

## Star Key

# Mobile Wallet Audit Report

April 26, 2024

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#### **Overview**

This document describes the result of auditing the StarKey Mobile Wallet project.

Star-Key is an advanced multi-chain mobile wallet designed primarily for decentralized finance (DeFi) enthusiasts and experienced cryptocurrency users.

The primary objective behind developing Star-Key is to cater to individuals seeking a versatile and feature-rich self-custodial wallet compatible with multiple popular EVM chains, offering enhanced security, a seamless user experience, and cross-platform compatibility.

An exhaustive examination and inspection of Star-Key's front-end, back-end, smart contracts, infrastructure, and deployment pipelines formed the basis of this independent audit.

Meticulously scrutinizing each aspect allowed for identification of potential vulnerabilities, discrepancies, optimization prospects, and enhancement possibilities.

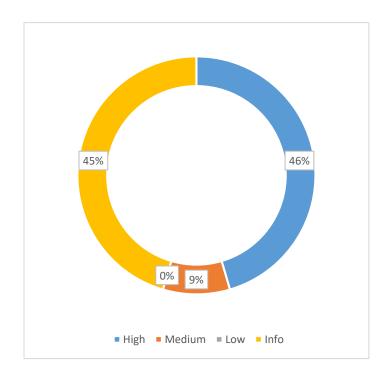
## **Audit Checklist**

Audit Class	Audit Subclass	Check
Source code security	Code decompilation detection	✓
Permission security	App permissions detection	✓
Storage security	File storage security audit	✓
	App cache security audit	✓
Communication security	Communication encryption security audit	✓
Business security	Business logic security audit	✓
Application interaction	Deeplinks security audit	✓
security		
Authentication security	Client-Based Authentication Security audit	✓
Transfer security	Signature security audit	<b>√</b>
	Deposit/Transfer security audit	<b>√</b>
	Transaction broadcast security audit	<b>√</b>
Secret key security	Secret key generation security audit	<b>√</b>
	Secret key storage security audit	<b>√</b>
	Secret key usage security audit	<b>√</b>
	Secret key backup security audit	<b>√</b>
	Secret key destruction security audit	✓
	Insecure entropy source audit	<b>√</b>
	Cryptography security audit	✓
User interaction security	Password complexity requirements	$\checkmark$
	Anti-phishing	✓

## **Project Details**

Project Name	Star Key
Project Type	Mobile Wallet
Audit Period	April 12 ~ April 26

## **Finding Classification**



High	5
Medium	1
Low	0
Info	4

### **Finding Details**

#### High

#### 1. Insufficient Input Validation

Mobile-wallet: reedSolomonErasure.js#L33-L124

#### Description

The encode and reconstruct methods in the ReedSolomonErasure class do not perform adequate input validation, leading to potential unexpected behavior and instability. Specifically, the methods rely entirely on the caller passing accurate values for dataShards, parityShards, shardsAvailable, and shards. Without proper validation, malicious actors or buggy integrations might pass incorrect values resulting in undefined behavior, crashes, or even exploits.

#### **Impact**

Insufficient input validation poses risks for downstream consumers, increasing the likelihood of integration issues, instability, and security vulnerabilities.

#### **Recommended Mitigation Steps**

Introduce strict input validation checks for the encode and reconstruct methods, including:

Verifying that dataShards and parityShards are positive integers.

Asserting that shardsAvailable is either null or an array of Boolean values equal to the total sum of dataShards plus parityShards.

Confirming that shards is an array of unsigned 8-bit integer typed arrays (Uint8Array) with a size greater than zero and divisible by dataShards plus parityShards.

Throw insightful exceptions or errors when validation fails to signal to the caller that the input is invalid.

Document the expected input formats clearly in the class definition and method signature comments, easing integration efforts.

Implementing input validation strengthens the ReedSolomonErasure class defensively, reducing risk factors for consumers and promoting seamless integration.

#### 2. Insecure randomness

#### Mobile-wallet: services/EthersService.ts#L97-L118

#### Description

The <u>createWalletUsingSeed</u> function employs a deterministic algorithm for generating derived addresses, rendering them predictable.

#### **Impact**

Malicious actors can exploit predictable derived addresses, putting user funds at risk.

#### Recommendation

Leverage cryptographic randomness sources to ensure secure and unpredictable derived addresses. Utilize tried-and-tested libraries like <a href="mailto:secure-256k1">secp256k1</a> or <a href="mailto:bs58check">bs58check</a> to produce secure derived addresses.

#### 3. Address the insecure storage

Mobile-wallet: SCR\_Accounts/index.tsx#L32-L232

#### Description

Plain text storage of seed phrases and private keys in local storage represents an alarming security threat. Attackers gaining unauthorized access to devices could easily obtain these vital credentials, resulting in catastrophic consequences.

#### **Impact**

Failure to implement strong security protocols for sensitive data leaves the entirety of a mobile wallet application vulnerable to breaches, exposing users' digital assets to theft and fraudulent activities. Given the nature of this oversight, adversaries can potentially gain unauthorized access to users' sensitive information, including seed phrases and private keys, which in turn puts their finances and investments at considerable risk.

