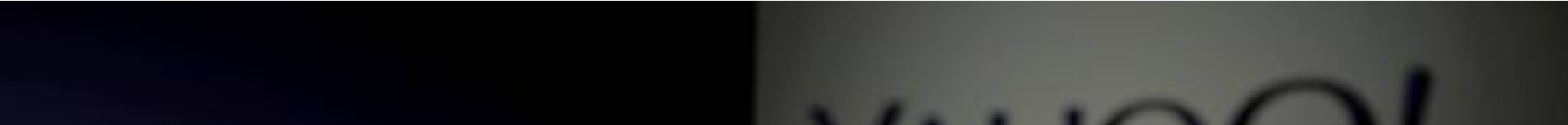




Straight Outta Sunnyvale: Yahoo manager gone after racially-charged e-mail



Jerry Shen's company, Bignoggins Productions, was acquired by Yahoo in 2013.

CARLOS AVILA GONZALEZ/SAN FRANCISCO CHRONICLE / POLARI

IAIN MARLOW >

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In mid-August, a hip-hop loving Yahoo Inc. employee attempted to channel the gritty language of the recently released movie *Straight Outta Compton*, but ended up straight out of his job.

Jerry Shen, a director of engineering at the technology giant's fantasy sports unit, sent an intercompany e-mail that opened with: "Wuddup my n*****, Ice Cube here," according to e-mails obtained by The Globe and Mail. (Mr. Shen included the asterisks.) By the end of that day, a senior Yahoo executive said in another e-mail that Mr. Shen was no longer with the company.

Mr. Shen had joined Yahoo when his fantasy sports app company was acquired by the Sunnyvale, Calif., tech giant in 2013.

The incident has come to light at a time when Yahoo chief executive officer Marissa Mayer is under fire for failing to orchestrate a sustained turnaround at the web search and portal company – which some analysts feel is failing to monetize users, focus on mobile applications and is valuable only for its big stakes in Yahoo Japan Corp. and Alibaba Group Holding Ltd.

This week, a marketing professor with New York University's Stern School of Business said in a TV interview that Yahoo should be "euthanized" and that Ms. Mayer was "the most overpaid CEO in history." It also occurs as big media and tech companies are attempting to cash in on the lucrative, but still rapidly evolving, fantasy sports apps. The apps are played by more than 56 million people in the U.S. and Canada – even as tech firms continue to grapple with traditional issues of gender and racial diversity in a field that is dominated by male engineers and their macho, so-called "bro-grammer" culture.

Mr. Shen's e-mail, which was titled "Straight outta Sunnyvale," a reference to where Yahoo is based, detailed the release of the Silicon Valley firm's new Daily Fantasy Football applications for Apple Inc.'s iOS platform and desktop computers. As for whether the software was ready for Android phones, Mr. Shen wrote: "Just playin' man they ain't done with that sh** yet. Ya'll motha***** MUST be crazy!!"

The e-mail, which appeared to have been sent widely within Yahoo Sports on Aug. 14, prompted several replies.

"It's sadly inevitable as a black person that you hear the "N" word as you mentioned from time to time," Yahoo Sports NBA writer Marc Spears, who chairs the National Association of Black Journalists sports task force, wrote around 4 p.m. "I've heard it since childhood. I just never thought I would hear it on a work e-mail with Yahoo. Well, at least we know what you think about us."

By 8:45 p.m. that day, there was a response from Kelly Hirano, who is listed on LinkedIn as Yahoo Sports' vice-president of engineering.

"I wanted to give you all an update on Jerry Shen: As of this afternoon, he is no longer a Yahoo employee," Mr. Hirano wrote, adding that "Jerry's directs" would now report to him. "[What's] important to keep in mind is that Daily Fantasy remains a critical product for Sports and Yahoo. With the NFL season just around the corner, we need to focus on that execution and delivering what we know to be an awesome product."

A Yahoo spokesperson confirmed that Mr. Shen was "no longer with the company," but declined to discuss the incident, saying that Yahoo does not "comment on internal matters."

Mr. Spears did not respond to a request for comment.

Mr. Shen, when asked about the incident in a LinkedIn message, replied that he was "not looking to talk about it at this time." In a Twitter post on Aug. 17, he wrote that it was his "First day of funemployment," and that he was "making breakfast while bumping hip hop" on his Sonos wireless speaker system. His light-hearted LinkedIn profile, which notes he used to be a "code monkey" and lead teams of software engineers at the U.S. aerospace and defence giant Lockheed Martin, now lists him as "House Husband at Shen Inc." In a separate Twitter message, he posted a photo of his \$120,000 Tesla Model S, and said it was for sale.

