The Silicon Valley Bank (SVB) Crisis:

How Disinformation and Abnormal Digital Activity Exacerbated the Crisis by Inflaming Online Discourse

Strategic Intelligence Report:
The Silicon Valley Bank (SVB) Crisis

Period of Analysis:
March 7th, to March 15th, 2023

Language:
English

Geographies:
USA

Constella

Table of Contents

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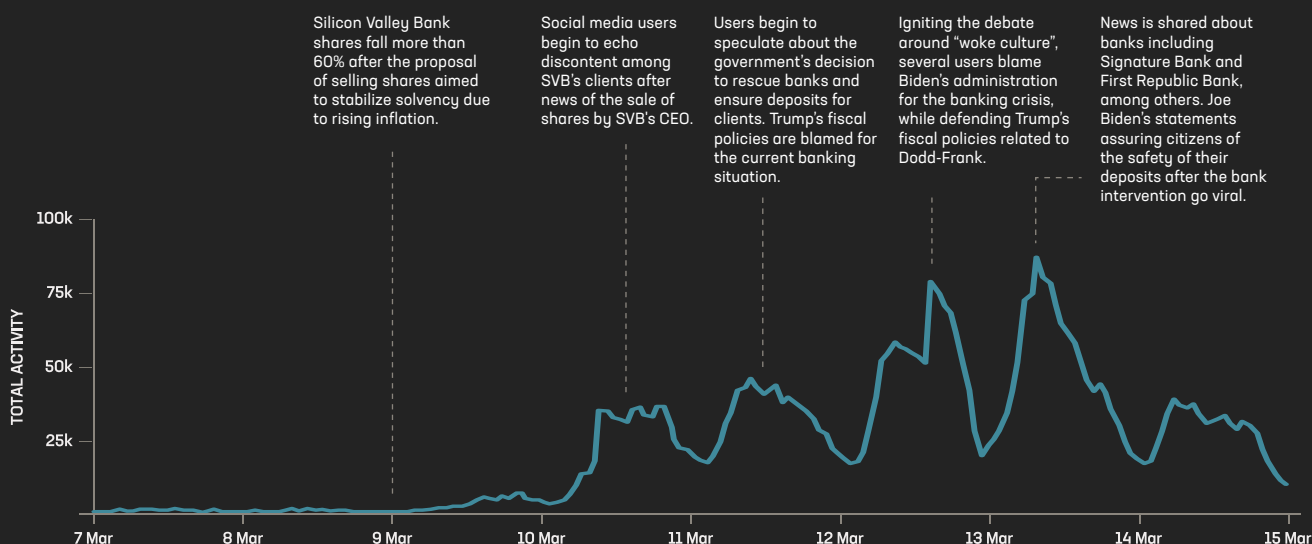Geographies:
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Overview & General Metrics

Constella Intelligence conducted a digital public sphere analysis of activity related to the SVB banking crisis in early-mid March analyzing 4,452,647 total public comments on digital media produced by 1,314,680 digital identities from March 7th to March 15th, 2023.

This research indexed a wide variety of public digital media, including blogs, forums, social media, news sites, alternative media, and channels and other digital communities and sources in order to understand the vulnerabilities presented by the weaponization of the digital media ecosystem and the materialization of Hybrid Threats, Information Operations (IO), and malign influence across online conversations in times of crisis.

In this Intelligence Briefing, we break down and outline evidence related to two key trends:

1. The role and influence of inorganic digital activity in shaping the debate, particularly in times of crisis. Through this lens, we highlight signals of coordinated inauthentic behavior and demonstrate how the digital conversation is influenced by abnormal patterns of activity. **This analysis identified over 5000 profiles whose activity during the week of the banking crisis represents at least 50% of their total activity since account creation. Nearly half of these 5000 profiles were created in March 2023, just before or during the crisis.**

2. The continued importance of "culture war" debates, including the virality of #gowokegobroke claims after the SVB closure and the role of alt-media domains in disseminating these domains. Nearly 1/4 of #gowokegobroke hashtags are disseminated by high activity users. On page 9, we outline the media domains that are shared with high frequency by abnormally high activity users within the digital conversation during the crisis, playing a key role in producing the principal narratives in the debate.

