

## THE COVERT CRIMINAL CARTEL OF THE SILICON VALLEY MAFIA

The Cartels of Silicon Valley - They Rape, Steal, Lie, Bribe, Black-List and Abuse Society With Impunity

by Dean Baker

Mark Ames published an article ( <http://pando.com/2014/01/23/the-techtopus-how-silicon-valleys-most-celebrated-ceos-conspired-to-drive-down-100000-tech-engineers-wages/> ) that should forever destroy any connection between the Silicon Valley tech billionaires and libertarian worldviews. The article reports on a court case that alleges that Apple, Google, and other Silicon Valley powerhouses actively conspired to keep their workers' wages down. According to documents filed in the case, these companies agreed not to compete for each others' workers dating at least as far back as 2005. Workers in the industry have filed a class action suit that could lead to the payment of billions of dollars in lost wages.

This case is striking at many levels, the most obvious being the effective theft of large amounts of money by some of the richest people on the planet from their employees. This is pernicious, but not altogether surprising. After all, the boss stealing from the workers is as dog bites man as it gets. Few would be surprised that rich people were willing to break the law to get even richer.

The real news here is how the Silicon Valley barons ( <http://www.nytimes.com/2011/07/17/books/review/book-review->

[railroaded-by-richard-white.html?pagewanted=all&\\_r=0](#) )  
allegedly broke the law. The charge is that they actively colluded to stifle market forces. They collectively acted to prevent their workers from receiving the market-clearing wage. This means not only that they broke the law, and that they acted to undermine the market, but that they really don't think about the market the way libertarians claim to think about the market.

The classic libertarian view of the market is that we have a huge number of people in the market actively competing to buy and sell goods and services. They acknowledge the obvious — some actors are much bigger than others — but there is so much competition that no individual or company can really hope to have much impact on market outcomes.

This point is central to their argument that the government should not interfere with corporate practices. For example, if we think our local cable company is charging too much for cable access, our libertarian friends will insist that the phone company, satellite television or other competitors will step in to keep prices in line. They would tell the same story if the issue were regulating the airlines, banks, health insurance, or any other sector where there is reason to believe that competition might be limited.

They would tell the same story on the labor side. If we are concerned that workers are getting low wages then the answer is to improve their skills through education and training rather than raise the minimum wage. If workers were worth more than the minimum wage, then the market would already be paying them more than the minimum wage.

They have the same story when it comes to requiring family leave, sick days, or other benefits. Libertarians would say that if workers value these benefits they would negotiate for them and be willing to trade off wages. There is no reason for the government to get involved.

This story about the wonders of the free market is simple in its appeal and it has the great implication that nothing should be done to keep the rich from getting ever richer. However the Silicon Valley non-compete agreements show that this is not how the tech billionaires believe the market really works. This is just a story they peddle to children and gullible reporters.

If they really believed the market had a deep sea of competitors in which no individual actor could count for much, then their non-compete agreements would serve no purpose. If Google, Apple, Intel and the other biggies agreed not to hire each others' workers, it really wouldn't affect their pay since there would always be new upstarts ready to jump in and hire away underpaid engineers.

The fact the Silicon Valley honchos took the time to negotiate and presumably enforce these non-compete agreements was because they did not think that there were enough competitors to hire away their workers. They believed that they had enough weight on the buy-side of the market for software engineers that if they agreed to not to compete for workers, they could keep their wages down.

It shouldn't be surprising that the Silicon Valley billionaires really are not libertarians. After all, much of their fortunes rest on patents and copyrights, both of which are government granted

monopolies: the opposite of a free market.

But for some reason, seeing the tech whiz-kids forming a cartel to keep down their workers' wages seems an even more direct violation of any belief in libertarian principles. This is the same sort of cartel behavior that we associate with the cigar-chomping robber barons of the late 19th century. It turns out that the biggest difference between the tech billionaires of the Internet Age and the high rollers of the railroad age is the cigars.

