



Written by [Rebecca Terrell](#) on December 13, 2022

House Democrats Upset by SBF Arrest

Authorities in the Bahamas arrested Sam Bankman-Fried (SBF) on Monday, according to the U.S. Department of Justice. “SBF’s arrest followed receipt of formal notification from the United States that it has filed criminal charges against SBF and is likely to request his extradition,” [stated](#) the Bahamian attorney general.

USA Damian Williams: Earlier this evening, Bahamian authorities arrested Samuel Bankman-Fried at the request of the U.S. Government, based on a sealed indictment filed by the SDNY. We expect to move to unseal the indictment in the morning and will have more to say at that time.

— US Attorney SDNY
(@SDNYnews) [December 12, 2022](#)



AP Images
Maxine Waters

The arrest came “at the request of the U.S. Government, based on a sealed indictment” that was unsealed Tuesday morning.

The indictment includes eight criminal counts: conspiracy to commit wire fraud and securities fraud, individual charges of securities fraud and wire fraud, money laundering, and conspiracy to avoid campaign finance regulations.

[SBF](#), the disgraced former CEO of cryptocurrency exchange FTX, is reported to have illegally squandered customer funds in a Ponzi-styled scheme, resulting in the largest financial collapse in crypto history. The company, which was reputedly the third-largest crypto exchange in the world, filed for Chapter 11 bankruptcy protections in early November, and SBF resigned as CEO the same day.

He was due to testify via remote transmission before the U.S. House Financial Services Committee on Tuesday. Upon hearing of his arrest, Committee Chairman Maxine Waters (D-Calif.) issued a [statement](#) expressing her surprise and consternation (though many on Twitter had opposite reactions, posting comments like “finally,” and “about time”):

I am surprised to hear that Sam Bankman-Fried was arrested in the Bahamas at the direction of the United States Attorney for the Southern District of New York.... My staff and I have been working diligently for the past month to secure Mr. Bankman-Fried’s testimony before our Committee tomorrow morning.... Although Mr. Bankman-Fried must be held accountable, the American public deserves to hear directly from Mr. Bankman-Fried about



Written by [Rebecca Terrell](#) on December 13, 2022

the actions that've harmed over one million people, and wiped out the hard-earned life savings of so many. The public has been waiting eagerly to get these answers under oath before Congress, and the timing of this arrest denies the public this opportunity.

In view of the Democratic Party's ties to SBF, come cast doubts on Waters' suitability to chair the investigation. He donated nearly \$40 million in the past two years to liberal campaigns and causes, earning him the rank of second-largest donor next to George Soros. In 2020, he was the second-largest donor to Joe Biden's campaign. As another one of his beneficiaries, should Waters be *relieved* instead of disappointed that no Republicans could ask him about his leftist generosity under oath?

Maxine Waters is chairing the investigation into FTX <https://t.co/oFMctH4rRh>
[pic.twitter.com/Ox6O5w4nOl](https://t.co/pic.twitter.com/Ox6O5w4nOl)

— Jordan Schachtel @ dossier.substack.com (@JordanSchachtel) [November 17, 2022](#)

These are the two lawmakers responsible for the investigation □<https://t.co/2IVFt65otR>

— Jordan Schachtel @ dossier.substack.com (@JordanSchachtel) [November 17, 2022](#)

Incredible <https://t.co/EwDzuYDOmn>

— Jordan Schachtel @ dossier.substack.com (@JordanSchachtel) [November 17, 2022](#)

Representative Alexandria Ocasio-Cortez (D-N.Y.) was also “disappointed” at the news of his arrest.

Bankman-Fried was set to testify before the House tomorrow. Tonight he was arrested.

While I am disappointed we will not have the opportunity to present our line of questioning, we look forward to more information coming to light and justice being served in this case.
<https://t.co/HS9u1n5Kur>

— Alexandria Ocasio-Cortez (@AOC) [December 13, 2022](#)

Yet it is unlikely that Waters or AOC would have extracted anything different from SBF than his [prattle](#) in several public interviews since the collapse of the FTX empire, which included its hedge fund, Alameda Research.

“One of the reasons FTX went bankrupt is because FTX deposits were used to pay Alameda's creditors. [Alameda CEO] Caroline Ellison said you knew about that. Is that true?” [queried](#) George Stephanopoulos on ABC's *Good Morning America*.

“You know, best I can tell, uh, Alameda did have a big position open on on FTX. Um, that position, uh, I think, was, you know, very over-collateralized, uh, a year ago,” SBF faltered. “There was a a total market collapse, and, you know, specifically a large correlated collapse in its assets, you know, over the last month and to some extent over the last year that, uh, you know, threatened that position quite a bit and I think that's, you know, as best I can tell a lot of what happened then.”

“I am no cryptocurrency expert. I'm no finance expert. But I don't think you answered my question. I



Written by [Rebecca Terrell](#) on December 13, 2022

asked you: ‘Did you know that FTX deposits were used to pay off Alameda creditors?’” Stephanopoulos responded.

SBF paused, looked down and frowned before hesitatingly saying: “I don’t know of FTX deposits being used to pay off Alameda creditors. Are you ... uh, which creditors are you referring to?”

There was more similar back and forth, with Stephanopolous quoting FTX terms of service assuring customers that none of their funds would be loaned to FTX trading and SBF pointing out a “margin trading facility on FTX by which users can lend out funds by which other users borrow funds.”

Obviously frustrated with the dance, Stephanopoulos finally cornered SBF, demanding a simple yes or no to his original question: “Did you know that these funds were being funneled to Alameda?”

“I did not know that there was any improper use of customer funds,” SBF replied.

"I expect I'm gonna have nothing at the end of this."

Former FTX CEO Sam Bankman-Fried sits down with [@GStephanopoulos](#) for a one-on-one interview following both companies in his cryptocurrency empire filing for bankruptcy last month. <https://t.co/FxYbmQi92Z> pic.twitter.com/lMviovTymN

— Good Morning America (@GMA) [December 1, 2022](#)

Insolvency professional John J. Ray, who was Enron’s liquidator, is the new CEO of FTX, hired to see it through bankruptcy proceedings. Since SBF’s arrest, he is the only [witness](#) appearing before the Finance Committee today. When asked about SBF’s various interviews, he said, “It was really hard to determine what he was trying to say.”

He described the transfer of funds between FTX and Alameda as “voluminous” and remarked on the lack of internal controls or documentation. He also reported that SBF signed his own loans. “That should tell you something right there.”



Subscribe to the New American

Get exclusive digital access to the most informative,
non-partisan truthful news source for patriotic Americans!

Discover a refreshing blend of time-honored values, principles and insightful perspectives within the pages of "The New American" magazine. Delve into a world where tradition is the foundation, and exploration knows no bounds.

From politics and finance to foreign affairs, environment, culture, and technology, we bring you an unparalleled array of topics that matter most.



Subscribe

What's Included?

- 24 Issues Per Year
- Optional Print Edition
- Digital Edition Access
- Exclusive Subscriber Content
- Audio provided for all articles
- Unlimited access to past issues
- Coming Soon! Ad FREE
- 60-Day money back guarantee!
- Cancel anytime.