When seed phrases and private keys are compromised, cybercriminals can initiate transactions on behalf of unsuspecting victims, draining accounts of their contents instantaneously. Moreover, possession of a victim's seed phrase permits the generation of fresh addresses linked to their original holdings, effectively circumventing standard security precautions. As a result, affected users stand to lose substantial sums, and face challenges recovering lost assets.

Additionally, the violation of customer trust stemming from such a lapse can inflict irreversible damage on an organization's brand and business model. Repairing damaged reputations demands immense resources, and often involves litigation costs, regulatory penalties, and settlement fees. Ultimately, neglecting suitable security measures invites substantial monetary losses, legal complications, and lasting negative ramifications for businesses and consumers alike. Therefore, investing in robust security protocols is paramount to protect sensitive data and preserve trustworthy relationships within the mobile wallet ecosystem.

#### **Recommended Solution**

Mitigate the risk by employing robust security protocols for managing sensitive data. Specifically, adopt the following approach:

Hash and Salt passwords before storing them.

Encrypt sensitive information like seed phrases and private keys before committing them to storage.

Restrict access to secured vaults holding these valuable assets.

Adhering to these guidelines fortifies the application against malicious intrusions, bolstering the confidence of users who entrust their financial dealings to the mobile wallet application.

#### 4. Weak Access Control for react-native-keychain

#### Description

Star Key Wallet uses the setGenericPassword function from the react-native-keychain library to store the user's password and address in the device. This function has different options, one being that Keychain.ACCESS\_CONTROL which has many access control choices that require a password or touch ID to access the keychain data. However, by default, there is no access control while accessing the keychain data.

```
L10: const storePasswordInKeyChain = async (password: string) => {
L11: await Keychain.setGenericPassword(SERVICE_NAME, password);
L12: };
```

#### **Recommended Solution**

It is recommended to specify the desired access control from available options.

```
const storePasswordInKeyChain = async (password: string) => {
    -- await Keychain.setGenericPassword(SERVICE_NAME, password);
    ++ await Keychain.setGenericPassword(SERVICE_NAME, password, {
    ++ accessControl:
    Keychain.ACCESS_CONTROL.BIOMETRY_ANY_OR_DEVICE_PASSCODE
    ++ });
```

#### 5. Wallet Screen Not Protected Against Screen Recording

#### Description

On Android and some versions of iOS, the user or an application may record videos or individual frames from the Star Key Wallet application.

The data displayed by the Star Key Wallet is critical to both the security of the application and the privacy of the user. This data includes the mnemonic phrase, which is displayed during wallet key pair generation, and at any time after that in the backup screen. A leak of the mnemonic passphrase is a critical breach of the security of the wallet. Additionally, the wallet displays user account balance and transaction history, of which a malicious screenshot could leak private user data.

Private user data must be secured and protected from access by other applications running on the mobile device.

#### **Impact**

A malicious application accessing an image of the mnemonic phrase could result in loss of all wallet funds. In addition, account balance or transaction history leaks are a breach of user privacy.

#### **Vulnerability Details**

#### **Preconditions**

The user must make a screenshot, and grant other applications access to the screenshot. Alternatively, an application that has access to the contents of the screen (e.g. a screen recording application) would be required.

#### Feasibility

The feasibility of such an attack depends on the specific phone and OS.

On iOS 10 or newer, there is no API for an application to use to access the screen of another application, so this attack vector is not applicable. However, if the attacker plants a malicious application with access to the photo gallery on the device and the user makes

a screenshot of the seed phrase or other private information, it is possible for the application to access it.

On Android, the MediaProjection API can be used to record the contents of the screen. The user has to explicitly consent to the access, and during the duration of the screen recording, an icon is shown. This icon represents wireless transmission of the screen contents to a projector or ChromeCast and may not be immediately identifiable as a screen recording icon. Additionally, any application with access to the files of the user can access all screenshots.

#### Recommended Solution

I suggest that the Star Key Wallet team take the following measures to prevent or mitigate the impact of screenshots.

#### Android

On Android, we recommend setting FLAG\_SECURE on the application window and making sure that no private content is shown in other windows. For more information, we suggest referring to this blog post about vulnerabilities of weak screenshot protection. The flag can either be set manually or by using an existing React module.

iOS

On iOS, there is no API to prevent screenshots, which makes mitigating this issue more difficult. In some instances, the only thing that can be done is to remind the user that taking screenshots of the seed means making it available to other applications. In other cases, such as the seed generation screen or when the application is being AirPlayed or mirrored, stronger measures could be taken. In this case, the iOS event UIApplicationUserDidTakeScreenshotNotification can be handled to display a notice to the user that the action is not secure, and to generate and display a new seed. With this approach, instead of preventing the screenshotting of a seed that is used, using a seed that is screenshotted is prevented. ScreenShieldKit also warrants mention in this case as a potential resource for preventing screenshots.

#### **Medium**

#### 1. Potential stale data retention

Mobile-wallet: FileManagerService.ts#L8-L124

#### Description

Functions responsible for removing files or directories, i.e., deleteFile and deleteDirectory, do not return resolved promises. Downstream processing continues assuming the removal succeeds, resulting in potential stale data retention.

