

# THE TECH INDUSTRY'S GENDER-DISCRIMINATION PROBLEM

*The dramatic imbalance in pay and power has created the conditions for abuse. More and more, women are pushing for change.*

By Sheelah Kolhatkar

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One day in 2013, AJ Vandermeiden drove to Tesla's corporate headquarters, in Palo Alto, California, sat down on a bench outside the main entrance, and waited, in the hope of spotting someone who looked like a company employee. Vandermeiden, who was thirty years old, had been working as a pharmaceutical sales representative since shortly after college, but she wanted a different kind of job, in what seemed to her the center of the world—Silicon Valley. She knew that Tesla's ambitious, eccentric co-founder Elon Musk was managing companies devoted to space flight and solar energy, in addition to running Tesla, which was producing electric cars, and she was inspired by his mission. Tesla was growing quickly and offered numerous opportunities for employees to advance. The company, Musk liked to say, was a "meritocracy," and Vandermeiden wanted to be a part of it.

Vandermeiden saw a man wearing a Tesla T-shirt and walked over to introduce herself. After she found out that he worked in sales, the department she wanted to join, she decided to deliver her pitch to him right then. He seemed impressed by her nerve. A few weeks later, she was hired at Tesla as a product specialist in the inside-sales department.

At first, Vandermeiden thrived at Tesla. After almost a year, she was promoted to the job of engineering project coordinator in the paint department. The new position involved working out of Tesla's automotive manufacturing facility in Fremont,

California, where hundreds of apple-red robot arms assembled Tesla vehicles on a white factory floor. The whirr of the robots in motion gave the plant the feel of something out of science fiction.

But even in this futuristic environment there was something about life at Tesla that seemed distinctly atavistic—and deeply wrong. Vandermeiden, who worked closely with a group of eight other employees, soon learned that her salary was lower than that of everyone else in the group, including several new hires who had come to Tesla straight out of college. She was, as it happened, the only woman in the group. Her supervisors, and her supervisors' supervisors, were male, all the way up the chain, it seemed, to Musk himself.

At Tesla, as at many tech companies, gallows humor prevailed among some of the women. There was a sense that the male executives had little understanding of the challenges women faced at the company. One former Tesla employee told me that women made up less than ten per cent of her working group; at one point, there were actually more men named Matt in the group than there were women. This became a source of rueful comedy. One male colleague quipped that they should change the sign reading “Women’s Room” to “Matt’s Room.”

Vandermeiden was a dedicated employee. Before long, a manager from the general-assembly division, who had heard that Vandermeiden had worked for twenty-six hours straight on a particular project, persuaded her to switch to his group. She started wearing steel-toed boots and safety glasses at work. She noticed that sometimes, when female employees walked through certain areas of the plant, male workers whistled, catcalled, and made derogatory comments. Women called it the “predator zone.”

In July, 2015, about three months after Vandermeiden joined the team, several of her male colleagues were promoted. Although she was under the impression that she would shortly receive a promotion and a raise, she did not get either, according to court documents. She e-mailed her boss, listing her accomplishments and reminding him that her performance reviews had all been positive. He didn't seem to be taking her concerns seriously, so she started copying the human-resources department on her e-mails. She scheduled a meeting with her boss's boss, who cancelled it at the last minute, just before he left town for two weeks of vacation.

Finally, two months later, Vandermeiden's managers told her that, in order to be given a raise, she would have to increase the rate of the production line by a hundred per cent within a year. This was an aggressive, probably unrealistic, goal, Vandermeiden felt, and she couldn't help thinking that the company was setting her up for failure, so that it would have cause to fire her. She decided to consult a lawyer. On September 20, 2016, Vandermeiden filed a lawsuit charging Tesla with sex discrimination, retaliation, and other workplace violations.

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Since October, when dozens of women went public with accusations of harassment and assault against Harvey Weinstein, the problem of sexual harassment has become a central topic in the national conversation. After a long silence, women have come forward to make allegations against other powerful figures, including the film director James Toback; the head of Amazon Studios, Roy Price; and the political analyst Mark Halperin, with new names being added every few days. Many of the alleged abuses have taken place in the entertainment business, which seems almost uniquely structured to facilitate the exploitation of women, with generations of young

actresses trying to climb a career ladder built and controlled by male producers and directors. But the allegations in other areas, from academia and local government to corporate offices, have made clear that the broader American workplace resembles Hollywood more than most people have previously acknowledged.

