



FTX partnership with Ukraine is latest chapter in shady Western aid saga



KIT KLARENBERG · NOVEMBER 15, 2022

The Ukrainian government mysteriously disappeared online records of its fundraising arrangement with the FTX crypto scam just days before the scandal erupted. The initiative claims to have raised \$60 million for Ukraine, but where did the money go?

The demise of FTX, the **fifth-biggest** cryptocurrency exchange by trade volume in 2022, and the **second-largest** by holdings, has sent a wave of chaos through global financial markets.

As the turbulence grows, the government of Ukraine is conducting an ongoing cleanup and whitewashing operation to rid any and all references to a high-level cryptocurrency fundraising arrangement it struck with FTX

from the web. Eerily, it seems to have commenced just days before the scandal erupted.

Online records unearthed by The Grayzone claim tens of millions were raised by FTX for the Ukrainian government, and put to a variety of belligerent uses. But with the company now exposed as a Potemkin village lacking underlying assets, and major question marks hanging over whether its operations were from day one fraudulent top to bottom, where does that leave the supposedly successful donation scheme? Were those sums truly raised, and if so, to what purposes were they actually put?

FTX's destruction resulted from a **mass sell-off** of the company's native bitcoin token, FTT, by the rival exchange, Binance. Its value plummeted, prompting a three-day "run" on billions of dollars worth of cryptocurrency, which in turn created - or exposed - a "**liquidity crisis**" within FTX, as it did not have the available assets required to redeem client withdrawals. FTX **filed for bankruptcy** on November 11th.

FTX founder and top Democrat Party donor Sam Bankman-Fried now faces criminal investigations in the Bahamas, where the exchange was headquartered, and calls for **official investigations** into the largely unregulated cryptocurrency industry are reverberating across the globe.

The sudden death of FTX has been compared to **the 2008** disintegration of Lehman Brothers that precipitated the financial crisis.

Massive customer holdings have apparently **gone missing** thanks to a secret "back door" in the FTX bookkeeping system that allowed Bankman-Fried to make changes to the company's financial records without any accountability. This connivance may have been used to hide at least \$10 billion in client funds Bankman-Fried transferred from exchange to another company he founded, digital asset trader Alameda Research.

While mainstream media pored over the details of Bankman-Fried's gargantuan crypto scam, not one single major outlet has investigated or even acknowledged FTX's relationship with the government of Ukraine.

Were client holdings unaccountably and illegally funneled into the West's proxy war? Or did the supposed aid FTX sent to Kiev find its way into the hands of Ukrainian scammers, corrupt warlords and illicit actors?

The corporate media's failure to explore these questions appears all the more perverse given Bankman-Fried's flamboyant promotion of his intimate financial relationship with the government of Ukrainian President Volodymyr Zelensky.

FTX pledges to “turn bitcoin into bullets, bandages and other war materiel” for Ukraine

The partnership between FTX and the Ukrainian government was first publicized **on March 14th** when the leading cryptocurrency website CoinDesk announced Kiev had launched a dedicated webpage for cryptocurrency donations dubbed Aid for Ukraine.

Under its auspices, FTX pledged to “convert crypto contributions to Ukraine’s war effort into fiat for deposit” at the National Bank of Kiev, allowing the embattled government to “turn bitcoin into bullets, bandages and other war materiel.” CoinDesk stated the initiative “deepens an unprecedented tie-up between public and private sector forces in crypto.”

Oleksandr Bornyakov, an official at Ukraine’s Ministry of Digital Transformation, hinted to CoinDesk about an “upcoming NFT collection” auction to “give the next boost to the crypto fundraising process.”

(Bornyakov’s Ministry of Digital Transformation played a **key role** in the successful, Zelensky-led campaign to cancel The Grayzone’s Max Blumenthal and Aaron Mate’s appearance at Web Summit, a major international gathering of the tech industry in Lisbon, Portugal).

In a **press release** accompanying the announcement of the FTX partnership with Ukraine, Bankman-Fried explained that, “at the onset of the conflict in Ukraine, FTX felt the need to provide assistance in any way it could.” He promised that the arrangement provided “the ability to deliver aid and resources to the people who need it most.”

Kiev disappears Aid for Ukraine site days before FTX scandal goes public

The Aid for Ukraine **webpage** has now been deleted, but can still **be accessed** via the Internet Archive. Until very recently, it encouraged visitors to “help Ukraine with crypto” and pleaded, “don’t leave us alone with the enemy.”



Help Ukraine with **crypto**, don't leave us alone with the enemy

The community has already raised more than \$60 million

The site featured promotional quotes from an assortment of Ukrainian government officials and bitcoin bros - among them, FTX's founder.

Mykhailo Fedorov, Ukraine's deputy Prime Minister, and Minister of Digital Transformation of Ukraine, thanked "the crypto community" for funding the purchase of helmets, bulletproof vests, and night vision devices. For his part, Bankman-Fried declared himself "incredibly excited and humbled" to "support crypto donations to Ukraine."

"Every helmet, bulletproof vest and night vision device save the lives of Ukrainian soldiers. Thus, we must continue to support our defenders. Thanks so much to everyone from the crypto community for supporting Ukraine!"

