

REVIEW OF *GOING INFINITE*

I had no awareness of Sam Bankman-Fried or his companies (Alameda Research and FTX) until the scandal hit the news. Then I was hearing about it from my friends in the Effective Altruism community, because apparently this guy I'd never heard of was very publicly associated with EA and also a big source of funding for EA projects, and his shady behavior was going to cost the community both financially and in terms of public image. Irritating! Still, I didn't pay much attention to the story until reading this book.

When someone claims to have built his entire life around working for the greater good, then turns out to have mishandled billions of dollars, it's natural to assume he was never sincere. Already during an earlier crisis at Alameda Research—spurred by a large quantity of cryptocurrency going mysteriously missing—some of the company's leadership had cast such aspersions on Sam:

... while Sam was sullen and withdrawn, the other members of the management team, in Nishad's view, were excessively outraged. "The conversations we had were absolutely fucking nuts," he recalled. "Like to what extent Sam should be excommunicated for deceiving EAs and wasting EA talent. And like 'the only way Sam will learn is if he actually goes bankrupt.' They told our *investors* he was faking being an EA, because it was the meanest thing they could think to say."¹

Their identification of Sam as dangerous sounds prescient. The book's perspective seems to be, though, that Sam truly believed in what he was doing. The description of his lifestyle and the money he spent on EA help give this credibility.

But Sam had some traits which can make even good intentions dangerous. One was extreme confidence in his own judgment; this may have been reinforced by moments of extreme vindication (the missing cryptocurrency mentioned above was, in fact, found, just as he'd expected). One of the people featured in the book also accuses him of not being able to feel empathy. If so—if Sam's moral decision-making was driven entirely by reasoning and never by a vivid emotional identification with others—perhaps this gave him an atypically low level of internal restraint against taking big risks with others' lives.

Sam's eccentricities, like always wearing the same humble outfit or playing video games while being interviewed on TV, may have contributed to the excessive amount of faith people

¹Michael Lewis, *Going Infinite* (W. W. Norton & Company, 2023), 98.

placed in him. Those characteristics make him sound unpretentious and detached from worldly concerns, and also call to mind the stereotype of the savant, inviting us to believe that he must have been gifted with extraordinary skills or insights to balance out his oddities. And he *was*; the book even hints that in some narrow sense Sam may actually have had FTX's finances in good shape:

Six months into the Easter Egg hunt [for the missing billions], there was a decent argument to be made that FTX was solvent right up to the moment it collapsed... The hunt had gone better than anyone without a very deep working knowledge of Sam's motives and methods could have expected. At the end of June 2023, [new FTX CEO] John Ray filed a report on his various collections. "To date, the Debtors have recovered approximately \$7 billion in liquid assets," he wrote, "and they anticipate additional recoveries." ... Ray was inching toward an answer to the question I'd been asking from the day of the collapse: Where did all that money go? The answer was: nowhere. It was still there.²

But it wasn't immediately accessible when it needed to be; hence, catastrophe. No matter how brilliant someone is, they're going to make mistakes sometimes, and Sam had acquired so much unchecked and unmonitored power at Alameda/FTX that the impact of his mistakes was enormous. *Nobody* can reasonably be trusted with that much power.

Before Alameda, Sam worked at Jane Street Capital. The account of life there was fascinating and helped me see why it might be an appealing industry—though for me, the appeal is not that it sounds like a great "game" (which is what the book emphasizes), but that it involves understanding and integrating such a wide range of disparate information about the world. For example, the ability to predict the outcome of Brazilian soccer games could help predict stock prices³. So could predicting the outcome of US presidential elections—which Jane Street successfully did faster than others in 2016, though they still lost money because they were wrong about how Trump's victory would affect the markets⁴.

It's interesting to hear that Jane Street had something of a problem with EA among its employees:

The flood of effective altruists into the firm was worrisome. These people arrived with their own value system. They had their own deep loyalties to something other than Jane Street. They didn't have the usual Wall Street person's relationship to money;

²Ibid., 247–48.

³Ibid., 67.

⁴Ibid., 70.

they didn't care about their bonuses in the ways Wall Street people were supposed to care. Sam Bankman-Fried had been able to leave his lucrative Jane Street job for a nutso plan to try to make even more money on his own because he had no material attachments. "It wasn't going to cut into his lifestyle, because he didn't have a lifestyle," as one former Jane Street trader put it.⁵

Golden handcuffs, in other words, are no match for a sufficiently compelling ideology. I find this inspiring, even if Sam ultimately used his freedom poorly.

Less inspiringly:

...somehow Sam had committed his life to maximizing happiness on earth without feeling any of his own.⁶

(Sam apparently claimed to be *incapable* of experiencing pleasure at all, in fact.)

⁵Ibid., 82.

⁶Ibid., 74.