



SOLIDProof

Bring trust into your projects

**Blockchain Security | Smart Contract Audits | KYC
Development | Marketing**

MADE IN GERMANY

Gator Protocol

AUDIT

SECURITY ASSESSMENT

12. April, 2024

FOR



SolidProof_io



@solidproof_io

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Introduction

[SolidProof.io](#) is a brand of the officially registered company MAKE Network GmbH, based in Germany. We're mainly focused on Blockchain Security such as Smart Contract Audits and KYC verification for project teams.

Solidproof.io assess potential security issues in the smart contracts implementations, review for potential inconsistencies between the code base and the whitepaper/documentation, and provide suggestions for improvement.

Disclaimer

[SolidProof.io](#) reports are not, nor should be considered, an “endorsement” or “disapproval” of any particular project or team. These reports are not, nor should be considered, an indication of the economics or value of any “product” or “asset” created by any team. SolidProof.io do not cover testing or auditing the integration with external contract or services (such as Unicrypt, Uniswap, PancakeSwap etc'...)

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SolidProof.io Reports represent an extensive auditing process intending to help our customers increase the quality of their code while reducing the high level of risk presented by cryptographic tokens and blockchain technology. Blockchain technology and cryptographic assets present a high level of ongoing risk. SolidProof's position is that each company and individual are responsible for their own due diligence and continuous security. SolidProof in no way claims any guarantee of the security or functionality of the technology we agree to analyze.

Project Overview

Summary

Project Name	Gator Protocol
Website	https://gatorprotocol.com
About the project	The core functional objective of the Gator Protocol is to connect people who need to infer from an AI model to those who have compute, while evading censorship. Nodes provide access to inference from AI models, earning tokens for completing requests and submitting them to the smart contract.
Chain	Arbitrum
Language	Solidity
Codebase Link	https://github.com/GatorProtocol/contracts/blob/main/contract.sol
Commit	65c6d38
Unit Tests	Not Provided

Social Medias

Telegram	N/A
Twitter	https://twitter.com/GatorProtocol
Facebook	N/A
Instagram	N/A
Github	N/A
Reddit	N/A
Medium	N/A
Discord	N/A
Youtube	N/A
TikTok	N/A
LinkedIn	N/A

Audit Summary

Version	Delivery Date	Changelog
v1.0	31. March 2024	<ul style="list-style-type: none"> • Layout Project • Automated- /Manual-Security Testing • Summary
v1.1	12. April 2024	<ul style="list-style-type: none"> • Reaudit

Note - The following audit report presents a comprehensive security analysis of the smart contract utilized in the project that includes outside manipulation of the contract's functions in a malicious way. This analysis did not include functional testing (or unit testing) of the contract/s logic. We cannot guarantee 100% logical correctness of the contract as we did not functionally test it. This includes internal calculations in the formulae used in the contract.



File Overview

The Team provided us with the files that should be tested in the security assessment. This audit covered the following files listed below with an SHA-1 Hash.

File Name	SHA-1 Hash
contract.sol	3698b92e833f45e96ad2d5b9d33eb504a34c28ce

Please note: Files with a different hash value than in this table have been modified after the security check, either intentionally or unintentionally. A different hash value may (but need not) be an indication of a changed state or potential vulnerability that was not the subject of this scan.



Imported packages

Used code from other Frameworks/Smart Contracts (direct imports).

Dependency / Import Path	Count
@openzeppelin/contracts/security/ReentrancyGuard.sol	1
@openzeppelin/contracts/token/ERC20/IERC20.sol	1

Note for Investors: We only audited contracts mentioned in the scope above. All contracts related to the project apart from that are not a part of the audit, and we cannot comment on its security and are not responsible for it in any way

Audit Information

Vulnerability & Risk Level

Risk represents the probability that a certain source threat will exploit vulnerability and the impact of that event on the organization or system. The risk Level is computed based on CVSS version 3.0.

Level	Value	Vulnerability	Risk (Required Action)
Critical	9 - 10	A vulnerability that can disrupt the contract functioning in a number of scenarios, or creates a risk that the contract may be broken.	Immediate action to reduce risk level.
High	7 - 8.9	A vulnerability that affects the desired outcome when using a contract, or provides the opportunity to use a contract in an unintended way.	Implementation of corrective actions as soon as possible.
Medium	4 - 6.9	A vulnerability that could affect the desired outcome of executing the contract in a specific scenario.	Implementation of corrective actions in a certain period.
Low	2 - 3.9	A vulnerability that does not have a significant impact on possible scenarios for the use of the contract and is probably subjective.	Implementation of certain corrective actions or accepting the risk.
Informational	0 - 1.9	A vulnerability that have informational character but is not effecting any of the code.	An observation that does not determine a level of risk

Auditing Strategy and Techniques Applied

Throughout the review process, care was taken to check the repository for security-related issues, code quality, and compliance with specifications and best practices. To this end, our team of experienced pen-testers and smart contract developers reviewed the code line by line and documented any issues discovered.

We check every file manually. We use automated tools only so that they help us achieve faster and better results.

