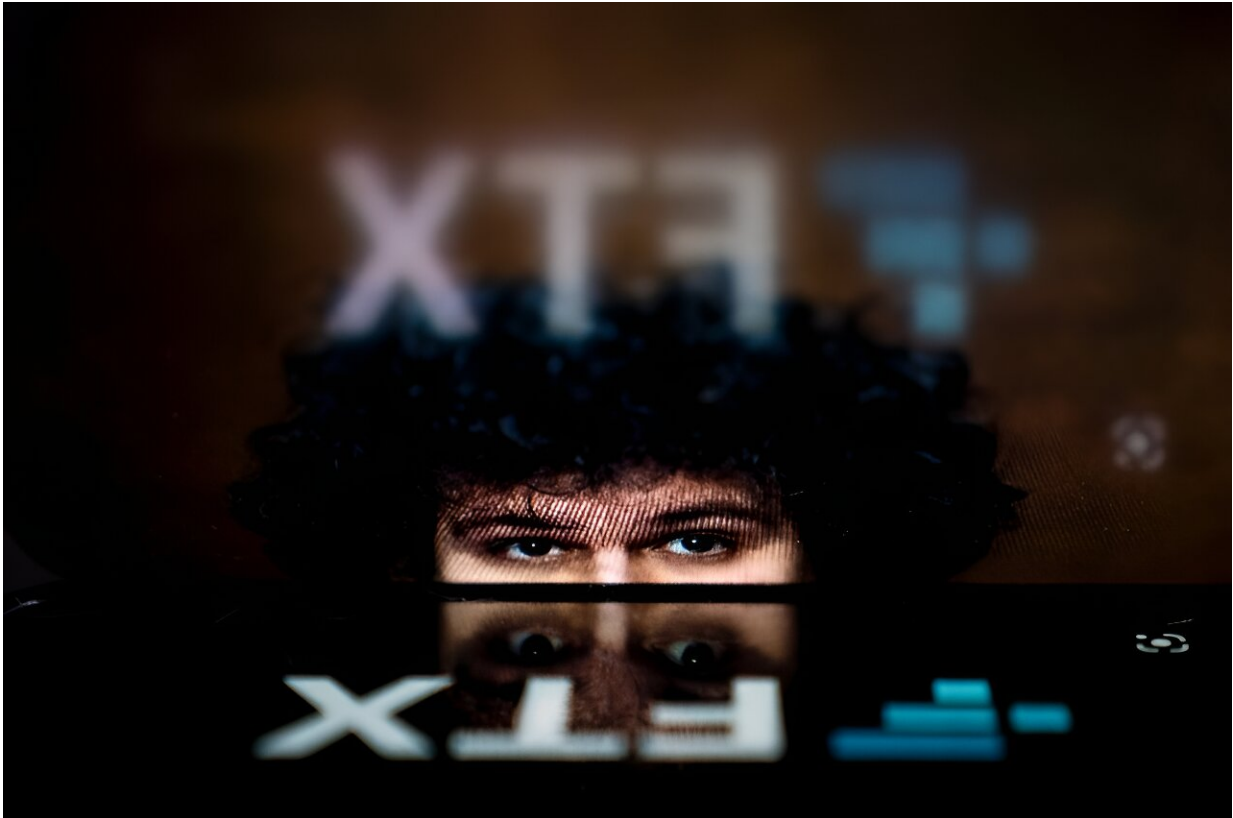


The fallen kings of crypto

November 22 2023



Some of the biggest names in crypto have been hit with criminal charges in the last two years.

Binance boss Changpeng Zhao has become the most powerful cryptocurrency figure to fall in a two-year period chaotic even by the standards of the notoriously volatile industry.

Zhao stepped down as CEO of Binance—the largest [crypto](#) exchange in the world—after he and the company pleaded guilty on Tuesday to sweeping US money laundering violations and agreed to fines of more than \$4 billion.

Here are three of the highest-profile crypto executives who have fallen foul of the law since last year:

Changpeng 'CZ' Zhao

Born in China in 1977, Zhao moved with his family to Canada in the 1980s and later got a degree in computer science from McGill University, according to his profile in the Bloomberg Billionaires Index.

He founded Binance in 2017 in Shanghai, and led the company's explosive growth into the world's biggest cryptocurrency exchange.

An outspoken celebrity in the crypto world with 8.7 million followers on X, Zhao became the richest known figure in the nascent industry. His [net worth](#) peaked at around \$65 billion in 2022, according to a Forbes index.

With the prestige and wealth came increased scrutiny of Binance's operations, as prominent crypto firms around the world began to buckle under a wave of criminal investigations.



Changpeng 'CZ' Zhao turned Binance into the biggest cryptocurrency exchange in the world.

The United States accused Zhao and Binance of multiple violations, including knowingly allowing transactions to [militant groups](#) such as the Islamic State and in barred jurisdictions such as North Korea and Iran.

On Tuesday, they pleaded guilty. The firm has agreed to total penalties of nearly \$4.4 billion, while he will pay \$50 million, according to court documents.

Zhao resigned as CEO of Binance and while he will reportedly retain his shares in the company, he has been banned from any involvement in its business. He is expected to face sentencing later.

Forbes listed his net worth as \$10.2 billion as of Wednesday.

Sam Bankman-Fried

If Zhao was the richest and most powerful person in crypto, Sam Bankman-Fried was easily the most famous.

Born to Stanford University professors, Bankman-Fried graduated from MIT with a degree in physics.

In 2019, he founded FTX, which skyrocketed to become the world's second-largest crypto exchange.



Sam Bankman-Fried founded FTX, a crypto exchange that collapsed

spectacularly in 2022.

Along the way, Bankman-Fried built up his image as the unofficial ambassador for the cryptocurrency industry, with high-profile appearances in the media and even the US Congress.

At one point in 2022, he had a net worth of \$24 billion, according to Forbes.

But he had been walking a dangerous path—his team used customers' money for everything from buying posh real estate to covering risky moves by affiliate Alameda Research.

It all came crashing down when these moves were revealed in the media in November 2022. Within hours, rival CZ Zhao said Binance would sell all the FTX tokens it held.

It sparked a stunning collapse of FTX and Bankman-Fried's empire, his fame turning to notoriety.

Arrested in the Bahamas in January, he was found guilty this month of what US prosecutors described as "one of the biggest financial frauds in American history". He faces up to 110 years in prison.

During his trial, the 31-year-old admitted to making "mistakes" but denied trying to defraud anyone.



South Korean entrepreneur Do Kwon (C) founded Terraform Labs, whose remarkable implosion shook global crypto markets in 2022.

Do Kwon

South Korean entrepreneur Do Kwon co-founded Terraform Labs in 2018, developing the cryptocurrencies TerraUSD and Luna.

The Stanford grad successfully marketed them as the next big thing in crypto, attracting billions in investments and global hype.

Media reports in South Korea described him as a "genius".

But in May last year, the value of these currencies—marketed as

"stablecoins"—plummeted, wiping out around \$40 billion in investments and sending a shock wave through the rest of the industry.

It led to more than \$500 billion in further losses on global crypto markets, industry data suggested.

Experts said Do Kwon—whose full name is Kwon Do-kyung—had marketed a glorified Ponzi scheme.

Brash and outspoken on social media, Do Kwon left South Korea before the collapse and spent months on the run.

He was arrested in Montenegro this year after being caught trying to catch a flight using fake Costa Rican travel documents.

He faces multiple criminal charges in the United States and South Korea.

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