# Unmasking MedusaLocker Ransomware

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#### Alarming increase in MedusaLocker Ransomware Victims

MedusaLocker ransomware has been active since September 2019. MedusaLocker actors typically gain access to victims' networks by exploiting vulnerabilities in Remote Desktop Protocol (RDP).

Once Threat Actors (TAs) gain access to the network, they encrypt the victim's data and leave a ransom note with instructions on how victims can communicate with the TAs in every folder while encrypting files. The ransom note tells victims to make a ransom payment to TA's crypto wallet address.

MedusaLocker appears to work on Ransomware-as-a-Service (RaaS) model, which allows cybercriminals to rent the ransomware and its services from the developer. In the RaaS model, ransomware operators develop the ransomware and a Command and Control panel which is then used by the affiliates to launch ransomware attacks on the targets selected by their affiliates. After a successful operation, the ransomware operators and affiliates divide the ransom extorted from victims.

Figure 1 illustrates the countries that have been targeted by the ransomware group since January 2023, with a total of 24 victims worldwide.



Figure 1 – Map Showing Targets of MedusaLocker

MedusaLocker ransomware gang is known to target Hospital and Healthcare industries, but additionally, the gang also targets industries such as Education and Government organizations.

The figure below shows the industries targeted by the MedusaLocker Ransomware.

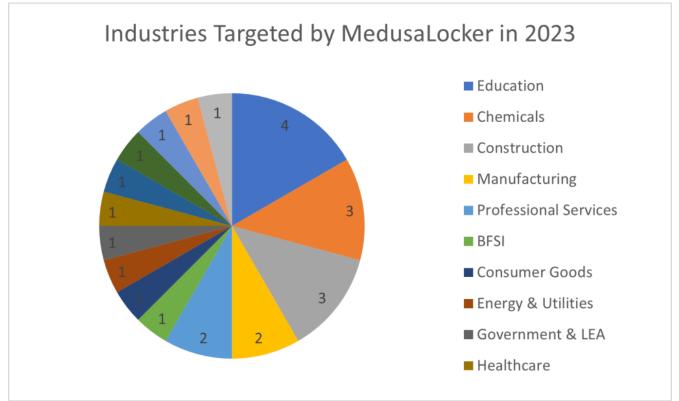


Figure 2 – Industries Targeted by MedusaLocker

The United States of America is the biggest target for all ransomware groups; MedusaLocker also follows this trend, where the largest numbers of the victims are from the United States of America.

However, victims of MedusaLocker ransomware are scattered across all continents, excluding Antarctica. The figure below shows the countries of the affected targets.

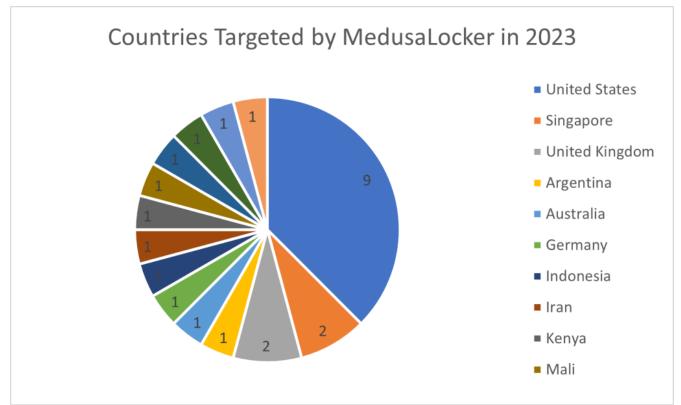


Figure 3 – Countries Targeted by MedusaLocker

# **Technical Details**

According to <u>CISA</u>, the MedusaLocker ransomware group gains initial access to the victim's device through vulnerable Remote Desktop Protocol (RDP) configurations. The TAs also use phishing and spear phishing emails in their campaigns to target possible victims.

The malware sample we have identified is a 32-bit Graphical User Interface (GUI) based executable compiled with Microsoft Visual C/C++, with a SHA 256 hash of

"1658a064cb5a5681eee7ea82f92a2b7a14f70268dda3fc7aad8a610434711a8f" (shown in the figure below).

We will be performing an analysis of this ransomware executable to gain insights into its operations.

