Rational Secret Sharing, Revisited

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Abstract

We consider the problem of secret sharing among n rational players. This problem was introduced by Halpern and Teague (STOC 2004), who claim that a solution is *impossible* for n=2 but show a solution for the case $n\geq 3$. Contrary to their claim, we show a protocol for rational secret sharing among n=2 players; our protocol extends to the case $n\geq 3$, where it is simpler than the Halpern-Teague solution and also offers a number of other advantages.

We also show how to avoid the continual involvement of the dealer, in either our own protocol or that of Halpern and Teague.

1 Introduction

The classical problem of t-out-of-n secret sharing [9,1] involves a "dealer" D who wishes to entrust a secret s to a group of n players P_1, \ldots, P_n so that (1) any group of t or more players can reconstruct the secret without further intervention of the dealer, yet (2) any group of fewer than t players has no information about the secret. As an example, consider the scheme due to Shamir [9]: assume the secret s lies in a field \mathbb{F} , with $|\mathbb{F}| > n$. The dealer chooses a random polynomial f(x) of degree at most t-1 subject to the constraint f(0) = s, and gives the "share" f(i) to player P_i (for $i=1,\ldots,n$). Any set of t players can recover f(x) (and hence s) by interpolation; furthermore, no set of fewer than t players has any information about s.

The implicit assumption above is that at least t players are willing to cooperate and pool their shares¹ when it is time to recover the secret; equivalently, at least t players are honest and hence at most n-t players are malicious. Halpern and Teague [7] consider a scenario in which no players are (completely) honest, but instead all that is guaranteed is that at least t players are rational (as before, up to n-t players may refuse to participate altogether). Depending on the utility functions of the players, Shamir's protocol may no longer succeed in this scenario [7]. Specifically, assume that all players prefer to learn the secret above all else, but otherwise prefer that the fewest number of other parties learn the secret. (We will treat the utilities of the players more carefully later in the paper.) Given these utility functions, no player has any incentive to reveal their share. Consider P_1 : if strictly fewer than t-1 other players reveal their shares, then no one learns the secret regardless of whether P_1 reveals his share or not. If more than t-1 players reveals their shares, then everyone learns the secret and P_1 's actions again have no effect. On the other hand, if exactly t-1 other players reveal their shares, then P_1 learns the secret (using his share) but P_1 can prevent other players from learning the secret by not publicly revealing his share.

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 $^{^\}dagger Research$ supported by NSF Trusted Computing grants #0310499 and #0310751 and NSF CAREER award #0447075.

¹We assume adversarial behavior is limited to refusal to cooperate, and ignore the case that a player reports an incorrect share. In our context, such behavior is easily handled by having the dealer sign the shares.

We can thus conclude the following about the game-theoretic equilibria of the above situation (definitions of Nash equilibrium and weakly dominating strategies are given in Section 2):

- For any t, n and any number t^* of rational, participating players, it is a Nash equilibrium for no one to reveal their shares.
- If t < n and $t^* > t$, then it is a Nash equilibrium for all t^* participating players to reveal their shares. Note, however, that it is a weakly dominating strategy for each player *not* to reveal his share; thus, the Nash equilibrium likely to be reached is the one mentioned earlier in which no one reveals their share.
- If $t^* = t$, then having all t^* participating players reveals their shares is not even a Nash equilibrium. (Note that if t = n then this will always be the situation.)

Thus, Shamir's protocol with the trivial reconstruction phase does not suffice in the presence of rational players. Does there exist any protocol for reconstructing the secret in which it is in rational players' best interests to follow the protocol? By generalizing the argument outlined above, Halpern and Teague rule out any protocol terminating in a fixed number of rounds. (Essentially, the above argument is applied to the last round and then backwards induction is used.) This leaves open the possibility of probabilistic protocols without a fixed upper bound on their round complexity, and indeed Halpern and Teague show the existence of such a protocol for the case of $n \geq 3$ parties. In contrast, they prove that a solution is impossible for n = 2 even if probabilistic protocols are allowed.

1.1 Our Results

We revisit the question of rational secret sharing, in the model of Halpern and Teague [7]. As perhaps our most surprising result, we show a simple, probabilistic protocol for n = 2 parties to reconstruct a shared secret, thus disproving the claim of Halpern and Teague mentioned earlier. Interestingly, the *proof* given by Halpern and Teague appears to be correct; the problem is that their assumptions about the types of protocols that might be used are too restrictive. By relaxing their assumptions in a reasonable way, we are able to circumvent their impossibility result.

