

Report to the Swiss Federal Supervisory Authority for Foundations (FSAF)

Executive Summary

This report addresses concerns regarding the activities of the Interchain Foundation (ICF) and its impact on the Cosmos ecosystem. As a long-standing participant in this ecosystem, I believe it is crucial to bring these issues to the attention of the FSAF and the broader Cosmos community.

About the Author

I am Jacob Anthony Gadikian, CEO and founder of Notional Ventures. My involvement in the Cosmos ecosystem dates back to 2016, with full-time engagement since 2020. Notional Ventures previously operated 45 validators within the ecosystem.

Key points about my background: - Direct beneficiary of ICF delegations (over 800,000 ATOMs, yielding approximately \$60,000 annually) - Elected security provider to the Cosmos Hub - Security researcher focusing on cryptocurrency systems interactions

Security Reporting Concerns

Recommendation for Security Reporters

For those encountering security issues within the Cosmos ecosystem, I strongly recommend contacting Dev Ojha directly. His expertise, ethics, and professionalism make him an ideal point of contact.

I advise against contacting the Interchain Foundation due to potential risks: 1. Harassment 2. Improper handling of issues 3. Possible economic losses resulting from reporting

Personal Experience

In addressing the P2P storms issue, I was compelled to: 1. Disclose through demonstration, collaborating with SEAL911 2. Utilize company funds for legal action against ICF to correct inaccurate reporting

Incidents of Concern

1. Amulet and Fee Market Vulnerability

- A discrepancy between Amulet's security standards and the Cosmos Hub was identified
- Post-report policy changes by Amulet raised concerns about reporting integrity
- Inconsistencies between Cosmos Hub and Amulet/HackerOne security documentation were noted

2. Alleged Threats from Strangelove Ventures

Observations of potential efforts to impede IBC growth, particularly targeting Composable, were made.

3. Proposal 104 Implementation Issues

Despite Notional's election as the Cosmos Hub security provider, Informal Systems team members reportedly failed to update security contact information, potentially compromising issue reporting.

4. P2P Storms Vulnerability

- Repeatedly reported since 2020 (Game of Zones)
- Implicated in major exploits:
 - Luna Classic (May 2022)
 - Osmosis (December 2024)
- Potential for significant economic impact and deniable attacks

5. IBC Field Length Limitations (“Banana King”)

- Initially reported by community members and subsequently ignored
- Public disclosure eventually prompted attention
- Vulnerability allows for timing attacks and remains unresolved on many Cosmos chains

6. IBC Version 3.0.0 and Cosmos Hub Exploit

- Use of deprecated IBC module led to user fund inaccessibility (30,000 ATOM affected)
- Occurred shortly after reporting the use of an obsolete, vulnerable IBC version

Conclusion and Recommendations

The incidents outlined in this report highlight significant concerns regarding security management, transparency, and responsiveness within the Cosmos ecosystem, particularly in relation to the Interchain Foundation’s practices. I recommend:

1. A thorough review of ICF’s security reporting and handling procedures
2. Implementation of more transparent and accountable governance processes
3. Increased oversight of fund allocation and delegation practices
4. Improved communication channels between ICF, developers, and the community

I am available for further discussion or clarification on any points raised in this report. My primary communication channel for follow-up will be Signal, details of which will be provided separately.