Theorem: Bob's method $E$ is not IND-CCA secure.
Proof: The adversary picks $m_{0}=0^{x}, m_{1}=1^{x}$ for large $x \geq 3 \cdot 128$ in phase I. Then $y=E_{K_{1}, K_{2}}\left(m_{d}\right)$. Let $z=y$ with the first bit flipped. Since $z \neq y$, the adversary is allowed to ask for $D_{K_{1}, K_{2}}(z)$ in phase II. This correctly gives the first 128 -bit block of $m_{d}$, revealing $d$ (zeroes if $d=0$ or ones if $d=1$ ). Therefore, the adversary wins the game.

Why does this work? Consider the steps of $E$, where $m_{d}$ is divided into $n 128$-bit blocks $(n \geq 3)$ :

1. Start with $m_{d}=m_{1}, \ldots, m_{n}$.
2. $\operatorname{EncCBC}_{K_{1}}\left(m_{1}, \ldots, m_{n}\right)=I V^{(1)}, C_{1}^{(1)}, \ldots, C_{n}^{(1)}$.
3. $\operatorname{Rev}\left(I V^{(1)}, C_{1}^{(1)}, \ldots, C_{n}^{(1)}\right)=C_{n}^{(1)}, \ldots, C_{1}^{(1)}, I V^{(1)}$.
4. $\operatorname{EncCBC}_{K_{2}}\left(C_{n}^{(1)}, \ldots, C_{1}^{(1)}, I V^{(1)}\right)=I V^{(2)}, C_{1}^{(2)}, \ldots, C_{n}^{(2)}, C_{n+1}^{(2)}$.
5. End with $I V^{(2)}, C_{1}^{(2)}, \ldots, C_{n}^{(2)}, C_{n+1}^{(2)}=y$.

Now, consider the steps of $D$, which reverses $E$.

1. Start with $y=I V^{(2)}, C_{1}^{(2)}, \ldots, C_{n}^{(2)}, C_{n+1}^{(2)}$.
2. $\operatorname{DecCBC}_{K_{2}}\left(I V^{(2)}, C_{1}^{(2)}, \ldots, C_{n}^{(2)}, C_{n+1}^{(2)}\right)=C_{n}^{(1)}, \ldots, C_{1}^{(1)}, I V^{(1)}$.
3. $\operatorname{Rev}\left(C_{n}^{(1)}, \ldots, C_{1}^{(1)}, I V^{(1)}\right)=I V^{(1)}, C_{1}^{(1)}, \ldots, C_{n}^{(1)}$.
4. $\operatorname{DecCBC}_{K_{1}}\left(I V^{(1)}, C_{1}^{(1)}, \ldots, C_{n}^{(1)}\right)=m_{1}, \ldots, m_{n}$.
5. End with $m_{1}, \ldots, m_{n}=m_{d}$.

Finally, consider the steps of $D$ when the input is $z$ instead of $y$ (the first bit is flipped). Denote any changed blocks in red. As we observed in Lecture 9, the bit flip only affects the decryption of the current block and the next block, since each decrypted block only depends on $C_{i}$ and $C_{i-1}$ (and only the first block depends on $I V$ ).

1. Start with $z=I V^{(2)}, C_{1}^{(2)}, \ldots, C_{n}^{(2)}, C_{n+1}^{(2)}$.
2. $\operatorname{DecCBC}_{K_{2}}\left(I V^{(2)}, C_{1}^{(2)}, \ldots, C_{n}^{(2)}, C_{n+1}^{(2)}\right)=C_{n}^{(1)}, \ldots, C_{1}^{(1)}, I V^{(1)}$.
3. $\operatorname{Rev}\left(C_{n}^{(1)}, \ldots, C_{1}^{(1)}, I V^{(1)}\right)=I V^{(1)}, C_{1}^{(1)}, \ldots, C_{n}^{(1)}$.
4. $\operatorname{DecCBC}_{K_{1}}\left(I V^{(1)}, C_{1}^{(1)}, \ldots, C_{n}^{(1)}\right)=m_{1}, \ldots, m_{n}$.
5. End with $m_{1}, \ldots, m_{n}$.

Therefore, the first block $m_{1}$ of $m_{d}$ is correct, revealing $d$.