TIMELINE OF PUBLIC DIGITAL ACTIVITY IN ENGLISH RELATED TO THE SVB CRISIS

Silicon Valley Bank shares fall more than 60% after the proposal of selling shares aimed to stabilize solvency due to rising inflation.

Social media users begin to echo discontent among SVB's clients after news of the sale of shares by SVB's CEO.

Users begin to speculate about the government's decision to rescue banks and ensure deposits for clients. Trump's fiscal policies are blamed for the current banking situation.

Igniting the debate around "woke culture", several users blame Biden's administration for the banking crisis, while defending Trump's fiscal policies related to Dodd-Frank.

News is shared about banks including Signature Bank and First Republic Bank, among others. Joe Biden's statements assuring citizens of the safety of their deposits after the bank intervention go viral.

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Message Propagation: Community Network Analysis

Constella's data scientists applied clustering algorithms to determine the different digital communities and visually represent the resulting network of interactions. Constella's non-biased, unassisted algorithms identified eight key communities producing conversations related to the SVB banking crisis. Further details regarding the activity produced in 5 of these 8 communities of interest are highlighted below:

· **The Republican Party community** (19% of total users). Users criticize Biden and point out that the government will not allow for a "woke" bank that safeguards the money of billionaires who finance the Democratic party to collapse. The "go woke, go broke" phrase is also shared with high frequency.

· **Democratic Party supporters blame Trump for the crisis** (18% of total users). Users in this community blame Donald Trump for the current crisis for having removed the Dodd-Frank regulations that according to them would have prevented the Silicon Valley Bank collapse.

· **Cryptocurrency experts** (15% of total users). Users in this community spread the news and even blame the collapse of Silicon Valley Bank and Signature Bank on regulators, since these banks are crypto-friendly.

· **Capital Markets experts** (13% of total users). Users in this community criticize bank executives for having sold shares in the last two weeks.

· **Kim DotCom and Disclose TV** (5% of total users). On March 12, Kim DotCom called for US citizens to withdraw their money, alleging that deposits may get locked.

COMMUNITY NETWORK ANALYSIS HIGHLIGHTING THE MOST RELEVANT COMMUNITIES INTERACTING IN THE DEBATE AND THE PROPAGATION OF PUBLIC MESSAGES

● #1 U.S. Conservatives	**19%** Users	
● #2 U.S. Democrats	**18%** Users	
● #3 Crypto Experts	**15%** Users	
● #4 Capital Markets Experts	**13%** Users	
● #5 Businesspeople Seeking Protection for Depositors	**7%** Users	
● #6 Mainstream Media Outlets	**6%** Users	
● #7 Bernie Sanders and Supporters	**5%** Users	
● #8 KimDotcom and DiscloseTV	**5%** Users	

825,476 profiles
2,810,954 interactions

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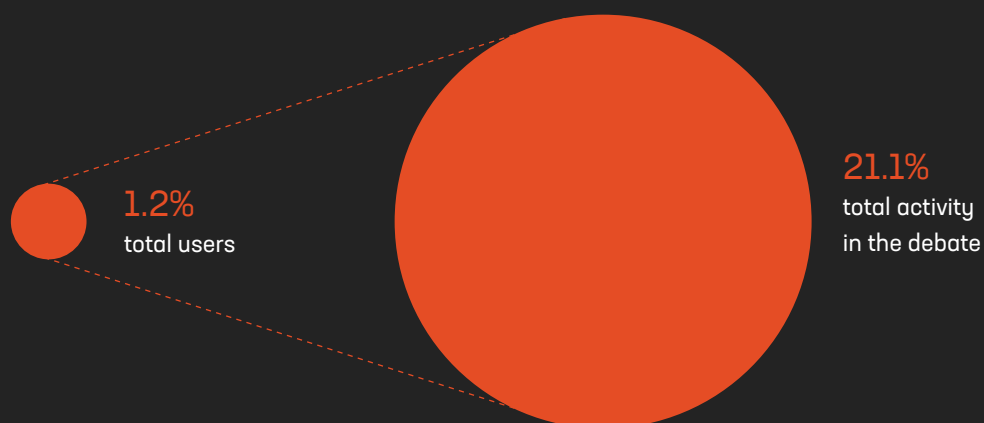
The Impact of Inorganic Activity in Shaping Digital Debates in Times of Crisis