Our protocol generalizes in a straightforward way to the case of $n \geq 3$ and arbitrary t. Although Halpern and Teague also claim a general solution of this sort, our solution is much simpler. Furthermore, for n > 3 our solution has a number of advantages as compared with the solution offered by Halpern and Teague; perhaps most importantly, our solution eliminates a second (undesirable) equilibrium that is present in the Halpern-Teague protocol. Other advantages of our approach are summarized in Section 3.3.

Both the Halpern-Teague protocol and our protocol (as initially described) require the continual, periodic involvement of the dealer. At best, this is inconvenient; at worst, this calls into question the motivation for the problem in the first place. We show an intuitively simple way to avoid the involvement of the dealer which applies in all scenarios considered here.

1.2 Related Work

There has been much interest of late in bridging cryptography (in which guarantees are provided in the face of worst-case adversarial behavior) and game theory (which concerns itself only with rational deviations). The recent work of Lepinski, et al. [6] and Izmalkov, et al. [5] takes this in a different direction than that considered here: specifically, they are interested in multi-party protocols for realizing general game-theoretic equilibria and are in particular concerned with eliminating

covert communication channels in the protocol itself so as to eliminate the threat of collusion. Unfortunately, to achieve this they need to make very strong assumptions on the communication channels that exist between players. In contrast, we assume a specific set of utility functions (rather than claiming a result that holds for all utility functions) but consider a standard communication model, and are interested mainly in understanding the effect of single-player deviations (e.g., Nash equilibria).

2 The Model

We briefly review the model of Halpern and Teague, filling in some details they omit. As discussed earlier, we have a dealer D holding a secret s, and n players P_1, \ldots, P_n . There is also a threshold $t \leq n$, known to all players, which is fixed at the outset. A protocol proceeds in a sequence of iterations, where each iteration may consist of multiple communication rounds. At the beginning of each iteration, D distributes some information (privately) to each of the n players; at this point, no subset of fewer than t players should have any information about s. During an iteration, the dealer does not take part in the protocol. Instead, some set of t players, all of whom are assumed to be rational, run the protocol amongst themselves by simultaneously broadcasting messages in a series of rounds. (Halpern and Teague additionally allow private communication between the players but we do not need this.) For simplicity, we assume the same t players run the protocol in every iteration. At the end of an iteration, the protocol either terminates or proceeds to the next iteration. We assume the dealer is honest, and follows the protocol as specified. To rule out trivial protocols, we require that if t players follow the protocol in each iteration, then the secret is eventually reconstructed (with probability 1).

We stress that broadcast in a given round is assumed to occur simultaneously for all players; that is, we do not assume "rushing" as in standard multi-party computation protocols. In fact, rational secret sharing is easily seen to be impossible if rushing is allowed: all players will simply wait to see what other players do, and no one will ever broadcast anything.

In the above description, the dealer is assumed to be involved at the beginning of each iteration. In Section 4, we show that it is possible for the dealer to be involved only once at the beginning of the protocol.

We let σ_i denote the (possibly randomized) strategy employed by player P_i , and let $\vec{\sigma} = (\sigma_1, \ldots, \sigma_n)$ denote the vector of players' strategies. Following standard game-theoretic notation, we let $(\sigma'_i, \vec{\sigma}_{-i}) \stackrel{\text{def}}{=} (\sigma_1, \ldots, \sigma_{i-1}, \sigma'_i, \sigma_{i+1}, \ldots, \sigma_n)$; that is, $(\sigma'_i, \vec{\sigma}_{-i})$ denotes the strategy vector $\vec{\sigma}$ with P_i 's strategy changed to σ'_i .

Let $\mu_i(o)$ denote the utility of player P_i for the outcome o. For a particular outcome o of the protocol, we let $\delta_i(o)$ be a bit denoting whether or not P_i learns the secret, and let $\mathsf{num}(o) = \sum_i \delta_i(o)$; i.e., $\mathsf{num}(o)$ is simply the number of players who learn the secret. Following [7], we make the following assumptions about the utility functions of the players:

- $\delta_i(o) > \delta_i(o') \Rightarrow \mu_i(o) > \mu_i(o')$.
- Assuming $\delta_i(o) = \delta_i(o')$, $\operatorname{num}(o) < \operatorname{num}(o') \Rightarrow \mu_i(o) > \mu_i(o')$.