Dean Baker is the co-director of the Center for Economic and Policy Research (CEPR). He is the author of *Plunder and Blunder: The Rise and Fall of the Bubble Economy and False Profits: Recovering From the Bubble Economy*.

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Is Silicon Valley's Immigration freak-out actually about cutting off the supply of young Asian boys for the tech pervert CEO's?

Is Silicon Valley's Immigration freak-out actually about cutting off the supply of young Asian boys for the tech pervert CEO's? By Ashely Fin Silicon Valley and San Francisco tech oligarchs have a Gay Tech Industry Mafia. When you pack all of those elite white boys into snot-nose ... Continue reading Is Silicon Valley's Immigration freak-out actually about cutting off the supply of young Asian boys for the tech pervert CEO's? ( <https://newyorknewssentinal.wordpress.com/2017/01/31/is-silicon-valleys-immigration-freak-out-actually-about-cutting-off-the-supply-of-young-asian-boys-for-the-tech-pervert-ceos/> )

Tagged Elon Musk, Facebook, Gay Mafia, Google, ladyboys, larry

page, nick denton, queer mafia, Reid Hoffman, Silicon Valley Billionaires, Silicon Valley Cartel, silicon valley gay mafia, Trump vs. Silicon Valley

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Silicon Valley Cartel Convinced Hillary Clinton They Could Manipulate The Election For Her To Win: THEY BLEW IT

Dems don't want Hillary Clinton to run again, ever, according to poll (mic.com) The DNC's Google, Twitter, Facebook, Ebay, Linkedin Cartel sold the Clintons on their belief that they controlled psychological warfare technologies that could guarantee her win, like they did when they rigged the election ... Continue reading Silicon Valley Cartel Convinced Hillary Clinton They Could Manipulate The Election For Her To Win: THEY BLEW IT

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SILICON VALLEY CARTEL TAKE-DOWN PLAN SHOWS UP ON WEB

<https://newyorknewssentinal.wordpress.com/2016/11/18/silicon-valley-cartel-take-down-plan-shows-up-on-web/>

Who is In "The Silicon Valley Cartel"? Who are these folks we hear so much about?: Gilman Louie- Creator on In-Q-Tel and NVCA James Breyer- Creator of In-Q-Tel and NVCA Joe Lonsdale – VC,

charged with rape Larry Summers- White House, charged with organizing "skims" of DOE cash to intermediaries Larry Page- Google, In-Q-Tel Lachlan Seward- ... Continue reading Who is In "The Silicon Valley Cartel"? Who are these folks we hear so much about?:

<https://newyorknewssentinal.wordpress.com/2016/08/28/who-is-in-the-silicon-valley-cartel-who-are-these-folks-we-hear-so-much-about-4/>

The big dirty players in the Silicon Valley Mafia Cartel are: Amy Pascal; Bill Daley; Bill Lockyer; Brian Goncher; Daniel Cohen; David Axelrod; David Drummond; David Plouffe; David E. Shaw; Dianne Feinstein; Elon Musk; Eric Holder; Eric Schmidt; John Zaccarro, Jr.; Frank Giustra; Nick Denton; Harry Reid; Haim Saban; Hillary and Bill Clinton; Ira Ehrenpreis; Jay Carney; James Comey; Jared Cohen; Jeffrey Katzenberg; John Doerr; Harvey Weinstein; Yasmin Green; Jonathan Silver; Ken Brody; Lachlan Seward; Judge Stewart M. Bernstein; Larry Page; Google; Alphabet; YouTube; Facebook; In-Q-Tel; Amazon; Twitter; WordPress.Org; The Law Firm of Perkins Coi; Mark Zuckerberg; Martin LaGod; Matt Rogers; Marc Benioff; Michael Birch; S. Donald Sussman; Pierre Omidyar; Rahm Emanuel; Raj Gupta; Ray Lane; Tom Perkins; Robert Rubin; Rob Friedman; Reid Hoffman; Richard Blum; Robert Gibbs; Robert Shwartz; Roger Altman; The Law Firm of Covington and Burling; Sanford Robertson; Steve Jurvetson; Steve Rattner; Steve Westly; Steven Chu; Steve Spinner; Susie Tompkins Buell; George Soros; Warren Buffet; Tom Steyer; The Clinton Foundation, Tim Draper; Valarie Jarrett; Jeffrey Epstein; Vinod Khosla; Michelle Lee; The law firm of Wilson Sonsini Goodrich and Rosatti; Lawrence Summers; Marc Andreessen

