

SHERLOCK SECURITY REVIEW FOR



SHERLOCK

Prepared for: 3D FrankenPunks

Prepared by: Sherlock

Lead Security Expert: WATCHPUG

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Introduction

The Franken DAO is a fully on chain governance system for FrankenPunks holders, which overcomes the "1 token, 1 vote" problem by rewarding long term stakers and active participants in the DAO.

Scope

The following contracts are in scope:

- src/Governance.sol (337 nSLOC)
- src/Staking.sol (333 nSLOC)
- src/Executor.sol (44 nSLOC)
- src/proxy/GovernanceProxy.sol (27 nSLOC)
- src/utils/Admin.sol (56 nSLOC)
- src/utils/Refundable.sol (22 nSLOC)

Findings

Each issue has an assigned severity:

- Medium issues are security vulnerabilities that may not be directly exploitable or may require certain conditions in order to be exploited. All major issues should be addressed.
- High issues are directly exploitable security vulnerabilities that need to be fixed.

Issues found

Medium	High
7	4

Issues not fixed or acknowledged

Medium	High
0	0

Security experts who found valid issues



hansfriese
0x52
curiousapple
Trumpero
Tomo
neumo

WATCHPUG
John
koxuan
bin2chen
rvierdiiev
Nyx

Bnke0x0 saian cccz



Issue H-1: The total community voting power is updated incorrectly when a user delegates.

Source: https://github.com/sherlock-audit/2022-11-frankendao-judging/issues/91

Found by

hansfriese

Summary

When a user delegates their voting power from staked tokens, the total community voting power should be updated. But the update logic is not correct, the the total community voting power could be wrong values.

Vulnerability Detail

When the total community voting power is increased in the first if statement, _dele gator's token voting power might be positive already and community voting power might be added to total community voting power before.

Also, currentDelegate's token voting power might be still positive after delegation so we shouldn't remove the community voting power this time.

Impact

The total community voting power can be incorrect.



Code Snippet

https://github.com/sherlock-audit/2022-11-frankendao/blob/main/src/Staking.sol#L 293-L313

Tool used

Manual Review

Recommendation

Add more conditions to check if the msg.sender delegated or not.

```
if (_delegator == _delegatee) {
    if(tokenVotingPower[_delegatee] == amount) {
        _updateTotalCommunityVotingPower(_delegator, true);
    }
    if(tokenVotingPower[currentDelegate] == 0) {
        _updateTotalCommunityVotingPower(currentDelegate, false);
    }
} else if (currentDelegate == _delegator) {
    if(tokenVotingPower[_delegatee] == amount) {
        _updateTotalCommunityVotingPower(_delegatee, true);
    }
    if(tokenVotingPower[_delegator] == 0) {
        _updateTotalCommunityVotingPower(_delegator, false);
    }
}
```

Discussion

zobront

Fixed: https://github.com/Solidity-Guild/FrankenDAO/pull/15

Note for JTP: Please double check this one, as I'm 99% confident but would love a second set of eyes on it.



Issue H-2: Staking.unstake() doesn't decrease the original voting power that was used in Staking.stake().

Source: https://github.com/sherlock-audit/2022-11-frankendao-judging/issues/70

Found by

hansfriese

Summary

Staking.unstake() doesn't decrease the original voting power that was used in Staking.stake().

Vulnerability Detail

When users stake/unstake the underlying NFTs, it calculates the token voting power using <u>getTokenVotingPower()</u> and increases/decreases their voting power accordingly.

But getTokenVotingPower() uses some parameters like monsterMultiplier and baseV otes and the output would be changed for the same tokenId after the admin changed these settings.

Currently, _stake() and _unstake() calculates the token voting power independently and the below scenario would be possible.

- At the first time, baseVotes=20, monsterMultiplier=50.
- A user staked a FrankenMonsters and his voting power = 10 here.
- After that, the admin changed monsterMultiplier=60.
- When a user tries to unstake the NFT, the token voting power will be 20*60/10 0=12 here.



- So it will revert with uint underflow here.
- After all, he can't unstake the NFT.

Impact

votesFromOwnedTokens might be updated wrongly or users can't unstake for the worst case because it doesn't decrease the same token voting power while unstaking.

Code Snippet

https://github.com/sherlock-audit/2022-11-frankendao/blob/main/src/Staking.sol#L 427-L440

Tool used

Manual Review

Recommendation

I think we should add a mapping like tokenVotingPower to save an original token voting power when users stake the token and decrease the same amount when they unstake.

