

# Lessons from 3 years of crypto and blockchain security audits

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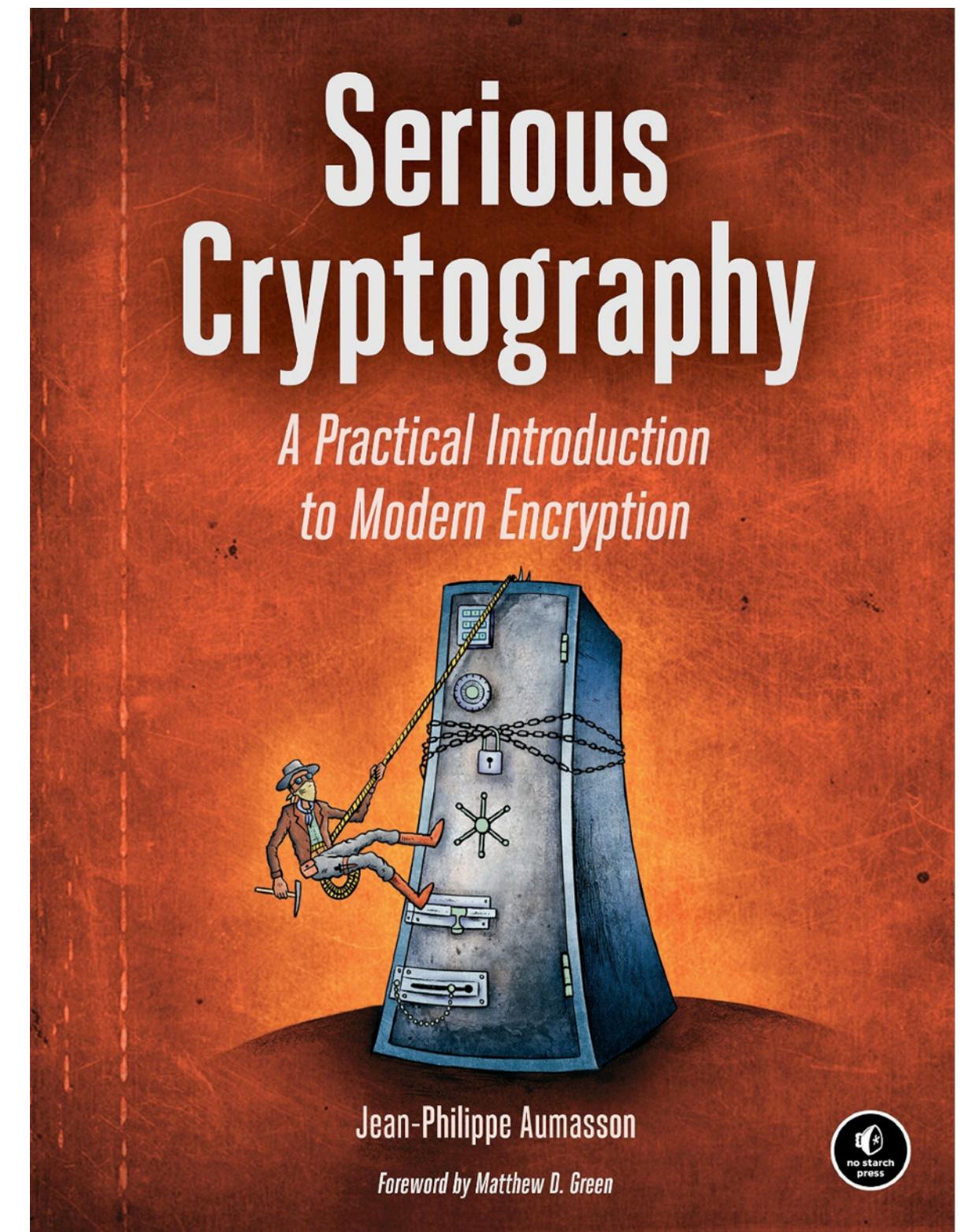


Crypto audits lead @



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## People also ask

### What does it mean to audit something? ^

an official examination and verification of financial accounts and records. 2. a final report detailing an **audit**. 3. the inspection or examination of **something**, as a building, to determine its safety, efficiency, or the like.

