

White House and the Forty Thieves; Hormuz is Blockaded, but Wall Street was Plundered

A Critical Examination of the Intersection of War Diplomacy, Information Mediatization, and Organized Market Manipulation in the Oil Market (March–May 2026)

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Abstract

The present study critically examines and analyzes the intersection of war diplomacy, media information operations, and organized market manipulation in the oil market during the Strait of Hormuz crisis from March to May 2026. The central hypothesis of this study is that the diplomatic and military operations of the Trump administration regarding the Strait of Hormuz were accompanied by systematic information operations and suspiciously-timed financial transactions, indicating tacit coordination or the institutional exploitation of asymmetric information aimed at economic rent extraction from energy markets. The research methodology relies on the analysis of open-source financial data, the timeline of media reports, congressional investigations, and maritime intelligence. Key findings reveal that approximately \$920 million in crude oil short-sale trades were executed just 70 minutes prior to the publication of Barak Ravid's report in Axios regarding the Iran-US agreement, and during the months of March and April, around \$7 billion in suspiciously-timed trades were recorded in the oil markets. Furthermore, a recurring pattern has been observed in the release of "imminent agreement" news by Axios and the subsequent oil price fluctuations. The present study concludes that the converging evidence, although not providing deterministic causal proof, reveals a structural correlation and a systematic and concerning pattern that raises serious questions regarding the integrity of diplomatic institutionalization and financial markets. The implications of these findings for regulatory reforms and congressional investigations are discussed.

Keywords: Strait of Hormuz, Oil Market Manipulation, Barak Ravid, Unit 8200, Institutional Trades, Project Freedom, War Diplomacy

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1. Introduction

In the present era, the intersection of war, media, and financial markets has become one of the most questionable political-economic phenomena. When military and diplomatic decisions have the ability to move global markets instantly, and simultaneously, confidential information regarding these decisions reaches certain financial actors prior to official announcement, the boundary between policymaking and personal profiteering becomes blurred. The Strait of Hormuz crisis in the spring of 2026 is a case where the coexistence of blood and dollars, diplomacy and market manipulation, manifested itself unprecedentedly. In this crisis, the lives of American sailors were endangered, Arab allies suffered heavy losses, and at the same time, rapid financial transactions with astronomical profits were recorded.

The central hypothesis of the present study is that the diplomatic and military operations of the Trump administration regarding the Strait of Hormuz between late February and May 10, 2026, were accompanied by systematic information operations and suspiciously-timed financial transactions; a pattern that appears to indicate coordinated market manipulation for acquiring extraordinary profits. This study specifically focuses on the role of Barak Ravid, Axios reporter and former member of Unit 8200 of the Israel Defense Forces, as well as suspiciously-timed crude oil short-sale trades. The primary research question is whether sufficient evidence exists to prove coordination among diplomatic, media, and financial institutions during this crisis.

The scope of the present study covers a 71-day period from late February to May 10, 2026; a period during which Iran-US tensions escalated from the diplomatic level to military engagement, and then, with the declaration of a ceasefire, subsided as quickly as it had begun. This research employs a mixed-methods approach; on one hand, utilizing Event Study Analysis to examine the simultaneity of trades with information leaks, and on the other hand, employing Critical Discourse Analysis to investigate the role of media in shaping market expectations. Open-source intelligence (OSINT) data, including crude oil trade volumes and derivatives, maritime intelligence, and satellite imagery, are used for timeline mapping. Additionally, investigations by the Senate Finance Committee and the House Judiciary Committee are studied as complementary data.

The structure of the article is as follows: the second section addresses the background and historical context of the crisis; the third section analyzes the serial lie machine and the Foxius operation; the fourth section examines the peak of financial plunder and suspicious trades; the fifth section is dedicated to the sacrifice of the United Arab Emirates; the sixth section explores the intersection of Kushner and Witkoff's interests; the seventh section presents the discussion and counter-critiques; and the eighth section states the conclusion and implications. It should be noted that the present study is conducted with full awareness of methodological limitations, particularly the difficulty of proving insider trading in commodity markets, and presents its claims with scientific caution.

