

# Learnings from the Nomad Hack

From NoMad to Very Mad

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I am not here on behalf of Illusory, and the views I express today are my own and do not reflect those of the company.



#### whoami

Worked as web3 consultant

Worked in DevOps and IoT

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#### Agenda

- What is Nomad?
- How did the Incident happen?
- What suggestions do we have for protocols



## Nomad is **Not** a Bridge



## Nomad has a Bridge



### Nomad is an optimistic protocol



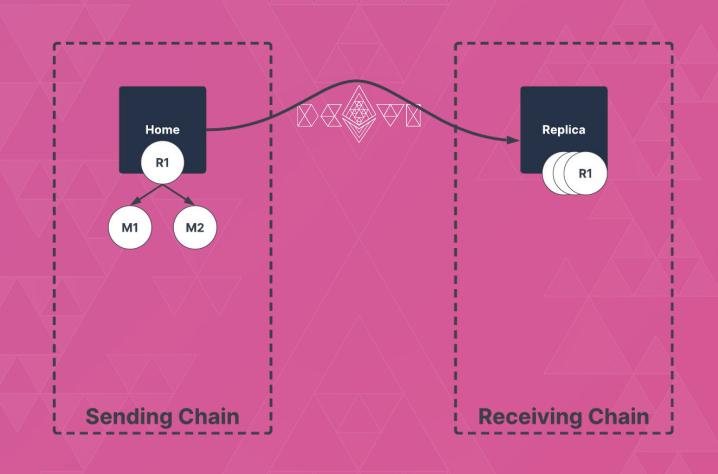
Nomad is an optimistic protocol for interoperability



Nomad is an optimistic protocol for interoperability that supports arbitrary messages between domains