File name C: \Users \	authorst ava		
File type Entry point	Base address		MIME
PE32 • 0043a3	27 > Disasm 00400000	Memory map	Hash
PEEEExport	Import Resources .NET TLS	Overlay	Strings
Sections TimeDateStamp 0005 > 2019-10-31	SizeOfImage Resources 6:08:40 000ab000 Manifest	Version	Entropy
Scan	Endianness Mode Architecture	Туре	Hex
Detect It Easy(DiE)	LE 32 I386	GUI	
compiler	Microsoft Visual C/C++(-)[-]	S	
linker	Microsoft Linker(14.21**)[GUI32]	S ?	
			Options
Signatures	Deep scan	<b>6</b>	About
100%	> Log 157 msec	Scan	Exit

Figure 4 – MedusaLocker File Details

#### Mutex Creation:

Upon execution, the MedusaLocker creates a mutex, or mutual exclusion object, as a locking mechanism to prevent two threads from writing to shared memory simultaneously and to avoid reinfection of the victim.

The name of the mutex is "8761ABBD-7F85-42EE-B272-A76179687C63". It is hardcoded into the binary, as shown in the figure below.

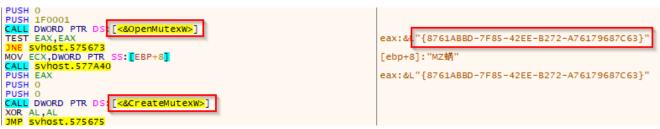


Figure 5 – MedusaLocker Creating Mutex

#### Checking for Administrative Privileges:

After acquiring the mutex, the ransomware checks for the privilege of its running process. MedusaLocker requires administrative privileges in order to carry out its malicious operations without any restrictions. To determine the current privileges, the ransomware checks its own memory for a process token.

To do this, it obtains the current process and then extracts the token information from the process memory using the *GetTokenInformation()* function. The code for checking the process's privileges is shown in the figure below.

```
E
 HANDLE CurrentProcess; // eax
 bool v2; // [esp+6h] [ebp-12h]
 HANDLE TokenHandle; // [esp+8h] [ebp-10h] BYREF
 DWORD ReturnLength; // [esp+Ch] [ebp-Ch] BYREF
 int TokenInformation; // [esp+10h] [ebp-8h] BYREF
 v2 = 0;
 TokenHandle = 0;
 CurrentProcess = GetCurrentProcess();
                                                                                                    Figure 6
 if ( OpenProcessToken(CurrentProcess, 8u, &TokenHandle) )
 {
   TokenInformation = 0;
   ReturnLength = 4;
   if
                         ion(TokenHandle, TokenElevation, &TokenInformation, 4u, &ReturnLength)
        = TokenInformation != 0;
 if ( TokenHandle )
   CloseHandle(TokenHandle);
 return v2;
```

- MedusaLocker Checking for Admin Privileges

#### **Privilege Escalation:**

The ransomware checks whether the process is currently running with administrative privileges. If the process is not running with admin privileges, the ransomware employs a User Account Control (UAC) bypass technique to restart itself with elevated privileges.

This technique uses the Microsoft Connection Manager Profile Installer (CMSTP.exe), a command-line program to install Connection Manager service profiles. CMSTP is used to execute malicious code by routing it through a proxy server.

An illustration of this technique is shown in the figure below.

```
v6 = 0;
if ( !CoInitialize(0) )
{
  memset(&
                      sizeof(nclsid))
                  0
  if (
                   itring(L"{3E5FC7F9-9A51-4367-9063-A120244FBEC7}", &pclsid) )
  {
    mem
                  String(L"{6EDD6D74-C007-4E75-B76A-E5740995E24C}"
    if ( !IIDFrom
                                                                      &iid) )
      memset(pszName, 0, sizeof(
      wcscpy_s(pszName, 0x104u, L"Elevation:Administrator!new:");
      wcscat_s(pszName, 0x104u, L"{3E5FC7F9-9A51-4367-9063-A120244FBEC7}");
      sub 420AA0(&pBindOptions
      pBindOptions.cbStruct = 36;
      v9 = 4;
      ppv = 0;
      while ( CoGetObject(pszName, &pBindOptions, &iid, &ppv) )
        ;
      if ( ppv )
      ł
        v1 = sub_420E60(v3);
        v2 = sub_407A40(v1);
(*(void (__stdcall **)(void *, int, _DWORD, _DWORD, _DWORD, int))(*(_DWORD *)ppv + 36))(ppv, v2, 0, 0, 0, 5);
        std::wstring::~wstring(v3);
        (*(void (__thiscall **)(void *, void *))(*(_DWORD *)ppv + 8))(ppv, ppv);
      }
    }
  3
  CoUninitialize();
3
```

Figure 7 – MedusaLocker Performing Privilege Escalation

#### **Disabling UAC Prompt:**

The ransomware then attempts to disable the UAC prompt so that the system will not prompt for authentication. To do this, it modifies the "EnableLUA" registry value located at *SOFTWARE\\Microsoft\\Windows\\CurrentVersion\\Policies\\System* to "0". This stops UAC prompts if the process requires higher privileges to execute.