2. Historical Background and Structural Context

2.1 The Strait of Hormuz and its Geostrategic Importance

As the world's most vital oil chokepoint, the Strait of Hormuz transits approximately 20 percent of the world's total transited crude oil daily. This narrow strait, located between Iran and the Arabian Peninsula, is the only maritime route from the Persian Gulf to the Indian Ocean, and therefore, any disruption in it will have immediate and profound effects on global energy markets. The geostrategic importance of Hormuz is not limited solely to the volume of oil transit; in practice, this strait serves as the vital artery of oil-importing economies in East Asia and Europe, and any threat against its security has the potential to disrupt the geopolitical balance of the region and beyond.

Over the course of decades, Iran has utilized the Strait of Hormuz as a geopolitical pressure tool. From threatening to close the strait during the Iran-Iraq War to periodic military maneuvers, Tehran has consistently demonstrated its ability to disrupt the global energy flow if necessary. In the spring of 2026, this approach reached its zenith; when Iran, in reaction to intensified US sanctions and military threats, effectively restricted oil transit through Hormuz and established the Persian Gulf Strait Toll Authority. The 2026 crisis formed within the context of the Iran-US war; a conflict that began with reciprocal missile and naval attacks and ended with the declaration of a ceasefire in May, but its consequences affected global financial markets far beyond the battlefield.

2.2 Institutional Architecture: From Project Freedom to the PGSA Toll Authority

In reaction to the Hormuz crisis, the Trump administration announced a plan titled "Project Freedom" around May 1, 2026. This plan, which according to a CNN report (17) was designed to "guide" and escort ships through the Strait of Hormuz, was in practice a military naval operation to guarantee the safe passage of oil tankers. However, this plan faced serious challenges from the outset; as the US Navy's ability to simultaneously escort hundreds of tankers in waters under Iran's control was in doubt. Project Freedom quickly proved incapable of fulfilling its stated role, and as CNN reported on May 6, "Project Freedom was a complete bust" (18).

On the opposing side, Iran established the Persian Gulf Strait Authority (PGSA) on May 5, 2026 (19). This body was designed as an administrative and financial authority to collect transit tolls from ships passing through the Strait of Hormuz, and it appeared that Iran was moving toward legal institutionalization rather than a purely military approach. According to Wikipedia (20), the PGSA's goal was to administer Hormuz tolls and transform military control into legal and institutional legitimacy. The notable point is that on the same night of May 5, when the PGSA began operations, Trump suspended Project Freedom and announced "progress in negotiations

with Iran" (36). This simultaneity is thought-provoking and may indicate a tacit agreement between the parties to replace a military approach with an institutional mechanism.

3. The Serial Lie Machine: The Foxius Operation

3.1 Barak Ravid: Journalist or Intelligence Officer?

Barak Ravid, senior Axios reporter on Middle East affairs, has been one of the most pivotal media figures in the Hormuz crisis. What distinguishes his media coverage from other journalists is his service background in Unit 8200 of the Israel Defense Forces; a unit recognized as one of the world's most important centers for cyber and intelligence warfare. According to Wikipedia (14), Ravid served as an analyst in Unit 8200 and continued his reserve activities at least until 2023. This intelligence background raises serious questions about his professional independence as a journalist and may explain his exclusive access to senior sources within the Israeli and US governments.

Investigations by MintPress News (15) have shown that a significant number of Unit 8200 alumni are active in American media; a phenomenon that critics have described as "Israeli intelligence infiltration into American media." Investigative journalist Max Blumenthal, analyzing the discourse of Ravid's reports, has argued that they reflect the positions of Israeli security institutions rather than independent journalism—a phenomenon known in political communication studies as "alignment with security sources." Also, Omid Souresrafil, in an analysis published on Substack (16), has documented that Ravid has a recurring pattern of publishing news in accordance with the interests of Israel and the Trump administration. These critiques, although they cannot prove that Ravid acts directly as an intelligence operative, raise serious suspicions of a conflict of interest and the utilization of news platforms as market signaling tools.

Ravid's close connections with Benjamin Netanyahu and Donald Trump are also among the notable points. As a reporter with unprecedented access to senior sources in both governments, Ravid is in a position to act as a channel for transmitting sensitive information. This position, if combined with his intelligence background in Unit 8200, raises concerns about the potential use of the Axios news platform for targeting financial markets. Of course, it must be emphasized that military background and political connections alone do not prove an intelligence operation, but more comprehensive evidence must be sought in the behavioral pattern and market consequences.

