

# TechScape: Crypto in the dock, Musk in the frame and fiendish puzzles – three chilling tales for Halloween

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The nights are drawing in, the carved pumpkins are in windows and the neighbourhood children are preparing to cause trouble, so here's three tales of tech terror – ones that will resonate long after the candy is gone. The Mystery of the Missing Money Sam was an up-and-coming young entrepreneur, making waves in Silicon Valley, when suddenly, through no fault of his own, billions of dollars just ... vanished. At least that's what he's telling the cops ... The trial of cryptocurrency hero-to-zero Sam Bankman-Fried, also known as SBF, is coming to a close. After weeks of damaging testimony from former colleagues, friends and lovers – some of whom are all three at once – he's taken the stand in his defence. From the outside, the case may appear straightforward. The agreed-on facts are damaging: Bankman-Fried's cryptocurrency exchange FTX lost billions of customer money. But (this is not legal advice) it's not a crime to lose money. It's not even a crime to assure investors that you're definitely going to make money and then lose money. What is a crime, though, is to lie about those things. And so the job of the prosecution has been to establish not that SBF was a foolhardy Pollyannaish braggadocio who played fast and loose with other people's money, but that he knew exactly what he was doing. In contrast, SBF's defence team have what might seem like the easier task: to simply convince people that their client – who once described his own sector as a Ponzi scheme, who agreed he would carry on taking all or nothing bets until it led to the extinction of all life on Earth, who took calls with multibillion investors while gaming (badly) – is an idiot. And so, from our story: Bankman-Fried's decision to testify in his own defense is a risky one, as it will allow prosecutors the chance to cross-examine him. He has so far remained silent through a three-week trial as former members of his inner circle testified that he directed them to commit crimes, including diverting customer funds from FTX to his hedge fund, Alameda Research, and that he lied to investors and lenders. He was asked in November 2022 during his first interview after the exchange evaporated: "Are your lawyers suggesting it's a good idea for you to be speaking?" Bankman-Fried answered: "No, they are very much not ... I have a duty to talk; I have a duty to explain what happened." On Friday, Bankman-Fried began his testimony in exactly the way you'd expect: "I made a number of small mistakes and a number of large mistakes," Bankman-Fried, 31, said in sharing his version of the rise and fall of crypto trading platform FTX. The biggest mistake, he said, was not implementing a dedicated risk management team. "There were significant oversights," he said. His testimony also suggested that he will attempt to clarify the encryption and data-

retention practices at FTX, and explain away seemingly spurious movements of money. The story continues. The Site Killer They say crime doesn't pay. But if you're rich enough, you can get away with murder. The grisly dismemberment of Twitter has been going on for a year now, and for everything the site has been stripped of – its trust and safety team, its API, even its very name – it still hasn't been put out of its misery ... It's been a year exactly since Elon Musk took control of Twitter, currently known as X. The worst fears of detractors haven't quite come to pass: while outages and critical bugs have become starkly more common since swingeing cuts of more than 5,000 employees, the site has not yet suffered a catastrophic data loss or long-term outage. Instead, it's to Musk's credit that the most consequential changes to the site seem to be deliberate. As he seeks to stem the financial losses and transform the social network into an "everything app" loosely modelled on China's WeChat, Musk's scattershot approach to product design has seen the site block links to other social networks, artificially delay links to major news sites, remove verification of legitimate accounts, highlight paying users in replies, prevent logged-out users from reading threads, allow advertisers to hide the "ad" marker, and made it harder to direct message users. Personally, I would not have done those things. But I suppose that's why I'm a simple journalist and Elon Musk remains, some days, the world's richest man. Still, he's doing a very good job of losing other people's money. From the Wall Street Journal: The banks that financed Elon Musk's \$44 billion purchase of Twitter are still struggling a year later to contain the damage to their balance sheets. The banks currently expect to take a hit of at least 15%, or roughly \$2 billion, when they sell the debt, people familiar with the matter said ... Bankers close to the deal say that Musk's capricious management and a weakening advertising market could point to a junk-bond rating, a designation reserved for companies at higher risk of defaulting. As Josh Taylor wrote in this newsletter two weeks ago, Twitter remains bizarrely important for political discussion in the Anglosphere, with wonks and legislators likely to be hand in hand with Sports Twitter as the last major community to depart the site. Imagine a world where 4chan inexplicably became a major government comms channel, and you're pretty close to where we are right now. Surely this will have no long-term consequences. The Puzzle Puzzle In a dusty attic, you find a beguiling artefact: a puzzle box, with a tower of letters rising up one side. Feeling compelled, you trace a connection, spelling out a word; as you do, the letters disappear, new ones falling down to take their place. What could happen if – no, you know what, this one just isn't particularly scary, is it? The success of Wordle was the feelgood tech story of 2022. A simple word game goes viral, and sells for millions of dollars to the New York Times. The sale also focused attention on the centrality of games to the newspapers' commercial strategy. The NYT crossword is the undisputed king of American word games, while its Spelling Bee, mini crosswords and, recently, its Connections game (a vaguely controversial ripoff of the Only Connect wall) all have ardent fans. The paper even sells a games-only subscription, charging £25 a year for premium access. The newspaper business has always known the importance of the games and puzzles pages, even if it briefly forgot about them in the transition to online publishing. And now, the digital first upstarts are discovering the same reality. Apple launched a Puzzles tab in iOS 17 (though not yet in the UK), offering a daily crossword for subscribers of the company's \$12.99 monthly News+ service, apparently recognising that its absence was keeping many loyal to their existing news subscriptions. But crossword puzzles are just as liable to "unbundling" as daily weather reports, classified adverts and personals. What would they look like if they were freed from the newspaper altogether? Probably something like Puzzmo, a new service that launched in beta last week from veteran puzzler Zach Gage, the creator of hit apps including Really Bad Chess, Good Sudoku, SpellTower and Knotwords (and backed, for what it's worth, by Hearst Newspapers, which still owns a large conglomerate of US local papers including the San Francisco Chronicle). From the site's "manifesto": Games must never trick you out of your time. You should never wonder "what am I even doing with my life?" when you play a game. Good games are a collaborator to you in the pursuit of fun. Good games inspire curiosity. That link above probably won't work for you, though, because Puzzmo is in the cutest closed beta I've ever seen: the site is dripping 500 invitations a day to the first people to solve one of its puzzles, growing its community slowly while it irons out the kinks. Not to brag, but I didn't have to pull the journalist card to get my own invitation to join. If you want to read the complete version of the newsletter please subscribe to receive TechScape in your inbox every Tuesday.