

When Crisis Strikes, Disinformation Thrives





A cloud of confusion still hangs over Silicon Valley and the larger tech community following the failure of Silicon Valley Bank (SVB) on March 10, 2023.

The government's rescue of SVB and other banks over the weekend left many Americans scrambling to understand the details of financial systems, bank regulations, and the broader macroeconomic context that led to the largest bank failure since the 2008 financial crisis. In the aftermath of SVB's collapse, conspiratorial and sensationalist narratives did what they do best: spread like wildfire.

Disinformation, misinformation, and social media manipulation thrive during crisis events where there is an information vacuum. Like with many crises, the Alethea team monitored the spaces, networks, and communities known for spreading false narratives and conspiratorial content. This crisis unfolded out in the open, with the majority of public panic stemming from misleading content spread on mainstream social media platforms. Proper insights into the online ecosystem would have provided helpful context to navigate the uncertainty of a rapidly changing situation. In crisis moments, everyone becomes an expert with a strong opinion, but it's how you sift through that information overload that allows you to mitigate risk exposure.

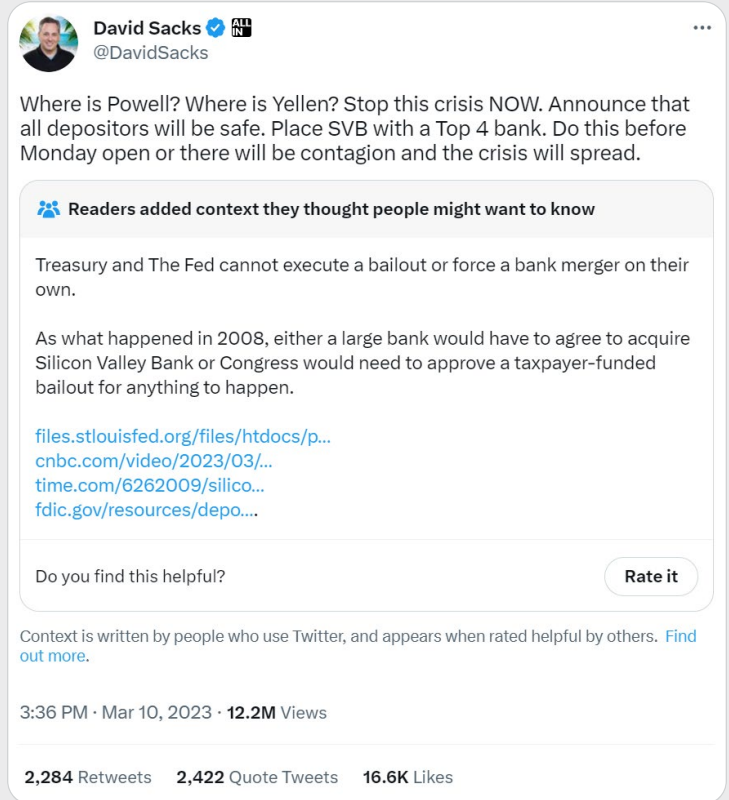
Alethea identified key narratives and influential communities on both mainstream and niche social media platforms that furthered online panic and led to clients removing their funds from SVB, ultimately leading to its collapse. For a detailed briefing on what influenced discourse, increased public panic, and spread false narratives about the failure of SVB, [contact our team](#).

Summary findings on key actors and narratives are as follows.



Venture Capitalists

On March 9, Founders Fund, a venture capital fund founded by well-known entrepreneur Peter Thiel, advised its portfolio companies to withdraw their funds from SVB.¹ The following day, David Sacks and Jason Calacanis of the All-In podcast began publicly calling for government intervention while also hyping up the threats of further contagion, bank runs, and a larger economic collapse.^{2 3} A tweet from Sacks on March 10, from his verified account with almost 600k followers, read “Stop this crisis NOW. Announce that all depositors will be safe. Place SVB with a Top 4 bank. Do this before Monday open or there will be contagion and the crisis will spread.”⁴ Alethea assesses that tweets like this one were at least partially responsible for amplifying concern and may have created a self-fulfilling prophecy. With a lack of verifiable information available online, panicked language stemming from influential figures in the technology and finance industry, in particular, likely created additional uncertainty.



