# SILICON VALLEY IS A SICK SELF-DELUDED BUBBLE OF POLITICAL BRIBERY

*Tue, 16 Aug 2022 09:35:08, newstips66, [category: afghanistan, category: brotopia, category: community-service-programs, category: elon-musk, category: energy-dept-slush-fund, category: facebook-meta, category: google-alphabet, category: hired-assassins, category: housing, category: idea-theft, category: lithium-batteries, category: netflix, category: news-manipulation, category: patents-and-inventions, category: political-bribes, category: repairing_silicon_valley, category: san_francisco_corruption, category: senator-insider-trading, category: silicon_valley_death, post_tag: silicon-valley-is-a-sick-self-deluded-bubble-of-political-bribery, category: sony_pictures, category: stanford_univ_bribes, category: tesla_motors_lies_and_defects, category: web-spying, category: worldnews]*

READ MORE ABOUT THIS AT THIS LINK: ***ATTACKED BY YOUR OWN PUBLIC OFFICIALS 1.1***

"I'm not surprised at all," the ex-Googler told me.

I'd asked him about the class-action lawsuit that had been filed on behalf of roughly 64,000 tech employees (including him) against firms like Google, Apple, Intel, and Adobe. The suit alleged that the executives at these firms – people like Steve Jobs, Eric Schmidt, and Sergey Brin – had colluded with each other to form no-poaching agreements, thereby keeping their employees from jumping ship to competing firms.

It had long been an open secret in the tech industry that certain companies had made these backroom arrangements to keep their most valuable employees in place. But until recently, nobody knew how explicit the deals were, or that the executives involved had put the details in ink.

The ex-Googler, who made $250,000 plus stock options in his last year as an engineer at Google, admits that he doesn't need any money that results from the lawsuit, especially because the settlement that was struck on Thursday – a reported $300 million payout, the details of which won't be known for several months – will only net him at most a few thousand dollars. He's not even particularly angry about the illegal no-poaching policies, since they hadn't resulted in any material harm to his career.

"I never felt as though we were unfairly compensated," he said. "Our salaries are, and were, absurd."

The news of the Silicon Valley wage-collusion suit – written about most prominently by PandoDaily's Mark Ames – hasn't made much news outside the tech industry. But the lawsuit has already had at least one lasting effect – it has exposed the two-tier caste system within the top ranks of tech. There are the executives, who talk (and defer) to each other frequently and set the terms of engagement across the tech industry. And then there are the worker bees – the engineers, designers, and middle-managers who are seen as valuable yet replaceable, who are essentially high-cost commodities, and who are routinely left out of some of the most important decisions surrounding their careers.

The coddled image of the start-up worker doesn't quite mesh with a victim narrative. But there are real grievances here.

For example, take this episode from 2006, which was detailed in emails released during the pretrial phase of the wage-collusion lawsuit. The backstory is that Google wanted to hire a French engineer named Jean-Marie Hullot, a former Apple employee who had helped lay the groundwork for the original iPhone, and a number of other ex-Apple engineers who had worked under Hullot. Hullot and his team members had left Apple the previous year on good terms, and Google was interested in hiring them to set up a Google engineering center in Paris. But before they did, they wanted to check with Hullot's old boss, Steve Jobs, to make sure the hire had his blessing.

Unfortunately for Hullot and his team members, Jobs wasn't on board. Even after Google promised that they'd stick Hullot on an assignment that had nothing to do with smartphones (and thus would ensure he wasn't competing with Apple's iPhone business), Jobs refused to sign off, sending this email to Google's Alan Eustace:

> Alan,
>
> We'd strongly prefer that you not hire these guys.
>
> Steve

Jobs may have had legitimate reasons not to want Hullot working for Apple's competitor. Maybe Hullot is the best engineer in the world. Maybe he had knowledge about the iPhone's inner workings that would allow Google to compete more closely. But – and here's the crucial part – Google didn't need Steve Jobs's permission for *anything*. Hullot wasn't bound by a non-compete agreement, and Apple let him walk out the door a year earlier. If Steve Jobs didn't want Hullot going to work for Google, he should have made him a compelling offer to come back to Apple.

