

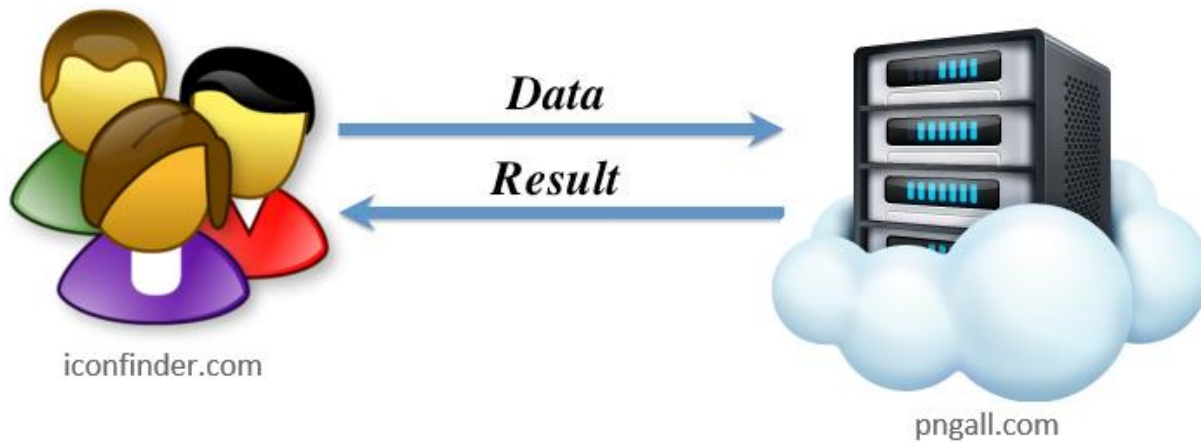
# A Game-Theoretic Model for Outsourced Computation Verification

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## Introduction

Companies collect data to provide better services. Processing these data is computationally intense, making it infeasible for companies without the necessary resources. A natural solution is outsourcing:



Via outsourcing, the integrity of the result can be harmed. However, it can be guaranteed using economic approaches to create incentives for honest behaviors.

## Payoff Matrix

		IN	OUT
Full Detect ( $P_A$ )	Server	$\Psi$	$-(1-\rho) - F_\phi(\rho)$
	Client	$1+b + F_\phi(\rho)$	$-\kappa_b(\rho) - \psi - V(\sigma)$
Detect ( $1-P_A-P_0$ )	Server	$\Psi$	$-(1-\rho)$
	Client	$1+b$	$-\kappa_b(\rho) - \psi - V(\sigma)$
Not Detect ( $P_0$ )	Server	$1+w$	$-(1-\rho)$
	Client	$1+b$	$-\lambda_b(\rho) - (1+w) - V(\sigma)$

The client has to have the highest payoff when no cheating occurs

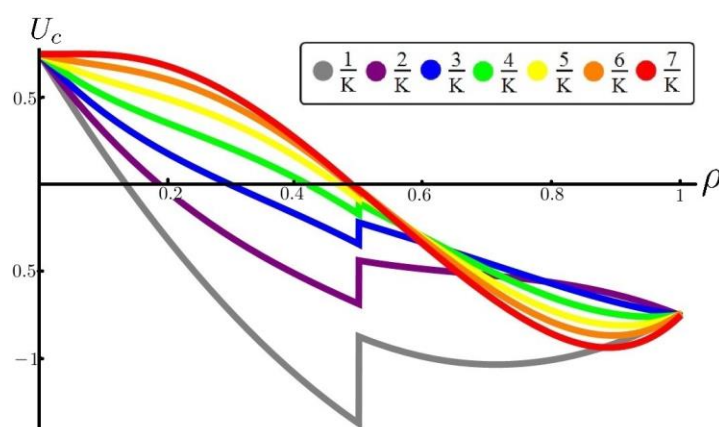
$$U_c(w, \psi, \sigma, \rho) \leq U_c(w, \psi, \sigma, 0) \text{ for all } \rho$$