Screenshot of David Sacks’ tweet calling for government intervention to avoid “contagion”

Foreign State Media and Propaganda Outlets

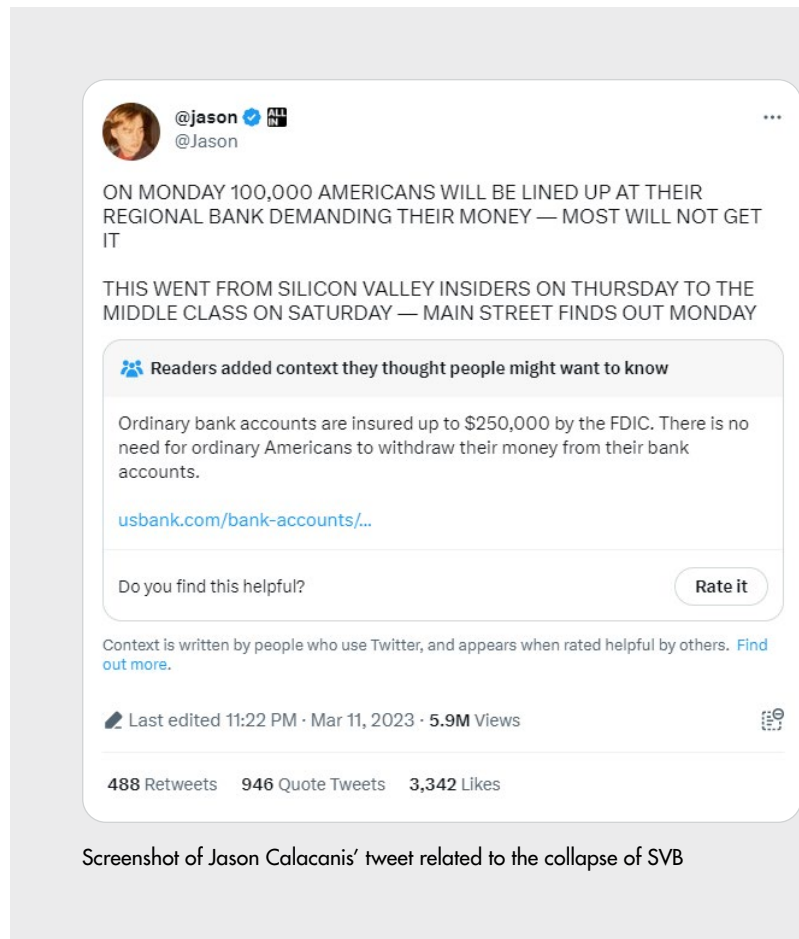
Alethea observed Chinese and Russian state media properties, as well as Chinese- and Russian-aligned grey propaganda outlets, publishing dozens of articles about SVB’s collapse.^{5 6} Information and news moves and spreads between platforms and

1 <https://www.bloomberg.com/news/articles/2023-03-09/founders-fund-advises-companies-to-withdraw-money-from-svb>
2 <https://twitter.com/Jason/status/1634771851514900480>
3 <https://twitter.com/theallinpod/status/1634592855346880513>
4 <https://twitter.com/DavidSacks/status/1634292056821764099>
5 <https://sputniknews.com/20230311/how-biden-and-the-fed-caused-silicon-valley-bank-to-tank-1108298080.html>
6 <https://www.chinadaily.com.cn/a/202303/13/WS640e6894a31057c47ebb3f2b.html>



mediums quickly, especially during a crisis. Outlets previously accused of sharing Russian disinformation published a high volume of content that may have contributed to increased online panic around the failure of SVB.

This includes Zero Hedge,⁷ a far-right conspiratorial financial blog that was accused by the US Government of spreading Russian disinformation, although the site denies such allegations.⁸ As of March 13, Zero Hedge had published at least 20 articles about SVB's collapse which we have since observed on Reddit, Twitter, Gab, Gettr, Patriots[.]win, and Truth Social, among others.⁹ Attempted foreign influence into US democracy and our economy is not new—we've seen this movie before. In this case, furthering narratives that contribute to the destabilization of the US financial system and tech community is in the direct interest of foreign adversaries.¹⁰



Screenshot of Jason Calacanis' tweet related to the collapse of SVB

'Go Woke, Go Broke'

Recently, Alethea has seen the term “woke” misused to accuse businesses or government figures of wrongfully investing in or favoring liberal initiatives. Following the collapse of SVB, mainstream and niche social media users amplified content that blamed the bank's failure on its prioritization of “woke” policies, specifically highlighting SVB's investment in diversity, equity, and inclusion (DEI) and environmental, social and corporate governance (ESG) initiatives.

