

Two Bankman-Fried associates plead guilty to fraud as FTX founder heads to U.S

FTX founder Sam Bankman-Fried left the Bahamas on Wednesday on a U.S.-bound flight to face fraud charges as federal prosecutors announced that two of his former associates had pleaded guilty to similar charges and were now cooperating with the government.

Manhattan U.S. Attorney Damian Williams said in a video posted on Twitter late Wednesday night that Caroline Ellison, former CEO of Alameda Research, and Gary Wang, co-founder of FTX, had pleaded guilty to defrauding investors in the crypto trading platform.

The revelation that two of Bankman-Fried's closest former associates had decided to cooperate with the government significantly ramped up pressure on the former billionaire.

Williams said that Bankman-Fried is now in FBI custody and on his way to the U.S and urged others involved in the alleged fraud to come forward.

"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."

"I also said that last week's announcement would not be our last, and let me be clear once again, neither is today's," he added.

The U.S. Securities and Exchange Commission (SEC) in a separate statement on Wednesday evening said it had also charged Ellison and Wang for their roles in a multiyear scheme to defraud equity investors of FTX.

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