

Relief in crypto world over Bankman-Fried conviction

November 4 2023, by Thomas URBAIN



Sam Bankman-Fried is facing more than 100 years behind bars.

Cryptocurrency backers on Friday celebrated the fraud conviction of the industry's one-time golden boy Sam Bankman-Fried, hoping the embattled sector can finally turn the page on a multibillion dollar

scandal.

The "verdict should hopefully mark the end of a dark era in our industry," said Yat Siu, president of Animoca Brands, a video game publisher and investor in projects linked to blockchain, the underlying technology of cryptocurrencies.

On Thursday, a New York jury found Bankman-Fried, known as "SBF," guilty of all seven counts against him, including fraud, conspiracy and money laundering.

He was convicted of using customer funds deposited on his FTX cryptocurrency exchange platform to fuel [risky investments](#) and trades by his personal investment firm, Alameda Research.

Bankman-Fried faces more than 100 years in prison at sentencing scheduled for March 28, 2024. He is expected to appeal.

The "swift and unanimous verdict confirms what we already knew: that SBF misled and deceived so many, from customers and employees to business partners and investors, including myself and Sequoia," said Alfred Lin, partner at Sequoia, one of Silicon Valley's most reputable venture capital firms.

Thursday's decision "means another dead weight has been pried off of bitcoin. This is good... Onward," wrote Jeff Ross, founder of Vailshire Capital Management, which invests in cryptocurrencies on behalf of clients, on X.

The FTX implosion late last year was the dramatic conclusion of a sequence that began in the spring of 2022 when a series of cryptocurrency-related companies began to fail.

This period saw the value of bitcoin, the industry bellwether currency, plunge by two-thirds between the end of March and the end of November 2022.

Bitcoin took nearly a year to recover, and has only regained momentum in recent weeks.

"It's not a day to celebrate," tempered Hayden Adams, founder of Uniswap, a cryptocurrency exchange platform.

"Billions in user funds were lost and our industry took a massive reputational hit. The only winners were a few law firms and various opponents of crypto," he added.

Nick Tomaino of investment firm 1confirmation pointed the finger at [venture capitalists](#) "who gave SBF hundreds of millions of dollars (and) are now taking victory laps because of a [guilty verdict](#)."

There was no "accountability for their horrible judgment or the soulless greed that sucked them into such a massive fraud."

Adams urged: "In the next cycle, our industry must do better."

The industry must "focus on technology and our values, spot the [warning signs](#) and avoid the personality cult sociopaths," he said.

© 2023 AFP

Citation: Relief in crypto world over Bankman-Fried conviction (2023, November 4) retrieved 29 April 2024 from <https://techxplore.com/news/2023-11-relief-crypto-world-bankman-fried-conviction.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.