust
  - Authentication of buyer and merchant
  - Confidential transmissions

- SSL (Secure Socket Layer)
- TLS (Transport Layer Security)
  - IETF version of SSL

- *i*KP (Internet Keyed Payment, IBM)
- SEPP (Secure Encryption Payment Protocol)
  - MasterCard, IBM, Netscape

- STT (Secure Transaction Technology)
  - VISA, Microsoft

- SET (Secure Electronic Transactions)
  - MasterCard, VISA

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**Communication Security**

- OBSOLETE
- VERY SLOW ACCEPTANCE
Secure Electronic Transaction (SET)

- Developed by Visa and MasterCard
- Designed to protect credit card transactions

- **Confidentiality**: all messages encrypted

- **Trust**: all parties must have digital certificates

- **Privacy**: information made available only when and where necessary
Participants in SET
SET Business Requirements

- Provide **confidentiality** of payment and ordering information
- Ensure the **integrity** of all transmitted data
- Provide **authentication** that a cardholder is a legitimate user of a credit card account
- Provide **authentication** that a merchant can accept credit card transactions through its relationship with a financial institution
- Ensure the use of the best security practices and system design techniques to protect all legitimate parties in an electronic commerce transaction
- Create a protocol that neither depends on transport security mechanisms nor prevents their use
- Facilitate and encourage interoperability among software and network providers
SET Transactions

1. Customer browses and decides to purchase.

2. SET sends order and payment information.

3. Merchant forwards payment information to bank.

4. Bank checks with issuer for payment authorization.

5. Issuer authorizes payment.


7. Merchant completes order.

8. Merchant captures transaction.

9. Issuer sends credit card bill to customer.
SET Transactions

- The customer opens an account with a card issuer.
  - MasterCard, Visa, etc.
- The customer receives a X.509 V3 certificate signed by a bank.
- A merchant who accepts a certain brand of card must possess two X.509 V3 certificates.
  - One for signing & one for key exchange
- The customer places an order for a product or service with a merchant.
- The merchant sends a copy of its certificate for verification.
- The customer sends order and payment information to the merchant.
- The merchant requests payment authorization from the payment gateway prior to shipment.
- The merchant confirms order to the customer.
- The merchant provides the goods or service to the customer.
- The merchant requests payment from the payment gateway.
Key Technologies of SET

- Confidentiality of information: DES
- Integrity of data: RSA digital signatures with SHA-1 hash codes
- Cardholder account authentication: X.509v3 digital certificates with RSA signatures
- Merchant authentication: X.509v3 digital certificates with RSA signatures
- Privacy: separation of order and payment information using dual signatures
Dual Signatures

Links two messages securely but allows only one party to read each.

MESSAGE 1

MESSAGE 2

DIGEST 1

DIGEST 2

NEW DIGEST

PRIVATE KEY

DUAL SIGNATURE

HASH 1 & 2 WITH SHA

CONCATENATE DIGESTS TOGETHER

HASH WITH SHA TO CREATE NEW DIGEST

ENCRIPT NEW DIGEST WITH SIGNER’S PRIVATE KEY
Dual Signatures

- **Concept:** Link Two Messages Intended for Two Different Receivers:
  - Order Information (OI): Customer to Merchant
  - Payment Information (PI): Customer to Bank
- **Goal:** Limit Information to A “Need-to-Know” Basis:
  - Merchant does not need credit card number.
  - Bank does not need details of customer order.
  - Afford the customer extra protection in terms of privacy by keeping these items separate.
- **This link** is needed to prove that payment is intended for this order and not some other one.
  - The merchant has received OI and verified the signature.
  - The bank has received PI and verified the signature.
  - The customer has linked the OI and PI and can prove the linkage.
The operation for dual signature is as follows:

- Take the hash (SHA-1) of the payment and order information.
- These two hash values are concatenated \([H(PI) \ || \ H(OI)]\) and then the result is hashed.
- Customer encrypts the final hash with a private key creating the **dual signature**.