ELI5 How Nomad works

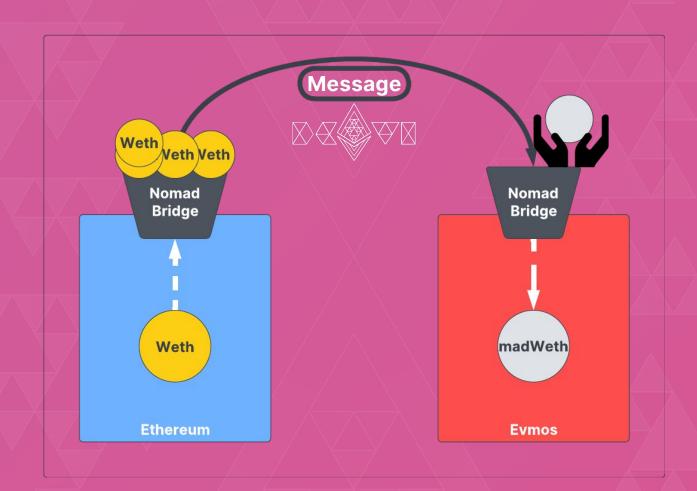


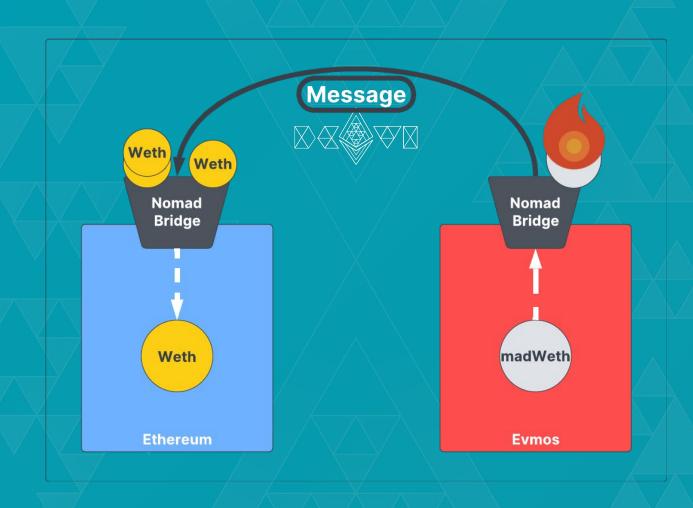
### Life Cycle of Message in Nomad

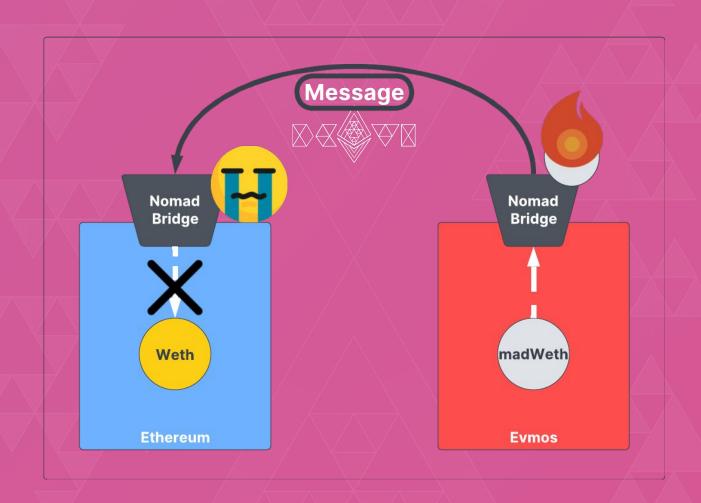




ELI5 How a Bridge works

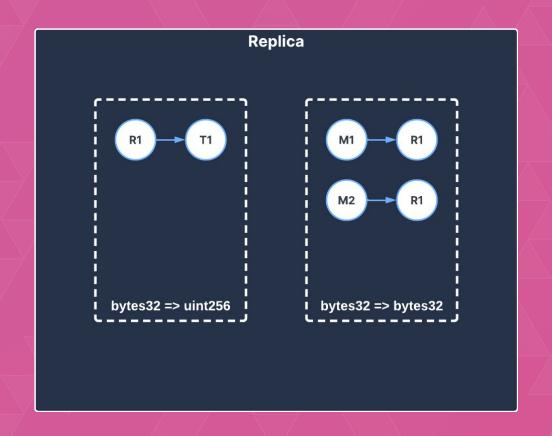


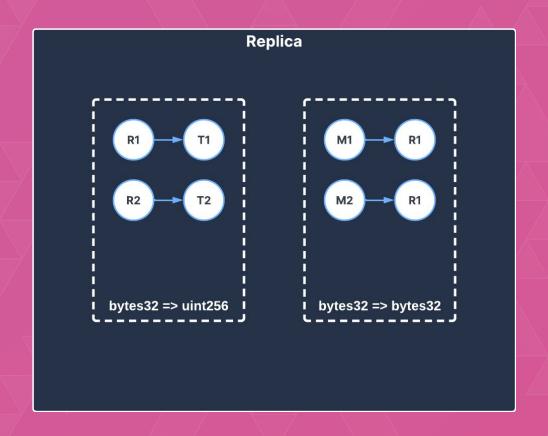


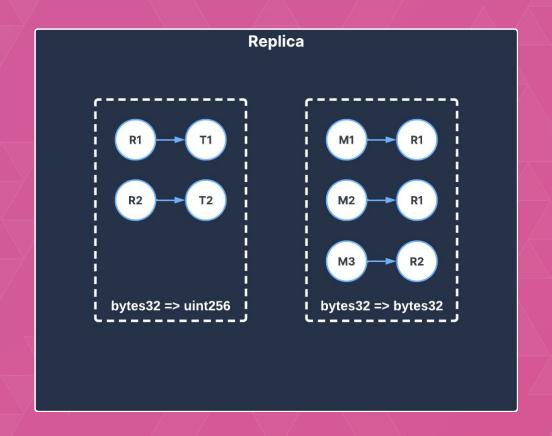


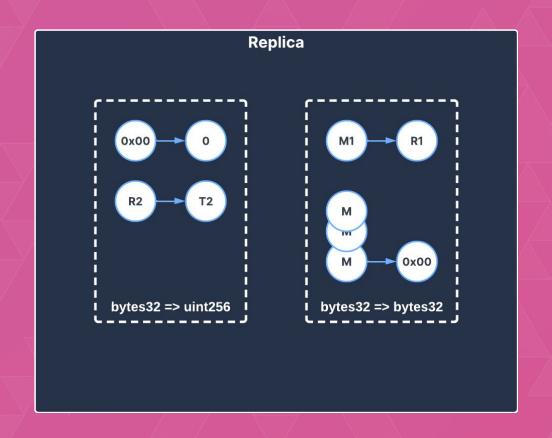


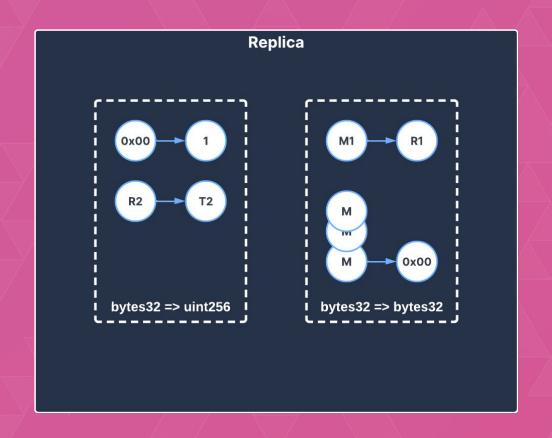
ELI5 The Incident