The client wants the server not to cheat on more than  $\theta$

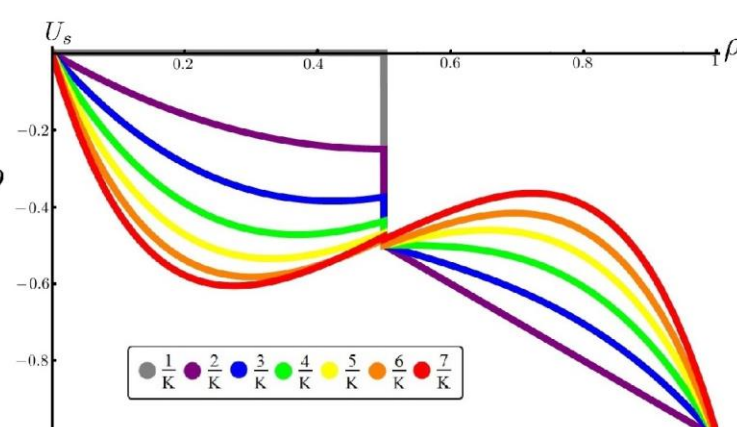
$$U_s(w, \psi, \sigma, \rho) \leq U_s(w, \psi, \sigma, \theta) \text{ for all } \theta \leq \rho$$

Using these conditions, two Stackelberg games are defined, depending on who makes the offer ( $w, \Psi$ ).

## Example: Client is the leader



Server's Payoff



Client's Payoff

- $K = 1\,000\,000$
- $B = 0.75$
- $\theta = 0.05$
- $\phi = 0.5$
- $f = 1$
- $V(\sigma) = \sigma$
- $\kappa_b(\rho) = 2(1+b)\rho$
- $\lambda_b(\rho) = 4(1+b)\rho$

## Parameters

Name	Meaning
$\rho$	Cheating rate ( $0 \leq \rho \leq 1$ )
$\sigma$	Checking rate ( $0 \leq \sigma \leq 1$ )
$K$	Number of outputs / results
$C$	Cost of computation ( $C = 1$ )
$\psi$	Deposit ( $0 \leq \psi \leq 1$ )
$W$	Payment ( $0 < W = 1 + w$ )
$B$	Benefit of the results ( $W < B = 1 + b$ )
$\theta$	Tolerated cheating rate ( $0 \leq \theta \leq 1$ )
$\phi$	Punished cheating rate ( $0 \leq \phi \leq 1$ )
$P_0(K, \sigma, \rho)$	Probability of no detection
$P_A(K, \sigma, \rho)$	Probability of full detection
$F_\phi(\rho)$	Fine ( $0 \leq f$ )
$V(\sigma)$	Verification cost
$\kappa_b(\rho)$	Known benefit reducer ( $0 \leq \kappa$ )
$\lambda_b(\rho)$	Unknown benefit reducer ( $\kappa \leq \lambda$ )

Predetermined variables:  $K, C, B, \theta, \phi, F, V, \kappa, \lambda$

Free variables:  $W, \psi, \sigma, \rho$

$F_\phi(\rho) = f$  if  $\phi \leq \rho$  and 0 otherwise

$$P_0(K, \sigma, \rho) = \frac{\binom{(1-\rho)K}{\sigma K}}{\binom{K}{\sigma K}} \quad P_A(K, \sigma, \rho) = \frac{\binom{\rho K}{\sigma K}}{\binom{K}{\sigma K}}$$

## Conclusion

- The client prefers high  $\sigma$ .
- The server prefers low  $\sigma$ .
- $\sigma$  should always be higher than  $1/K$ .
- Besides the client, the server also prefers low tolerated cheating rates.
- Independent from  $\theta$ , the server's dominant strategy is *not cheat*.
- The leading player has overpowering advantage, the follower usually gains the minimum.