Discussion

zobront



Issue H-3: Unbounded _unlockTime allows the attacker to get a huge stakedTimeBonus and dominate the voting

Source: https://github.com/sherlock-audit/2022-11-frankendao-judging/issues/53

Found by

curiousapple, Trumpero, John, neumo, bin2chen, koxuan, WATCHPUG

Summary

stakingSettings.maxStakeBonusTime is not enforced, allowing the attacker to gain a huge stakedTimeBonus by using a huge value for _unlockTime.

Vulnerability Detail

There is no max _unlockTime check in _stakeToken() to enforce the stakingSettings .maxStakeBonusTime.

As a result, an attacker can set a huge value for _unlockTime and get an enormous s takedTimeBonus.

Impact

The attacker can get a huge amount of votes and dominate the voting.

Code Snippet

https://github.com/sherlock-audit/2022-11-frankendao/blob/main/src/Staking.sol#L 389-L394

https://github.com/sherlock-audit/2022-11-frankendao/blob/main/src/Staking.sol#L 356-L384

Tool used

Manual Review

Recommendation

Change to:

```
function _stakeToken(uint _tokenId, uint _unlockTime) internal returns (uint) {
  if (_unlockTime > 0) {
    unlockTime[_tokenId] = _unlockTime;
    uint time = _unlockTime - block.timestamp;
```



```
uint maxtime = stakingSettings.maxStakeBonusTime;
uint maxBonus = stakingSettings.maxStakeBonusAmount;
if (time < stakingSettings.maxStakeBonusTime){
    uint fullStakedTimeBonus = (time * maxBonus) / maxtime;
}else{
    uint fullStakedTimeBonus = maxBonus;
}
    stakedTimeBonus[_tokenId] = _tokenId < 10000 ? fullStakedTimeBonus :
    fullStakedTimeBonus / 2;
}</pre>
```

Discussion

zobront



Issue H-4: Staking#_unstake removes votes from wrong person if msg.sender != owner

Source: https://github.com/sherlock-audit/2022-11-frankendao-judging/issues/30

Found by

0x52

Summary

Staking#_unstake allows any msg.sender to unstake tokens for any owner that has approved them. The issue is that even when msg.sender != owner the votes are removed from msg.sender instead of owner. The result is that the owner keeps their votes and msg.sender loses theirs. This could be abused to hijack or damage voting.

Vulnerability Detail

```
address owner = ownerOf(_tokenId);
if (msg.sender != owner && !isApprovedForAll[owner][msg.sender] && msg.sender !=

ownerOf(_tokenId]) revert NotAuthorized();
```

Staking#_unstake allows any msg.sender to unstake tokens for any owner that has approved them.

```
uint lostVotingPower;
for (uint i = 0; i < numTokens; i++) {
    lostVotingPower += _unstakeToken(_tokenIds[i], _to);
}

votesFromOwnedTokens[msg.sender] -= lostVotingPower;
// Since the delegate currently has the voting power, it must be removed from
    their balance
// If the user doesn't delegate, delegates(msg.sender) will return self
tokenVotingPower[getDelegate(msg.sender)] -= lostVotingPower;
totalTokenVotingPower -= lostVotingPower;</pre>
```

After looping through _unstakeToken all accumulated votes are removed from msg.sender. The problem with this is that msg.sender is allowed to unstake tokens for users other than themselves and in these cases they will lose votes rather than the user who owns the token.

Example: User A and User B both stake tokens and have 10 votes each. User A approves User B to unstake their tokens. User B calls unstake for User A. User B is msg.sender and User A is owner. The votes should be removed from owner but



instead are removed from msg.sender. The result is that after unstaking User B has a vote balance of 0 while still having their locked token and User B has a vote balance of 10 and their token back. Now User B is unable to unstake their token because their votes will underflow on unstake, permanently trapping their NFT.

Impact

Votes are removed incorrectly if msg.sender != owner. By extension this would forever trap msg.sender tokens in the contract.

Code Snippet

https://github.com/sherlock-audit/2022-11-frankendao/blob/main/src/Staking.sol#L 427-L458

Tool used

Manual Review

Recommendation

Remove the ability for users to unstake for other users

Discussion

zobront



Issue M-1: [Tomo-M3] Use safeMint instead of mint for ERC721

Source: https://github.com/sherlock-audit/2022-11-frankendao-judging/issues/65

Found by

Tomo

Summary

Use safeMint instead of mint for ERC721

Vulnerability Detail

The msg.sender will be minted as a proof of staking NFT when _stakeToken() is called.

However, if msg.sender is a contract address that does not support ERC721, the NFT can be frozen in the contract.

