

Fallen crypto tycoon Bankman-Fried gets 25-year sentence

March 28 2024, by John BIERS



Former FTX chief Sam Bankman-Fried was sentenced after being convicted in November of fraud by a New York jury.

Disgraced cryptocurrency wunderkind Sam Bankman-Fried was sentenced to 25 years in jail on Thursday—a stunning descent for a

figure who seemed poised to lead an emerging sector less than two years ago.

US District Judge Lewis Kaplan said the defendant, who became known by his initials "SBF," had shown no "real remorse," even in his final pre-sentencing remarks in which the former billionaire rued "a series of bad decisions" but did not acknowledge knowingly violating financial laws.

Bankman-Fried said "mistakes were made, but never a word of remorse for the commission of a terrible crime," said Kaplan, who characterized the violations as "brazen" and called out the defendant for his "exceptional flexibility" towards the truth.

Kaplan set a sentence of 25 years in prison, followed by three years of supervised release. The defendant also was ordered to pay \$11 billion, an amount reflective of what Bankman-Fried effectively stole from other parties, according to Kaplan's calculations.

Thursday's sentencing followed the November 2023 conviction by a federal jury in New York of Bankman-Fried, who once made the cover of financial magazines and financed splashy Super Bowl television ads in 2022.

Although lower than the 40-50 years sought by the government, the Justice Department praised the sentence.

"Today's sentence... is an important message to others who might be tempted to engage in financial crimes that justice will be swift, and the consequences will be severe," said US federal prosecutor Damian Williams.

Bankman-Fried's parents, Stanford law professors Joseph Bankman and Barbara Fried, said in a statement: "We are heartbroken and will

continue to fight for our son."

Financial serial killer?

Bankman-Fried had soared to the top of the crypto world, becoming a billionaire before age 30 and turning FTX, a small start-up he cofounded in 2019, into the world's second largest exchange platform.

But in November 2022, Bankman-Fried's breakneck rise came crashing down, with a deluge of customer withdrawals following revelations that billions of dollars had been illegally moved from FTX to Bankman-Fried's personal hedge fund, Alameda Research.

In remarks to the court, defense attorney Marc Mukasey characterized Bankman-Fried as a well-intended, "awkward math nerd," rather than a cold-hearted figure like notorious Ponzi scheme operator Bernie Madoff.

"It's obviously a serious offense, but Sam was not a financial serial killer who set out to hurt people," Mukasey said.

During the hearing, Bankman-Fried expressed regret about the firm's demise, which also affected many colleagues.

They "built something beautiful," Bankman-Fried said. "And I threw it all away. It haunts me every day. I made a series of bad decisions."

Bankman-Fried said he was anguished that FTX victims had not been compensated—something he said "begs a question of why they haven't been paid back."

'Often evasive'

But federal prosecutor Nicolas Roos, speaking after Bankman-Fried, said the defendant continued to play down his crimes, noting the impact was "not a bloodless financial loss on paper."

Roos described "immediate" financial harm to FTX victims, including one investor in Portugal whose daughter was born the day before FTX imploded and a married couple of retirees who were forced to go back to work.

Kaplan agreed with key arguments from the government.

The judge had begun the hearing by rejecting the defense's efforts to persuade the court to consider billions of dollars worth of recoveries through the FTX bankruptcy as lowering the size of the fraud.

Kaplan called out Bankman-Fried for witness tampering and enumerated at least three specific instances where he had given false testimony.

"When he wasn't outright lying, he was often evasive, hair-splitting, dodging questions," Kaplan said of Bankman-Fried's testimony.

The Justice Department had developed its sentence recommendation in part to account for the risk that Bankman-Fried could engage in further fraud if released too quickly.

While stopping short of the government's full sentence, Kaplan agreed that a free Bankman-Fried would pose a risk.

Bankman-Fried could say "that mistakes were made. Other people were to blame. The bankruptcy people screwed up," Kaplan said. "It doesn't take too much imagination to see the outline" of another narrative.

"But there is a risk that this man will be in a position to do something

very bad, and it's not a trivial risk," said Kaplan, calling a lengthy sentence necessary to "disable" Bankman-Fried.

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Citation: Fallen crypto tycoon Bankman-Fried gets 25-year sentence (2024, March 28) retrieved 28 April 2024 from

<https://techxplore.com/news/2024-03-fallen-crypto-tycoon-bankman-fried.html>

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