If the registry modification fails, the ransomware changes the "ConsentPromptBehaviorAdmin" registry value to "0", allowing it to perform operations that require elevation without consent or credentials.

The code to disable the UAC prompt is shown in the figure below.



MedusaLocker Disabling UAC Prompt

#### Marking the Infected System:

After disabling the UAC prompt, MedusaLocker marks the infected system with the registry key. MedusaLocker creates a value "Self" in the registry key *HKEY\_CURRENT\_USER\SOFTWARE\MDSLK\* and sets the data as "svchost.exe" to the registry value, indicating that the system has already been infected by the MedusaLocker ransomware.

The figure below shows the registry entry.

📑 Registry Editor

<u>File Edit View Favorites Help</u>

Computer\HKEY\_CURRENT\_USER\SOFTWARE\MDSLK

Computer\HKEY_CURRENT_USER\SOFTW	ARE	NDSLK			
V 💻 Computer	^	Name	Туре	Data	
> HKEY_CLASSES_ROOT		(Default)	REG SZ	(value not set)	
V HKEY_CURRENT_USER		ab Self	REG_SZ	svhost.exe	
			-		
>					
>					
SOFTWARE					
> JOI WARE					
					Figure 0
					Figure 9 -
>					
- MDSLK					
, <b>1</b>					
> 📴 The large m					
> <b></b>	~				
	>				_

MedusaLocker creating registry marker

#### **Cryptor Initialization:**

The ransomware now initializes Cryptor, which performs AES-256 encryption on the victim's files at a later stage. MedusaLocker ransomware contains an embedded public key which is encoded with Base64 and used to initialize the Cryptor.

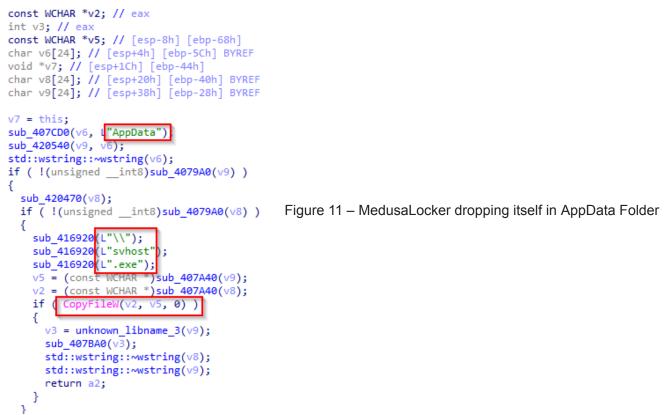
The figure below shows the Base64 string.



Figure 10 – MedusaLocker Initializing Encryption

#### **Persistence:**

Now, the ransomware achieves persistence on the victim's system by dropping itself into the "AppData" folder as "svhost.exe". The figure below shows the ransomware code to drop itself in the AppData Folder.



Additionally, the MedusaLocker Ransomware creates a Schedule Task entry in the system and launches itself every 15 minutes for an indefinite period.

The figure below shows the Schedule Task entry of the MedusaLocker Ransomware.

