



## Official Statement on the WTK Incident (11 October 2024)

In the spirit of transparency and best practices and in view of community questions, we hereby release a formal statement regarding the security incident that occurred in October 2024. While we are limited in what can be disclosed due to ongoing legal processes that we have commenced, we believe it is important to share the facts we are permitted to disclose.

### What Happened

Back when WTK was still running as a utility token on Ethereum (WTK\_ETH), we contracted with a third-party technology provider in Europe to build bridges that would allow WTK to work on other networks like BSC, XDC, and Polygon. These bridges were necessary to make WTK more accessible across chains.

Only the bridges to **BSC and XDC** were tested and approved to be moved into our secure production environment on AWS and connected to the company wallet. **The Polygon bridge**, however, had technical issues, and after tests, it was disconnected from AWS – the bridge was officially **decommissioned** early in the process.

**We began investigating the matter in mid of 2024 after receiving multiple reports from the community.**

What we discovered was, outside of our control and visibility, the Polygon bridge was still live in the test systems maintained by our third-party contractor. This leftover access led to a breach, where about 1.51 billion unauthorized WTK tokens were wrongly created through that inactive bridge. Those tokens were later moved into the BSC and XDC networks. Based on our investigation, around 1.17 billion of these unauthorized tokens were sold, while the remaining tokens stayed in wallets. Over the last six months, we've used advanced tools to trace and block affected wallets. So far, we've been able to recover approximately 375 million tokens through a careful migration and blacklisting process.

We know how difficult this situation has been for our community, especially those who believed in WTK from the start. That's why these recovered tokens will become part of the upcoming 500 million WCO Coin airdrop, which begins post the launch of Premium Accounts—not as part of our responsibility to make this right.



## We want to clarify that:

- The environment where the breach occurred was outside WadZpay's infrastructure and visibility.
- WadZPay and its employees had no role in the incident, no access to the compromised systems, and no prior knowledge of the unauthorized activity.
- It is a known fact that no technology is completely immune to cyber threats, as with any other organization operating in the blockchain space.

## What We Did

Once the incident came to light, we acted swiftly and decisively using all resources available:

- **Police complaints** were filed in both **Singapore** and the **British Virgin Islands**. The contractor has since closed shop and has been evading our claims as well as good faith attempts to seek redress, and the police are investigating the matter across the borders. Due to several jurisdictions and the nature of the complaint, it has been a challenging and time-consuming process.
- **WadZPay and W Chain were formally separated** into distinct business units. This restructuring provided greater clarity, control, and focus in responding to the incident and driving future growth.
- A **complete dual-token migration** was executed to sanitize the token supply, isolate malicious actors, and secure the broader ecosystem.
- We **publicly published the migration portal address** used for transitioning from WTK to WCO, along with all **key wallet addresses related to W Chain's tokenomics**, to ensure the transparency and accountability of our actions.
- We significantly enhanced **community support infrastructure**, keeping our **24/7 Helpdesk** and **official Telegram channel** active to address questions, verify information, and combat misinformation in real time.



## Looking Ahead

While legal processes are ongoing, we are limiting public disclosures to protect the integrity of the process.

- During this time, our team has been working relentlessly—not only to safeguard the ecosystem but also to stay committed to the aggressive product roadmap we've set. None of this would have been possible without your trust, support, and resilience.

Despite the challenges, we've hit several important milestones:

- Launch of W Chain
- Dual-phase migration from WTK to WCO Token and then to WCO Coin
- Extensive audits across our technology and smart contracts
- Launch of community-focused programs like W Builders and WayFinders
- Strengthened internal infrastructure, communication, and controls
- We move forward with sharper systems, deeper accountability, and an even stronger commitment to the community that has stood by us through it all.

**The only way forward is together.**

Thank you,

**Team Wadzipay**

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