We look for security issues and help fix them

In **source code**, mainly C(++), JS, Rust, Java, Go

Sometimes documentation is available

We **get paid** for it (unless we do it for fun)

Reports are sometimes published

Include findings, recommendations, status



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RandomX Security Audit

Final Report, 2019-07-02

FOR PUBLIC RELEASE

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## 2.4 BEAM-F-004: Weak password key derivation

Severity: Medium

### Description

The keystore encryption key is directly taken as the SHA-256 of the password, allowing efficient bruteforce search of the password and possibly offline attacks if one of the blocks is predictable:

```
1 void init_aes_enc(AES::Encoder& enc, const void* password, size_t passwordLen) {
2     ECC::NoLeak<ECC::Hash::Processor> hp;
3     ECC::NoLeak<ECC::Hash::Value> key;
4     hp.V.Write(password, passwordLen);
5     hp.V >> key.V;
```

FOR PUBLIC RELEASE

Beam-mw Security Audit

Beam-mw

```
6     enc.Init(key.V.m_pData);
7 }
```

### Recommendation

We recommend to use a password hashing function that mitigates bruteforce attacks by being slow, such as PBKDF2 (with at least 50000 iterations) or Argon2.

### Status

Beam fixed this by removing the weak password derivation.

# Agenda

1. Common **crypto bugs** from real audits
2. The case of **Rust**: typical bugs and recommendations
3. What we've **learnt**; tips for auditors and customers

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Reminder: **Defense is hard**. If you've never committed an embarrassing bug you probably haven't written a lot of code :)

# Bug#1

## Strong cipher yet weak encryption

```
addrAttrNonce :: ByteString
addrAttrNonce = "serokellfore"

-- | Serialize tree path and encrypt it using HDPassphrase via ChaChaPoly1305.
packHDAddressAttr :: HDPassphrase -> [Word32] -> HDAddressPayload
packHDAddressAttr (HDPassphrase passphrase) path = do
    let !pathSer = serialize' path
    let !packCF = encryptChaChaPoly addrAttrNonce passphrase "" pathSer
    case packCF of
        CryptoFailed er -> panic $ "Error in packHDAddressAttr: " <-> show er
        CryptoPassed p   -> HDAddressPayload p
```

Found in a major cryptocurrency wallet, totally defeats encryption

## *Bug#2*

# Weak key derivation from a password

```
encryption_key = SHA-256(password)
```

Encryption key then easy to break

Need to use a password hash with salt and cost

Found in several audits (with various hash functions)

## *Bug#3*

# Hijacking accounts in a \$3B cryptocurrency

```
(publicKey, privateKey) = deriveKey(seed)
```

```
address = hash(publicKey)
```

With **64-bit** address, what can go wrong?

## *Bug#3*

# Hijacking accounts in a \$3B cryptocurrency

```
(publicKey, privateKey) = deriveKey(seed)
```

```
address = hash(publicKey)
```

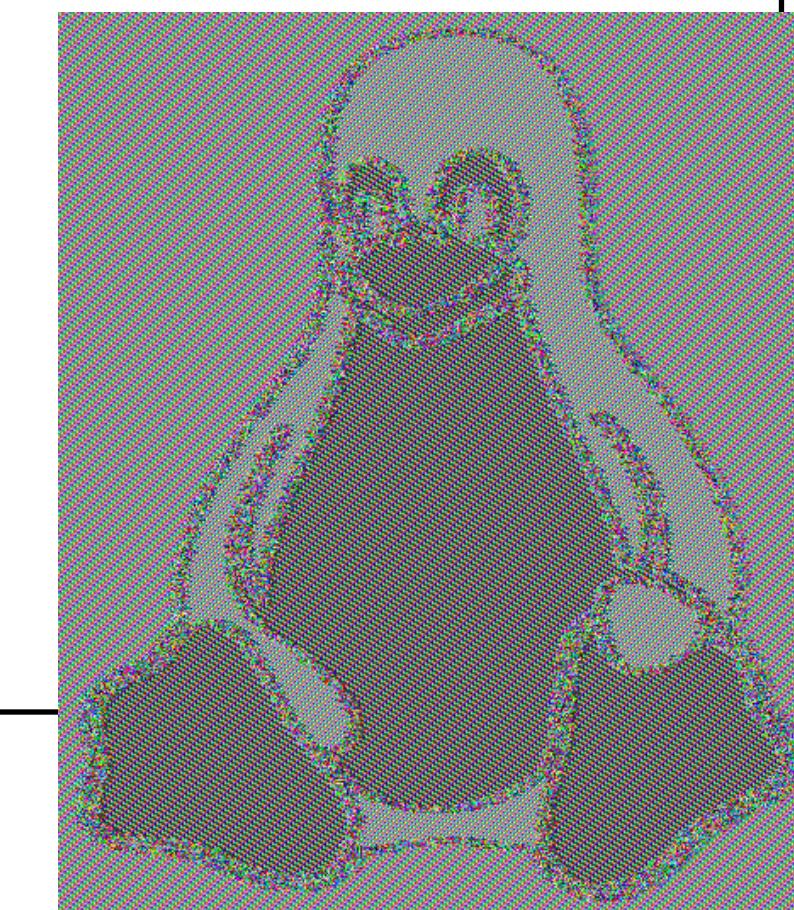
With **64-bit address**, what can go wrong?