Mr. Shen, who quit Lockheed Martin to build apps, joined Yahoo after building up a successful, one-man company called Bignoggins Productions that made fantasy sports apps. His Fantasy Football Monster application rose to become the No. 1 paid sports app in Apple's App store. Although the acquisition price paid to Mr. Shen was never disclosed, an article about him and the deal in the San Francisco Chronicle said analysts estimated it was worth "tens of millions of dollars."

That article reports that the move from a one-man fantasy sports app company to a corporation with 11,000 employees was a "major transition" for the informal, hip-hop-loving entrepreneur. Mr. Shen notes on LinkedIn that he was "usually either working at home, or mooching WiFi from cafés and various religious institutions," when he was working for himself. At Yahoo, "my first day was a lot of getting used to being in a big company again," he said, according to the Chronicle.

Silicon Valley technology and venture capital firms, of course, have long been criticized for their hard-driving, male-dominated workplaces – as evidenced by the recent, unsuccessful lawsuit waged by Ellen Pao against VC firm Kleiner Perkins Caufield & Byers. She claimed she was not promoted because she was a woman, and alleged that a married partner once gave her a book of erotic poetry.

According to Yahoo, which releases gender and ethnicity data as do other Silicon Valley tech firms, the company is 62 per cent male – a figure that climbs to 84 per cent in technology-specific jobs. Black employees are a small minority, accounting for just 2 per cent of the staff. Yahoo's broader work force is 47 per cent white, while 43 per cent of Yahoo employees are "Asian," according to its data.

Meghna Virick, a professor of management at San Jose State University, said Mr. Shen's prompt departure from Yahoo was "harsh" and a missed opportunity to have a broader discussion at the company about what is permissible. "Yes, it's embarrassing, and yes, it's humiliating, but it's sometimes good to let this stuff surface," Prof. Virick said. "It's important to have discussions about it, to treat this as an opportunity to talk about it with the rest of the Yahoo community. Because if [Mr. Shen] felt comfortable documenting it by e-mail, there's a likelihood that there could be a culture of disrespect."

Prof. Virick said Google Inc. has done outreach to her own university campus in an attempt to lure more African-American and Hispanic employees, but that the industry remains dominated by white and Asian men. She said this could lead to a "similar-to-me bias," where managers only hire people who look like themselves – and cultivate a work environment with certain cultural norms. But whereas this only used to apply to white men, she said, it might be beginning to apply to Asian men, as well. "The moment you have a large enough cohort within an organization, you're bound to see some of that," Prof. Virick said.

The following is the text from Jerry Shen's e-mail to Yahoo staff. The words and punctuation are verbatim, asterisks included.

Aug. 14 at 2:34 p.m.

From: Jerry Shen

To: Employees working on the Yaho...

Subject: STRAIGHT OUTTA SUNNYVALE: Daily Fantasy Football

Wuddup my n*****,

Ice Cube here. In addition to promoting my new film "Straight Outta Compton", in theaters now, I'm here to represent for my homies on the Yahoo Daily Fantasy team. They busted ass to bring you what you all been waiting for: **Daily Fantasy Football!** Starting today, they gonna have NFL preseason contests on staging. To play:

1) On desktop: hit up [link]

2) On iOS: download the latest dogfood app which will point to the staging environment

3) On android: Just playin' man they ain't done with that sh** yet. Ya'll motha***** MUST be crazy!!

4) Join the Straight Outta Sunnyvale contest before **4pm today**: [link]

Please join contests, create contests, invite your homies, and make sure to holler at the team at [link] if you find some whack sh**.

One more thing, the team is also testing out deposit bonuses. How this works is for every dollar you put in, we give you another dollar. If you signed up for fantasy football we give you two dollars. It's easy money baby! When you spend money on a contest that runs, your deposit bonus becomes real money at a rate of 4 per cent. For ya'll suckas who bad at math that means if you enter a \$1 contest you get 4c from your bonus. So try that out and make sure you get PAID.

So don't be a **PUNK**, help dogfood Daily Fantasy football so we can go get that paper.

"Give it up smooth! Ain't no tellin' when I'm down for a jack move."

Peace out,

Ice Cube

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