

# Pensions & Investments

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## SBF's interview behavior revealed more than was said

By ERIN ARVEDLUND

How does Wall Street know a CEO is lying? Their lips are moving, or so the joke goes.

Investors such as Gina Moore, a founding partner in AJOVista LLC, a firm backed by the \$10.2 billion Missouri Local Government Employees Retirement System, use behavioral analysis as part of their research into companies and chief executives to decipher intent behind what CEOs say — and don't say.

Sam Bankman-Fried's interviews with DealBook and Good Morning America, Ms. Moore said, are recent examples of "the type of behavioral dissection we incorporate into our stock selection process at AJOVista."

AJOVista studied the Nov. 30 DealBook and Good Morning America interviews with FTX's disgraced chief executive, especially Mr. Bankman-Fried's denials about possible fraudulent use of customer funds. From a behavioral point of view, "Bankman-Fried's failure to cleanly and coherently deny the improper use of customer funds likely corroborates the claim made by former Al-

ameda Research CEO Caroline Ellison that Mr. Bankman-Fried knew FTX deposits were used to pay Alameda's creditors," said Philadelphia-based Ms. Moore. Alameda was FTX's related hedge fund, where customer funds may have been deposited. The crypto exchange FTX is now in bankruptcy.

During the DealBook interview, rather than categorically deny wrongdoing, Mr. Bankman-Fried sprinkled detached admissions of guilt throughout, copping to "things" he wishes he had "done differently" and conceding to a "little mistake" and "oversight."

These make him appear genuine and truthful, yet minimize the gravity of accusations of fraud, Ms. Moore said.

Mr. Bankman-Fried did not reply to requests for comment.

In the GMA interview, George Stephanopoulos drilled down on Mr. Bankman-Fried's knowledge of FTX deposits being used to pay Alameda's creditors. Mr. Bankman-Fried repeated talking points, then pivoted



Gina Moore, AJOVista LLC

to the size of the Alameda position, rather than addressing his involvement. Mr. Bankman-Fried slowly repeated the question to himself under his breath.

"This is a basic stall technique that also serves to sidestep giving the direct 'yes' or 'no' answer that the question demanded," Ms. Moore said.