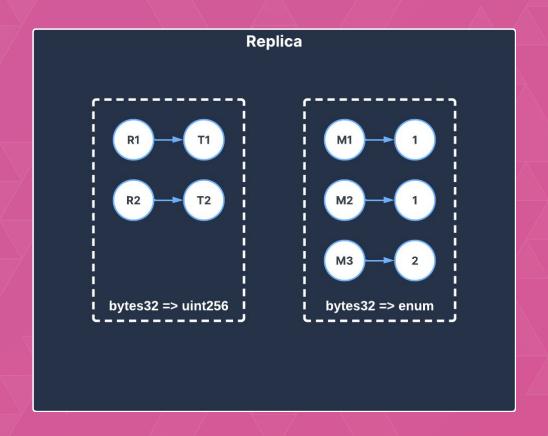














Nomad Now

Restarting the Protocol is **Easy** 

Restarting the Bridge is **Hard** 

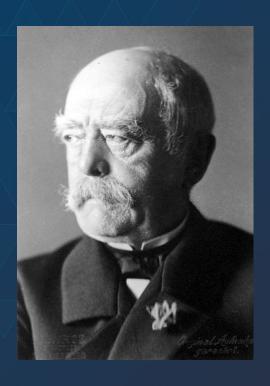
#### **Principles:**

- 1. Users should be able to collect funds as they are recovered
- Recovered funds should be fairly distributed to users

Nomad Now



Learnings



"Only a fool learns from his own mistakes. The wise man learns from the mistakes of others."