🕘 Task Scheduler (Local)	Name	Status	Triggers	Next Run Time	Last Run Time		
> 🛃 Task Scheduler Library	Name			Next Kull Hille	Last Kull Time		
	(The dollars)	in the second	Puliphingper Milleral	BARRIER BARRIER	BAR BOARD		
	Constanting of the second	1000	to the any star the traperty and any i budget instantion in	the second second	the second second		
	Contractor (Sec.	100	Repairing a second		1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		
	de Channellin,	100			And the second second		
	O'Contribution.	Sec.	Weekstein and a section of the		2000 (01 - 10 - 10 - 10 - 10 - 10 - 10 -		
	Characterization of the second	ilen in the	Rolland Agent Advect	Sector Sector Sectors	100 (100 - 100 C		
	(have properly as	100	A first any signative representation in the first sector of signature	and the second second	100 B		
	Concernance.	The second	Repairing a second	100 BO 100 BO	100 B (100 B)		
	Station and the	100	In fail, any day life signal rank any i having business? In-	And the second second	And the second second		
	O'Collins B.	Sec. 1	A 2-D worked 100- the suggest and any 12-D distribution.	and the second	1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1		
	svhost	Ready	At 10:01 every day - After triggered, repeat every 15 minutes indefinitely.	-03-2023 10:16:55	30-11-1999 00:00:00		
	General Triggers	Actions	Conditions Settings History (disabled)				
	When you crea	te a task, y	ou must specify the action that will occur when your task starts.  To change these a	ictions, open the task p	roperty pages using th		
	Action	De	tails				
	Start a program		\Users\ AppData\Roaming\svhost.exe				
	Start a program	n C:	(osers) Appoara (roanning) sonost.exe				

Figure 12 – MedusaLocker Creating Scheduled Task Entry

#### System Volume Enumeration:

After persistence, the ransomware enumerates all the logical drives in the system for further operations. The figure below shows the malware's routine for Enumerating Volumes in the system using the *FindNextVolumeW()* API.

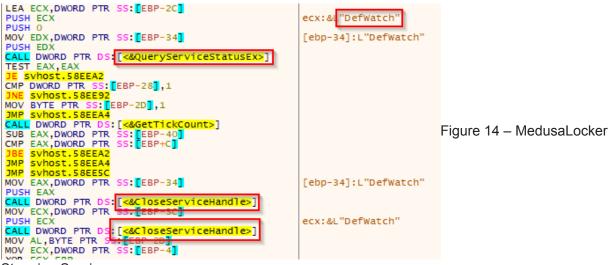


MedusaLocker Enumerating the Volume Drives

#### **Stopping Services:**

To avoid detection and ensure efficient encryption on the victim's machine, the MedusaLocker Ransomware also terminates various running services, including antivirus, database, and other utility services. This is done through a hardcoded list of services checked by the ransomware using the *QueryServiceStatusEx()* function. If any of the hardcoded services are found running, they are stopped using *CloseServiceHandle()*.

The figure below shows the routine for stopping services.



Stopping Services

The following table shows the targeted services

Defwatch	ccEvtMgr	ccSetMgr	SavRoam
sqlagent	Sqladhlp	Culserver	RTVscan
SQLADHLP	QBIDPService	Intuit.QuickBooks.FCS	QBCFMonitorService
sqlservr	sqlbrowser	Sqlwriter	msmdsrv
tomcat6	zhudongfangyu	SQLADHLP	vmware-usbarbitator64
vmware-converter	dbsrv12	dbeng8	

#### **Process Termination:**

After killing the predefined services, the ransomware enumerates the running processes using the *CreateToolhelp32Snapshot()* function and then terminates the relevant process using the *TerminateProcess()* function.

This is done by checking a hardcoded list of processes identified as being related to antivirus, databases, and other utility programs. After the processes have been identified, the ransomware will terminate them to prevent any interference with the encryption process.

The figure below shows the routine used to terminate the relevant processes.



Terminating Processes

The processes targeted by the MedusaLocker ransomware are as follows:

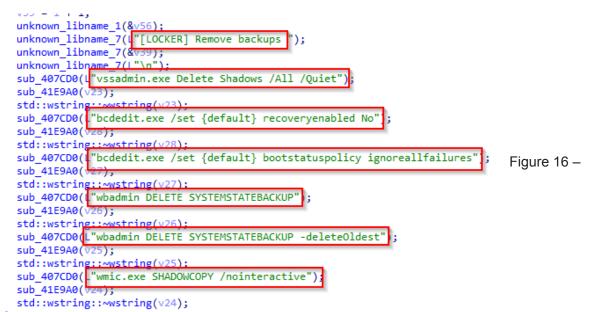
wxServerView	sqlservr.exe	sqlmangr.exe
supervise.exe	Culture.exe	RTVscan.exe
sqlbrowser.exe	winword.exe	QBW32.exe
qbupdate.exe	QBCFMonitorService.exe	axlbridge.exe
httpd.exe	fdlauncher.exe	MsDtSrvr.exe
java.exe	360se.exe	360doctor.exe
fdlauncher.exe	fdhost.exe	GDscan.exe
	supervise.exe sqlbrowser.exe qbupdate.exe httpd.exe java.exe	supervise.exeCulture.exesqlbrowser.exewinword.exeqbupdate.exeQBCFMonitorService.exehttpd.exefdlauncher.exejava.exe360se.exe