Sheryl Sandberg; Yuri Milner; Fenwick & West LLP; James W. Breyer; McBee Strategic; Mike Sheehy; Nancy Pelosi; Gilman Louie; Thomas J. Kim; Ping Li; Greylock Capital, Accel Partners; Jim Swartz; Bank Menatep; Alisher Asmanov; Marc L. Andreessen; Peter Thiel; Clarion Capital; Richard Wolpert; Robert Ketterson; David Kilpatrick; Tesla Motors; Solyndra; BrightSource; IDG Capital Partners; Goldman Sachs; Morgan Stanley; State Street Corporation; JP Morgan Chase; Lloyd Blankfein; Jamie Dimon; Steve Cutler; Rodgin Cohen; Sullivan Cromwell, LLP; Jeff Markey; Steve McBee; Michael F. McGowan; Toni Townes-Whitley; CGI Federal; Todd Y. Park; Frank M. Sands, Sr.; Robin Yangong Li; Parker Zhang; Jonathan Goodman; Gawker Media; Jalopnik; Adrian Covert, John Herrman; Gizmodo Media; K2 Intelligence; WikiStrat; Podesta Group; Fusion GPS; Think Progress; Media Matters; Black Cube; Debbie Wasserman, The DNC Executive Committee; Correct The Record; Stratfor; ShareBlue; Sid Blumenthal; David Brock; Barack Obama; Sen. Robert Menendez; Jerry Brown; Ken Alex; Susan Rice; Kamala Harris; Bruce Ohr; Nellie Ohr; and other names to be identified in court...

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Cartels, Collusion and Price Fixing in Silicon Valley  
- The intrigue behind Michael Arrington's new bombshell  
John Hudson

Michael Arrington has a history of breaking big news stories for his technology site, TechCrunch. His modus operandi is "to bust the door down and clean the mess up later." Today--he's got a big mess to clean up.

On Tuesday night, Arrington published a sizzling bombshell about powerful Silicon Valley investors seemingly engaged in collusion and price fixing. The story begins when Arrington is tipped off to a secret meeting of 10 "super angel" investors at a wine bar in San Francisco. Arrington says these investors account for "nearly 100% of early stage startup deals in Silicon Valley." When he walks in on their meeting, the silence is "deafening" and he says he's "never seen a more guilty looking group of people."

After an awkward exchange, he leaves the meeting but manages to speak with a handful of investors afterwards to find some damning testimonies. According to Arrington, the super angel investors were colluding against both entrepreneurs and traditional venture capital firms. They wanted to act together to "keep traditional venture capitalists out of deals entirely" and "keep out new angel investors" from entering the market and driving up valuations. They also kept an online wiki to coordinate their ideas. A handful of attendees said they were "extremely uncomfortable" with the manner of the discussion and Arrington explains why:

What's wrong with this? Collusion and price fixing, that's what. It is absolutely unlawful for competitors to act together to keep other competitors out of the market, or to discuss ways to keep prices under control. And that appears to be exactly what this group is doing.

This isn't minor league stuff. We're talking about federal crimes and civil prosecutions if in fact that's what they're doing. I had a quick call with an attorney this morning, and he confirmed



that these types of meetings are exactly what these laws were designed to prevent.