While allegations of overinvestment into “woke” initiatives likely did not cause the initial online panic, right-wing influencers cited SVB's “woke” policies and recent failure while promoting divestment from banks in favor of their own alternative financial

7 <https://apnews.com/article/russia-ukraine-coronavirus-pandemic-health-moscow-media-ff4a56b7b08bcd6adaf02313a85edd9>

8 [https://thehill\[.\]com/homenews/media/594312-zero-hedge-says-accusations-of-spreading-russian-propaganda-false/](https://thehill[.]com/homenews/media/594312-zero-hedge-says-accusations-of-spreading-russian-propaganda-false/)

9 [https://www.zerohedge\[.\]com](https://www.zerohedge[.]com)

10 [https://www.rf\[.\]com/business/572913-us-banking-financial-crisis/](https://www.rf[.]com/business/572913-us-banking-financial-crisis/)



institutions. High-profile individuals such as Donald Trump Jr. warned banks would continue to fail if they follow SVB and prioritize “leftist/woke ideology” over “common sense business practices” in a March 12 tweet.¹¹ Other far-right news sites such as the Gateway Pundit,¹² Zero Hedge,¹³ InfoWars,¹⁴ and Breitbart News¹⁵ pinned SVB’s failure on its implementation of “woke” ESG initiatives. These narratives are consistent with prior online activity within conspiratorial and far-right communities that denounce traditional financial institutions for their perceived liberal biases and policies.

Why it All Matters


The failure of SVB provides a valuable example that false narratives and online activity, especially during a crisis, have real-world consequences and implications. The bank run and FDIC takeover will get the most headlines, but the risks extend well beyond that. There are risks of physical safety threats to individuals wrongfully blamed for the bank’s collapse because they were too distracted by diversity demands. There is a risk of a spillover to other banks with DEI and ESG policies in which they become targets of an angry mob of far-right and conspiracy theorists. More and more we see the risks of politicization, where the “go woke, go broke” movement in the US uses “woke” to label anything they politically oppose. The impact of the narratives highlighted in this case study, and the repeat potential for this kind of crisis, must not be overlooked because the risk won’t just suddenly disappear once deposits are returned.

Donald Trump Jr. @DonaldJTrumpJr

SVB is what happens when you push a leftist/woke ideology and have that take precedent over common sense business practices. This won't be the last failure of this nature so long as people are rewarded for pushing this bs.

The_Real_Fly @The_Real_Fly · Mar 9

Head of Financial Risk at SVB Jay Ersapah might've been busy with more important projects at the bank, such as LGBTQ issues, rather than assessing risk \$\$IVB



Jay Ersapah
Head of Financial Risk Management & Model Risk
Silicon Valley Bank UK Limited

"The phrase 'you can't be what you can't see' resonates with me. As a queer person of color and a first generation immigrant from a working class background, there were not many role models for me to 'see' growing up. I feel privileged to co-chair the LGBTQ+ ERG and help spread awareness of lived queer experiences, partner with charitable organizations, and above all, create a sense of community for our LGBTQ+ employees and allies."

In 2021, we launched our first six Employee Resource Groups (ERGs). More than **1,150** SVB employees in the U.K. and other international regions participate in at least one ERG.

Our ERGs raise the visibility of multiple dimensions of diversity in our global workforce and offer formal and informal development opportunities.

Cheryl Bass, Chair of the Veteran & Military Community ERG, and Jay Ersapah Co-Chair of the EMEA LGBTQ+ Pride ERG share their experiences.

10:18 AM · Mar 12, 2023 · 5.4M Views

3,016 Retweets 478 Quote Tweets 12.8K Likes

Screenshot of Donald Trump Jr.’s tweet blaming the SVB failure on “left/woke ideology”

11 <https://twitter.com/DonaldJTrumpJr/status/1634921788068204544>

12 <https://www.thegatewaypundit.com/2023/03/as-silicon-valley-bank-faced-collapse-leaders-were-pushing-woke-lgbt-nonsense>

13 <https://www.zerohedge.com/markets/fatal-distraction-senior-svb-risk-manager-oversaw-woke-lgbt-programs>

14 <https://www.infowars.com/posts/fatal-distraction-senior-svb-risk-manager-oversaw-woke-lgbt-programs>

15 <https://www.breitbart.com/clips/2023/03/12/bernie-marcus-woke-silicon-valley-bank-was-more-concerned-about-global-warming-than-shareholder-returns/>



Alethea

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