ZhuDongFangYu.exe

#### **Disabling Data Recovery:**

The Ransomware now utilizes inbuilt tools to delete the backups from the victim's system. It runs the command prompt and executes commands that remove the shadow copies and system backups, making it impossible to recover the data from the infected system. As a result, the victim is compelled to pay the ransom in order to regain access to their data.

The figure below shows the commands executed by the MedusaLocker.



MedusaLocker Removing the Backup from the victim's system

Additionally, the ransomware executes the *SHEmptyRecycleBinW()* API to clear the Recycle Bin, effectively obstructing the victim's ability to restore any deleted files. The code for this is shown in the figure below.

```
{
    return SHEmptyRecycleBinW(0, 0, 7u) == 0;
    Figure 17 – MedusaLocker Emptying the Recycle Bin
}
```

### **Excluding Folders from Encryption:**

After impairing data recovery, the ransomware creates a list of folders to exclude from encryption. This ensures that the important executables and temporary files used for normal operations are not encrypted while data files are still encrypted.

The figure below shows the code for the excluded file paths.



#### Data Encryption:

The ransomware now begins encrypting the files in the victim's machine. The data is encrypted using the AES 256 encryption algorithm, with the encryption key further encrypted by the RSA public key embedded in the ransomware. Without the private key, it is impossible to decrypt the AES key.

The figure below shows the code to encrypt the files.

```
phKey = 0;
if ( CryptDuplicateKey(*((_DWORD *)v15 + 4), 0, 0, &phKey) )
{
  v5 = (const WCHAR *)sub 407A40(a2);
 v12 = GetFileAttributesW(v5) & 0xFFFFFFE;
 v6 = (const WCHAR *)sub_407A40(a2);
  SetFileAttributesW(v6, v12);
  v7 = (const WCHAR *)sub_407A40(a2);
  hObject = CreateFileW(v7, 0xC000000, 0, 0, 3u, 0x80u, 0);
  if ( hObject != (HANDLE)-1 )
  ł
                                                                      "Encrypt file:
                                                                                         (int)a2);
    v8 = (const struct std::_Fake_allocator *)sub_416510((int)v13,
    std:: Container base0:: Alloc proxy(v15, v8);
    std::wstring::~wstring(v13);
    if ( (unsigned __int8)sub_415840(phKey, hObject, a3) )
    ł
                                                                                                   Figure 19
      CloseHandle(hObject);
      v9 = sub 412280(&unk 4A3AC0);
     sub_4165E0(v18, a2, v9);
v11 = (const WCHAR *)sub_407A40(v18);
     v10 = (const WCHAR *)sub_407A40(a2);
     v16 = MoveFileExW(v10, v11, 1u);
      v17 = v16;
      std::wstring::~wstring(v18);
    }
    else
    {
      CloseHandle(hObject);
    }
  3
  CryptDestroyKey(phKey);
```

- MedusaLocker's Encryption Routine

When encrypting each file, the ransomware leaves a ransom note in the folder and adds the extension 'itlock4'. It also excludes multiple file extensions such as .exe, .dll, .sys, .ini, .rdp, etc. files from encryption.

The figure below shows the encrypted files and ransom note.

→ This PC → Local Disk (C:)	>	••••••••••••••••••••••••••••••••••••••		~	<b>ت</b> که	earch M	AP
	^ I	Name	Date modified		Туре	S	õize
		and the second se	-03-2023 17:47		File folder		
		HOW_TO_RECOVER_DATA.html	-03-2023 17:47		Microsoft Edge	Н	5 KB
	1	.dat.itlock4	-03-2023 17:47		ITLOCK4 File		73 KB
		.txt.itlock4	-03-2023 17:47		ITLOCK4 File		9 KB
888. 		chm.itlock4	03-2023 17:47		ITLOCK4 File		609 KB
-		.txt.itlock4	-03-2023 17:47		ITLOCK4 File		241 KB
+C:		dii	-05-2006 19:26		Application exte	en	122 KB
-		in an ann an Ann	-05-2012 07:34		Application exte	en	48 KB
		exe	09-2020 04:55		Application		168 KB
and an	1	exe	-05-2021 04:47		Application		676 KB
		.exe	-07-2019 19:30		Application		248 KB
		line and	14 10 2015 14 51		A 12 12		104 1/0

Figure 20 – MedusaLocker Ransom note and Encrypted Files

In the end, MedusaLocker Ransomware presents the ransom note to its victims. The ransom note includes a personal ID for the victim's identification and a Tor contact page to facilitate negotiations and decrypt sample files.