3.2 The Recurring Pattern: Six Critical Junctures of News Making

Examining the timeline of Axios reports during the Hormuz crisis period reveals a recurring and thought-provoking pattern. In at least six critical junctures, Ravid's reports regarding an "imminent agreement" or "progress in negotiations" between Iran and the US coincided with significant

fluctuations in oil prices. This pattern operates as follows: the publication of news about a "close agreement" leads to a sharp drop in oil prices, as the market deems the likelihood of de-escalation and the reopening of Hormuz permissible. Then, when the agreement fails to materialize, prices rise again. This recurring cycle created multiple opportunities for profiteering through short-sale trades prior to the release of positive news and buying after the return of prices.

One of the most prominent examples of this pattern was the deleted post by Chris Wright, the US Energy Secretary, who falsely claimed that the US Navy had escorted an oil tanker through the Strait of Hormuz. This claim, which was covered by Al Jazeera (11), the Wall Street Journal (13), and The Hill, temporarily moved the oil market. Common Dreams (12) reported that "the combination of warmongering and market manipulation by senior Trump officials is not entirely unprecedented, but its speed and brazenness appear to be new." This incident demonstrates that not only the media but also government officials played a role in releasing misleading information aimed at influencing markets, and this intensifies the suspicion of institutional coordination.

3.3 Operation Mechanism: Leak → Plant → Publish → Fluctuate → Shape

The mechanism of the information operation discussed in this study appears to rely on a five-stage cycle: first, the leaking of sensitive information from government sources to a trusted reporter; second, the planting of this information in the format of a "news exclusive"; third, widespread publication through the media platform; fourth, the fluctuation of financial markets in reaction to the news; and fifth, the shaping of the public perception of events. This process can be conceptualized through the lens of George Soros's theory of Reflexivity, where expectations formed through information leaks construct a market reality, and this manufactured reality subsequently secures the profits of informed actors. Furthermore, this cycle aligns with Signaling Theory in the economics of information, where strategic leaks serve as credible signals to market participants. In practice, this cycle operates more effectively when the trusted reporter possesses high media credibility and access to senior sources; conditions that are fully met in the case of Ravid and Axios. The key point is that in this model, there is no need to prove a direct agreement between the source and the trader; it is sufficient for information to be systematically leaked through predictable channels, and market actors aware of this pattern to trade based on it. Proving this kind of tacit coordination legally is very difficult, but its consequences for financial markets are entirely real and measurable. In other words, even in the absence of a direct agreement, the system can efficiently serve informed actors, and this is precisely the point that triggers regulatory concern.

Furthermore, it should be noted that in the era of algorithmic trading, even the publication of a tweet or an exclusive report can cause severe fluctuations within milliseconds. Trading algorithms, calibrated based on keywords and news, automatically react to Axios news, and this automatic reaction provides a golden opportunity for actors who are aware of the timing and content of the news prior to its public release. Therefore, information operations in modern markets do not

require complex coordination; it is sufficient that the timing and content of the leaks are predictable, and market actors with access to this information can adjust their trading positions ahead of the market.

4. The Peak of Plunder: Blood Versus Dollars

4.1 The \$920 Million Trade: 70 Minutes Before the Big Lie

One of the most shocking pieces of evidence related to the Hormuz crisis is the approximately \$920 million crude oil short-sale trade that was executed just 70 minutes prior to the publication of Barak Ravid's report in Axios regarding the "14-article agreement" between Iran and the US. According to the analysis by The Kobeissi Letter (2), at 3:40 AM Eastern Time on Wednesday, approximately 10,000 crude oil contracts with an approximate value of \$920 million were registered as short positions. This volume of trading at that hour of the night, when no major news was available, seemed highly abnormal. Following the publication of the Axios report, oil prices dropped by more than 12 percent, and by 7:00 AM, these trades had generated an estimated profit of \$125 million.

This event was covered by multiple media outlets. Business Insider (3) reported that market professionals had identified the well-timed short-sale trades prior to the Iran agreement report. Common Dreams (4) characterized the trades as exhibiting patterns of suspected insider trading, while Salon (5) accused Axios of "market manipulation" through its reporting on Iran. The BBC (6) published an investigation titled "The insider trading suspicions looming over Trump's presidency" and Fortune (7) reported that Nobel laureate Paul Krugman described these trades as "treason" and noted that \$580 million was traded prior to Trump's suspiciously-timed remarks. The magnitude and precise timing of these trades pose a significant challenge to the Random Walk Hypothesis and the Efficient Market Hypothesis (EMH), suggesting that the price movements were not stochastic but rather the result of pre-emptive information leakage.

