

### WIRELESS 3.0

## Hacked – and hacked-off – Italians go for encrypted mobiles by Martyn Warwick - 3/5/2007 07:56:23

It is well known, and is supported by plenty of research evidence, that the Italians spend more time chatting on mobile phones than do the citizens of any other European country.

However, as many Italian celebrities and politicians have found to their cost and embarrassment, it seems remarkably easy for the media and others to gain access to what should be confidential and private conversations, which is why sales of handsets equipped with the very latest in encryption technology are now booming.

In recent weeks, prominent Italians have found themselves plastered all over the front pages of tabloids and broadsheets alike as details of the intrigues and transgressions they gossiped about on their cellphones have been leaked to the press.

For example, Piero Fassino, the national secretary of the Democratic Left Party, made some particularly injudicious comments about negotiations surrounding the take-over of a bank and hacked phone calls made by Luciano Moggi, the ex-head of the Juventus football club, led directly to a revelation widespread and institutionalised match-fixing that scandalised the country and caused ructions in the Italian parliament.

And not even the security services are immune, Nicolo Pollari, the head of the Italian equivalent of MI6, recently found himself reading transcripts of his supposedly ultra-secure mobile phone conversations in the Italian newspapers.

Such has been the furore that entrepreneurs are jumping on the bandwagon and courting a coterie of small companies that are providing encrypted software for mobiles.

One such is CasperTech, a Turin-headquartered enterprise that, over the four years of its existence has found demand for encryption software rocketing.

Ferdinando Peroglio, CasperTech's commercial director said, "When we first started out we thought we would market our encryption software to big businesses, to lawyers and to the government, but after the Juventus scandal, we suddenly had so many customers. Three years ago our only clients were the government and the military but last year 60 per cent of all our sales were to ordinary Italians. Our sales figures went up by 100 per cent between 2005 and 2006."

Given the size of the country, the Italian state carries out an enormous number of legal interceptions of communications. Indeed, the level is more than 70 times those authorised for the US which has a population in excess of 300 million, and it is an ongoing and seemingly endless national scandal that extracts from these legal interceptions routinely find their way into and onto the Italian media.

Add to that the fact that wiretapping technology is very easily

available in Italy and that there is a seemingly insatiable public appetite for a salacious stories involving TV, pop and sports stars as well as politicians and captains of industry, and that the Italian legal system is notoriously ponderous, Byzantine, bureaucratic in the extreme and incredibly slow and you can understand why there's a big and increasing demand for do-it-yourself anti-hacking and privacy solutions.

Furthermore, and understandably, subscribers have lost confidence and trust in Telecom Italia, the country's incumbent telco after it came to light that dozens of employees were involved in an illegal, widespread and very organised eavesdropping cabal whose purpose was to blackmail major Italian figures. Incredibly, the former head of security at Telecom Italia was one of the ringleaders of the scheme.

Those touting encryption solutions sell a wide range of products they claim can protect both voice and text messages. CasperTech's top-of-the-range deal is not cheap, it sells for about € 2,500 (that's about the same as is being charged by CasperTech's rival Snapcom) but it includes a handset capable of carrying and applying the encryption software. The drawback is that CasperTech's software can be used only on handsets running the Windows Mobile operating system, while Snapcom provides a solution that can be used on other platforms as well. However, to ensure full secrecy the handsets on either ends of a voice call must be equipped with the necessary software and that effectively doubles the cost.

Further down the range, and costing about € 500, is software that can encrypt SMS text messages while sat squarely in the middle is an offering that can scramble faxes and hide the content of fixed-line calls. This module costs about €1,800.

Both CasperTech and Snapcom say that their products are entirely above board and they have the support of a senior ETSI executive in making their claim. Peter van der Arend, the chairman of the European Telecommunications Standards Institute's Lawful Interception Committee says, "This technology appears to be legal".

That's probably just as well. Proposed legislation that would usher-in increased penalties for those who make public the contents of illegally monitored conversations has passed the lower house of the Italian Parliament and now needs Senate approval.

But as the Italian legislative process takes as its blueprint Spain's famous "manana" approach to the world, minus that model's sense of immediate urgency, no one is expecting anything to happen soon.

In the meantime the leaks continue, apparently unabated.