Mis/disinforming activity and narratives can be intentionally amplified to undermine trust in both financial and public institutions, encouraging bank withdrawals or increasing uncertainty and volatility and the potential for malign influence and manipulation in moments of crisis. 1.2% of total users were identified as engaging with statistically abnormal high activity, generating 21.1% of total activity across the public digital debate. 648 of these authors show extremely anomalous behavior and signals of inorganic, synthetic operation. Nearly a third of these users were present in communities where unsubstantiated claims and false narratives, such as the #gowokegobroke hashtag and narrative, were distributed. 30% of highly active users belong to the Republican Party community, 25% to the community led by Capital Markets experts, and 16% to the Democratic Party community.
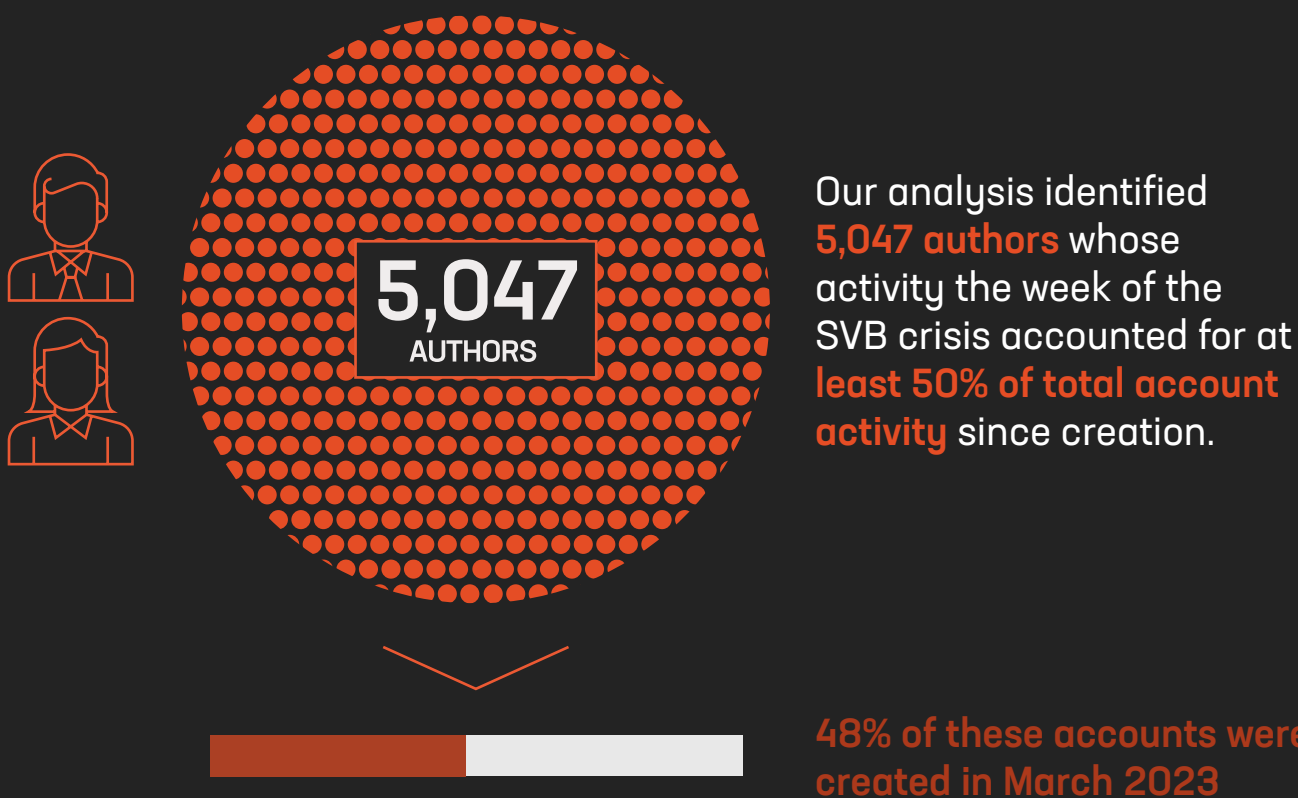
ABNORMAL HIGH-ACTIVITY PROFILES SHAPE THE DIGITAL CONVERSATION ON THE SVB CRISIS