That is, players first prefer outcomes in which they learn the secret; as long as δ_i remains constant, players prefer strategies in which the fewest number of other players learn the secret.² We let $U_i(\vec{\sigma})$

²Halpern and Teague actually allow more complex utility functions than the ones described here. Our protocol handles such utility functions as well, but for simplicity we use the utility functions described here.

denote the expected value of the utility of P_i under strategy vector $\vec{\sigma}$, and assume that rational players wish to maximize this value.

Our notion of a protocol corresponds to a game along with a prescribed strategy vector $\vec{\sigma}$. As in [7], we are interested in protocols whose prescribed strategy vector $\vec{\sigma}$ corresponds to a Nash equilibrium that survives iterated deletion of weakly dominated strategies. We review these definitions briefly, and refer the reader to [8, 7] for more extensive discussion.

Definition 1 A vector of strategies $\vec{\sigma}$ is a *Nash equilibrium* if the following holds for all i: for any $\sigma'_i \neq \sigma_i$, we have $U_i(\sigma'_i, \vec{\sigma}_{-i}) \leq U_i(\vec{\sigma})$.

That is, given that all other players are following $\vec{\sigma}_{-i}$, there is no incentive for P_i to deviate and follow any strategy other than σ_i .

In general, multiple Nash equilibria may exist. An inherently "unstable" Nash equilibrium (i.e., one which is unlikely to be reached) is one in which any of the players' strategies are weakly dominated by other strategies. Informally, a strategy σ_i of player P_i is weakly dominated by another strategy σ_i' if (1) P_i is sometimes better off playing σ_i' than playing σ_i , and (2) P_i is never worse off playing σ_i' than playing σ_i . Recalling the example from the introduction, say a secret is shared using t-out-of-n secret sharing (with t < n) and consider the strategy vector in which all n players reveal their shares. This is a Nash equilibrium: the secret is reconstructed even if any single player deviates. On the other hand, for each player P_i , revealing the share is weakly dominated by not revealing the share: if less than t-1 or more than t-1 other players reveal their shares, then nothing changes; while if exactly t-1 other player reveal their shares then P_i learns the secret but no one else does.

Formal definitions follow.

Definition 2 Let S_i denote a set of strategies for P_i , and $S_{-i} \stackrel{\text{def}}{=} S_1 \times \cdots S_{i-1} \times S_{i+1} \cdots \times S_n$. A strategy $\sigma_i \in S_i$ is weakly dominated by a strategy $\sigma_i' \in S_i$ with respect to S_{-i} if (1) there exists a $\vec{\sigma}_{-i} \in S_{-i}$ such that $U_i(\sigma_i, \vec{\sigma}_{-i}) < U_i(\sigma_i', \vec{\sigma}_{-i})$ and (2) for all $\vec{\sigma}_{-i} \in S_{-i}$, it holds that $U_i(\sigma_i, \vec{\sigma}_{-i}) \leq U_i(\sigma_i', \vec{\sigma}_{-i})$.

Strategy σ_i is weakly dominated with respect to $S_1 \times \cdots S_n$ if there exists a $\sigma'_i \in S_i$ such that σ_i is weakly dominated by σ'_i with respect to S_{-i} .

Definition 3 Let $\mathsf{DOM}_i(S_1 \times \cdots \times S_n)$ denote the set of strategies in S_i that are weakly dominated with respect to S_{-i} . Let S_i^0 denote the initial set of allowable strategies of P_i . For all $k \geq 1$, define S_i^k inductively as $S_i^k \stackrel{\text{def}}{=} S_i^{k-1} \setminus \mathsf{DOM}_i(S_1^{k-1} \times \cdots \times S_n^{k-1})$. Let $S_i^\infty \stackrel{\text{def}}{=} \cap_k S_i^k$.

We say that σ_i survives iterated deletion of weakly dominated strategies if $\sigma_i \in S_i^{\infty}$.

