



## “I’m Truly Sorry For What I Did” – SBF’s Girlfriend Confirms They Conspired To Steal From FTX Customers

### Description

Caroline Ellison, erstwhile girlfriend of FTX founder Sam Bankman-Fried and former CEO of Alameda Research, has spilled her guts in order to avoid a 110 year prison sentence.

According to court documents released Friday, Ellison admits she and SBF **signed off on “materially misleading financial statements” for Alameda lenders – knowing it was illegal.**

*“I am truly sorry for what I did,”* she said, according to the transcript of the hearing, adding *“I knew that it was wrong.”*

OK – on [#FTX](#) / Alameda, here now the unsealed guilty plea transcript of Caroline Ellison – it was held in secret, and not docketed until today, once Bankman-Fried was freed on \$250 mln bond. Thread then stories on <https://t.co/3AcCBJNU41> and [pic.twitter.com/Ptd0L1u9oL](https://pic.twitter.com/Ptd0L1u9oL)

— Inner City Press (@innercitypress) [December 23, 2022](#)

Specifically, she told a judge earlier this week **she and Bankman-Fried conspired to steal billions of dollars from FTX customers**, as she appeared in federal court to plead guilty to seven criminal counts, according to a court transcript reported by Wall Street Journal and Bloomberg.

*“I understood that FTX executives had implemented special settings on Alameda’s FTX.com account that permitted Alameda to maintain negative balances in various fiat currencies and crypto currencies,”* said Ellison.

“In practical terms, **this arrangement permitted Alameda access to an unlimited line of credit without being required to post collateral**, without having to pay interest on negative balances and without being subject to margin calls or FTX.com’s liquidation

protocols.

She added:

*“If Alameda’s FTX accounts had significant negative balances in a particular currency, it meant that Alameda was borrowing funds that FTX’s customers had deposited onto the exchange.”*

Ellison’s statement included **allegations that Bankman-Fried and other FTX executives had borrowed funds from Alameda, and used FTX funds to repay “loans worth several billion dollars.”**

Ellison’s plea deal, released on Dec. 21, largely spared the former Alameda CEO of many of the charges Bankman-Fried currently faces including wire fraud and securities fraud. She may still be prosecuted for criminal tax violations, but the agreement set bail at \$250,000 on the condition she surrendered all travel documents.

**FTX’s co-founder and former CTO Gary Wang** confirmed the existence of these privileges and that Alameda was an exclusive beneficiary of them.



Of course, this **crushes Bankman-Fried’s ‘Simple Jack’ defense...**

[As Decrypt reports](#), the code’s existence, previously called a sort of **bookkeeping “backdoor,”** was first [reported](#) by *Reuters*, citing anonymous sources. Bankman-Fried [said](#) later that **“that is definitely not true,”** adding that he didn’t “know exactly what they’re [*Reuters*] referring to.”

**It now appears that this code indeed existed** and offered Alameda some serious benefits.

...but even more notably, **a judge agreed to a request by prosecutors to keep it secret that two of Bankman-Fried’s executive associates had turned against him so that the cryptocurrency entrepreneur would agree not to fight extradition**

from the Bahamas to the US, according to the transcripts.

And now he's on his way, via Business Class, to his mom-and-dad's fancy Palo Alto pad...

SBF en route to his parents' house. Beanie is an excellent disguise, ser.?  
[pic.twitter.com/NHZ8uZg24a](https://pic.twitter.com/NHZ8uZg24a)

— Tiffany Fong (@TiffanyFong\_) [December 23, 2022](#)

...for some me-time.

by Tyler Durden

### **Category**

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