Perhaps more shocking than the \$920 million trade is Reuters' exclusive report (1) on May 7, 2026, which revealed that during the months of March and April, approximately \$7 billion in well-timed trades were recorded in oil markets across several exchanges. Snopes (8) also published an analysis showing that hours before the ceasefire was announced by Trump, a large number of short-sale trades were made. The New York Post (9) reported that professional traders considered these trades to be "definitely insider" and pointed to a \$950 million short-sale trade. Middle East Eye (10) also documented that oil and stock prices experienced severe fluctuations concurrent with the Iran-US agreement news, with some pointing to market manipulation.

4.2 The Institutional Nature of Trades and Lack of Transparency

The institutional nature of these trades is concerning from several aspects. First, the trades were recorded across multiple exchanges and various fuel derivatives, indicating a high level of expertise and organization. Second, at the time the short positions were recorded, no major news was available to the public that could justify such a volume of trades. Third, the identity of the traders has remained anonymous, and proving insider trading in commodity markets is much more difficult than in stock markets due to the inherent lack of transparency in these markets. In stock markets, there are stricter regulations for disclosing volumetric trades, but in commodity and derivative markets, this transparency does not exist, and institutional traders can establish large positions without public disclosure.

In reaction to insider trading accusations, Ravid has denied these claims. According to an NDTV Profit report (33), he claimed that he is merely reporting from his sources and cannot control the market's reaction. This defense, although understandable from a journalism perspective, does not answer the central question: did the sources who leaked this information simultaneously use it for financial gain? The fundamental question is who profited from the information leaks and whether there was a direct or indirect connection between the leaking source and the traders. The lack of transparency in derivative markets makes answering these questions very difficult, and this very fact highlights the urgent need for regulatory reforms.

4.3 Endangering the Lives of Sailors: USS Mason and Truxtun

While suspicious financial trades were being recorded on Wall Street, the lives of hundreds of American sailors were endangered in the Strait of Hormuz. The USS Mason and USS Truxtun faced coordinated Iranian attacks involving missiles, drones, and fast boats. According to a CBS News report (25), three US warships came under attack and the US targeted two Iranian ports. A former Navy commander, reacting to these incidents, stated that "the psychological pressure is extremely high" and expressed deep concern for the families of the crew members.

The fact that military operations and diplomatic declarations occurred simultaneously with market fluctuations raises serious ethical questions. Were military and diplomatic decisions timed with consideration for their impact on financial markets? Were the lives of sailors utilized as a tool to create profitable fluctuations in the market? A definitive answer to these questions is impossible without access to classified documents, but the highly abnormal simultaneity of military events and financial fluctuations reinforces concerning suspicions. The Grayzone (34) reported that at an American oil lobby event, war with Iran was described as the "biggest opportunity"; a statement that indicates a profiteering view of war in certain economic circles and reinforces the concern that some actors may have derived financial gain from escalating tensions.

5. The Sacrifice of the UAE: Paying the Price for Media Gambles

5.1 The Attack on the Port of Fujairah and the Collapse of Exports

On May 4, 2026, Iran targeted the Port of Fujairah in the UAE with a drone attack. This attack resulted in a massive fire at the Fujairah petroleum complex and had devastating consequences for UAE oil exports. According to Windward data confirmed by a LinkedIn post (21), liquid cargo departures from Fujairah plummeted from approximately 3.5 to 4 million barrels per day to only 500,000 barrels on May 5. Fujairah accounted for 51.9 percent of the UAE's remaining export flow, and this attack effectively disabled half of the UAE's export capacity.

The Independent (35) reported that Fujairah exported over 1.7 million barrels per day in 2025, supplying approximately 1.7 percent of global daily demand. The Wall Street Journal (24) stated in an explicit headline that "Iran's Attack On Fujairah strikes at the heart of the UAE's oil escape route." Al Jazeera, the BBC, and Reuters (22, 23) all confirmed this attack. This attack demonstrated that military tensions stemming from war policies severely damage Arab allies in addition to Iran and the US, and the costs of war are borne by those who had no role in its decision-making.