As per the documentation of EIP-721:

A wallet/broker/auction application MUST implement the wallet interface if it will accept safe transfers.

Ref: https://eips.ethereum.org/EIPS/eip-721

As per the documentation of ERC721.sol by Openzeppelin

Ref: https://github.com/OpenZeppelin/openzeppelin-contracts/blob/master/contracts/token/ERC721/ERC721.sol#L274-L285



Impact

Users possibly lose their NFTs

Code Snippet

https://github.com/sherlock-audit/2022-11-frankendao/blob/main/src/Staking.sol#L 411

_mint(msg.sender, _tokenId);

Tool used

Manual Review

Recommendation

Use safeMint instead of mint to check received address support for ERC721 implementation.

https://github.com/OpenZeppelin/openzeppelin-contracts/blob/master/contracts/token/ERC721/ERC721.sol#L262

Discussion

zobront

I might consider this a duplicate of #55 but not sure how this is usually judged. We will be changing this function based on other issues to not allow "approved" spenders, so msg.sender will be the owner of the FrankenPunk, which ensures they are able to hold NFTs.

zobront

Fixed: https://github.com/Solidity-Guild/FrankenDAO/pull/14

I didn't need to add safeMint, as I made a change for another issue that removed the ability to non holder to unstake, which means they have the ability to hold NFTs.



Issue M-2: [Medium-1] Hardcoded monsterMultiplier in case of stakedTimeBonus disregards the updates done to m onsterMultiplier through setMonsterMultiplier()

Source: https://github.com/sherlock-audit/2022-11-frankendao-judging/issues/56

Found by

curiousapple

Summary

[Medium-1] Hardcoded monsterMultiplier in case of stakedTimeBonus disregards the updates done to monsterMultiplier through setMonsterMultiplier()

Vulnerability Detail

FrankenDAO allows users to stake two types of NFTs, Frankenpunks and Frankenmon sters, one of which is considered more valuable, ie: Frankenpunks,

This is achieved by reducing votes applicable for Frankenmonsters by monsterMultip lier.

```
function getTokenVotingPower(uint _tokenId) public override view returns (uint) {
   if (ownerOf(_tokenId) == address(0)) revert NonExistentToken();

   // If tokenId < 10000, it's a FrankenPunk, so 100/100 = a multiplier of 1
   uint multiplier = _tokenId < 10_000 ? PERCENT : monsterMultiplier;

   // evilBonus will return 0 for all FrankenMonsters, as they are not
   eligible for the evil bonus
    return ((baseVotes * multiplier) / PERCENT) + stakedTimeBonus[_tokenId] +
   evilBonus(_tokenId);
}</pre>
```

This monsterMultiplier is initially set as 50 and could be changed by governance proposal.

```
function setMonsterMultiplier(uint _monsterMultiplier) external onlyExecutor {
   emit MonsterMultiplierChanged(monsterMultiplier = _monsterMultiplier);
}
```

However, one piece of code inside the FrakenDAO staking contract doesn't consider this and has a monster multiplier hardcoded.



Hence any update done to monsterMultiplier would not reflect in the calculation of stakedTimeBonus, and thereby votes.

Impact: Medium

Any update done to monsterMultiplier would not be reflected in stakedTimeBonus; it would always remain as /2 or 50%.

Likelihood: Medium

One needs to pass a governance proposal to change the monster multiplier, so this is definitely not a high likelihood; it's not low as well, as there is a clear provision in spec regarding this.

Code Snippet

https://github.com/sherlock-audit/2022-11-frankendao/blob/main/src/Staking.sol#L 393

Tool used

Manual Review

Recommendation

Consider replacing the hardcoded value with monsterMultiplier

Discussion

zobront



Issue M-3: Using ERC721.transferFrom() instead of safeTr ansferFrom() may cause the user's NFT to be frozen in a contract that does not support ERC721

Source: https://github.com/sherlock-audit/2022-11-frankendao-judging/issues/55

Found by

Tomo, Bnke0x0, saian, rvierdiiev, Nyx, WATCHPUG

Summary

There are certain smart contracts that do not support ERC721, using transferFrom() may result in the NFT being sent to such contracts.

Vulnerability Detail

In unstake(), _to is param from user's input.

However, if _to is a contract address that does not support ERC721, the NFT can be frozen in that contract.

As per the documentation of EIP-721:

A wallet/broker/auction application MUST implement the wallet interface if it will accept safe transfers.

Ref: https://eips.ethereum.org/EIPS/eip-721

Impact

The NFT may get stuck in the contract that does support ERC721.

