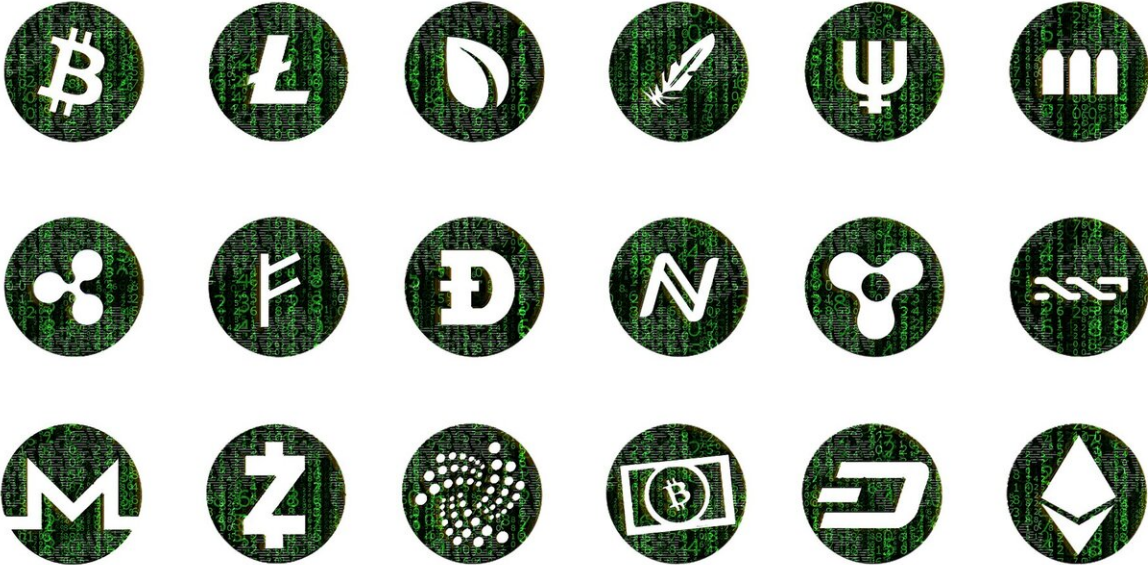


# Sam Bankman-Fried expected to testify in US crypto trial

October 25 2023

---



Credit: Pixabay/CC0 Public Domain

Sam Bankman-Fried, former CEO of one of cryptocurrency's biggest exchanges, plans to testify at the trial determining if he committed fraud by stealing billions of dollars from clients, a source close to the case confirmed Wednesday.

The 31-year-old, once one of the most respected figures in crypto, has been charged with seven counts of fraud, embezzlement and criminal

conspiracy.

If convicted, he could face a de facto life sentence of more than 100 years in prison.

The Massachusetts Institute of Technology graduate had, in just a few years, turned his FTX platform into the world's second biggest crypto exchange—making him a tech-world billionaire wunderkind.

But his empire began to crumble last November when a news report pointed to unhealthy ties between FTX and Alameda Research, Bankman-Fried's personally owned trading company.

Amid growing revelations, major investors pulled their money out of FTX, sinking it swiftly into bankruptcy.

Some \$8.7 billion was still unaccounted for after the dust settled, according to the receiver appointed to manage the liquidation.

Bankman-Fried has denied taking other people's money, blaming former colleagues for the situation.

But key witnesses in recent weeks, all former FTX or Alameda employees, refuted his account.

Supported by internal documents compiled by the prosecution, they said he was behind the breaches and did not lose sight of the financial situation of FTX and Alameda.

Among those to take the stand was Caroline Ellison, Bankman-Fried's former business partner and girlfriend.

She offered damning evidence against him and delivered details on his

management, in which he was involved in all major decisions.

Ellison, a Stanford University mathematics graduate, was appointed by Bankman-Fried in 2021 to head Alameda, whose activities were largely financed by money from customers of FTX without their knowledge.

She has pleaded guilty to [fraud charges](#) and agreed to cooperate with the prosecution, as have two other close associates of Bankman-Fried.

© 2023 AFP

Citation: Sam Bankman-Fried expected to testify in US crypto trial (2023, October 25) retrieved 28 April 2024 from

<https://techxplore.com/news/2023-10-sam-bankman-fried-testify-crypto-trial.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.