That Google deferred to Jobs on the Hullot hiring, despite having no reasonable legal or ethical reason to do so, only makes sense when you know that Silicon Valley's top-level executives often behave as a cartel – displaying more loyalty to each other, across company lines, than to their own employees – and that Steve Jobs was a particularly feared cartel leader with a retributive streak. (In 2005, Jobs wrote to Sergey Brin regarding a group of Apple employees, "if you hire a single one of these people that means war.") Amazingly, Google's executives feared Jobs's disapproval more than they feared the failure of their own initiatives.

In any other industry, we'd be screaming about a qualified worker losing out on a good job opportunity because his former boss put him on a do-not-hire list. (And Hullot's case was actually one of the milder ones detailed in the pretrial emails, since Jobs said only that he'd "strongly prefer" Hullot not being hired, and didn't prohibit it outright.) But in tech, this kind of collusion was the status quo. As the pretrial documents show, executives at these firms made blanket promises not to recruit each others' employees for years, causing thousands of their workers to lose out on opportunities they might otherwise have had.

I've asked a number of Silicon Valley executives to defend the no-poaching agreements. Nobody would do so on the record – these arrangements being illegal and all – but privately, they gave some loose rationalizations for why tech CEOs would have agreed not to poach each others' employees. Some of them made the case that to keep innovating quickly, you need to keep product teams together. Hiring new people and negotiating counteroffers to keep existing employees is an expensive, distracting, time-consuming process, these people said, and if Eric Schmidt and Sergey Brin felt they could cut down on the amount of HR rigmarole required to run their business, it may have been worth missing out on a few talented Apple engineers. That goes double if the employees being kept around possessed valuable proprietary information that could have helped a competitor.

These arguments make a certain amount of sense. Then again, you could apply them to any industry. Don't coal mining executives want to keep their teams together, too? Do grocery store owners enjoy spending thousands of hours a year hiring and firing people?

What makes tech different from other industries is that its workers are often so privileged that they don't notice they're getting the shaft. Even when they do, many engineers feel guilty advocating for more money, which is why events like this "Startup Equity Rally" in March almost always fall flat. (Keep in mind, also, that this guilt is partly deliberately cultivated by the executive class – the original impetus for giving tech employees over-the-top perks, after all, was to keep them from unionizing.) But high tech salaries and plentiful perks don't make the executives' advantage-taking any more ethical.

Formal no-poaching agreements are probably a thing of the past in Silicon Valley, now that the scheme has been exposed. But $300 million, the reported amount being paid out to the class-action litigants, is a slap on the wrist to the executives who have systematically distorted the tech labor market for years, and won't deter them from making informal arrangements in the future. The rules that govern Silicon Valley's hiring practices – a set of gentlemen's agreements struck by a small group of elite CEOs over handshakes and winks – will live on. And tech workers will go on enjoying their free lunches and yoga classes, unfazed by the corruption in their midst.

He notes that much has changed and a lot hasn't in his 15 years. Presumably to mark each of his years covering the financial services sector he came up with 15 "takeaways."

The one that caught my eye was number 3:

> **Too cozy for comfort:** It's less of a problem since the financial crisis, but the business media are still too cozy with the powerful on Wall Street to do their jobs correctly.
>
> The media still fawned over Wall Street stars such as Jamie Dimon at J.P. Morgan Chase & Co. (US:JPM); Eliot Spitzer, former New York governor and attorney general, and Jimmy Cayne of Bear Stearns. Why? They all dished tips or dirt on their rivals. Access journalism still dominates the landscape, and you -- the reader -- suffer for it.

Access journalism is alive and well in Silicon Valley and although it is wielded in different ways, it is how large companies make sure the press corps is relatively friendly and rarely critical. At least that's my observation from 25 years on the Silicon Valley beat.

When I refer to "access journalism" I'm not referring to the product journalism that most tech news sites practice: the tedious rewriting of product press releases and spec sheets. I'm talking about having access to the top CEOs and executives of Silicon Valley's largest companies, the top VCs, the hottest startups, invitations to private "media roundtables," etc.