\[
DS = E_{KRC} [ \ H(H(PI) \ || \ H(OI)) ]
\]
Dual Signatures

- Verification by Merchant (has OI)
  - The merchant has the public key of the customer obtained from the customer’s certificate.
  - Now, the merchant can compute two values:
    \[ H(PIMD || H(OI)) \]
    \[ D_{KUC}[DS] \]

- Verification by Bank (has PI)
  - The bank is in possession of DS, PI, the message digest for OI (OIMD), and the customer’s public key, then the bank can compute the following:
    \[ H(H(PI) || OIMD) \]
    \[ D_{KUC}[DS] \]
SET Transactions

- The following transaction protocols are defined in SET:
  - card holder registration
  - merchant registration
  - purchase request
  - payment authorization
  - payment capture
  - certificate query
  - purchase inquiry
  - purchase notification
  - sale transaction
  - authorization reversal
  - capture reversal
  - credit reversal
4. Electronic Auctions
Auctions

- Auction is a competitive process in which either a seller solicits bids from buyers or a buyer solicits bids from sellers.
- Negotiate price!
- Auctions have a long history and is an effective method to distribute resources.
- **Forward auctions** are auctions that one seller uses as a channel to many potential buyers.
- **Reverse auctions** are auctions that one buyer, usually an organization, wants to buy a product or service from many potential sellers.
Auction Types in the Real World

- Sealed-bid auctions
  - First priced sealed bid auction
  - Vickrey auction
  - Sealed double auction

- Public auctions
  - Dutch auction
  - English auction
Auction Types in the Real World

- **First priced sealed bid auction**
  - Rules (protocol): Bidders submit a single sealed bid before deadline
  - Outcome: Bidder with the highest bid price becomes the winner

- **Vickrey auction**
  - Rules (protocol): Bidders submit a single sealed bid before deadline
  - Outcome: Bidder with the highest bid price becomes the winner, but the second highest price becomes the price

- **Sealed double auction**
  - Rules (protocol): Bidders and sellers submit a single sealed bid before deadline
  - Outcome: Auctioneer determines a single market-clearing price and matches buyers and sellers
Auction Types in the Real World

- **Dutch auction**
  - Rules (protocol): Auctioneer calls out descending price. Bidder calls out a bid.
  - Outcome: Winner is the first bidder to call out at price bid

- **English auction**
  - Rules (protocol): Bidders successively raise bid for item until one bidder remains
  - Outcome: Winner is last bidder remaining at price of second-highest bidder
Typical Model of Auction

Auctioneer → Opening → BBS

Public communication channel

Bidders

Prime security issue
1. Secrecy of bid value
2. Anonymity of bidder
Classification of Auctions

- **Sealed-bid auction**
  - Provide **Secrecy of bid value**
  - Each bidder submits a bid only once secretly
  - Competition principle does not work well (A winning bid may be much higher than market price)

- **Public auction**
  - Provide **Anonymity of bidder**
  - Bidders participate in auction anonymously
  - Bidding values are published and multiple bidding is allowed
  - Familiar type of auction over the open network like the Internet
  - Many online auction services over the Internet
Sealed-bid Auctions

Bidder 1  Bidder 2  ......  Bidder n

encrypted bids

decryption

Auctioneer

Auction result
(Winner and price)

Bidding stage

Opening stage
Requirements for Sealed-bid Auction

- Correctness: correct winning price and winners are determined according to the auction rule.
- Confidentiality: each bid remains confidential before the bid opening phase starts.
- Fairness: No bidder can choose his bid according to other bidders' bids.
- Robustness: Any malicious behaviour of any party cannot compromise the system or lead to an incorrect result.
- Public verifiability: correctness can be publicly verified.
- Non-repudiation: no bidder can deny his bid.
- Price Flexibility: the biddable prices are not limited to a small set. The bids can be as precise as the bidders like.
- Rule Flexibility: the auction protocol is independent of the auction rules.
- Privacy: confidentiality of the losing bids must be kept even after the bid opening phase.
Requirements for Public Auction

- Anonymity
- Traceability (a winner is traceable after decision)
- No framing (nobody can impersonate a bidder)
- Unforgeability
- Non-repudiation
- Fairness (all bids should be fairly dealt with)
- Public verifiability
- Unlinkability among different auctions
- Linkability in an auction
- Efficiency of bidding
- One-time registration (can participate in multiple rounds)
5. Electronic Voting
Electronic Voting

- Implement real world voting (election) by electronic means (using computer and network)
Paper Voting Scenario

Registration
- Poll list
- Voting office
- Voters

Voting at Booth
- Identification by poll list
- Voting Sheet
- Observer/Administrator
- Secret voting

Counting
- # slip
- Tallying
Why Electronic Voting?

