

FBI agents search home of FTX exec who gave millions to Republicans

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The FBI on Thursday reportedly searched the home of former FTX executive Ryan Salame, who ran the failed cryptocurrency exchange's Bahamian subsidiary and was a major campaign donor to Republicans. Yesterday morning's search of Salame's \$4 million home in Potomac, Maryland, was reported by The New York Times and Bloomberg, with both media outlets citing anonymous sources.

Salame hasn't been charged with a crime but was a member of FTX founder and former CEO Sam Bankman-Fried's inner circle. Salame received \$87 million in payments and loans from FTX entities, the exchange's new leadership said last month.

It's unclear what FBI agents were looking for at Salame's house, but the search "signals that federal authorities are not done with their investigation into FTX's collapse as they prepare for Mr. Bankman-Fried's trial set in October," the Times wrote. "They are scrutinizing an array of employees and advisers in the former crypto mogul's orbit, including Mr. Bankman-Fried's younger brother."

The Times notes that Salame has been under scrutiny "over the \$24 million in campaign contributions he made during last

year's midterm elections," with federal authorities alleging in court filings "that most of the \$90 million contributed to political candidates by a handful of former FTX employees, including Mr. Salame, had been misappropriated from customers of the exchange."

Bankman-Fried is facing 13 criminal charges in US District Court for the Southern District of New York. Three former executives who worked with Bankman-Fried at FTX or its affiliate, Alameda Research, already pleaded guilty to criminal fraud charges and are cooperating with government prosecutors. The executives who pleaded guilty are Nishad Singh, FTX's former director of engineering; FTX's former CTO Gary Wang; and former Alameda CEO Caroline Ellison.

Salame and SBF formed "megadonor tag team"

Bloomberg's article said that "Salame's attorney had spoken with prosecutors on his behalf and handed over information relating to campaign finance activity prior to Thursday's search." Before FTX's collapse, Salame was co-CEO of Bahamian subsidiary FTX Digital Markets.

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"As FTX grew, Mr. Salame began building his profile in Washington as a big Republican donor," The New York Times wrote in December. "During the midterm elections, Mr. Salame gave \$24 million, primarily to Republican candidates and committees, while Mr. Bankman-Fried gave about \$40 million, primarily to Democrats. Together, they formed a bipartisan megadonor tag team, with fund-raisers on both sides of the aisle clamoring for access to a stream of donations that many expected to last decades."

One of the charges faced by Bankman-Fried is conspiracy to make unlawful political contributions and defraud the Federal

Election Commission. The indictment says Bankman-Fried tried to “influence cryptocurrency regulation in Washington, DC by steering tens of millions of dollars of illegal campaign contributions to both Democrats and Republicans.”

The indictment alleged that Bankman-Fried used FTX customer funds that he misappropriated to make contributions “in the names of others in order to obscure the true source of the money and evade federal election law,” which imposes annual limits on campaign donations. Bankman-Fried was accused of conspiring with “others known and unknown” to evade federal election law.

Salame donated to George Santos

Salame, who joined Alameda in 2019 and FTX in 2021, “is in a relationship with Michelle Bond, a crypto advocate and 2022 Republican congressional candidate,” Bloomberg wrote. Salame and Bond reportedly are joint owners of the home that was searched yesterday.

“Among the candidates Salame supported was George Santos, then a little-known Long Island Republican who has since become a household name for lying about key parts of his background. Salame also helped introduce donors to Santos—including his parents and other FTX executives,” Bloomberg wrote.

Salame and two other FTX executives reportedly gave the maximum allowed donations to Santos.

Salame told Bahamian authorities about likely illegal transfers of clients’ assets from FTX to Alameda on November 9, 2022, according to a letter sent to police that day by Christina Rolle, executive director of the Bahamas Securities Commission. Salame told the Securities Commission that only three people had the necessary codes or passwords to make the transfers, namely Bankman-Fried, Singh, and Wang.

Rolle's letter to the Royal Bahamas Police Force commissioner, which is included in a court document, requested a criminal investigation and was sent right before FTX's collapse. "The Commission understood Mr. Salame as advising that the transfer of clients' assets in this manner was contrary to the normal corporate governance and operations of FTX Digital. Put simply, that such transfers were not allowed and therefore may constitute misappropriation, theft, fraud or some other crime," Rolle wrote.

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