#### **Impact**

If the functions responsible for removing files or directories fail to return resolved promises, subsequent operations assume successful completion regardless of the outcome. This shortcoming creates a situation wherein residual, obsolete, or irrelevant data persist, leading to data inconsistencies.

As a consequence, these lingering fragments can manifest in various manners, producing outcomes that range from mild annoyances to severe impairments. Examples comprise of corrupted application states, unusable features, reduced performance, or faulty calculations. Even worse, such irregularities might engender widespread distrust, dissatisfied customers, and increased technical debt. Furthermore, persistent anomalous data hinder progression towards achieving objectives, forcing teams to spend extra cycles isolating root causes and executing remediation plans.

Returning resolved promises post-deletion operations alleviate these predicaments by pausing downstream processing, waiting for successful termination, and subsequently continuing once guaranteed eradication transpires. Thus, rest assured that clean slates emerge, paving the way for accurate, predictable, and steadfast outcomes that foster productivity and satisfaction.

#### Recommendation

Modify the deleteFile and deleteDirectory functions to incorporate resolved promises signaling successful completion of deletion routines before moving onto subsequent stages. Doing so instills discipline and precision, yielding benefits that span accuracy, cohesion, and sustainability.

Info

1. Potentially missing data integrity validation

Mobile-wallet: addressBook/index.ts#L4-L58

Description

Currently, the recentTransactionAddressList object stores recent transactions for each user. When storing a new recent transaction address, the code checks if the address already exists within the past 3 items for the respective network short name.

However, it lacks validation to check if the userId, networkShortName, and address altogether already exist within the nested structure, thus possibly duplicating records. Duplicate records could negatively affect the intended functionality of tracking recent transaction addresses.

**Impact** 

Neglecting to implement a validation mechanism in the storeRecentTransactionAddress reducer can result in duplicate entries accumulating in the recentTransactionAddressList object.

Space Efficiency: Space consumed expands proportionally to the volume of redundant entries, consuming unnecessary storage space and increasing computational overhead.

Time Complexity: Search queries demand longer durations to sift through bulky datasets, prolonging response latencies and hampering user experience.

Correctness and Predictability: Without a validation mechanism, the application cannot accurately reflect the latest transaction history. Consequently, the intended functionality of tracking recent transaction addresses deteriorates, introducing ambiguity and skewed analytics.

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Therefore, establishing a robust validation mechanism becomes imperative for conserving resources, expediting search query responses, and sustaining correctness and predictability in the application's behavior.

#### Recommendation

Implement a validation mechanism

Modify the storeRecentTransactionAddress reducer to iterate over the existing user data and networks, searching for an identical combination of userId, networkShortName, and address. Prevent addition if the combination already exists.

#### 2. Incomplete Edge Case Handling

#### Description

The editUserData function handles editing user data in the usersData and importedUsersData arrays. Nevertheless, it doesn't handle the condition where the specified user isn't present in either array.

#### **Impact**

Ignoring this edge case may result in silent failures and leave the user data unchanged, leaving developers guessing whether the modification occurred successfully. This opacity hinders effective debugging and problem isolation.

#### Recommendation

Ensure the function's robustness by introducing a guard clause to check if the user exists in both arrays before attempting to modify their data. If the user isn't found, emit a warning or throw an error to signal the absence of the targeted record.

3. Security

Mobile-wallet: EncryptionService.ts#L11-L57

Description

Utilizing a single master password for encryption and decryption operations can raise

security concerns. Choosing weak passwords might put user accounts at risk, making

them susceptible to attacks

**Impact** 

Attackers can attempt to crack weak master passwords using brute force techniques or

precomputed tables, eventually gaining unauthorized access to sensitive data and

tampering with user accounts.

Recommendation

Improving security measures is essential to mitigate these concerns. Consider

implementing the following recommendations:

Multi-factor Authentication: Combine multiple factors, such as knowledge (password),

possession (security token), and inherence (biometrics), to create robust barriers against

unauthorized entry.

Password Hashing Algorithms: Derive encryption keys using advanced algorithms such

as PBKDF2, scrypt, or Argon2. These algorithms resist attacks by demanding significant

computational power, slowing down hackers trying to crack the master password.

By incorporating multi-factor authentication or derived keys using algorithms like PBKDF2,

scrypt, or Argon2, you can considerably strengthen security and protect user accounts

from unauthorized access.

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#### 4. Error Handling

Some parts of the code do not effectively handle errors thrown during execution.

#### Mobile-wallet: services/Erc20TokenService.ts#L65-L169

#### Description

The fetchAllErc20TokenBalanceByNetwork function in services/Erc20TokenService.ts does not completely handle errors, and axios configuration is created repetitively inside the loops.

#### **Impact**

Errors occurring in the function may result in an incomplete list of token balances, confusing users or breaking dependent functionality. Repeated axios configuration creations lead to performance loss.

#### Recommendation

Surround the for loop block inside a try-catch statement to properly handle errors and ensure a complete list of token balances.

Move the axios configuration creation outside of the loops to avoid repetition, improving performance.