After the revelations about Weinstein and others—revelations that have included harrowing stories of rape and assault, which Weinstein and others deny—issues like unequal pay and lack of promotion might seem minor by comparison. They aren't, of course, Weinstein-level problems—but they are the problems that create men like Weinstein. It's the imbalance of pay and power that puts men in a position to harass, that gives them unchecked control over the economic lives of women and, as a result, influence over their physical lives. These subtler forms of discrimination, familiar to almost any woman who has held a job, can in fact be especially insidious, since they are easier for companies, and even victims, to dismiss.

This problem is perhaps nowhere more evident than in the technology industry. In 2015, a group of female tech investors and executives conducted a survey of two hundred senior-level women in Silicon Valley. Titled “The Elephant in the Valley,” the study demonstrated how intertwined, and how pervasive, these kinds of discrimination are. Eighty-four per cent of the participants reported that they had been told they were “too aggressive” in the office, sixty-six per cent said that they had been excluded from important events because of their gender, and sixty per cent reported unwanted sexual advances in the workplace. A large majority of those advances came from a superior, and a third of the women said that they'd been worried about their personal safety. Almost forty per cent said that they didn't report the incidents because they feared retaliation. “Men who demean, degrade or disrespect women have been able to operate with such impunity—not just in Hollywood, but in tech, venture capital, and other spaces where their influence and investment can make or break a career,” Melinda Gates, the co-chair of the Bill & Melinda Gates Foundation, told me. “The asymmetry of power is ripe for abuse.”

This inhospitable climate is partly a result of tech's hugely imbalanced gender ratio. Studies estimate that women make up only a quarter of employees and eleven per cent of executives in the industry. There have, of course, been other male-dominated fields notorious for similar behavior, including Wall Street and Madison Avenue. But part of

what differentiates tech is the industry's self-regard, as a realm of visionary futurists and tireless innovators who are making the world better. Without irony, they tell themselves, "Don't be evil," parroting Google's code of corporate conduct. In many ways, the tech world *does* represent the future: it has attracted a generation of the most promising engineers, scientists, and coders and paid them handsomely, all but assuring that they will have influence over the nation's ideas and values for years to come. It's deeply troubling, then, that many of these companies and their C.E.O.s have created an internal culture that, at least when it comes to sexual harassment and gender inequality, resembles the Mad Men era, without the skinny ties and Martini lunches.

Tesla's situation shows how a heavily male-dominated enterprise—even a highly innovative one—can leave women feeling powerless. After Vandermeiden filed her lawsuit, word gradually spread throughout the company. A few months later, an e-mail went out to Tesla's internal group of female employees, inviting them to an event to celebrate International Women's Day.

The event was attended by vice-presidents and senior executives; only one of them was a woman. (There were around forty-five V.P.s at Tesla at the time, two of whom were women, according to a person familiar with the company.) The meeting quickly became tense. Several female engineers spoke about equal pay, and pressed the company to disclose compensation numbers for male and female workers. An employee named Justine announced, "I'll be shortly leaving Tesla because of the environment. As I look at our leaders in the front row, I do see a common theme, which is white male." Another woman asked about a general staff meeting that had recently taken place with Musk. "He was supposed to talk about it . . . the anti-discrimination and anti-harassment efforts, and he beautifully sidestepped the whole thing," she said. "He didn't say, 'Harassment is wrong, discrimination is wrong.' He brought a bunch of people onstage and said, 'If you try hard, you will succeed.' " She continued, "How much harder do we have to try to get to where everyone else is up there? So my question is: Is this a priority to Elon? Because if Elon doesn't care it won't happen."

The moderator of the meeting read comments from female staff members at Tesla's Gigafactory, a facility based in Nevada that produces batteries for Tesla cars. Women there said that they didn't know how to report incidents of harassment; some of them had been directed to an ethics hotline, which seemed to consist of an automated

answering system. There had been no evidence, the women said, that anyone ever listened to the complaints left there.