1.2%
total users

21.1%
total activity
in the debate

5

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Our analysis identified several inorganic or synthetic accounts leveraging tailored account creation tactics to amplify targeted narratives and intentionally exert malign influence on the public debate. 5,047 authors were detected whose activity during the week of the banking crisis represents at least 50% of their total activity since account creation. Of these accounts, 48% were created in March 2023, which signals a coordinated tactical effort.

- On March 5, 662 accounts that took part in the debate were created and their access is currently restricted.

- On March 8, 314 accounts were created that broadcast an event organized by CryptoRank titled "The Impact of The US Banking Crisis on Crypto".

PATTERNS OF ABNORMAL ACCOUNT CREATION AND CONCENTRATION OF ACTIVITY REVEAL INORGANIC/SYNTHETIC ACTIVITY IMPACTING THE DEBATE

5,047
AUTHORS

Our analysis identified **5,047 authors** whose activity the week of the SVB crisis accounted for at **least 50% of total account activity** since creation.

48% of these accounts were created in March 2023

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02

"Culture War" Polarization and the Role of Alt-Media and Platforms

The impact of well-established alternative media (alt-media) in driving and shaping "culture-war" debates, weaponizing polarization and obfuscating the distribution of important information in times of crisis is critical to note. Alt-media are digital domains that publish news but are not considered traditional or mainstream media. This media typology tends to be associated with highly segmented audiences, highly segmented content or ideological positioning, and inconsistent journalistic standards (such as author or funding transparency, for example). These culture war conversations are propagated across diverse public channels, and digital communities analyzed indicate a coordinated amplification of key messages and narratives across multiple digital channels: Telegram, Twitter, Facebook, Reddit, 4chan, and 8kun.

TELEGRAM

Several groups with a total membership of over 200K profiles disseminate a variety narratives, often linking to and distributing sites well-documented for publications of mis/disinforming articles.

- Cryptocurrencies are presented as a safer investment option than commercial banks

- Disclose.tv (Germany-based far-right fake news website), Resist The Mainstream, and The Gateway Pundit (link1, link2, link3 o link4).

- Claims that SVB's Twitter account content was captured before the bank decided to delete its profile (link1).

- Claims of Elon Musk's alleged interest in buying SVB, reporting on the losses of a cryptocurrency company due to the bank's failure, or the collapse of Silicon Valley Bank's shares.

REDDIT

An analysis of Reddit channels engaging on topics related to the crisis identified several messages linked to unsubstantiated claims and speculation, which contribute to alarm among citizens regarding the SVB situation and concerning the stability of the financial system as a whole. These include:

- Conversations on mechanisms of "bribery" and "pressure" by SVB so that entities could access loans

- SVB described as as a "toxic" financial entity regarding the part of its business related to the stock portfolio.

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- Short positions in the market ("investing short" > betting on the fall of a stock). While some messages hold this type of investor responsible for the crisis, others encourage "investing short".

- Alarmist messages, warning that the media are not reliable and that this is only the beginning of a worse financial collapse. SVB is exempted from liability, arguing that it was a solvent bank while the Federal Reserve and its rate hike policy are held responsible for the present and future situation. Those who argue the above are accused of self-interested disinformation, indicating that they seek different objectives such as the Fed changing its monetary policy.

- Conspiracies: speculation about certain "unethical or legal" strategic movements of some financial entities such as the SVB with the aim of reducing losses.

- Messages about mass withdrawal of money on SVB.

- Speculation about the transfer of inside information before the SVB news broke, which allegedly allowed certain people and entities to recover their money.