Hold On, Give Arrington Some Credit Here, writes Henry Blodget at Business Insider:

In other industries, such behavior is known as "price fixing" and "collusion" -- and it's illegal.

We... want to tip our hat to Mike for his story (it's great) and his, well, balls. It's this sort of work that makes this new form of journalism so valuable and fun. It's also the type of work that would make the tech industry barely notice if the mainstream media just rolled over and died.

As Mike observes, many of the folks he calls out for this meeting are friends and sources, some of whom will undoubtedly be furious at him for exposing their little game.

It takes balls to lob a grenade at your friends like that. It also takes finesse and skill (and power) to do it and still have many of those folks rushing to call you after the meeting to preserve their relationships with you.

I'm With Arrington, writes Mike Masnick at TechDirt:

While there are plenty more angels in Silicon Valley than just 15, it is true that, these days, companies getting investments from some of the "top" angels is seen as the ticket needed to move up the chain to big name venture capitalists as well. So hearing that a group of these investors may be colluding to effectively fix pricing is bad news for the supposed "meritocracy"

of funding in Silicon Valley, and should be seen as a pretty serious problem.

Along those lines, I should say kudos to Arrington for publishing such a story. While he doesn't name names, these investors are the key sources for many of his stories, so publishing this story is probably burning some bridges with sources. It's good to see that he wouldn't let that get in the way

<http://www.abeldanger.org/web/wp-content/uploads/2017/05/The-Silicon-Valley-Mafia-Update-4.2-1.pdf>

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## Today's Tech Oligarchs Are Worse Than the Robber Barons

Yes, Jay Gould was a bad guy. But at least he helped build societal wealth. Not so our Silicon Valley overlords. And they have our politicians in their pockets.

By Joel Kotkin

A decade ago these guys—and they are mostly guys—were folk heroes, and for many people, they remain so. They represented everything traditional business, from Wall Street and Hollywood to the auto industry, in their pursuit of sure profits and golden parachutes, was not—hip, daring, risk-taking folk seeking to change the world for the better.

Now from San Francisco to Washington and Brussels, the tech oligarchs are something less attractive: a fearsome threat whose ambitions to control our future politics, media, and commerce seem without limits. Amazon, Google, Facebook, Netflix, and Uber may be improving our lives in many ways, but they also are disrupting old industries—and the lives of the many thousands of people employed by them. And as the tech boom has expanded, these individuals and companies have gathered economic resources to match their ambitions.

And as their fortunes have ballooned, so has their hubris. They see themselves as somehow better than the scum of Wall Street or the trolls in Houston or Detroit. It's their intelligence, not just their money, that makes them the proper global rulers. In their contempt for the less cognitively gifted, they are waging what *The Atlantic* recently called "a war on stupid people."

I had friends of mine who attended MIT back in the 1970s tell me they used to call themselves "tools," which told us us something about how they regarded themselves and were regarded. Technologists were clearly bright people whom others used to solve problems or make money. Divorced from any mystical value, their technical innovations, in the words of the French sociologist Marcel Mauss, constituted "a traditional action made effective." Their skills could be applied to agriculture, metallurgy, commerce, and energy.

In recent years, like Skynet in the *Terminator*, the tools have achieved consciousness, imbuing themselves with something of a society-altering mission. To a large extent, they have created what the sociologist Alvin Gouldner called "the new class" of highly educated professionals who would remake society.

Initially they made life better—making spaceflight possible, creating advanced medical devices and improving communications (the internet); they built machines that were more efficient and created great research tools for both business and individuals. Yet they did not seek to disrupt all industries—such as energy, food, automobiles—that still employed millions of people. They remained “tools” rather than rulers.

With the massive wealth they have now acquired, the tools at the top now aim to dominate those they used to serve. Netflix is gradually undermining Hollywood, just as iTunes essentially murdered the music industry. Uber is wiping out the old order of cabbies, and Google, Facebook, and the social media people are gradually supplanting newspapers. Amazon has already undermined the book industry and is seeking to do the same to apparel, supermarkets, and electronics.