The moderator then asked the employees present to raise their hands if they had been catcalled inside the Tesla factory, according to a person who has seen a video of the event. Many hands went up. One employee suggested that a woman be fitted with a GoPro camera and filmed walking through the predator zone so that the male V.P.s could see what women experienced. Several of the male executives voiced their concern. “As a father of a daughter, I do not want to be a part of an organization or create a culture that would limit her,” Jon McNeill, the president of global sales and service, said. “I can’t help that I’m a white dude, but I can help the culture that gets created.” Two of the executives pledged to “eliminate” the predator zone as soon as the town hall was over. Shortly before the meeting ended, Vandermeiden stood up. “It really shouldn’t have to reach this level,” she said, “to start this talk.”

On May 29th, Vandermeiden was heartened by a sign that her complaints, and those of the other women at the company, had finally been heard. According to a person familiar with Vandermeiden’s account, she was asked to meet with Gabrielle Toledano, Tesla’s new chief people officer, so that they could discuss ways the company could become more inclusive of women. At least, that’s what she thought. After Vandermeiden arrived at the meeting, Toledano started by saying, “Let me show you what I’ve been working on.” It was an exit package. “If you sign this,” Toledano allegedly told her, “this lawsuit won’t take over your life.” Toledano added that, if she coöperated, Musk would send out a company-wide e-mail notifying employees of her departure, and Tesla would help her find another job. If she didn’t sign it, however, the company would fire her immediately. Vandermeiden was stunned. She said that she’d done nothing wrong, and that she wouldn’t leave. “Tesla is my life,” she told Toledano. The company terminated her employment. (According to Tesla, the company investigated Vandermeiden’s claims. A spokesperson said, “After we carefully considered the facts on multiple occasions and were absolutely convinced that Ms. Vandermeiden’s claims were illegitimate, we had no choice but to end her employment at Tesla.”)

Vandermeiden’s lawyer, Therese Lawless, who runs the San Francisco firm Lawless & Lawless with her sister, told me that although firing whistle-blowers is generally against

the law, it's a common form of retaliation against women who complain of discrimination. "That's the message the company sends if you speak up. That's why people are fearful," Lawless said. Vandermeiden, she added, was "the sacrificial lamb."

Sexual harassment wasn't established as a legal concept until the nineteen-seventies, when two cases brought by African-American women against their male bosses forced the courts to confront the issue. In 1977, Paulette Barnes, a payroll clerk at the Environmental Protection Agency who was fired after refusing her supervisor's sexual advances, sued the agency. The case went to the Supreme Court, which, in 1986, ruled that sexual harassment was a violation of the Civil Rights Act. Still, the idea didn't take hold in the public consciousness until Anita Hill testified before Congress, in 1991, about the harassment she had suffered while working for the Supreme Court nominee Clarence Thomas at the Department of Education and, later, at the Equal Employment Opportunity Commission. Thomas was confirmed, but in the five years after Hill's testimony the number of sexual-harassment filings more than doubled.

During the nineteen-nineties, major cases were filed against Wall Street banks and brokerage firms, such as Morgan Stanley and Merrill Lynch, which paid out multimillion-dollar settlements. One branch office of Smith Barney, which was later acquired by Morgan Stanley, allegedly had a "boom boom room" in the basement where male brokers' birthdays were honored with "strip-o-grams." Women at the company, meanwhile, were paid lower base salaries and were eight times less likely to be promoted to the position of broker. More than two thousand women joined a lawsuit against the firm, and Smith Barney ultimately paid a hundred and fifty million dollars in settlements. New allegations continue to surface about Wall Street—just last month, allegations of sexual harassment at Fidelity Investments emerged, and a discrimination case is ongoing against Goldman Sachs—but most major banks and law firms eventually adopted harassment training and other human-resources strategies that eliminated some of the most egregious behavior.

Silicon Valley has, in many ways, replaced Wall Street as the country's nexus of money and power. Like Wall Street, it has been dominated since its early stages by men. A permissive attitude toward certain behaviors prevailed, and the business model of the tech world exacerbated the problem. Many startups begin as a collection of young entrepreneurs in a room, with no clear rules. They rarely have human-resources

departments at first, meaning that there is no one charged with fielding complaints. And the emphasis among venture capitalists on “growth at any cost” often leads investors and board members to ignore workplace problems—as well as more serious violations—so long as a company’s valuation is going up.

The broader public got one of its first glimpses of the particular hostility women face in the tech world in 2014, with Gamergate, when several women in the video-game industry, including the game critic Anita Sarkeesian, were targeted by an angry mob online. Anonymous cyber harassers published the women’s addresses and other personal information and made death threats and rape threats, in what Sarkeesian called “an organized, concerted effort to destroy” their lives. (“I hate ovaries with brains,” one representative comment read.) Some of the women were forced to go into hiding.