Mykhailo Fedorov

Vice Prime Minister - Minister of Digital Transformation of Ukraine



"Today, crypto is playing a significant role in Ukraine's defense. Huge thanks to the crypto community for this unprecedented support of Ukraine and its defense of the principles of democracy and freedom in face of the war waged by the Russian Federation."

Alex Borneyakov

the Deputy Minister of Digital Transformation of Ukraine



"This is not just the war against centralized regime, this is the birth of blockchain as a backbone of global security."

Mike Chobanian

founder of KUNA Exchange, President of Blockchain Association of Ukraine



"Incredibly excited and humbled to be working with the Ministry of Digital Transformation of Ukraine, Everstake, and others to support crypto donations to Ukraine."

Sam Bankman-Fried

the founder and CEO of FTX



The last available Internet Archive capture of "Aid for Ukraine" took place on the afternoon of **October 26th**. Throughout the webpage's existence, the Internet Archive **captured** snapshots of the page weekly. This clearly indicates the page was purged by Kiev in late October, several days before the FTX crisis initially broke out.

Once deleting the page, the Ukrainian government created a **standalone website on November 1st** to promote the endeavor. The page was identical, and quotes from Bankman-Fried, and references to FTX's

involvement and its logo, **remained in place** until the morning of November 15th.

Was the original webpage's dumping and erasure, and the shift to a totally new interface, at that time merely a spooky coincidence, or were the Ukrainians warned of what was coming? What did Kiev know, and when did it know it?

Why did we make this site and how does it work?

The crypto community does not want to stand aside and watch Ukrainians suffer from the unprovoked aggression by the Russian Federation and the subsequent humanitarian disaster unseen in Europe since the Balkan war.

Everstake is a Ukraine-based company. We wanted to give the crypto community a viable option to efficiently stand with Ukraine, and thus launched our initiative dubbed **Aid For Ukraine**.

Aid For Ukraine is cooperating with the cryptocurrency exchange FTX which converts crypto funds received into fiat and sends the donations to the National Bank of Ukraine. This marks the first-ever instance of a cryptocurrency exchange directly cooperating with a public financial entity to provide a conduit for crypto donations.

Is it legit?

Yes! The initiative is powered by the [Ministry of Digital Transformation of Ukraine](#), [FTX](#), and [Everstake](#). The founder of Everstake Sergey Vasylychuk has verified the initiative on his Twitter, and so did the Minister of Digital Transformation of Ukraine Mykhailo Fedorov.

Bankman-Fried channeled millions to Biden through “stealth” PAC

While some have **accused** FTX of serving as a money laundering vehicle for the US Democratic Party, concrete evidence supporting this claim has yet to materialize. But given Bankman-Fried's background as one of the most prolific donors to the Democrats, and the role he played as a nexus between party power-brokers and the cryptocurrency sphere, such allegations are understandable.

Bankman-Fried is the son of Stanford law professor Barbara Friedman, the founder of a shadowy Super PAC called **Mind the Gap** which **quietly channeled** millions to Democratic party candidates, primarily from nameless Silicon Valley investors.

Professor Friedman's organization has no website or social media footprint, and its founders do not advertise their involvement publicly. **Chosen through** complex data analysis, beneficiaries of the Super PAC often have no idea who exactly is donating to their campaigns.

“The raison d'être is stealth,” an individual “with ties to the organization” told Vox back in 2020.

Bankman-Fried **establishment of FTX** in April 2019 - the same month Joe **Biden announced** his 2020 Presidential run - has added to the intrigue

surrounding the scandal. Once vast sums started flowing into and through the FTX exchange, its founder channeled profits into Biden's campaign coffers. Oddly, Bankman-Fried had no prior history of political financial activity.

Throughout the 2020 campaign, Bankman-Fried **gifted over** \$5 million to Biden and groups supporting him. **This reportedly** helped fuel a potentially decisive "nine-figure, eleventh-hour blitz of TV advertising" targeting swing states, and made the crypto bro the second-largest donor to the president, right behind Michael Bloomberg.

Bankman-Fried claimed this wellspring of generosity was "motivated less by specific issues than by the Biden team's 'generic stability and decision-making process.'" Such an apparent lack of enthusiasm for the President stands at odds with the staggering sums he has pumped into Democratic party coffers ever since.

In 2022 alone, Bankman-Fried lavished almost \$40 million on Democratic candidates, campaigns, and PACs. The giving spree made him the second-largest individual donor to Democratic causes, behind liberal venture capitalist George Soros.

More recently, Bankman-Fried **pledged to donate** a staggering \$1 billion between this year and 2024 to ensure a Democratic victory in the next presidential vote. On October 14th, however, he **completely backtracked**, branding the investment a "dumb" move. Something scandalous was brewing behind the scenes.

One week later, the Texas State Securities Board announced it was investigating FTX on suspicion of selling unregistered securities. The development went largely unnoticed by the media. To the extent it generated any interest at all, it **was framed** as just one of several examples of financial authorities scrutinizing crypto players.

What happened to the \$60 million raised by Aid for Ukraine?