Find another key pair with the same address in  $2^{64}$  elliptic curve operations, exploitable to **hijack accounts**, unfixable

# Bug#4

## Weak encryption in credentials store

```
void aes_encrypt(void* buffer, size_t bufferLen, const void* password, size_t
→   passwordLen) {
    AES::Encoder enc;
    init_aes_enc(enc, password, passwordLen);
    uint8_t* p = (uint8_t*)buffer;
    uint8_t* end = p + bufferLen;
    for (; p<end; p+=AES::s_BlockSize) {
        enc.Proceed(p, p);
    }
}
```



Found in an anonymous cryptocurrency wallet

# *Bug#5*

## Flaws in NFC cryptocurrency wallet

Symmetric key sent in clear

Hash(PIN) sent to unauthenticated receivers

Default PIN length of 3 digits

Control commands sent without authentication (spoofable)

# *Bug#6*

## Entropy data ignored in key generation

In a BIP32 hierarchical key derivation software

Generating an address from a 64-byte seed:

```
$ echo bc0ef283f57fd5e4f36657053228eae8d2d5b0e4d87c6ee069a9cade39411d63 |  
bip32gen -x -i entropy -o addr m  
1Jzu05xm62i8gFQLQb58f2F5a7nTK3o8bD
```

# *Bug#6*

## Entropy data ignored in key generation

In a BIP32 hierarchical key derivation software

Generating an address from a 64-byte seed:

```
$ echo bc0ef283f57fd5e4f36657053228eaе8d2d5b0e4d87c6ee069a9cade39411d63 |  
bip32gen -x -i entropy -o addr m  
1Jzuо5xm62i8gFQLQb58f2F5a7nTK3о8bD
```

When truncating the seed to 32 bytes, same result. 🤔

```
$ echo bc0ef283f57fd5e4f36657053228eaе8 |  
bip32gen -x -i entropy -o addr m  
1Jzuо5xm62i8gFQLQb58f2F5a7nTK3о8bD
```

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Memory-safe system language, using reference counting (no GC)

Used more and more for crypto, for its **safety and performance**

Example: a large part of **Zcash**'s reference code is in Rust

# Pre-auditing

cargo test

cargo clippy

cargo audit

grep -Hnri unsafe

# unsafe can be unsafe

**unsafe** blocks of code can **break memory safety**

Typically needed when using raw pointers in FFI calls

**Review all unsafe blocks** for e.g. out-of-bound read/write

```
#[no_mangle]
pub extern "C" fn wallet_from_seed(seed_ptr: *const c_uchar, out: *mut c_uchar) {
    let seed = unsafe { read_seed(seed_ptr) };
    let xprv = hdwallet::XPrv::generate_from_seed(&seed);
    unsafe { write_xprv(&xprv, out) }
}

unsafe fn read_seed(seed_ptr: *const c_uchar) -> hdwallet::Seed {
    let seed_slice = std::slice::from_raw_parts(seed_ptr, hdwallet::SEED_SIZE);
    hdwallet::Seed::from_slice(seed_slice).unwrap()
}
```