The same year, Whitney Wolfe, a co-founder of Tinder, filed a lawsuit after one of her fellow co-founders, whom she had previously dated, allegedly began harassing her. She was twenty-four at the time. The C.E.O., who was the accused harasser’s best friend, pushed her out of the company. In one text message, the ex-boyfriend, apparently fearing that she was seeing someone else, allegedly wrote, “You prefer to social climb middle aged Muslim pigs that stand for nothing.” (The lawsuit was settled with no admission of wrongdoing. Wolfe is now the C.E.O. of the networking app Bumble.) A year later, in 2015, a former Facebook employee named Chia Hong sued the company, claiming, among other things, that her boss had repeatedly admonished her for pursuing a career rather than staying home with her kids. (Hong later dropped her suit.)

The issue of discrimination took on new urgency in February of this year, when Susan Fowler, an engineer who had worked at Uber, published a first-person account of her experience at the company on her Web site, describing how she had been propositioned for sex by her manager. Fowler went to the human-resources department with chat logs documenting these transgressions, assuming that the manager would be punished. Instead, she wrote, “upper management” told her that her harasser was a “high performer” and that she would either have to find a job in a different group at Uber or continue working for him. Fowler said that a manager later threatened to fire her for making H.R. complaints. She soon got to know other women at the company who had similar stories—even, she wrote, about the same manager who had harassed her.



Fowler's post prompted an internal investigation at Uber, led by the former Attorney General Eric Holder. By June, the company had fired twenty employees and disciplined forty others, and, in the wake of the scandal and other company troubles, the C.E.O. and co-founder, Travis Kalanick, was forced to leave. A series of disclosures about other tech companies followed, leading, in the past six months, to the resignations of Justin Caldbeck, who ran the venture firm Binary Capital; Dave McClure, the co-founder of the tech incubator 500 Startups; Robert Scoble, a prominent technology critic; and others. "Obviously I'm outraged, but what I'm not is shocked," Melinda Gates told me. "The only people who didn't know what was happening in Silicon Valley were the ones trying very hard not to see what was right in front of them. I don't think there's a woman who has worked in tech who hasn't experienced some form of bias or sexual harassment somewhere along the way—myself included." Arianna Huffington, the founder and C.E.O. of Thrive Global, added that companies need to reassess their values: "This includes rejecting the cult of the top performer, which tolerates otherwise unacceptable behavior, and instead building a culture that functions as the company's immune system: surfacing cases of abuse and identifying toxic elements as fast as possible, and then quickly rejecting them."

During the latest cycle of accusations and apologies, something about the response—in the press and in the public—has felt different. In the past, women were often criticized or made to feel ashamed for speaking openly, while alleged harassers evaded serious scrutiny. More recently, however, some of the accusations have led to swift consequences for the men accused. It may be that allegations against high-profile men such as Bill Cosby, Bill O'Reilly, and Roger Ailes, as well as distress about President Trump's attitude toward women (Trump has also been accused of multiple sexual assaults), has created a more receptive climate for accusations of harassment and assault. The volume and the vociferousness of some allegations have raised legitimate concerns: What are the checks on accuracy in a social-media environment designed to amplify outrage, and what recourse do the accused have to respond? Still, after years of attempting to resolve harassment and discrimination complaints through ineffectual human-resources departments, or through lawsuits kept quiet by powerful attorneys, women have found a path that produces results: gathering an unimpeachable number of witnesses and going public.

According to women I spoke with in Silicon Valley, more allegations have yet to emerge. One female entrepreneur told me that, in July, “stories were flying around my women’s networks” about men who were later identified as alleged harassers in the press. “What they’ve been publicly named for,” she said, “is the tip of the iceberg.”