3 Protocols for Rational Secret Sharing

3.1 The Halpern-Teague Solution

We provide a high-level overview of the solution of Halpern and Teague for 3-out-of-3 secret sharing. We later discuss how they propose to generalize their solution for n > 3 and $t \ge 3$.

The Halpern-Teague protocol proceeds as follows: at the beginning of each iteration, the dealer runs a fresh invocation of the Shamir secret-sharing scheme and sends the appropriate shares to each player. During an iteration, each player P_i flips a biased coin c_i which is equal to 1 with some probability α . The players then run what is essentially a secure multi-party computation protocol to compute the value $p = \bigoplus c_i$. In particular, this means that it is impossible to cheat (except for aborting the protocol; see below), or to learn information about the $\{c_i\}$ values of the other parties.

If $p = c_i = 1$, player P_i broadcasts his share. If all shares are revealed, the secret is reconstructed and the protocol ends. If p = 1 and 0 or 2 shares are revealed, or if the secure computation of p was aborted, then all players refuse to run the protocol from then on (and so, effectively, the protocol is terminated). In any other case, players proceed to the next iteration.

Note that the secret is only reconstructed if $c_1 = c_2 = c_3 = 1$. Thus, assuming players act honestly, the expected number of iterations until the protocol terminates is α^{-3} .

To see intuitively why the above gives a Nash equilibrium, assume P_1, P_2 follow the protocol and consider whether P_3 should deviate. First note that there is no incentive for P_3 to bias c_3 to be 0 with higher probability, since when $c_3 = 0$ at least one of P_1, P_2 will not broadcast their shares in that iteration no matter what. There is also no incentive for P_3 to bias c_3 to be 1 with higher probability, either (although the secret may be reconstructed sooner, this has no effect on P_3 's utility). It is also easy to see that, given p = 0 or $c_3 = 0$, there is no incentive for P_3 to deviate. Finally, when $p = c_3 = 1$, player P_3 does not know whether $c_1 = c_2 = 1$ (which occurs with probability $\frac{\alpha^2}{\alpha^2 + (1-\alpha)^2}$) or $c_1 = c_2 = 0$ (which occurs with the remaining probability). Thus, if P_3 does not broadcast its share it runs the risk of having the protocol terminate without ever learning the secret. If α is set appropriately based on P_3 's utility function, it is not in P_3 's best interest to deviate.

For n > 3 and $t \ge 3$, Halpern and Teague suggest the following: the $t^* \ge t$ players split into 3 groups, with one leader designated per group. All players send their shares to their designated group leader, and the leaders then run the 3-out-of-3 solution given above. When these leaders are supposed to broadcast their share, they broadcast the shares of every member of their group to all players. The case of t = 2 requires some additional complications that we do not describe.

3.2 Our Solution

Recall that Halpern and Teague claim that rational secret sharing is *impossible* when n=2. They implicitly assume that the dealer is limited to sending valid Shamir shares of the secret to the players at the beginning of each iteration, and they therefore focus only on what happens during an iteration. This assumption underlies the Halpern-Teague proof of impossibility for n=2. However, we see no reason to impose this restriction on the dealer's actions. As we show in this section, removing this assumption makes a protocol possible even when n=2, and drastically simplifies things for the case of general t, n.

Specifically, consider the following protocol: say the dealer holds a secret s which lies in a *strict* subset S of a field \mathbb{F} (if s lies in some field \mathbb{F}' , this is easy to achieve by taking a larger field \mathbb{F} containing \mathbb{F}' as a subfield). We assume players know S. At the beginning of each iteration, with probability β (for some appropriate choice of β) the dealer generates a random Shamir sharing of s, and with probability $1-\beta$ the dealer generates a random Shamir sharing of an arbitrary element $\hat{s} \in \mathbb{F} \setminus S$. These shares are distributed to the players. Note that no player can tell whether they were given a share of \hat{s} or the true secret s.

During an iteration, the players simply broadcast their shares. If in any iteration some player does not broadcast his share, the other players all refuse to reveal their shares in all subsequent iterations (and, again, the protocol is essentially terminated). Otherwise, all shares were broadcast and the players can reconstruct some value s'. If $s' \in S$ then the players know that this is the true secret, and can terminate the protocol successfully. If $s' \in \mathbb{F} \setminus S$, the players know this is an invalid secret and proceed to the next iteration.