The figure below shows the ransom note of MedusaLocker.

☐ HOW_TO_RECOVER_DATA.html × +		-		×
→ C ① File C:/ /HOW_TO_RECOVER_DATA.html	เ∕≡	Ē	•	
YOUR PERSONAL ID:				ľ
		ŗ		
/!\YOUR COMPANY NETWORK HAS BEEN PENETRATED /!\ All your important files have been encrypted!				
Your files are safe! Only modified. (RSA+AES)				
ANY ATTEMPT TO RESTORE YOUR FILES WITH THIRD-PARTY SOFTWARE				
WILL PERMANENTLY CORRUPT IT. DO NOT MODIFY ENCRYPTED FILES.				
DO NOT RENAME ENCRYPTED FILES. No software available on internet can help you. We are the only ones able to				
solve your problem.				
We gathered highly confidential/personal data. These data are currently stored on a private server. This server will be immediately destroyed after your payment.				
If you decide to not pay, we will release your data to public or re-seller. So you can expect your data to be publicly available in the near future				1
We only seek money and our goal is not to damage your reputation or prevent your business from running.				
You will can send us 2-3 non-important files and we will decrypt it for free to prove we are able to give your files back.				
Contact us for price and get decryption software.				
a l'angle and a that is a literation of the second				
* Note that this server is available via Tor browser only				

Figure 21 – Ransom note Dropped by the MedusaLocker Ransomware

#### **Network Activities:**

The MedusaLocker checks the active network adaptor and uses Internet Control Message Protocol (ICMP) to scan for all connected systems.

The figure below depicts the ransomware using ICMP to scan for connected systems.

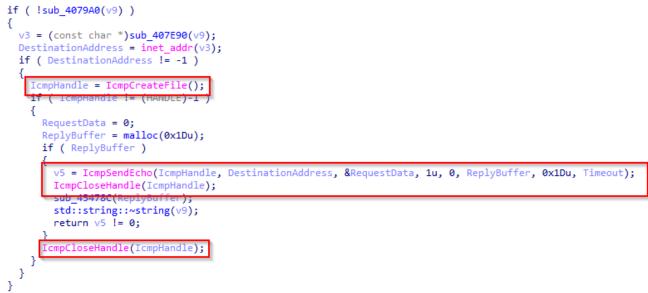
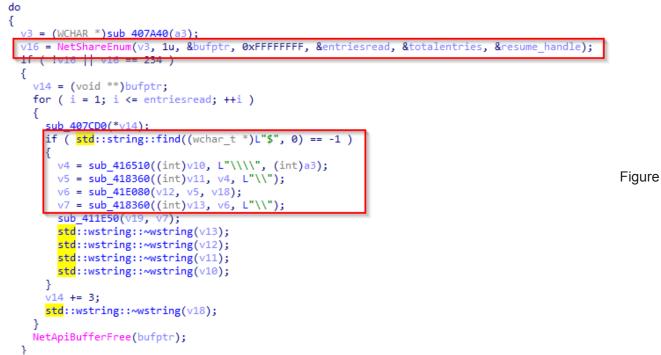


Figure 22 – MedusaLocker Enumerating the Network using ICMP Protocol

After enumeration, the ransomware scans for SMB shares connected to the system. It creates a list of SMB shares, excluding any hidden shares indicated by a name starting with "\$".

The code for this scanning process is shown in the figure below.



23 – MedusaLocker enumerating the SMB Shares

Eventually, the ransomware propagates to all shared resources and proceeds to infect other connected systems within the network.

# Conclusion

MedusaLocker ransomware is a highly sophisticated form of malicious software that can potentially cause severe data losses and financial losses for its victims. This advanced ransomware is difficult to detect and stop, and its encryption algorithms are extremely difficult to break.

There have been numerous attacks in a short period of time, targeting all kinds of industries and geographic locations. More attacks from the MedusaLocker Ransomware are expected to occur in the future.

