

# FTX boss Bankman-Fried expected in US court on fraud charges

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FTX founder Sam Bankman-Fried, seen here in the Bahamas before his extradition, faces fraud charges in the United States.

FTX co-founder Sam Bankman-Fried was due to appear in a US court Thursday to face criminal fraud charges over the spectacular collapse of

his crypto exchange.

The 30-year-old ex-billionaire, once touted as a possible future Warren Buffett, was expected in federal court in Manhattan following his extradition from the Bahamas.

FTX and its sister trading house Alameda Research went bankrupt last month, dissolving a virtual trading business that had been valued by the market at \$32 billion.

Prosecutors allege Bankman-Fried cheated investors and misused funds that belonged to FTX and Alameda Research customers.

The plane carrying Bankman-Fried from the Bahamas, where FTX is headquartered, arrived in the United States late Wednesday after he waived his right to challenge the US government's extradition request.

US Attorney Damian Williams, who is prosecuting the case, said the accused would be "transported directly to the Southern District of New York" on arrival.

Federal prosecutors last week charged Bankman-Fried with conspiracy, wire fraud, money laundering and election finance violations.

He "was orchestrating a massive, years-long fraud, diverting billions of dollars of the trading platform's customer funds for his own personal benefit and to help grow his crypto empire," they said.

Five of the eight counts against Bankman-Fried carry a maximum sentence of 20 years in prison each.

The Securities and Exchange Commission has separately accused him of violating securities laws.

Bankman-Fried's appearance came after Williams announced late Wednesday that two key figures in the case—Alameda Research CEO Caroline Ellison and FTX co-founder Gary Wang—had pleaded guilty to charges related to the FTX collapse and that they were cooperating with authorities.

Their charges were "in connection with their roles in the frauds that contributed to FTX's collapse," he said, without providing further details.

## **Dramatic collapse**

Separately, the SEC and the Commodity Futures Trading Commission (CFTC) announced Wednesday they had filed civil suits against Ellison and Wang and that the two were cooperating, which should lead to lighter punishments.

The CFTC estimates that \$8 billion in funds were misappropriated from FTX customer accounts.

After its founding in 2019, FTX rose spectacularly to become a leading player in the crypto world.

Bankman-Fried appeared on the covers of finance and tech magazines, with Fortune likening him to Buffett, and drew in huge investments from prominent fund managers and venture capitalists.

But it all imploded dramatically in November when a media report said Alameda's balance sheet was heavily built on a token created by FTX with no independent value—and exposed Bankman-Fried's companies as being dangerously interlinked.

Bankman-Fried was arrested at his Nassau apartment on December 12 at

the request of the federal prosecutors in New York.

A Bahamas permanent resident, he spent nine days in prison, weighing his choices before telling the Nassau magistrate court Wednesday that he would not fight extradition.

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