Methodology

The auditing process follows a routine series of steps:

1. Code review that includes the following:
 - a. Reviewing the specifications, sources, and instructions provided to SolidProof to ensure we understand the size, scope, and functionality of the smart contract.
 - b. Manual review of the code, i.e., reading the source code line by line to identify potential vulnerabilities.
 - c. Comparison to the specification, i.e., verifying that the code does what is described in the specifications, sources, and instructions provided to SolidProof.
2. Testing and automated analysis that includes the following:
 - a. Test coverage analysis determines whether test cases cover code and how much code is executed when those test cases are executed.
 - b. Symbolic execution, which is analysing a program to determine what inputs cause each part of a program to execute.
3. Review best practices, i.e., review smart contracts to improve efficiency, effectiveness, clarity, maintainability, security, and control based on best practices, recommendations, and research from industry and academia.
4. Concrete, itemized and actionable recommendations to help you secure your smart contracts.

Overall Security

Upgradeability

Contract is not an upgradeable



Deployer cannot update the contract with new functionalities

Description

The contract is not an upgradeable contract. The deployer is not able to change or add any functionalities to the contract after deploying.

Comment

N/A



Ownership

The ownership is not renounced

✗ The owner is not renounce

Description

The owner has not renounced the ownership that means that the owner retains control over the contract's operations, including the ability to execute functions that may impact the contract's users or stakeholders. This can lead to several potential issues, including:

- Centralizations
- The owner has significant control over contract's operations

Comment

N/A

Note - If the contract is not deployed then we would consider the ownership to be not renounced. Moreover, if there are no ownership functionalities then the ownership is automatically considered renounced.



Ownership Privileges

These functions can be dangerous. Please note that abuse can lead to financial loss. We have a guide where you can learn more about these Functions.

Minting tokens

Minting tokens refer to the process of creating new tokens in a cryptocurrency or blockchain network. This process is typically performed by the project's owner or designated authority, who has the ability to add new tokens to the network's total supply.

Contract owner cannot mint new tokens

 **The owner cannot mint new tokens**

Description	The owner is not able to mint new tokens once the contract is deployed.
-------------	---

Comment	N/A
---------	-----

Burning tokens

Burning tokens is the process of permanently destroying a certain number of tokens, reducing the total supply of a cryptocurrency or token. This is usually done to increase the value of the remaining tokens, as the reduced supply can create scarcity and potentially drive up demand.

Contract owner can burn tokens without allowance

✗ The owner able to burn tokens

Description	In some cases, burning tokens can be used as a tactic by the owner or developers to manipulate the token's value. If the owner or developers burn a significant number of tokens without transparency or justification, it can cause stakeholders to lose trust in the project and lead to a decrease in demand for the token.
Example	For Example, burning the stake of an user by the verifier address without the allowance of the staker.
Comment	We recommend that only the stake owners should be allowed to burn their stakes

Codebase:

```

135     function slashStake(address _address↑, uint256 _amount↑) public onlyVerifier {
136         require(_amount↑ <= stakes[_address↑], "The slash amount is greater than the balance of the address");
137
138         stakes[_address↑] -= _amount↑;
139         totalstakes -= _amount↑;
140
141         AGG.transfer(0x0000000000000000000000000000000000000000000000000000000000000000, _amount↑);
142     }

```



Blacklist addresses

Blacklisting addresses in smart contracts is the process of adding a certain address to a blacklist, effectively preventing them from accessing or participating in certain functionalities or transactions within the contract. This can be useful in preventing fraudulent or malicious activities, such as hacking attempts or money laundering.

Contract owner cannot blacklist addresses



The owner cannot blacklist addresses

Description

The owner is not able blacklist addresses to lock funds.

Comment

N/A



Fees and Tax

In some smart contracts, the owner or creator of the contract can set fees for certain actions or operations within the contract. These fees can be used to cover the cost of running the contract, such as paying for gas fees or compensating the contract's owner for their time and effort in developing and maintaining the contract.

Contract owner cannot set fees more than 25%



The owner cannot levy unfair taxes

Description	The owner is not able to set the fees above 25%
Comment	N/A



Lock User Funds

In a smart contract, locking refers to the process of restricting access to certain tokens or assets for a specified period of time. When tokens or assets are locked in a smart contract, they cannot be transferred or used until the lock-up period has expired or certain conditions have been met.

Owner cannot lock the contract



The owner cannot lock the contract

Description

The owner is not able to lock the contract by any functions or updating any variables.

Comment

N/A

External/Public functions

External/public functions are functions that can be called from outside of a contract, i.e., they can be accessed by other contracts or external accounts on the blockchain. These functions are specified using the function declaration's external or public visibility modifier.

State variables

State variables are variables that are stored on the blockchain as part of the contract's state. They are declared at the contract level and can be accessed and modified by any function within the contract. State variables can be defined with a visibility modifier, such as public, private, or internal, which determines the access level of the variable.

Components

 Contracts	 Libraries	 Interfaces	 Abstract
1	0	0	0


Exposed Functions

This section lists functions that are explicitly declared public or payable. Please note that getter methods for public stateVars are not included.