- Discussions on the repeal of the Glass-Steagall Act (the law was repealed during the second term of Bill Clinton, of the Democratic Party, on November 12, 1999 by the Financial Services Modernization Act, better known as the Gramm-Leach-Bliley Act) which is indicated as one of the reasons for the SVB crisis.
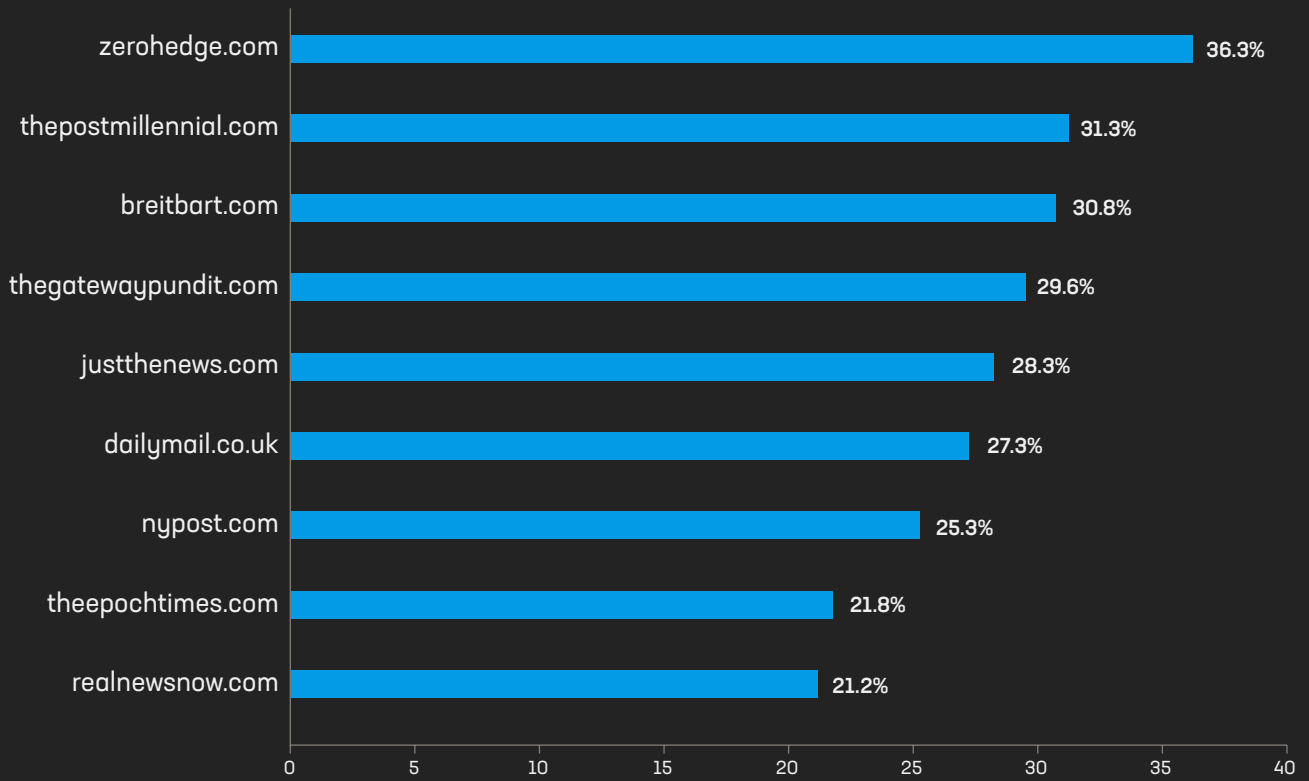
4CHAN

- Promotion of cryptocurrencies vs. "risky" bank deposits

- Conservative or Republican voices criticizing socially or environmentally responsible movements and initiatives

- Rejection of the theory that points to the relaxation of banking regulation as one of the triggers for the fall of the SVB.

- Contagion effect of the fall of the SVB in international banking, mainly in Credit Suisse.

- SVB donations to the Black Lives Matter movement questioned.

- Explanation of SVB's business model and the causes of its bankruptcy.