Code Snippet

https://github.com/sherlock-audit/2022-11-frankendao/blob/main/src/Staking.sol#L 463-L489

Tool used

Manual Review

Recommendation

Consider using safeTransferFrom() instead of transferFrom().



Discussion

zobront

Fixed: https://github.com/Solidity-Guild/FrankenDAO/pull/10



Issue M-4: queue() should increase proposalsPassed instead of proposalsCreated

Source: https://github.com/sherlock-audit/2022-11-frankendao-judging/issues/54

Found by

hansfriese, cccz, rvierdiiev, 0x52, John, neumo, Trumpero, WATCHPUG

Summary

proposalsCreated will be increased in verifyProposal(), queue() should increase proposalsPassed.

Vulnerability Detail

Based on the context, queue() should increase userCommunityScoreData[proposal.proposer].proposalsPassed and totalCommunityScoreData.proposalsPassed instead.

Impact

Due to the presence of setProposalsCreatedMultiplier() and setProposalsPassedMultiplier(), the multiplier of both scores can be different, when that's the case, the proposer's voting power bonuses will be wrongly calculated because proposalsPassed is not correctly increased in queue().

Code Snippet

https://github.com/sherlock-audit/2022-11-frankendao/blob/main/src/Governance.sol#L467-L495

https://github.com/sherlock-audit/2022-11-frankendao/blob/main/src/Staking.sol#L 592-L601

Tool used

Manual Review

Recommendation

Change to:

```
function queue(uint256 _proposalId) external {
    // Succeeded means we're past the endTime, yes votes outweigh no votes,
    and quorum threshold is met
```



```
if(state(_proposalId) != ProposalState.Succeeded) revert InvalidStatus();
    Proposal storage proposal = proposals[_proposalId];
    // Set the ETA (time for execution) to the soonest time based on the
Executor's delay
    uint256 eta = block.timestamp + executor.DELAY();
    proposal.eta = eta.toUint32();
    // Queue separate transactions for each action in the proposal
    uint numTargets = proposal.targets.length;
    for (uint256 i = 0; i < numTargets; i++) {</pre>
        executor.queueTransaction(proposal.targets[i], proposal.values[i],
proposal.signatures[i], proposal.calldatas[i], eta);
    // If a proposal is queued, we are ready to award the community voting
power bonuses to the proposer
     ++userCommunityScoreData[proposal.proposer].proposalsCreated;
     ++userCommunityScoreData[proposal.proposer].proposalsPassed;
    // We don't need to check whether the proposer is accruing community
voting power because
    // they needed that voting power to propose, and once they have an Active
Proposal, their
    // tokens are locked from delegating and unstaking.
     ++totalCommunityScoreData.proposalsCreated;
     ++totalCommunityScoreData.proposalsPassed;
    // Remove the proposal from the Active Proposals array
    _removeFromActiveProposals(_proposalId);
    emit ProposalQueued(_proposalId, eta);
}
```

Discussion

ZakkMan



Issue M-5: castVote can be called by anyone even those without votes

Source: https://github.com/sherlock-audit/2022-11-frankendao-judging/issues/25

Found by

Trumpero, hansfriese, 0x52

Summary

Governance#castVote can be called by anyone, even users that don't have any votes. Since the voting refund is per address, an adversary could use a large number of addresses to vote with zero votes to drain the vault.

Vulnerability Detail

```
function _castVote(address _voter, uint256 _proposalId, uint8 _support) internal

    returns (uint) {

   // Only Active proposals can be voted on
    if (state(_proposalId) != ProposalState.Active) revert InvalidStatus();
   // Only valid values for _support are 0 (against), 1 (for), and 2 (abstain)
    if (_support > 2) revert InvalidInput();
   Proposal storage proposal = proposals[_proposalId];
    // If the voter has already voted, revert
   Receipt storage receipt = proposal.receipts[_voter];
    if (receipt.hasVoted) revert AlreadyVoted();
    // Calculate the number of votes a user is able to cast
    // This takes into account delegation and community voting power
    uint24 votes = (staking.getVotes(_voter)).toUint24();
    // Update the proposal's total voting records based on the votes
    if (_support == 0) {
        proposal.againstVotes = proposal.againstVotes + votes;
    } else if (_support == 1) {
        proposal.forVotes = proposal.forVotes + votes;
    } else if (_support == 2) {
        proposal.abstainVotes = proposal.abstainVotes + votes;
    }
    // Update the user's receipt for this proposal
```



Nowhere in the flow of voting does the function revert if the user calling it doesn't actually have any votes. staking#getVotes won't revert under any circumstances. Governance#_castVote only reverts if 1) the proposal isn't active 2) support > 2 or 3) if the user has already voted. The result is that any user can vote even if they don't have any votes, allowing users to maliciously burn vault funds by voting and claiming the vote refund.