Past economic revolutions—from the steam engine to the jet engine and the internet—created in their wake a productivity revolution. To be sure, as brute force or slower technologies lost out, so did some companies and classes of people. But generally the economy got stronger and more productive. People got places sooner, information flows quickened, and new jobs were created, many of them paying middle- and working-class people a living wage.

This is largely not the case today. As numerous scholars including Robert Gordon have pointed out, the new social-media based technologies have had little positive impact on economic productivity, now growing at far lower rates than during past industrial booms, including the 1990s internet revolution.

Much of the problem, notes MIT Technology Review editor David Rotman, is that most information investment no longer serves primarily the basic industries that still drive most of the economy, providing a wide array of jobs for middle- and working-class Americans. This slowdown in productivity, notes Chad Syverson, an economist at the University of Chicago Booth School of Business, has decreased gross domestic product by \$2.7 trillion in 2015—about \$8,400 for every American. “If you think Silicon Valley is going to fuel growing prosperity, you are likely to be disappointed,” suggests Rotman.

One reason may be the nature of “social media,” which is largely a replacement for technology that already exists, or in many cases, is simply a diversion, even a source of time-wasting addiction for many. Having millions of millennials spend endless hours on Facebook is no more valuable than binging on television shows, except that TV actually employs people.

At their best, the social media firms have supplanted the old advertising model, essentially undermining the old agencies and archaic forms like newspapers, books, and magazines. But overall information employment has barely increased. It’s up 70,000 jobs since 2010, but this is after losing 700,000 jobs in the first decade of the 21st century.

Tech firms had once been prodigious employers of American workers. But now, many depend on either workers abroad or imported under H-1B visa program. These are essentially indentured servants whom they can hire for cheap and prevent from switching jobs. Tens of thousands of jobs in Silicon Valley, and many corporate IT departments elsewhere, rent these “technocoolies,” often replacing longstanding U.S. workers.

Expanding H-1Bs, not surprisingly, has become a priority issue for oligarchs such as Bill Gates, Mark Zuckerberg, and a host of tech firms, including Yahoo, Cisco Systems, NetApp, Hewlett-Packard, and Intel, firms that in some cases have been laying off thousands of American workers. Most of the bought-and-paid-for GOP presidential contenders, as well as the money-grubbing Hillary Clinton, embrace the program, with some advocating expansion. The only opposition came from two candidates disdained by the oligarchs, Bernie Sanders and Donald Trump.

Now cab drivers, retail clerks, and even food service workers face technology-driven extinction. Some of this may be positive in the long run, certainly in the case of Uber and Lyft, to the benefit of consumers. But losing the single mom waitress at Denny's to an iPad does not seem to be a major advance toward social justice or a civilized society—nor much of a boost for our society's economic competitiveness. Wiping out cab drivers, many of them immigrants, for part-time workers driving Ubers provides opportunity for some, but it does threaten what has long been one of the traditional ladders to upward mobility.

Then there is the extraordinary geographical concentration of the new tech wave. Previous waves were much more highly dispersed. But not now. Social media and search, the drivers of the current tech boom, are heavily concentrated in the Bay Area, which has a remarkable 40 percent of all jobs in the software publishing and search field. In contrast, previous tech waves created jobs in numerous locales.

This concentration has been two-edged sword, even in its Bay Area heartland. The massive infusions of wealth and new jobs

has created enormous tensions in San Francisco and its environs. Many San Franciscans, for example, feel like second class citizens in their own city. Others oppose tax measures in San Francisco that are favorable to tech companies like Twitter. There is now a movement on to reverse course and apply “tech taxes” on these firms, in part to fund affordable housing and homeless services. Further down in the Valley, there is also widespread opposition to plans to increase the density of the largely suburban areas in order to house the tech workforce. Rather than being happy with the tech boom, many in the Bay Area see their quality of life slipping and upwards of a third are now considering a move elsewhere.