If FTX was indeed laundering funds for the proxy war in Ukraine, the slightest indication that regulators were investigating its operations would have triggered alarm bells throughout Washington - and by extension, Kiev. This may be why the Ukrainian government switched the Aid for Ukraine webpage with a dedicated website, and scrubbed the original entirely from the internet just days after the announcement.

Also curious are the Internet Archive captures of the Aid for Ukraine website **that show records** of funds purportedly flowing to Kiev via Bitcoin had not been updated since July. At the time, the webpage reported that over \$60 million had been raised by the “community.” This figure is reflected on the updated standalone Aid for Ukraine fundraising site.

A breakdown of spending on the new Aid for Ukraine website states Kiev had spent a total of \$54,573,622 in cryptocurrency donations by July 7th on a wide variety of equipment, vehicles, drones, “lethal equipment” and other resources. One of the biggest single expenditures was \$5,250,519 on a “worldwide anti-war media campaign,” the details of which would only “be published after our victory” due to “security reasons.”

Ukrainian government officials and private sector actors involved in the operation of Aid for Ukraine have scoffed at suggestions of impropriety regarding its use.

Oleksandr Bornyakov of Ukraine’s Ministry of Digital Transformation **declared that** Aid for Ukraine simply used FTX to “convert donations into fiat in March.” The CEO of Everstake, the “validator” company that in theory guaranteed crypto funds donated via Aid for Ukraine reached Kiev’s Ministry of Defense, **also thanked** “every crypto holder for donating...in those early day [sic], when every cent and every minute was crucial.”

Taken in tandem, these comments suggest Aid for Ukraine was set up purely to receive donations in the initial stages of the war, and the \$60 million figure represents sums received and converted in the weeks immediately following the launch of the initiative. This interpretation is reinforced by an Everstake staffer’s **presentation** at a cryptocurrency conference at Web Summit on November 1st, on the subject of “raising [over] \$60m in crypto for Ukraine.”

But an Internet Archive capture of Aid for Ukraine **on April 1st** adds to the confusion, showing that two-and-a-half-weeks after the initiative launched, the webpage was updated to claim “over \$70 million” had been raised from crypto donors. This **was revised** down to “over \$60 million” five days later.

Help Ukraine with **crypto**, don't leave us alone with the enemy

The community has already raised more than \$70 million

More strangely, Aid for Ukraine records show that from the time of the initiative's launch to April 14th, a total of \$45,103,538 was spent. This means just \$9,470,084 was spent between April 14 and July 7th, a **period** in which the war developed into a “bloody war of attrition” according to The Guardian.

This leaves a gap of at least \$5.5 million in the money Aid for Ukraine claimed to have raised in its initial weeks, and the funds it says it distributed in Ukraine.

The disparity was confirmed **in a tweet** by the official Aid for Ukraine Twitter account, posted on the evening of November 15th, which stated that “out of \$60 million received, \$54 million have already been spent on Ukraine's humanitarian and military needs.”

This implies that no further funds of any size were received after early April and the total has remained static ever since, despite the resource being open for donations. Which would be highly unusual.

The government of Ukraine, FTX, and Everstake all now have serious questions to answer. Namely: why the funds purportedly raised appear to have decreased in a span of a few days; why no donations have been received since then on the Aid for Ukraine webpage or its new website; how much has been donated since the alleged initial influx; and where did the rest of the money go?

Ukraine: a black hole for Western aid

Stories of potential financial impropriety by Ukrainian officials and the country's military are invariably ignored or outright buried by the Western media. **An August exposé** by the Kyiv Independent documented wide-ranging abuses by the leadership of a wing of the International Legion, including sexual harassment, looting, threatening soldiers at gunpoint and

sending them unprepared on reckless missions. Though the Kyiv Independent often influences Western media's coverage of the Ukraine conflict, this story was completely ignored in mainstream quarters.

That same month, CBS **broadcast an investigative feature** revealing that only 30 percent of Western arm shipments to Ukraine ever reached the frontline. Due to intense backlash from the Pentagon and other powerful sources, CBS **temporarily pulled** its own documentary and an accompanying promotional trailer and article from the web. The feature has since been "updated" to claim that "the situation has significantly improved" since filming, and "a much larger quantity now gets where it's supposed to go."

When it comes to Ukraine, Democrats at the highest levels are also immensely skilled at burying embarrassing stories. In December 2015, Joe Biden coerced Kiev's then-leader Petro Poroshenko **into firing** prosecutor general Viktor Shokin as a condition for the US underwriting a \$1 billion IMF loan to Ukraine.

"I'm going to be leaving here in six hours. If [Shokin] is not fired, you're not getting the money," Biden threatened.

With Shokin's firing, the experienced lawyer's **ongoing probe** into the energy giant Burisma ended as well. Which meant that Burisma's most famous board member, Hunter Biden, the son of then-US Vice President Joe Biden, eluded official scrutiny.

Now, a politically connected crypto-billionaire who used a secret financial "back door" to fleece customers of ungodly sums of money has become the latest character in the saga of shady US aid to Ukraine. And though the collapse of his FTX firm is front page news, mainstream outlets are studiously avoiding the Ukraine angle.