Theorem 1 For appropriate choice of β , the above protocol constitutes a Nash equilibrium for t-out-of-n secret sharing that survives iterated deletion of weakly dominated strategies.

Proof We first consider the case of t = n = 2, and then discuss how to generalize the proof for arbitrary t, n. It is not hard to see that the protocol is a Nash equilibrium for appropriate choice of β : Say P_1 acts according to the protocol and consider whether P_2 has any incentive to deviate. Note that we need only consider strategies in which P_2 deviates in a single iteration (i.e., single-stage deviations) [2]. (In any infinitely-repeated game, there exists a deviation preferred by P_2 if and only if there exists a single-stage deviation preferred by P_2 [2].) Without loss of generality, consider a deviation in the first iteration. The only possible deviation is for P_2 to refuse to broadcast his share. In this case, he learns the secret (while P_1 does not) with probability β , but with probability $1 - \beta$ he will never learn the secret.

By re-scaling if necessary, we may assume that P_2 's utility is 1 if he does not learn the secret, U > 1 if both P_2 and P_1 learn the secret, and $U^* > U$ if he learns the secret but P_1 does not. If P_2 follows the protocol, his utility is U. If P_2 deviates, his expected utility is $\beta \cdot U^* + (1 - \beta)$. So as long as

$$\beta \cdot U^* + (1 - \beta) < U,$$

it is in P_2 's best interest to follow the protocol. For appropriate $\beta > 0$, then, the strategy profile in which both parties follow the protocol is a Nash equilibrium.

It is trivial to see that the same analysis holds for general t, n.

We next prove that our protocol survives iterated deletion of weakly dominated strategies by showing that no strategies are weakly dominated. We will again begin with the case t = n = 2. We show that for all deterministic strategies σ, σ' of P_1 , there exist strategies τ, τ' of P_2 such that $U_1(\sigma, \tau) > U_1(\sigma', \tau)$ but $U_1(\sigma, \tau') < U_1(\sigma', \tau')$. This proves that all deterministic strategies of P_1 are incomparable, and so none are ever deleted (and extends immediately to show the same result for randomized strategies as well).

Let $h_i(\sigma, \tau)$ denote the history of actions (by both players) through iteration i given the indicated strategies σ and τ , with $h_0(\sigma, \tau)$ denoting the empty (starting) history. Let $A_i(\sigma, \tau)$ denote the action taken by P_1 in iteration i, again for the indicated strategies. We say a player *cooperates* in some iteration if they reveal their share, and *defects* if they do not.

Now take arbitrary deterministic strategies $\sigma \neq \sigma'$ for P_1 . Let τ^0 be a strategy of P_2 and $i \geq 1$ be an integer such that

$$h_{i-1}(\sigma, \tau^0) = h_{i-1}(\sigma', \tau^0)$$
 (1)

but

$$A_i(\sigma, \tau^0) \neq A_i(\sigma', \tau^0); \tag{2}$$

i.e., iteration i is the first iteration in which the actions of P_1 differ. (Note that some such τ^0 , i must exist or else $\sigma = \sigma'$.) Without loss of generality, assume $A_i(\sigma, \tau^0)$ is to defect and $A_i(\sigma', \tau^0)$ is to cooperate.

Consider the following strategy τ of P_2 : (1) act identically to τ^0 through iteration i-1; (2) in iteration i, defect; (3) in all subsequent iterations: if P_1 defected in iteration i, then cooperate; if P_1 cooperated in iteration i, defect. It is fairly immediate that $U_1(\sigma,\tau) > U_1(\sigma',\tau)$.

Next consider the following strategy τ' : (1) act identically to τ^0 through iteration i-1; (2) in iteration i, cooperate; (3) in all subsequent iterations: if P_1 defected in iteration i, then defect; if P_1 cooperated in iteration i, cooperate. Exactly as when we argued earlier that our protocol was a Nash equilibrium, we have $U_1(\sigma, \tau') < U_1(\sigma', \tau')$.

The same argument extends to the case of general t, n. We simply replace τ^0 with a strategy profile of n-1 strategies such that Equations (1) and (2) above are still valid, and then define τ and τ' as above, but modifying the strategies of all other players.