# Careful with unwrap()

unwrap() will panic if the Option/Result processed is None/Err

To avoid DoS, panic should be reserved for unrecoverable errors

Example from an audit, where deserialize() can return Err

```
impl RawBlock {
    pub fn from_dat(dat: Vec<u8>) -> Self { RawBlock(dat) }
    pub fn decode(&self) -> cbor_event::Result<Block> {
        RawCbor::from(&self.0).deserialize()
    }
    pub fn to_header(&self) -> RawBlockHeader {
        // TODO optimise if possible with the CBOR structure by skipping some prefix
        let blk = self.decode().unwrap();
        blk.get_header().to_raw()
    }
}
```

# Zeroize or not zeroize?

Sensitive values can be reliably erased/zeroized in C(++)

Usually not in garbage-collected languages (e.g. Go, Java, JS)

**What about Rust?**

# Zeroize or not zeroize?

More reliable for heap than stack (no control on stack allocator)

Caveats: moves, copies, heap reallocations, etc.

Consider using the crate `zeroize`

# Crypto and Rust

Rust programmers tend to be good programmers – fewer bugs per LoC

Fewer tools available than for C, but these are mostly useless anyway :)

Potential **timing leaks** usually easy to notice...

## 2.7 KZENC-F-007: Possible Timing Leak in Mpz::Modulo::mod\_sub

Severity: Low

### Description

In `big_gmp.rs`, the `Mpz::Modulo::mod_sub()` function is implemented as follows:

---

```
1 fn mod_sub(a: &Self, b: &Self, modulus: &Self) -> Self {
2     let a_m = a.mod_floor(modulus);
3     let b_m = b.mod_floor(modulus);
4     if a_m >= b_m {
5         (a_m - b_m).mod_floor(modulus)
6     } else {
7         (a + (-b + modulus)).mod_floor(modulus)
8     }
9 }
```

---

## 2.8 KZENC-F-008: Possible Timing Attack in ECScalar::from()

Severity: Low

### Description

In `ed25519.rs`, the `ECScalar::from()` function is implemented as follows:

---

```
1  fn from(n: &BigInt) -> Ed25519Scalar {
2      let mut v = BigInt::to_vec(&n);
3      let mut bytes_array_32: [u8; 32];
4      if v.len() < SECRET_KEY_SIZE {
5          let mut template = vec![0; SECRET_KEY_SIZE - v.len()];
6          template.extend_from_slice(&v);
7          v = template;
8      }
9      bytes_array_32 = [0; SECRET_KEY_SIZE];
10     let bytes = &v[..SECRET_KEY_SIZE];
11     bytes_array_32.copy_from_slice(&bytes);
12     bytes_array_32.reverse();
13     Ed25519Scalar {
14         purpose: "from_big_int",
15         fe: SK::from_bytes(&bytes_array_32),
16     }
17 }
```

---

The conditional `if` statement before padding introduces a possible timing leak in case the secret key has a lot of leading zeroes.

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## **The situation is much better than 10 years ago**

Cryptography is easier to use, the average developers understands more crypto, more resources and software

Many crypto audits are **not much about crypto**

Language knowledge and familiarity with all classes of bugs at least as important as pure crypto knowledge

## **Both sides must be prepared**

Auditor: Be familiar with the kind of system/protocol audited, its components, security notions, language/frameworks

Customer: Provide a description of critical assets and functionalities, intended behavior, documentation, security model

## **Scoping and effort estimate is hard**

Often more convenient and fair to have a flexible offer with hourly/daily rate than a flat fee

## **Severity ratings is not always easy**

Should be risk-based (impact\*exploitability)

Overestimation is more common than underestimation

A cryptographer may cringe if they see MD5 or AES-ECB used, but these may not be actual security issues

## **Empathize with developers**

After writing the report, read it and imagine that you're the developer who wrote the code, and revise the tone accordingly

Provide a clear description, mitigation suggestions, links to relevant documentation/articles

## **Understand the security model**

For example, when reviewing a proof-of-work, consider attacks by both block authors and miners

## **Communicate, report findings**

Establish a group chat with developers, ask questions, report findings to 1) know if relevant or FP/incorrect, 2) help developers mitigate earlier

## **Distribution of the time of findings' varies**

Sometimes most issues found at the beginning of the audit

Sometimes at the end after gaining a good understanding of the system/protocol

(Depends on the functionality, code and system complexity)

## Audits are no security guarantee

Security audits tend to be broader than they're deep

Different teams/persons have different fields of expertise

Audit limited in time/scope/budget

Vulnerabilities can be in dependencies/runtime/platform

# Thank you!

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