Among the most shared media sites, domains such as **thegatewaypundit.com**, **zerohedge.com**, **breitbart.com** or **thepostmillenial.com** stand out, popularly associated with disinformation and conspiracy theories. These media sources disseminate information on the collapse of several U.S. banks, including Silicon Valley Bank, and its impact at the international level, with a special focus on the intervention of federal agencies. **SVB is also linked among the media to Chinese technology companies, Democratic politicians, and LGBT groups.**

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SITES SPREADING UNSUBSTANTIATED NARRATIVES AND THEIR DISSEMINATION BY ABNORMAL HIGH-ACTIVITY USERS

Site	Percentage
zerohedge.com	36.3%
thepostmillennial.com	31.3%
breitbart.com	30.8%
thegatewaypundit.com	29.6%
justthenews.com	28.3%
dailymail.co.uk	27.3%
nypost.com	25.3%
theepochtimes.com	21.8%
realnewsnow.com	21.2%

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Conclusion: Inorganic Amplification of Influence in Times of Crisis and Uncertainty

The tactics of malign influence underlying these trends contribute to significant risks for individuals as well as public institutions and private companies of all sizes and across all sectors. The multidimensional and bidirectional nature of these risks is critical to note.

First, risks not only emerge directly from activity in the digital ecosystem, but are informed and even shaped by diverse and rapidly moving events. When a crisis related to the financial services sector, for example, arises, companies that may be indirectly linked to this sector will be forced to address the role of potential reputational and cyber-related impacts tied to increased volatility and uncertainty within the digital ecosystem. In this way, false narratives exacerbated by inorganic activity poses risks to a multitude of actors that may only be passively or indirectly connected to broader sociopolitical or geopolitical trends.

Secondly, this analysis demonstrates how malign actors take advantage of increased volatility to amplify their reach and influence in digital debates via highly segmented channels and digital sources. The combination of hyper-segmentation alongside synthetic, inorganic activity creates a challenge for those trying to limit the rampant spread of false narratives and mis/disinformation, particularly in times of crisis and uncertainty where unsubstantiated claims succeed in filling critical information gaps.

Mapping and monitoring key conversations to better understand how these conversations develop, the key nodes exerting influence and shaping these debates, and the role of coordinated inauthentic behavior within this context is critical to ensure that false narratives and erroneous information do not prevail and distort critical conversations that precede real-world decision-making. In cases where coordinated malign activity can be detected, capabilities of attribution and threat actor unmasking are an equally as important tool to reveal networks of information operations in addition to better contextualizing intent, helping to anticipate and prevent future hybrid threats via a thorough understanding of the tactics, techniques, and procedures of relevant threat actors.

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About Constella Intelligence

Constella Intelligence is a global leader in Digital Risk Protection that works in partnership with some of the world's largest organizations to safeguard what matters most and defeat digital risk. Our solutions are a unique combination of proprietary data, technology, and human expertise to anticipate, identify, and remediate targeted threats to your people, your brand, and your assets at scale—powered by the most extensive breach and social data collection from the surface, deep and dark web on the planet, with over 124B breach records and 180B curated identity attributes spanning 125 countries and 53 languages. This richness and breadth enables detection of diverse threats and risks emerging from breach data, surface web and open source threats, social engineering, botnets, phishing data, data brokers, and more to uncover and protect against the diverse tactics, techniques, and procedures (TTPs) employed by threat actors.

Our recent work has been featured in major mainstream media like Reuters, the World Economic Forum, and Forbes, in addition to other notable media.

Reach out to us for a demo to learn more about Constella's 360-degree approach to proactively anticipating, identifying, and remediating targeted threats to your people, your assets, and your brand.

WHY CONSTELLA

OUR TEAM
We're a diverse multinational team committed to becoming the most trusted global partner for defeating digital risk. Constella integrates interdisciplinary intelligence community analysts, infosec pioneers, military veterans, and tech entrepreneurs with advanced analysis of surface, deep, and dark web to protect what matters most.

OUR INSIGHTS
Our diverse team of expert multidisciplinary cyber intelligence analysts delivers real-time, actionable insights to identify threats and reduce risks emerging from social media, the surface, deep, and dark web.

OUR DIFFERENCE
Our unique technology empowers advanced analysis across the entire risk surface for superior anticipation, protecting organizations, their employees, and their critical assets. Because, the best way to overcome future digital threats is by facing them today.

Constella

11