Why is this important? Well, if you are working at a leading news organization, such as the Wall Street Journal, Financial Times, BusinessWeek, Reuters, etc, and your editors ask you why "we didn't get that interview" with Mark Zuckerberg, or say the new Yahoo! CEO? And if that answer is because the company in question wouldn't grant you access, you could be in serious trouble in your job.

Reporters work hard to get access to top people, and companies like to see that for a number of good reasons, such as it shows that they understand their business and there's less time needed to educate the reporter about important issues, especially when they make their top people available.

For example, when I worked at the Financial Times, IBM was part of my beat but it took several years before I could get time with Sam Palmisano, the CEO. I interviewed the heads of all of IBM's seven huge business groups before I got a chance to meet with the top executive. And that's the way it should be because I got to know IBM's complex business really well, and could ask questions that mattered.

But when companies seek to punish reporters that they disagree with, by shutting them out, removing their access, then that's a different matter. And it's rarely a good move.

I remember when Hewlett-Packard banned CNET reporters during the contentious period of the Compaq merger, they would not return their calls. Well, that backfired because the reporters still published stories but HP had no input.

Google's Eric Schmidt banned a reporter for writing about where Mr Schmidt lived (he had Googled the information.)

I've been banned, at least temporarily, by large and small companies, while at the FT, and while at SVW.

These days a ban might take the modern form of being blocked on Twitter or Facebook. I was blocked on Twitter by a Twitter top exec during the period when it was seeking tax exceptions from San Francisco while its execs publicly bragged about all the social good they were enabling around the world; Yahoo! took away my access during the time of its collaboration with Chinese police authorities, which led to the arrest and ten year hard labor sentence for a Chinese journalist because he leaked a press release.

More recently, Chris Sacca, a prominent VC investor based in Truckee, California, called me a derogatory name, "Troll" and blocked me from his Twitter feed because I asked him questions about one of his Tweets.

[I was certainly "trawling" for a possible story, and I sympathize that not everyone is comfortable being questioned -- especially within the fawning world of startups and angels, where the levels of idolatry would test the best of us. But asking questions is what reporters do best.]

And while "access" is important it generally doesn't provide the best reporting.

A great example is Jon Stewart, presenter of "The Daily Show." He can call a news story the way he and his editorial team sees it, he doesn't have to worry about being barred from the next White House press conference, or not getting that special interview that his editors want.

Similarly, Matt Taibbi at Rolling Stone, has been an outstanding reporter covering Wall Street, primarily because he doesn't have to worry about preserving his "access" to top execs.

Blocking publications, or journalists, is best done in secret because there are few things more interesting to a reporter, it's like catnip, they will sniff around and around, and they'll usually find something.
Very few reporters have the luxury of disregarding a potential loss of top access -- their jobs depend on it. This is why "access journalism" is a massive Achilles' Heel for the press corps in Silicon Valley, and companies exploit it to the max.

Controlling access is an insidious form of corruption because there's no money trail and it's extremely difficult to spot. The good news is that there are fewer reporters to corrupt. The bad news is that there are fewer reporters.

## Now Meta starts laying off workers: Facebook terminates 60 contractors who were told in video conference that they were chosen 'at random' by an algorithm to get fired - just days after Apple got rid of recruitment staff

- **The layoffs are the latest example of Big Tech reining in spending and hiring, as just days ago Apple let go of about 100 recruiters**
- **Meta CEO Mark Zuckerberg has also recently said he will weed out underperforming employees with 'aggressive performance reviews'**
- **The contractors are employed via Accenture in their Austin office, a company that has a deal worth nearly half a billion dollars a year to staff up the company**
- **The layoffs were announced during a video conference call Tuesday and they were not immediately offered new jobs or transfers by Accenture**
- **Accenture representatives stunningly told a worker who asked how the layoffs were determined that an algorithm chose people at random**

By Stephen M. Lepore

A group of about 60 contractors who work with Facebook learned they were laid off this week after they were chosen 'at random' by an algorithm.

The layoffs are the latest example of Big Tech reining in spending and hiring, as just days ago Apple let go of about 100 recruiters.

Meta CEO Mark Zuckerberg has also recently said he will weed out underperforming employees with 'aggressive performance reviews' as the company braces for a deep economic turndown.