

Software Engineer Biography: Max Levchin

Max Levchin is a Ukrainian-American software engineer and entrepreneur best known for co-founding the digital payment and wallet service PayPal. Other projects Levchin has also worked on are Slide a personal media-sharing service for social networking sites and Affirm a financial technology company. He has also advocated for ease of immigration for talented tech workers to the United States and also founded his own cryptography prize to recognise others work in the industry.

Early Life

Levchin was born on 11 July 1975 in Kiev to a Jewish family of Physicists. As a child he suffered from life threatening respiratory issues and doctors expected he would not live past childhood. However, he managed to overcome this illness and in 1986 his family moved him to Crimea to escape the nearby Chernobyl nuclear disaster.

In 1991 he and his family then moved to the USA leaving behind the collapsing Soviet Union, to seek political asylum. He then enrolled to the university of Illinois to major in computer science. During his time at the university, he worked on a number of smaller projects, but his career really took off when he moved to Silicon Valley in 1998 to co-found Fieldlink with Peter Thiel.

PayPal

In 1998 Levchin and Thiel founded Fieldlink, a security company which allowed users to store encrypted data on their PDA devices which could be used as a digital wallet. The same year the company was renamed to Confinity. In March 2000 Confinity merged with online financial company x.com founded by Elon Musk in 1999. In 2001 the company continued to focus on their digital wallet service and was renamed once again to PayPal. Levchin's work at the company mostly focused on antifraud and security. He co-created the Gausebeck-Levchin test which was one of the early commercial implementations of the CAPTCHA (Completely Automated Public Turing test to tell Computers and Humans Apart) methods. This protected the website from bots from abusing the site and was one of the reasons PayPal became one of the most trusted sites for e-payments.



Figure 1: PayPal founders, Thiel(left), Levchin(Right)

In 2002 Levchin was named as innovator of the year in the MIT technology review and part of the top 100 innovators of the year under 35 for his contributions to PayPal and online security. PayPal was acquired by eBay soon after it became publicly listed in 2002. It was purchased for \$1.5 billion. At the time Levchin's 2.3% share was worth approximately \$34 million. Levchin continued to work in PayPal for a few years following but eventually left to pursue other projects. The eBay buyout came at a cost. The working environment shifted from an informal start-up culture to a more traditional corporate culture. Within four years of the acquisition only 12 of the original 50 employees of PayPal remained.

Other Ventures

In 2004 Levchin founded slide, a personal media-sharing service. The company made social entertainment services for companies such as Facebook and Myspace. At the time it was one of the largest publishers of social media applications in the world. In 2010 Slide was purchased by google for \$182 million. Levchin continued to work in the company as vice president of engineering until the company ultimately shut in 2011.

After slide Levchin founded HVF Labs, a project to support and fund companies in the area of data leveraging and analogy sensor technologies. From HVF Labs he founded the company Affirm a credit network company. The issues point-of-sale loans to consumers. It offers loans from 3 to 36 months. Levechin is the current CEO of the company and has been leading it successfully with a 2020 turnover of \$510 million.

Impact of work and legacy

Levchin's work has left a significant impact on the world of technology, security and finance and his companies have reached hundreds of millions of people. As of 2021 PayPal alone has 392 million active users and in 2020 alone and conducted 15.4 billion transactions. In 2015 Levchin created a prize to recognise contributions to real world cryptography. This prize gained significance in the tech industry due to Levchin's own contributions to cryptography and online security. The prize has so far been won by creators of the signal encryption protocol and SSL technologies. This has helped their creators to gain recognition for their work within the industry.

Levchin has also done important work with the silicon based lobbying group FWD.us which focuses on the liberalization of immigration of skilled international talent to the United States. The project was spearheaded by entrepreneurs Mark Zuckerberg and Joe Green. Levchin narrated a video documenting his own experience as a Ukrainian immigrant to the United States and explains his career progression. This work is important as it inspires others that might be in the position he was in and helps provide them with equal opportunities in the tech industry.