Ola Finance Lost $3.6 Million in the Latest DeFi Hacking Attack

Original:
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Commenting on the attack, Ola Finance noted that it was still investigating the hacking.It promised to provide a detailed report.

The loan agreement Ola Finance has announced that it lost about $3.6 million in the latest DeFi hacker attack. The hacker attack took place on fuse network, which is one of several blockchains it operates.

How Did the DeFi Hacking Happen

According to peckshield, a blockchain security and analysis company, hackers took advantage of a common incompatibility between compound bifurcation and ERC677/ERC777 tokens. This flaw, known as a reentrancy bug, allows users to repeatedly request funds on the protocol to steal assets.

Through Ola Finance , users use personal assets as collateral to borrow funds. After that, they took advantage of the loophole of smart contract to take back the collateral without paying the borrowed funds. In a series of flash loan attacks, hackers then repeated the process in five other capital pools. The attacked fund pools are usdc, $fusd, $busd, $wbtc, $weth and $fuse fund pools. Commenting on the attack, Ola finance noted that it was still investigating the incident. It promised to release the detailed report as soon as it was available. During this period, it has suspended the loan service on fuse network, while its services on other blockchains remain unaffected.

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The Increasing Number of Hackers is a Problem with the Adoption of DeFi

A few weeks ago, a similar reentry vulnerability was exploited in the Gnosis chain. Two DeFi protocols, hundred finance and Agave, lost about $11 million due to flash loan attacks.

Just this week, Axie infinity side chain Ronin lost more than $615 million in USDC and Ethereum. Interestingly, it was not until a customer reported that he could not extract about 5000eth that he noticed the existence of hackers.

With the increase of hackers, people are worried that this will have a negative impact on the rising adoption rate of DeFi . It is only expected that users will start to worry about their funds and may begin to withdraw their funds.