- Otto von Bismarck



**Test** 

Observe

**Engage** 

Communicate



**Test** 

**Observe** 

**Engage** 

Communicate



**Unit Tests** 

**Property-based Tests** 

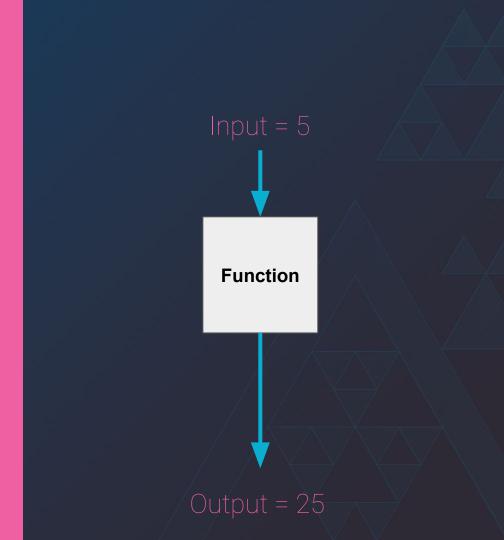
**Integration Tests** 

**Forking Tests** 

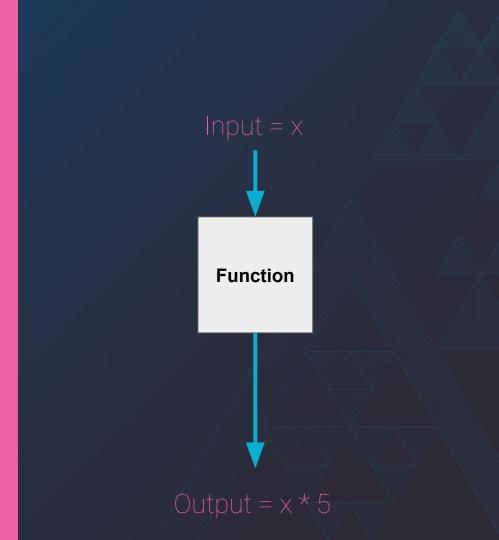
**Invariant Tests** 

- + Static analysis
- + Storage layout

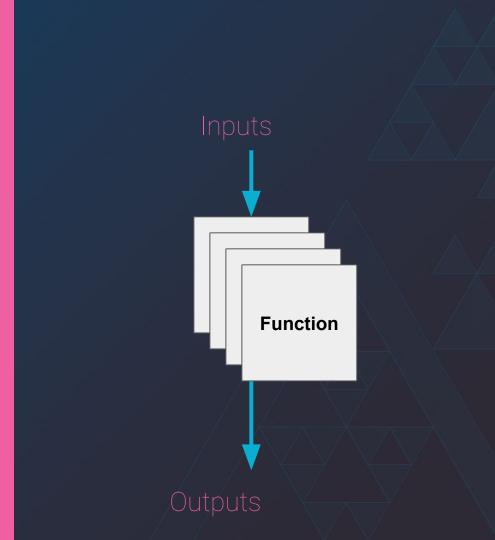
Unit-tests



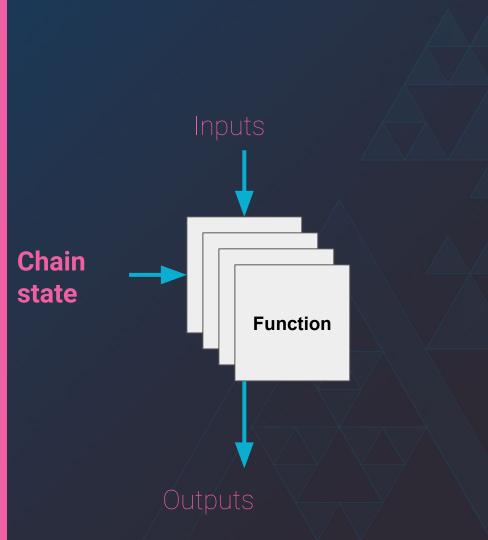
Property-based tests



Integration tests



Forking tests



**Invariant Tests** 

- 1. Define Invariants
- 2. Test Invariants

**Example:** 

Every message that is received, must have been dispatched

Finally

**Static Analysis Tools** 

**Storage Layout Analysis** 

(Resource: forge-inspect.sh)

Priority

**Unit Tests** 

**Property-based Tests** 

**Forking Tests** 

**Audits** 

**Storage layout** 



Easy with **Foundry** 

#### U up?

It's already too late



Web 2 is mature, like Google SRE handbook

- 1. Start with Business Objectives
- 2. Define Actionable Alerts
- 3. Define Playbook for every Alert
- 4. Beware of Alert Fatigue 😴

Web2 tactics

- Hereustics require human interpretation
- Invariant alerts can be automated

Hereustic and Invariant Alerts



We do not rise to the level of our expectations. We fall to the level of our training