- Advantages
  - Convenience for voters
  - Efficiency of management, counting
  - Provide alternative choice for voters rather than traditional paper-based voting

- Electronic voting can solve the problem of decreasing participation rate in voting. Younger generation prefers electronic means
Classification of Electronic Voting

- **Computer voting** (kiosk, electronic voting booth)
  - Electronic voting using computer in voting booth
  - Convenient user interface
  - Efficient management and tally
  - But, just half way to electronic voting

- **Internet voting**
  - Electronic voting using computers connected to the Internet
  - Can participate in voting in any place over the Internet
  - Proceeding to mobile voting
Electoral Systems

- **Plurality systems** (First-Past-The-Post in a horse racing)
  - Winner is who received the most votes regardless of majority requirement.
  - Winner takes all.
  - UK, Canada, USA
  - Single non-transferable vote: Japan
  - Block vote, Limited vote: Britain
  - Approval voting: USA

- **Majoritarian systems** (결선투표제)
  - Winner is required to receive more than half
  - Second ballot
  - Preferential voting (Alternative voting) in Australia

- Many kinds of variants depending on cultural background
Security Requirements of e-Voting

- Privacy (confidentiality)
- Prevention of double voting
- Universal verifiability (correctness)
- Fairness
- Robustness
- Receipt-freeness (prevent vote buying, coercion)
- Efficiency, Mobility, Convenience, Flexibility
Receipt-Freeness

- Receipt-freeness
  - A unique security requirement of electronic voting
  - Voter should not be able to construct a receipt
  - Voter must keep his vote private

- Why is it important?
  - Vote buying is a common experience in real political voting (threat, solicitation)
Approaches for Secure e-Voting

- Schemes using **blind signature**
  - [Cha88], [FOO92], [OMAFO99]
  - Efficient, but requires anonymous channel (frequently implemented using mixnet)

- Schemes using **mixnet**
  - [PIK93], [SK95], [Abe98], [HS00], [FS01], [Neff01], [LBD03]
  - Require huge computation for mixing

- Schemes using **homomorphic encryption**
  - [Ben87], [SK94], [CGS97], [LK00], [Hirt01], [MBC01], [BFPPS01], [LK02]
  - Huge proof size, restriction on message encoding
  - Many researches on receipt-freeness
e-Voting using Blind Signature

(1) Voter registration (encrypted ballot + blind signature)

(2) Voting (encrypted ballot + signature)

(3) Counting (Threshold decryption)

Administrator

Voters

Talliers

Anonymous channel

Blinding
Unblinding
RSA-based Blind Signature

User

Get a signature for a message m.

Signer

(1) Blinding
\[ r \in \mathbb{Z}_N^* \]
\[ m' = H(m) \cdot r^e \mod N \]

(2) Signing
\[ \sigma' = m'^d \mod N \]

(3) Unblinding
\[ \sigma = \sigma' \cdot r^{-1} \mod N \]

\[ \sigma = \sigma' \cdot r^{-1} \mod N = (H(m) \cdot r^e)^d \cdot r^{-1} \mod N = H(m)^d \mod N \]

\( \sigma \) is a valid signature of the signer.
The signer cannot have any information on \( m \) and \( \sigma \).
e-Voting using Blind Signature

- **Main Idea**
  - Administrator issues valid ballots using blind signature (User authentication and vote secrecy)
  - Use anonymous channel to hide the voter-vote relationship (mainly implemented with mixnet)

- **Criticism**
  - Hard to assume anonymous channel
  - If mixnet is used, blind signature is not necessary
  - User chosen randomness in blinding can work as a receipt

