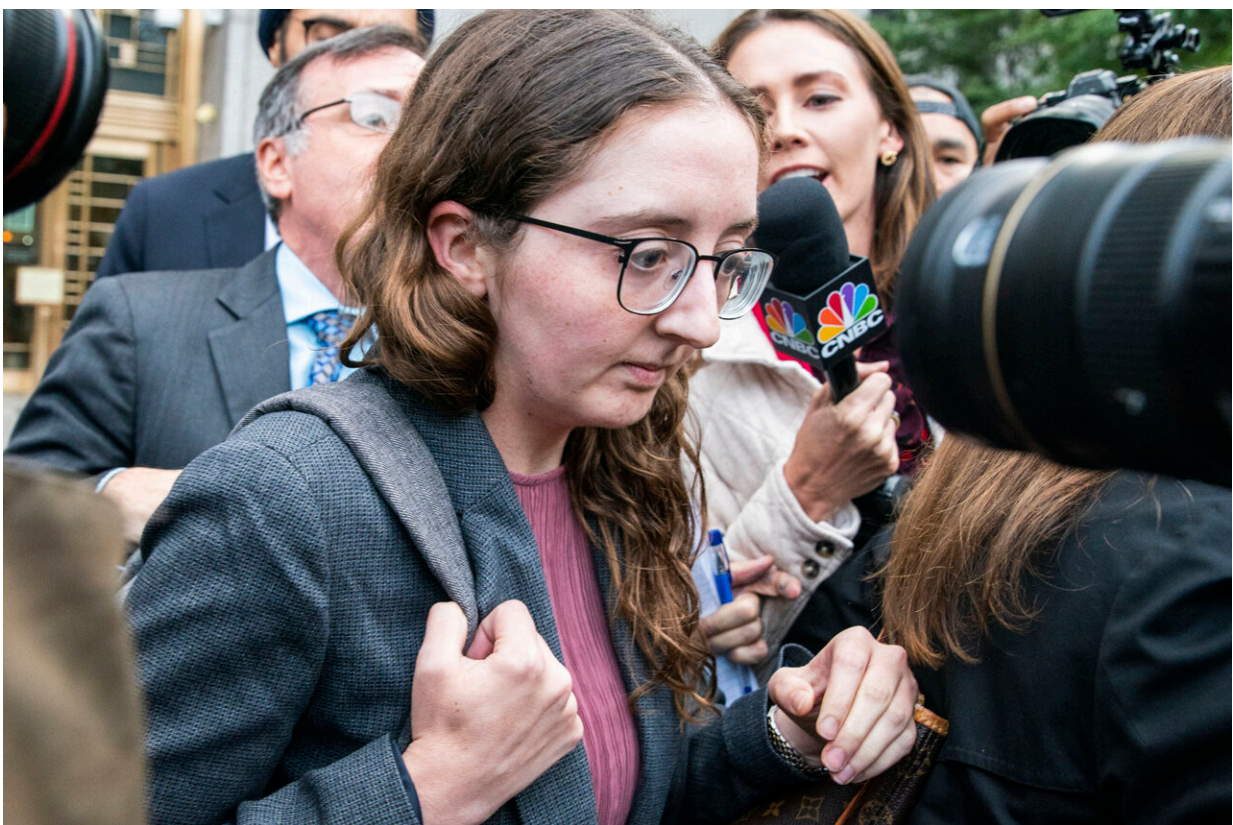


Sam Bankman-Fried's lawyer struggles in cross-examination of the government's key witness

October 12 2023, by KEN SWEET and LARRY NEUMEISTER



Caroline Ellison former CEO of Alameda Research founded by Sam Bankman-Fried exits the Manhattan federal court after testifying on Tuesday, Oct. 10, 2023, in New York. Credit: AP Photo/Eduardo Munoz Alvarez

Sam Bankman-Fried's lawyer struggled through a meandering cross-examination of the FTX founder's former girlfriend Thursday, keeping both the judge and the public guessing as to the defense team's strategy in countering the testimony of the government's key witness.

Caroline Ellison had testified over the two previous days that Bankman-Fried directed her at several times over the years to pull money from FTX customer accounts to fund investments and trading strategies at Bankman-Fried's cryptocurrency [hedge fund](#), Alameda Research. Ellison was the CEO of Alameda when it and FTX collapsed in November of last year.

Ellison spent much of her testimony walking the jury through how she repeatedly had to tap into the customer deposits at FTX to solve problems at the hedge fund or at the exchange. FTX deposits would be withdrawn to pay for new investments or [political donations](#), or to hide steep losses on Alameda's balance sheet, she testified. All of this was done at the direction of Bankman-Fried, she said.

Ellison, 28, pleaded guilty to [fraud charges](#) in December, when Bankman-Fried was extradited to the United States from the Bahamas. Bankman-Fried, 31, was the majority owner and CEO of FTX until the crypto exchange filed for bankruptcy on Nov. 11. He has pleaded not guilty to fraud charges.

Bankman-Fried's lead defense attorney, Mark Cohen was expected to try to shift the blame for the problems at Alameda to Ellison, following up on his opening statement in the trial where he said Bankman-Fried didn't commit fraud and instead was trying to clean up a mess largely created by his lieutenants.



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Cohen, however, seemed to struggle in his questioning of Ellison, failing to knock any holes in her testimony. He repeatedly changed topics, changed dates of discussion, often seemingly at random.

At one point, Cohen apologized for referencing a wrong document. Another [time](#) he paused because he "lost my place."

Several times, Judge Lewis A. Kaplan had to ask Cohen where he was going with his questions or what exactly he was talking about.

"Maybe this is a good time for a break," Cohen said after an hour of his cross-examination of Ellison.

Initially confined to his parents' Palo Alto, California, home under terms of a \$250 million bond, Bankman-Fried has been jailed since August after Judge Kaplan concluded that he had tried to improperly influence potential witnesses, including Ellison.

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