

FTX founder Sam Bankman-Fried jailed after bail revoked

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Former FTX chief Sam Bankman-Fried has seen his bail revoked and has been remanded into federal custody.

A US federal judge on Friday ordered FTX founder Sam Bankman-Fried back to prison less than two months before his trial on fraud

charges, revoking the disgraced cryptocurrency tycoon's bail over alleged attempts to tamper with witnesses.

Bankman-Fried, 31, has pleaded not guilty to charges of wire fraud and conspiracy to commit [money laundering](#), as well as election finance violations, in connection with the spectacular collapse of his crypto firm last year.

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

US District Judge Lewis Kaplan justified the revocation of bail by citing "probable cause... that the defendant has committed the federal crime of attempted witness tampering," the ruling said.

"There is no condition or combination of conditions of release that will assure that the defendant will not pose a danger to other persons or the safety of the community," the order said.

Prosecutors had argued to Kaplan that Bankman-Fried's activities as a source for The New York Times amounted to witness intimidation, citing an article containing the private writings of former Alameda CEO Caroline Ellison, his former girlfriend.

Ellison is a cooperating witness in the government's case.

Prosecutors accused Bankman-Fried—who had more than 100 phone calls with one of the Times reporters—of "intending to portray a key cooperator testifying against him in a poor and inculpatory light," according to a July 28 letter filed by the Department of Justice.

Bankman-Fried "crossed a line toward improperly influencing those

prospective jurors and intimidating a [witness](#) and sending a message to other prospective witnesses," it said.

"Witness tampering is not constitutionally protected speech."

In response, attorneys for Bankman-Fried said the government's position flouted the First Amendment and that returning the defendant to jail would mar his ability to mount a defense.

Bankman-Fried, who also is facing charges that he authorized bribes of at least \$40 million to Chinese officials in a bid to unfreeze trading accounts controlled by Alameda, is due to go on trial in early October.

Fall from grace

Prosecutors allege Bankman-Fried—who had been released on \$250 million bail and confined to his parents' California home before Friday's ruling—cheated investors and misused funds that belonged to FTX and Alameda Research clients.

The former FTX chief had appeared on the covers of finance and tech magazines, with Fortune likening him to Warren Buffett, and drew in huge investments from prominent fund managers and venture capitalists.

But it all imploded dramatically in 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 apartment in the Bahamas on December 12 at the request of federal [prosecutors](#) in New York.

A Bahamas permanent resident, he spent nine days in prison, weighing

his choices before deciding not to fight extradition to the United States.

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