

Former FTX CEO Sam Bankman-Fried arrested in the Bahamas

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The FTX Arena logo is seen where the Miami Heat basketball team plays on Nov. 12, 2022, in Miami. The former CEO of failed crypto firm FTX Sam Bankman-Fried has been arrested in the Bahamas at the request of the U.S. government, the U.S. attorney's office in New York said Monday, Dec. 12. Credit: AP Photo/Marta Lavandier, File

The former CEO of failed cryptocurrency firm FTX, Sam Bankman-Fried, has been arrested in the Bahamas at the request of the U.S. government, U.S. and Bahamian authorities said Monday.

The arrest was made Monday after the U.S. filed [criminal charges](#) that are expected to be unsealed Tuesday, according to U.S. Attorney Damian Williams. Bankman-Fried had been under [criminal investigation](#) by U.S. and Bahamian authorities following the collapse last month of FTX. The firm [filed for bankruptcy on Nov. 11](#), when it ran out of money after the cryptocurrency equivalent of a bank run.

"We expect to move to unseal the indictment in the morning and will have more to say at that time," Williams said.

Bahamian Attorney General Ryan Pinder said the Bahamas would "promptly" extradite Bankman-Fried to the U.S. once the indictment is unsealed and U.S. authorities make a formal request. FTX is headquartered in the Bahamas and Bankman-Fried has largely remained in his Bahamian luxury compound in Nassau since the company's failure.

A spokesman for Bankman-Fried had no comment Monday evening. Bankman-Fried has a right to contest his extradition, which could delay but not likely stop his transfer to the U.S.

Bankman-Fried's arrest comes just [a day before he was due to testify](#) in front of the House Financial Services Committee. Rep. Maxine Waters, D-Calif., chairwoman of the committee, said she was "disappointed" that the American public, and FTX's customers, would not get to see Bankman-Fried testify under oath.

Bankman-Fried was one of the world's wealthiest people on paper, with an estimated net worth of \$32 billion. He was a prominent personality in Washington, donating millions of dollars toward mostly left-leaning

political causes and Democratic political campaigns. FTX grew to become the second-largest cryptocurrency exchange in the world.

[That all unraveled quickly last month](#), when reports called into question the strength of FTX's balance sheet. Customers moved to withdraw billions of dollars, but FTX could not meet all the requests because it apparently used its customers deposits to cover bad bets at Bankman-Fried's investment arm, Alameda Research.

Bankman-Fried said recently that he did not "knowingly" misuse customers' funds, and said he believes his millions of angry customers will eventually be made whole.

The House Financial Services Committee is still expected to hear testimony Tuesday from current CEO John Ray III. Ray, who took over FTX on Nov. 11 and is a long-time restructuring specialist, has said in court filings that the financial conditions at FTX were worse than at Enron.

Bahamian authorities plan to continue their own investigation into Bankman-Fried.

"The Bahamas and the United States have a shared interest in holding accountable all individuals associated with FTX who may have betrayed the [public trust](#) and broken the law," said Bahamian Prime Minister Philip Davis, in a statement.

The U.S. Securities and Exchange Commission said it had authorized separate charges related to alleged violations of securities laws and would file them publicly Tuesday.

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