 Public	 Payable
13	0

External	Internal	Private	Pure	View
2	11	0	0	3

StateVariables

Total	 Public
8	8



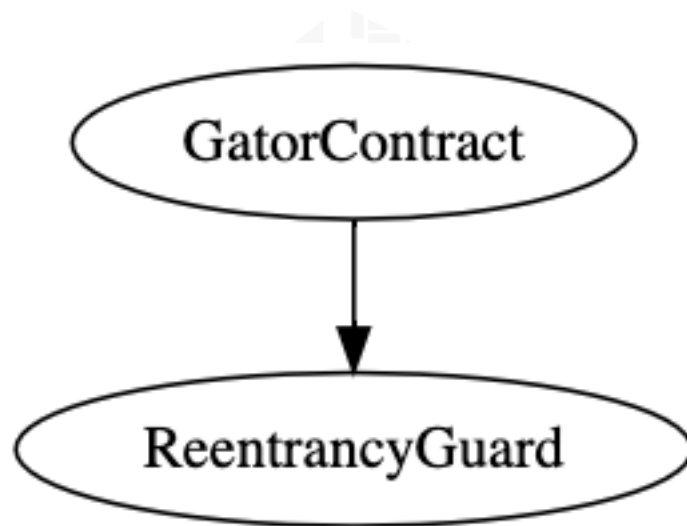
Capabilities

Solidity Versions observed	Transfers ETH	💰 Can Receive Funds	💻 Uses Assembly	💣 Has Destroyable Contracts
0.8.18	Yes			



Inheritance Graph

An inheritance graph is a graphical representation of the inheritance hierarchy among contracts. In object-oriented programming, inheritance is a mechanism that allows one class (or contract, in the case of Solidity) to inherit properties and methods from another class. It shows the relationships between different contracts and how they are related to each other through inheritance.





Centralization Privileges

Centralization can arise when one or more parties have privileged access or control over the contract's functionality, data, or decision-making. This can occur, for example, if a single entity controls the contract or if certain participants have special permissions or abilities that others do not.

In the project, some authorities have access to the following functions:

File	Privileges
contract.sol	<ul style="list-style-type: none"> The verifier address can manually burn the staked amount of any user without any allowance

Recommendations

To avoid potential hacking risks, the client should carefully manage the private key of the privileged account. Additionally, we recommend enhancing the security practices of centralized privileges or roles in the protocol through a decentralized mechanism or smart-contract-based accounts, such as multi-signature wallets.

Here are some suggestions of what the client can do:

- Consider using multi-signature wallets: Multi-signature wallets require multiple parties to sign off on a transaction before it can be executed, providing an extra layer of security e.g. Gnosis Safe
- Use of a timelock at least with a latency of e.g. 48-72 hours for awareness of privileged operations
- Introduce a DAO/Governance/Voting module to increase transparency and user involvement
- Consider Renouncing ownership so that the owner can no longer modify any state variables of the contract. Make sure to set everything up before renouncing.



Audit Results

Critical issues

No critical issues

High issues

No high issues



Medium issues

#1 | Centralization Risk (Loss if user funds)

File	Severity	Location	Status
Main	Medium	L135	ACK

Description - The verifier address in the contract can burn the staked amount of any arbitrary account without the allowance of the staker, which is not recommended as it may result in the loss of user funds.

Remediation - Make sure that it is not possible to burn or reduce the stake of the users without allowance

#2 | Old Compiler version

File	Severity	Location	Status
Main	Medium	L2, 155	Fixed

Description - The contracts use outdated compiler versions, which are not recommended for deployment as they may be susceptible to known vulnerabilities. Moreover, if the contract is deployed using an older compiler version than 0.8.0, then the calculations for the stakes may result in overflow or underflow in the staked amount.

Remediation - Use a newer pragma version. At least use the 0.8.18 version for final deployment.

Low issues

#1 | Missing Events

File	Severity	Location	Status
Main	Low	L164, 168	ACK

Description - Make sure to emit events for all the critical parameter changes in the contract to ensure the transparency and trackability of all the state variable changes.

#2 | Missng “balance” check

File	Severity	Location	Status
Main	Low	L155	ACK

Description - The contract has no checks to verify whether the caller has enough stakes to burn or not. If the stake owner wants to burn more tokens than they own, the function will revert.

Remediation - We recommend putting a check in place to verify that the burn amount must be less than or equal to the user’s stake value.

Informational issues

#1 | NatSpec documentation missing

File	Severity	Location	Status
Main	Informational	N/A	ACK

Description - If you have started to comment on your code, comment on all other functions, variables, etc.

#2 | Floating Pragma

File	Severity	Location	Status
Main	Informational	N/A	Fixed

Description - The contracts should be deployed with the same compiler version and flag that they have been tested thoroughly. Locking the pragma helps to ensure that contracts do not accidentally get deployed using other versions.

Legend for the Issue Status

Attribute or Symbol	Meaning
Open	The issue is not fixed by the project team.
Fixed	The issue is fixed by the project team.
Acknowledged(ACK)	The issue has been acknowledged or declared as part of business logic.



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