- Many implementation examples
  - Sensus L.F. Cranor, Washington Univ.
    - [http://www.ccrc.wustl.edu/~lorracks/sensus](http://www.ccrc.wustl.edu/~lorracks/sensus)
  - EVOX M.A. Herschberg, R.L. Rivest, MIT,
e-Voting using Homomorphic Encryption

Homomorphic encryption

\[ E(m_1) \times E(m_2) = E(m_1 + m_2) \]

(1) Voting
- Encrypted ballot
- Proof of validity
- Signature

(2) Counting
(Threshold decryption)

Sum up valid ballots

BBS

Voters

Talliers
e-Voting using Homomorphic Encryption

- Main idea
  - Tally the summed ballots with a single threshold decryption using the homomorphic property of encryption (keep the privacy of ballots)
  - Each ballot should be valid (voter should provide the proof of validity of ballot)
  - Relatively easy to design receipt-free voting schemes

- Criticism
  - Message encoding is very restrictive
  - Large amount of ZK proofs, overload in computation and communication
e-Voting using Mixnet

1. Voting
   - Voters cast encrypted ballots
   - BBS1 collects encrypted ballots

2. Mixing
   - Mixers receive encrypted ballots
   - Mixers provide proof of correct mixing
   - BBS1 verifies mixing process

3. Opening
   - Talliers open (threshold decryption)
   - Mixnet provides anonymity service

Mixnet provides anonymity service
A mix server:
- Receives inputs
- Produces “related” outputs
- The relationship between inputs and outputs is secret
- Cryptographic implementation of Ballot box
Mixnet (Mix network)
- A group of mix servers that operate sequentially.
- Provides anonymity service

If a single mix server is honest, global permutation is secret.
Mixnet

- **Decryption Mix Nets** [Cha81,…]
  - Inputs: ciphertexts
  - Outputs: *decryption* of the inputs and shuffle
    \[ c = E_{k_1} (E_{k_2} (E_{k_3} (E_{k_n} (m))))) \]

- **Re-encryption Mix Nets** [PIK93,…]:
  - Inputs: ciphertexts
  - Outputs: *re-encryption* of the inputs and shuffle
    \[ (c_1, c_2) = (g^k, y^k m) \] \hspace{1cm} **Original ElGamal**
    \[ (c'_1, c'_2) = (c_1 g^r, c_2 y^r) = (g^{k+r}, y^{k+r} m) \] \hspace{1cm} **Re-encrypted ElGamal**
e-Voting using Mixnet

- Main idea
  - Voters take part in the voting in authentic way
  - Encrypted ballots are shuffled using mixnet (anonymity)
  - Multiple talliers open each ballot in a threshold manner (open only after mixing)

- Criticism
  - Large amount of computation for cryptographic mixing
6. Votopia Project in ICU
An international project called “VOTOPIA” was carried out by effective collaboration among some of the prominent Korean and Japanese IT firms and research institutes

- Korea: IRIS, KISTI, KSIGN, LG CNS, SECUi.COM, STI, VOCOTECH
- Japan: NTT, University of Tokyo

IRIS, affiliated to ICU, Korea - initiated, managed, and coordinated the project
Introduction to Votopia

- Korea/Japan teams initiated the idea of VOTOPIA* in 2000, in order to show their strong support to the most prestigious mega event "2002 FIFA World Cup Korea/Japan™".
- Advance in Korean PKI
  - 10M broadband Internet users at home
  - 3M certificate holders for Internet banking, e-auction, etc.
- Verify secure Internet voting system using cryptographic primitives and show its usefulness as replacement of paper voting.
System Design of Votopia

**Registration**
- **R1.** After setting up secure session, download registration form
- **R2.** Send encrypted public key & registration information with session key
- **V1.** Download voting applet
- **V2.** Encrypt the ballot with counter’s public key in ElGamal encryption
- **V3.** Request Schnorr blind signature
- **V4.** Receive Schnorr blind signature
- **V5.** Verify admin’s blind signature
- **V6.** Send encrypted ballot & admin’s digital signature
- **R3.** Request certificate
- **R4.** Issue certificate
- **R5.** Save certificate

