SBF’s ex-girlfriend Ellison testifies: “He directed me to commit these crimes”

Enlarge / Caroline Ellison, former CEO of Alameda Research, arrives at court in New York on Tuesday, Oct. 10, 2023.
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132 with

Caroline Ellison, the former Alameda Research CEO who dated Sam Bankman-Fried, testified against her former partner today in his criminal trial. “In the trial’s second week, Ellison said she committed fraud, conspiracy to commit fraud and money laundering along with Bankman-Fried and others,” the Associated Press reported.

“He was originally the CEO of Alameda and the owner of Alameda and he directed me to commit these crimes,” Ellison said today, according to a Bloomberg article. She added that “Alameda took several billion dollars from FTX customers and used it for its own investments” and to pay o lenders.

Ellison’s testimony began shortly before the court took a break for a lunch. The trial is in US District Court for the Southern District of New York, located in Manhattan.

According to a New York Times article, Ellison “testified that [Bankman-Fried] instructed her to draw from FTX customer funds to finance venture investments and loan repayments by Alameda Research, a crypto hedge fund that she oversaw for him. She

said Alameda took around $14 billion, only some of which it was able to repay."

Bankman-Fried is accused of defrauding customers and lenders while operating the cryptocurrency exchange FTX and its affiliate Alameda. Ellison pleaded guilty to fraud and money laundering charges and agreed to cooperate with prosecutors.

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SBF imagined coin flip that could end the world

The AP report said Ellison testified that she met Bankman-Fried "at Jane Street, a hedge fund, where she worked as an intern before joining his company after he formed Alameda Research in 2017." She also said they "dated a couple years."

"The whole time that we were dating, he was also my boss at work, which created some awkward situations," she testified, according to The Wall Street Journal. Describing Bankman-Fried's attitude toward risk-taking, "Ellison recalled on the witness stand how Bankman-Fried once spoke of a coin-flip scenario where if the coin landed on tails, the world would end. But if the coin landed on heads, 'the world would be twice as good.' Bankman-Fried [said] he would take the bet if there were a chance of making the world better, Ellison said."

Several news reports remarked on Ellison taking a little while to point out Bankman-Fried in court. "When she was asked to identify Bankman-Fried in the courtroom, Ellison stood at the witness stand as she scanned the courtroom for a long minute, at first unable to find him, before gesturing his way with a flip of her hand and saying he was 'over there wearing a suit,'" the AP story said.

Ellison testified that Bankman-Fried thought there was a "5 percent chance he would become president," according to ABC

News. She was also quoted by ABC News as saying that she and Bankman-Fried “started sleeping together on and off” in 2018 and that they dated on and off in subsequent years. The romantic relationship ended for good in 2022, she testified.

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