- Archilochus

Focus

**Explicit ownership** 

**Explicit outcomes** 

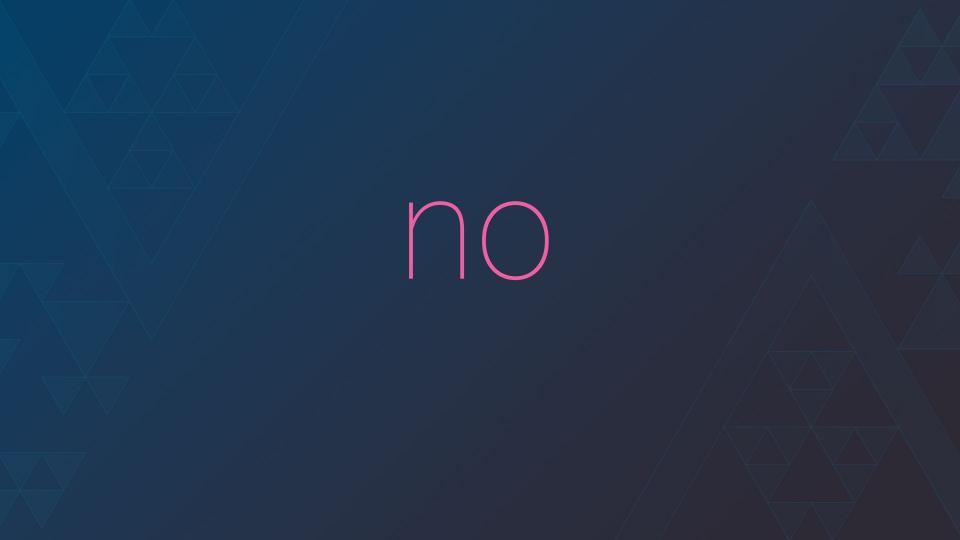
Gameday. Gameday

Read <u>The Anatomy of a Good</u> <u>Emergency Procedure</u>



Communicate 🛶

## Talk with users



# Talk with legal

Honesty. No sugar coating

**Pre-approved messaging** 

- What are you doing now
- What do you plan doing next

What the users want

Public Communication

Chain Analytics
Firm

Align on Bounty

Inform Legal Team Partners Communication

Recovery Address

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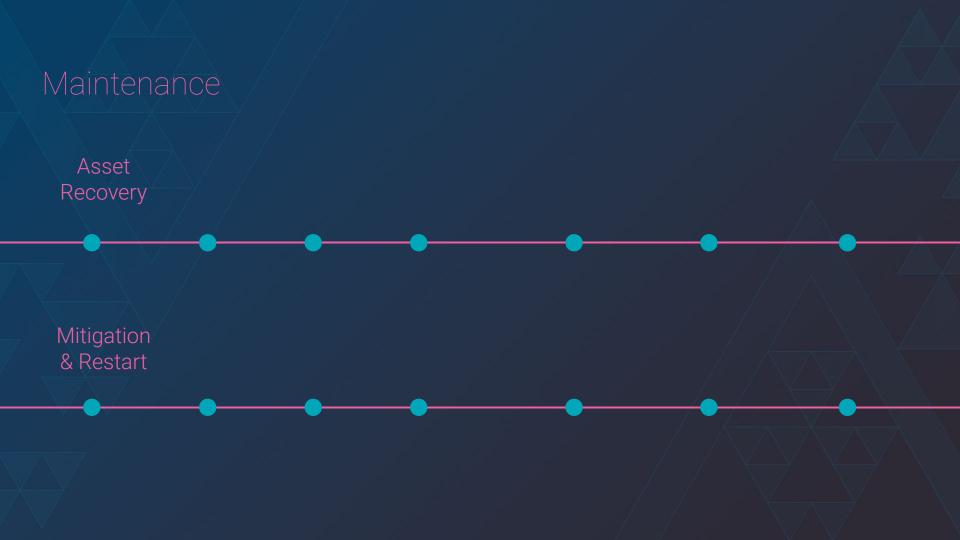
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### Thank you!

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