3.3 Discussion

Our approach has a number of advantages as compared to the Halpern-Teague protocol:

- Most obvious, we circumvent their impossibility result for the case n=2.
- Our protocol is much simpler than the Halpern-Teague protocol. This is true for all settings of t, n, but is especially true for the case of n > 3 (where the Halpern-Teague protocol requires players to coordinate and select group leaders) and/or the case t = 2 (whose solution is even more complicated; see [7]).
- Our protocol also eliminates a second, undesirable equilibrium present in the Halpern-Teague solution when n > 3. Specifically, note that for the Halpern-Teague solution the strategy vector in which each group leader simply sends all their collected shares to the other group leaders is an equilibrium in which only the 3 group leaders recover the secret. Our protocol has no additional equilibrium which is preferred, by any player, to the prescribed equilibrium.
- Our protocol requires only a broadcast channel, in contrast to the Halpern-Teague protocol which relies on private channels in addition to broadcast.
- Each iteration in our protocol is more round-efficient than in the Halpern-Teague protocol. Furthermore, depending on the exact utility functions assumes, the expected number of iterations of our protocol is also lower.

4 Removing the Dealer

A drawback of both our protocol (as described in the previous section) as well as that of Halpern and Teague is that the dealer must be involved at the beginning of every iteration. It would be much nicer to have a solution that works exactly like standard secret sharing, where the dealer is involved only once at the beginning of the protocol.

We sketch here a conceptually simple (though inefficient) way to avoid continual involvement of the dealer while still ensuring that parties eventually reconstruct the secret with probability 1. Our idea applies both to our protocol and that of Halpern and Teague, but for simplicity we describe it in the context of our protocol only. The protocol proceeds as follows:

Setup: To share a secret s, the dealer prepares a valid t-out-of-n Shamir sharing $\{s_i\}$ of s. The dealer also generates a signature σ_i on each share s_i with respect to a publicly-known verification key PK (alternately, PK can simply be sent to each player). Finally, the dealer sends (s_i, σ_i) to player P_i .

The protocol: At the beginning of each iteration, the players proceed as follows:

- 1. The t participating parties run a secure computation protocol [10, 4, 3] to take the place of the dealer. The protocol should be secure against t-1 malicious adversaries. The protocol computes the following probabilistic functionality:
 - Each party inputs the values (s_i, σ_i) received from the dealer. The functionality first checks that each value s_i is properly signed with respect to PK, and aborts if this is not the case.
 - With probability β , the functionality generates a fresh t-out-of-t Shamir sharing $\{s'_i\}$ of s, and each player P_i receives output s'_i .

- With probability $1-\beta$, the functionality generates a fresh t-out-of-t Shamir sharing $\{s_i'\}$ of a bogus secret $\hat{s} \in \mathbb{F} \setminus S$, and each player P_i receives output s_i' .
- 2. If cheating is detected in the secure computation protocol above (i.e., the secure computation protocol is aborted), then parties terminate the overall protocol without reconstructing the secret.
- 3. Otherwise, parties proceed as in the earlier protocol; specifically, each player P_i broadcasts the output s'_i they received from the secure computation protocol.³ If this enables reconstruction of a secret $s \in S$, the protocol terminates and the true secret has been reconstructed. If some player refused to broadcast their output share, then parties terminate the protocol without reconstructing the secret. In any other case, players proceed to the next iteration.

It is not hard to see that, under the same conditions on β as before, following the above protocol is a Nash equilibrium surviving iterated domination of weakly dominated strategies.

5 Conclusions and Open Questions

We have provided a new approach to rational secret sharing that improves, in many respects, on an earlier solution of Halpern and Teague. It remains an interesting open question to extend these techniques and ideas to the computation of more general functionalities. It would also be nice to design a protocol that does not require knowledge of players exact utility functions. (Here, such knowledge is used to compute an appropriate value of β .) Finally, our method for removing the dealer relies on generic protocols for secure multi-party computation; it will be interesting to see whether a more efficient approach might be possible.

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³Actually, to prevent players from broadcasting a modified version of s'_i , it is necessary to change the secure computation protocol in some way; one easy way to do this (though others are possible) is to have the dealer initially distribute shares of his secret signing key in a *t*-out-of-*n* manner among the players. Then the secure computation protocol can also generate valid dealer signatures on the $\{s'_i\}$ values (the iteration number should also be signed to prevent replay of an earlier output value). We have omitted this for simplicity.

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