Impact

Vault can be drained maliciously by users with no votes

Code Snippet

https://github.com/sherlock-audit/2022-11-frankendao/blob/main/src/Governance.sol#L607-L646

Tool used

Manual Review

Recommendation

Governance#_castVote should revert if msg.sender doesn't have any votes:

```
// Calculate the number of votes a user is able to cast
// This takes into account delegation and community voting power
uint24 votes = (staking.getVotes(_voter)).toUint24();

+ if (votes == 0) revert NoVotes();
```



```
// Update the proposal's total voting records based on the votes
if (_support == 0) {
    proposal.againstVotes = proposal.againstVotes + votes;
} else if (_support == 1) {
    proposal.forVotes = proposal.forVotes + votes;
} else if (_support == 2) {
    proposal.abstainVotes = proposal.abstainVotes + votes;
}
```

Discussion

zobront

This is great and will fix, but an adversary being able to burn a small pool put aside for gas refunds for no personal benefit seems like a Medium, not a High.

ZakkMan



Issue M-6: Delegate can keep can keep delegatee trapped indefinitely

Source: https://github.com/sherlock-audit/2022-11-frankendao-judging/issues/23

Found by

0x52

Summary

Users are allowed to delegate their votes to other users. Since staking does not implement checkpoints, users are not allowed to delegate or unstake during an active proposal if their delegate has already voted. A malicious delegate can abuse this by creating proposals so that there is always an active proposal and their delegatees are always locked to them.

Vulnerability Detail

The above modifier is applied when unstaking or delegating. This reverts if the delegate of msg.sender either has voted or currently has an open proposal. The result is that under those conditions, the delgatee cannot unstake or delegate. A malicious delegate can abuse these conditions to keep their delegatees forever delegated to them. They would keep opening proposals so that delegatees could never unstake or delegate. A single users can only have a one proposal opened at the same time so they would use a secondary account to alternate and always keep an active proposal.

Impact

Delegatees can never unstake or delegate to anyone else



Code Snippet

https://github.com/sherlock-audit/2022-11-frankendao/blob/main/src/Staking.sol#L 166-L174

Tool used

Manual Review

Recommendation

There should be a function to emergency eject the token from staking. To prevent abuse a token that has been emergency ejected should be blacklisted from staking again for a certain cooldown period, such as the length of current voting period.

Discussion

zobront

In the case that a user did this, Admins would create a contract that all "stuck" users approve, and they would veto and unstake all tokens in one transaction. It would be inconvenient, but no long term harm would be caused.

I still think it's valid as a Medium, as this is obviously a situation we'd like to avoid being possible.

zobront



Issue M-7: Veto function should decrease proposalsPassed (and possibly proposalsCreated)

Source: https://github.com/sherlock-audit/2022-11-frankendao-judging/issues/9

Found by

Trumpero, neumo

Summary

When a proposal that has passed is vetoed, the proposer still has the bonus of proposalsCreated and proposalsPassed related to the proposal. Both should be decremented because veto is intended to be used for malicious proposals.

Vulnerability Detail

The function <code>getCommunityVotingPower</code> returns a bonus to users for voting, creating proposals and having them passed. https://github.com/sherlock-audit/2022-11-frankendao/blob/main/src/Staking.sol#L520-L541 The <code>veto</code> function is supposed to be used against malicious proposals (see comment in line 522): https://github.com/sherlock-audit/2022-11-frankendao/blob/main/src/Governance.sol#L520-L534 So the malicius proposer should not keep a bonus based in this proposal's creation and/or passing, and the function should decrease both the values of <code>proposalsCreated</code> and <code>proposalsPassed</code>.

Impact

Malicious proposer keeps bonus after his proposal is vetoed.

Code Snippet

N/A

Tool used

Manual Review

Recommendation

Put a check in the veto function that decreases the values of both proposalsCreate d and proposalsPassed.



```
if(proposal.verified){
    --userCommunityScoreData[proposal.proposer].proposalsCreated;
    --totalCommunityScoreData.proposalsCreated;
}
if (state(_proposalId) == ProposalState.Queued){
    --userCommunityScoreData[proposal.proposer].proposalsPassed;
    --totalCommunityScoreData.proposalsPassed;
}
```

Discussion

ZakkMan