5.2 The Diplomacy Contradiction: Arab Allies Paid the Price

One of the concerning aspects of the Hormuz crisis is the profound contradiction between US interests and those of its Arab allies. While Washington reaped financial benefits from market fluctuations and its officials may have exploited confidential information, Arab allies paid the material and human costs of the tensions. The United Arab Emirates — an official US ally — was attacked by Iran, and this attack was a direct result of the escalation of tensions by the Trump administration's policies. The attack on Fujairah was merely an example of the vulnerability of Arab allies to the consequences of US war policies.

This contradiction reveals the gap between American diplomatic discourse and actual security consequences. On one hand, Washington spoke of "guaranteeing allies' security," and on the other hand, its war policies placed allies on the front lines of fire. Fujairah, as the UAE's "oil escape route," symbolized this country's efforts to diversify its export routes, and Iran's attack on it effectively negated this strategy. The fundamental question is whether the US had properly assessed the security risks to its allies prior to escalating tensions? And whether the short-term financial interests of certain American actors prevailed over Washington's long-term security commitments to its allies? These questions, even without definitive answers, indicate a profound crisis of trust in regional alliances.

6. The Intersection of Interests: Kushner, Witkoff, and the Architecture of Corruption

6.1 Kushner: *Special Envoy or Investor?*

Jared Kushner, Trump's son-in-law and Special Envoy for Peace, symbolizes the intertwining of diplomatic and commercial interests in the Trump administration. While Kushner served as Special Envoy for Peace in the Middle East, he simultaneously attracted over \$5 billion in capital from Saudi and UAE sovereign wealth funds for his Affinity Partners firm. The New York Times (26) reported that Kushner was raising funds for his firm while simultaneously acting as a diplomat. This duality of roles presents a glaring conflict of interest: did Kushner prioritize American interests in diplomatic negotiations, or the interests of his Middle Eastern investors?

The Senate Finance Committee, under Wyden and Garcia (27), has launched an investigation into Kushner raising billions from Middle Eastern governments. Also, the House Judiciary Committee, led by Raskin (28), has opened a sweeping investigation into Kushner's "foreign entanglements and staggering conflicts of interest." Mehdi Hasan in Zeteo described Kushner's role as a "5-alarm constitutional fire" and the Daily Beast reported that Kushner's fund has "raised billions amid fraud allegations." These investigations and accusations, although not yet having a definitive conclusion, present a concerning picture of utilizing public offices for personal gain.

6.2 Witkoff: *The Real Estate Diplomat*

Steve Witkoff, a real estate developer with no diplomatic experience, was appointed as the US's chief negotiator with Iran. Time magazine (29) reported that diplomats worry Kushner and Witkoff are "making things worse." The Arms Control Association (30) stated that "American negotiators were ill-prepared for serious nuclear negotiations with Iran." This lack of diplomatic expertise, alongside commercial conflicts of interest, raises serious questions about the competence and motives of the negotiators.

La Voce di New York (31) drew an explicit comparison between Witkoff and Kushner's Iran nuclear disinformation and the Bush administration's Iraq WMD lies, arguing that there is a recurring pattern of using false information to justify war. Responsible Statecraft (32) also reported that Witkoff and Kushner are "not so diplomatic" and are pushing Trump toward war. These reports present a composite picture: negotiators lacking the necessary expertise, with serious conflicts of interest, who are moving toward escalating tensions rather than genuine diplomacy — the escalation of tensions which, as we have seen, brought significant financial profit for informed actors.

The combination of Kushner and Witkoff as chief negotiators indicates a systematic pattern in the Trump administration: the commercialization of diplomacy and the appointment of individuals with personal commercial interests to sensitive diplomatic posts. This phenomenon exemplifies

the Revolving Door Syndrome and Institutional Capture, where private economic incentives structurally override public diplomatic mandates. This pattern not only undermines the integrity of the diplomatic process but also tarnishes America's credibility in international negotiations. When American negotiators are simultaneously investors with billions in interests in the region, the opposing side will naturally doubt their true motives, and this effectively eliminates the possibility of achieving sustainable agreements. Regarding the Hormuz crisis, this structural conflict of interest may explain the high-tension approach and ultimately unsuccessful negotiations, which were limited to short-term financial gain rather than lasting peace.

