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Dec. 22, 2022



FTX founder Sam Bankman-Fried leaves the courthouse following his arraignment in New York City on Dec. 22, 2022. (Ed Jones/AFP/Getty Images/TNS)

By Ava Benny-Morrison and Chris Dolmetsch, Bloomberg News (TNS)

Sam Bankman-Fried was released on a \$250 million bail package after making his first U.S. court appearance to face fraud charges over the collapse of FTX, the cryptocurrency exchange he co-founded.

Shackled and wearing a blue suit, Bankman-Fried appeared Thursday before a

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financial crimes.

Bankman-Fried, 30, was charged in an indictment unsealed Dec. 13 by Manhattan federal prosecutors with orchestrating a yearslong fraud in which he used billions of dollars of FTX customer funds for personal expenses and high-risk bets through the exchange's sister trading house, Alameda Research.

FTX's collapse reverberated across an already-embattled cryptocurrency industry, prompting calls for further regulation as well as accountability for those who led the exchange. It was a stunning downfall for Bankman-Fried, a leading industry figure who was once estimated to be worth more than \$25 billion and had emerged as major political donor.

In numerous media interviews following FTX's November bankruptcy filing, Bankman-Fried has tried to argue the exchange's collapse was due to management missteps, rather than intentional fraud.

That defense may be harder to maintain after Manhattan U.S. Attorney Damian Williams announced Wednesday night that two of Bankman-Fried's closest associates, former Alameda Chief Executive Officer Caroline Ellison and former FTX Chief Technology Officer Gary Wang, had pleaded guilty to fraud and were cooperating with the prosecution.

Bankman-Fried's New York court appearance caps a roughly weeklong drama over his return to the U.S. to face trial. Arrested Dec. 12 in the Bahamas at the request of U.S. authorities, he initially indicated he would fight extradition.

After he was denied bail in Nassau and sent to the notorious Fox Hill prison, Bankman-Fried changed his mind. But his return to the U.S. was delayed amid confusion in the Bahamas Magistrate's Court until he finally left the island on a U.S. government-chartered flight Wednesday night.

Williams announced Ellison and Wang's pleas while Bankman-Fried was in the air.

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in other cases have tried to turn the tables and cast them as the true bad actors.

Bankman-Fried could try to make a deal himself, but he may not get much leniency since he's likely at the top of the prosecution's target list. Meanwhile, more cooperators could emerge. Williams issued a warning to potential witnesses in a statement Wednesday night.

"If you participated in misconduct at FTX or Alameda, now is the time to get ahead of it," Williams said. "We are moving quickly and our patience is not eternal."

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