**Web servers**

**Admin server**

**Counter server**

**Voting**

**Counting**

**CA server**

**DB server**

**C2.** Send query for tallying
**C3.** Receive the final result

**V7.** Verify admin’s signature & decrypt ballot using counter’s private key

**V8/C1.** Save all decrypted ballots
System Configuration

http://mvp.worldcup2002.or.kr

VLAN 1

VLAN10

KISTI Backbone Network
Cisco 6506/opal

Firewall SECUi.Wall
Compaq Proliant ML530

L4 Switch
CSS 11800

GbE

GbE

GbE

GbE

GbE

mvp01

mvp02

mvp03

mvp04

mvp01

mvp02

mvp03

mvp04

SUN V880

SUN V880

SUN Enterprise 3000

SUN Enterprise 6500

GbE

GbE

GbE

GbE

GbE

mvp01

mvp02

mvp03

mvp04

Compaq

Web Servers

ADMIN Servers

DB Server
System Configuration
Homepage

Choose MVP
2002 FIFA World Cup Korea - Japan

Schedule

- Select MVP and Best Goalkeeper through the Internet

- Preliminary Voting
  - Period: Jun. 1 - 14, 24:00 (KST)
  - Result: Jun. 15, 10:00 (KST)

- Main Voting
  - Period: Jun. 15 - 30, 23:30 (KST)
  - Result: Jun. 30, 24:00 (KST)

Minimum System Requirements

<table>
<thead>
<tr>
<th>O/S</th>
<th>MS Windows 98/ME/2000/XP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Web Browser</td>
<td>MS Internet Explorer 4.0 or higher</td>
</tr>
<tr>
<td>Internet Speed</td>
<td>Over 56Kb/s</td>
</tr>
<tr>
<td>JRE</td>
<td>1.1.x or 1.2.x (Refer to FAQ #21 for details)</td>
</tr>
<tr>
<td>Note</td>
<td>The security policy of firewall or proxy server in a client side must not restrict specific web service.</td>
</tr>
</tbody>
</table>

Motivation

- To celebrate the joint hosting of "2002 FIFA World Cup Korea/Japan(TM)" and to support this international festival by the volunteering parties from two hosting countries.

- To demonstrate that Korea/Japan are proud of having established the top-level IT infrastructure and to promulgate new cyber service to the world.

- To serve the first secure Internet voting that features the similar functionalities of the manual voting system to all the netizens all over the world.
### Registration Page

#### Choose MVP
2002 FIFA World Cup Korea – Japan

---

### Registration Form

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>ID(*)</td>
<td>wildman</td>
</tr>
<tr>
<td>Password (*)</td>
<td>****</td>
</tr>
<tr>
<td>Re-type Password(*)</td>
<td>****</td>
</tr>
<tr>
<td>Name</td>
<td>Hong Gil Dong</td>
</tr>
<tr>
<td>E-mail(*)</td>
<td><a href="mailto:hgd@icu.ac.kr">hgd@icu.ac.kr</a></td>
</tr>
<tr>
<td>Country(*)</td>
<td>Korea Republic</td>
</tr>
<tr>
<td>Gender(*)</td>
<td>Male</td>
</tr>
<tr>
<td>Age(*)</td>
<td>26~30</td>
</tr>
</tbody>
</table>

---

(4-10 English characters or numbers)
(4-8 alphanumeric characters)

---

(*): Mandatory field

---

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[Warning] To vote, you must click "Yes" in the popping-up window.

<table>
<thead>
<tr>
<th>The period of main voting.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Country</strong></td>
</tr>
<tr>
<td>MVP</td>
</tr>
<tr>
<td>Best Goalkeeper</td>
</tr>
</tbody>
</table>

**Process of voting**
- Getting administrator’s blind signature
- Administrator’s blind signature is valid

- Voting has been completed successfully.
- Press logout button below to complete voting

 Cast your vote

Log-out

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Information security is a primitive technology for the advance of IT
- Development of new products
- Secure management of information systems

Information security is achieved using Cryptology

Competitiveness comes from your information quality