7. Discussion and Counter-Critiques

7.1 Alternative Theories

Prior to concluding, it is necessary to examine alternative theories. First, the coincidence hypothesis: large trades in oil markets during volatile periods are normal, and the high volume of short-sale trades may merely reflect professional market analyses, not access to confidential information. Many professional traders make predictions about market direction based on fundamental and technical analyses, and the simultaneity of trades with news may simply be the result of independent, concordant analyses. This hypothesis, although it may explain some instances, does not fully account for the repetition of the suspicious trading pattern at six critical junctures and its unprecedented volume.

Second, the market efficiency hypothesis: short-sale trades may reflect more sophisticated analyses, rather than insider knowledge. Some analysts might detect diplomatic signals prior to public release and trade based on them. This hypothesis is also debatable, but the volume and precision timing of the trades — particularly the \$920 million trade 70 minutes before the Axios report — is beyond what public market analysis can justify. Third, Ravid's defense: he claims that he is merely reporting from his sources and that journalists cannot control market reactions. This defense is respectable from a freedom of the press perspective, but the primary question regarding his sources and the motives for leaking information remains. Axios's editorial standards and the role of sourcing in national security journalism are subjects that require deeper examination.

7.2 Research Limitations

The present study faces several limitations. First, the difficulty of proving insider trading without identifying specific traders; without access to trading records and the identity of traders, definitively proving insider trading is practically impossible. Second, the inherent opacity of commodity markets and the role of algorithmic trading; in derivatives markets, trading algorithms can react quickly to news, and distinguishing between information-based insider trades and algorithmic reactions is difficult. Third, reliance on open-source information and its limitations;

the present study primarily relies on public data, and there may be significant evidence in classified documents to which access was not possible.

Fourth, and most importantly, the present study does not prove a direct causal relationship between government officials and specific trades. The evidence presented is converging and concerning, but proving a direct conspiracy requires access to internal communications, personal financial records, and sworn testimonies. Also, it must be noted that the Hormuz crisis was a complex geopolitical event, and reducing it solely to a "market manipulation" framework may overlook important aspects of reality. Nevertheless, due to the inherent opacity of derivative markets, this research could not establish deterministic causality but rather identified a structural correlation and the simultaneity of events. It is recommended that regulatory institutions, with access to tick-data and trader identifiers, investigate this correlation using statistical regression models in future empirical studies.

8. Conclusion

The present study emphasizes the necessity of congressional investigations and regulatory reforms in derivatives markets. Greater transparency in commodity trades, mandatory disclosure of large positions, and the creation of regulatory mechanisms to identify suspicious trading patterns are among the essential reforms. Also, the role of special envoys with commercial interests must be legally reviewed, and stricter ethical standards for sensitive diplomatic positions must be enacted. Ultimately, the weaponization of privileged information for economic rent extraction is considered a serious threat against the integrity of democratic institutions, and civil society, the media, and regulatory bodies must monitor and expose this phenomenon with greater vigilance. The future of similar conflicts will largely depend on the capacity of institutional checks and balances to prevent the convergence of diplomatic brinkmanship and speculative financial interests.

The erosion of democratic norms when diplomatic and military operations coincide with market-moving information is one of the most important implications of this crisis. When diplomats are simultaneously investors and journalists are simultaneously former intelligence officers, public trust in democratic institutions is severely damaged. The Persian Gulf Strait Authority (PGSA) as Iran's structural response — transforming military weakness into legal and institutional leverage — may be the most significant long-term consequence of this crisis. This body demonstrated that even militarily weaker powers can create a legal standing for themselves through institutionalization.

The present study emphasizes the necessity of congressional investigations and regulatory reforms in derivatives markets. Greater transparency in commodity trades, mandatory disclosure of large positions, and the creation of regulatory mechanisms to identify suspicious trading patterns are among the essential reforms. Also, the role of special envoys with commercial interests must be legally reviewed, and stricter ethical standards for sensitive diplomatic positions must be enacted. Ultimately, the instrumentalization of information for financial gain is considered a serious threat

against the integrity of democratic institutions, and civil society, the media, and regulatory bodies must monitor and expose this phenomenon with greater vigilance. The future of similar conflicts will largely depend on society's response to this crisis.

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