Once, we hoped that the technology revolution would create ever more dispersion of wealth and power. This dream has been squashed. Rather than an effusion of start-ups we see the downturn in new businesses. Information Technology, notes *The Economist*, is now the most heavily concentrated of all large economic sectors, with four firms accounting for close to 50 percent of all revenues. Although the tech boom has created some very good jobs for skilled workers, half of all jobs being created today are in low-wage services like retail and restaurants—at least until they are replaced by iPads and robots.

What kind of world do these disrupters see for us? One vision, from Singularity University, co-founded by Google’s genius technologist Ray Kurzweil, envisions robots running everything; humans, outside the programmers, would become somewhat irrelevant. I saw this mentality for myself at a Wall Street Journal conference on the environment when a prominent venture capitalist did not see any problem with diminishing birthrates among middle-class Americans since the Valley planned to make

the hoi polloi redundant.

Once somewhat inept about politics, the oligarchs now know how to press their agenda. Much of the Valley's elite-venture capitalist John Doerr, Kleiner Perkins, Vinod Khosla, and Google—routinely use the political system to cash in on subsidies, particularly for renewable energy, including such dodgy projects as California's Ivanpah solar energy plant. Arguably the most visionary of the oligarchs, Elon Musk, has built his business empire largely through subsidies and grants.

Musk also has allegedly skirted labor laws to fill out his expanded car factory in Fremont, with \$5-an-hour Eastern European labor; even when blue-collar opportunities do arise, rarely enough, the oligarchs seem ready to fill them with foreigners, either abroad or under dodgy visa schemes. Progressive rhetoric once used to attack oil or agribusiness firms does not seem to work against the tech elite. They can exploit labor laws and engage in monopoly practices with little threat of investigation by progressive Obama regulators.

In the short term, the oligarchs can expect an even more pliable regime under our likely next president, Hillary Clinton. The fundraiser extraordinaire has been raising money from the oligarchs like Musk and companies such as Facebook. Each may vie to supplant Google, the company with the best access to the Obama administration, over the past seven years.

What can we expect from the next tech-dominated administration? We can expect moves, backed also by corporate Republicans, to expand H-1B visas, and increased mandates and subsidies for favored sectors like electric cars and renewable



energy. Little will be done to protect our privacy—firms like Facebook are determined to limit restrictions on their profitable “sharing” of personal information. But with regard to efforts to break down encryption systems key to corporate sovereignty, they will defend privacy, as seen in Apple’s resistance to sharing information on terrorist iPhones. Not cooperating against murderers of Americans is something of fashion now among the entire hoodie-wearing programmer culture.

One can certainly make the case that tech firms are upping the national game; certain cab companies have failed by being less efficient and responsive as well as more costly. Not so, however, the decision of the oligarchs—desperate to appease their progressive constituents—to periodically censor and curate information flows, as we have seen at Twitter and Facebook. Much of this has been directed against politically incorrect conservatives, such as the sometimes outrageous gay provocateur Milo Yiannopoulos.

There is a rising tide of concern, including from such progressive icons as former Labor Secretary Robert Reich, about the extraordinary market, political, and culture power of the tech oligarchy. But so far, the oligarchs have played a brilliant double game. They have bought off the progressives with contributions and by endorsing their social liberal and environmental agenda. As for the establishment right, they are too accustomed to genuflecting at mammon to push back against anyone with a 10-digit net worth. This has left much of the opposition at the extremes of right and left, greatly weakening it.

Yet over time grassroots Americans may lose their childish awe of the tech establishment. They could recognize that, without

some restrictions, they are signing away control of their culture, politics, and economic prospects to the empowered "tools." They might understand that technology itself is no panacea; it is either a tool to be used to benefit society, increase opportunity, and expand human freedom, or it is nothing more than a new means of oppression.

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