## **Our Recommendations**

The following essential cybersecurity best practices create the first line of control against attackers. We recommend that our readers follow the best practices as given below:

- Frequent Audits, Vulnerability Assessments, and Penetration Testing of organizational assets, including network and software.
- Monitor incoming emails from suspicious and potentially malicious domains.
- Back-up data on different locations and implement Business Continuity Planning (BCP). Keeping the Backup Servers isolated from the infrastructure helps fast data recovery.
- Enforcement of VPN to safeguard endpoints.
- Conduct frequent training on security awareness for the company's employees to inform them about emerging threats.
- Implementation of technology to understand the behavior of the ransomware-malware families and variants to block malicious payloads and counter potential attacks.

Tactic	Technique ID	Technique Name
Initial Access	<u>T1133</u> T1566	External Remote Services Phishing
Persistence	<u>T1053.005</u>	Scheduled Task/Job: Scheduled Task
Privilege Escalation	<u>T1548.002</u>	Abuse Elevation Control Mechanism: Bypass User Account Control
Defense Evasion	<u>T1562.001</u>	Impair Defenses: Disable or Modify Tools
Discovery	<u>T1135</u>	Network Share Discovery
Impact	<u>T1486</u>	Data Encrypted for Impact

# **MITRE ATT&CK® Techniques**

# Indicators of Compromise (IOCs)

Indicators	Indicator Type	Description
3618b68d7db4614ec8d33b5052cc0e85 15177fbb65d707b308bac50f612b795494314001 1658a064cb5a5681eee7ea82f92a2b7a14f70268dda3fc7aad8a610434711a8f	MD5 SHA1 SHA256	MedusaLocker Executable
28ec152fadc5119c31f1fc984735b324 48e24f5c2c7572ed29a0e58b02e596f0638bc1f6 3e22df5e41df76a46ab360be05fe0ee5c336c84fd55db7763fe4e214dca194b4	MD5 SHA1 SHA256	MedusaLocker Executable

d9fa435d704caebc54408e03227f0044 0f36dff0f1beaf57d68b12fa0234853638c1c6f0 8724e513ca2b4ce055bb846220e57c2ab622f296bf7a768393a701319d3eac70	MD5 SHA1 SHA256	MedusaLocker Executable
2979ed84c4ca3deb2924bd1f26bf88bd 8f01f9112904389e0b53a25506ef69f99cc0fa1b bcf49e8f493c9eff83d9bc891e91dc91777f02b4f176e44b20f9a2d651f20fc3	MD5 SHA1 SHA256	MedusaLocker Executable
2316091f02153ac20dff768513aae1a4 6b7b1017b9313ab87fccf4ea08a427c1499b89dc 940bddbc6ef19b211f2022d61bf4d006969da11f9fe0beba98586e554dfcc741	MD5 SHA1 SHA256	MedusaLocker Executable
3618b68d7db4614ec8d33b5052cc0e85 15177fbb65d707b308bac50f612b795494314001 1658a064cb5a5681eee7ea82f92a2b7a14f70268dda3fc7aad8a610434711a8f	MD5 SHA1 SHA256	MedusaLocker Executable
e03fa1e0dd3dc0fb6960e76219ddf86c c92fd297256aa8d70607e33188b91442208aaeb3 0a758a922bdaacc08a84a62881eeb0f17075058ecf7329cbc10a9bfe1fba0814	MD5 SHA1 SHA256	MedusaLocker Executable
168447d837fc71deeee9f6c15e22d4f4 80ad29680cb8cecf58d870ee675b155fc616097f add2850732c42683ee92ba555bbffb88bf5a4eee7c51e24f15a898f2d5aff66b	MD5 SHA1 SHA256	MedusaLocker Executable
57ee7ef00e009c4048d78406b3dca5b7 81467ca16e87dfacd9c965f105fb5b30548f1ded e0221e692fa3476cb2d862c1aee07f3e87d83411ef9a534fdf8d20efbaee0394	MD5 SHA1 SHA256	MedusaLocker Executable
aa82e62207615d2f227ce9a0e488b912 d9390b6c1478970a9e7b8a3fe854a42efdc582f6 79e009e12ba6d60665faf5bdd523d80f0fe6be28694914cf0fa64929b4052e67	MD5 SHA1 SHA256	MedusaLocker Executable