**A**lmost anytime the subject of women in Silicon Valley comes up, people return to one particular case: the 2015 trial involving Ellen Pao. Pao was not on trial, but from afar it seemed as if she were. She was a former junior partner with Kleiner Perkins Caufield & Byers, one of the most influential venture-capital firms in Silicon Valley and an early investor in Amazon and Google. Pao charged the firm with creating an atmosphere of both insidious and overt sexism that stymied her career. She also alleged that it had ignored the behavior of a male partner who had harassed several female colleagues, including Pao. On a business trip, he had shown up at the hotel room of a female colleague in nothing but a bathrobe and propositioned her. Pao had a brief relationship with him before she was married and, after she ended it, she said, the partner retaliated against her. When she and others complained to the company, a senior partner joked that women should be “flattered” by his attention. Kleiner Perkins denied the accusations and vigorously fought them in court.

On a recent evening, I met Pao at the restaurant of the Four Seasons Hotel in downtown San Francisco. It was early, around six, and the restaurant, a favored spot among investors and tech-company founders, was still mostly empty. Pao was dressed conservatively, in khaki pants and a navy T-shirt, and as we talked she sat perfectly upright, her hands folded in her lap. She told me that when she entered the industry, in the late nineteen-nineties, women were vastly outnumbered by men, but the atmosphere was not as aggressive or money-obsessed as it is today. She described many of the early investors and entrepreneurs as “dorks,” united by the fact that they “were all interested in technology.” The environment changed, she said, after the early venture-capital firms started investing in tech. “They happened to all be white guys who had graduated from the same handful of elite colleges,” she said. “And they tended to make investments in new firms started by people they knew, or by people who were like them.” This created a model of hiring and investing that some refer to as the “Gates, Bezos, Andreessen, or Google model,” which Melinda Gates recently characterized as, “white male nerds who’ve dropped out of Harvard or Stanford.” Little has improved over the years: two recent studies found that, in 2016, only seven per cent of the

partners in venture-capital firms were women and just two per cent of venture-capital funding went to female founders.

Pao said that the change was reinforced by another event, in 2012: the initial public offering of Facebook, at well above a hundred billion dollars, which cemented Silicon Valley's reputation as the place to make a quick fortune. Tech companies increasingly began competing with banks and hedge funds for the most ambitious college graduates. "Now you had the frat boys coming in, and that changed the culture," Pao said. "It was just a different vibe. People were talking more about the cool things they had done than the products they were building."

In Pao's recent book, "Reset: My Fight for Inclusion and Lasting Change," she satirizes the over-the-top money culture that resulted. At Kleiner Perkins, "managing partners were always competing for more—more board seats, more houses, more land, and, always, more jets," she writes. They coveted professional basketball teams, Hollywood movie-producer credits, and "private-jet escape routes to New Zealand" (in case of rising water levels, plague, or a proletarian revolt). In this environment, Pao argues, there was little awareness of the ways in which the industry's gatekeepers had made it difficult, or even impossible, for outsiders to break in. "It's just this reinforcing cycle, and everyone has built a culture around it. How do you break that cycle, in a way that's meaningful?" Pao said. "Adding a few women to the mix is not going to fix this."

Before and after the trial against Kleiner Perkins, Pao was the focus, along with her husband, of negative media coverage, much of which at least superficially left the impression that Pao was a poor performer and a disgruntled former employee pursuing a vendetta. In fact, the depiction of Kleiner Perkins's workplace—including the subtly sexist and racist jokes, the negative way that ambitious women were portrayed, the practice of steering female employees toward more administrative roles and male colleagues toward high-profile, profit-driven work—would have been familiar to many professional women. When she launched the case against Kleiner Perkins, Pao told me, she "just wanted to make sure that they wouldn't do it again." Over time, though, her goals shifted. "When I saw the press, and it was so accepting of the status quo, it became more about, Hey, no one should do this." Other women in the industry felt the same way. On the Web site Recode, Susan Decker, the former president of Yahoo,

wrote that she pulled her daughters out of school to witness the closing arguments, which she hoped would be a “watershed moment” for women in technology.

Pao lost the case. But despite the result, the trial brought the subject out into the open. In *Fortune*, Anita Hill wrote, “Hearing the ruminations on Ellen Pao’s failed gender discrimination suit against her former employer . . . the famous words of Justice Louis Brandeis come to mind. ‘Sunlight is said to be the best of disinfectants.’ In Pao’s case, the sunlight is beginning to do its work.” Other women in the industry wrote to Pao, to thank her and to share their stories. During the trial, two women filed gender-bias suits of their own, against Facebook and Twitter. Commentators began speaking of the “Pao effect.”

Still, Pao’s experience illustrates why it is relatively rare for women to file harassment suits. “You wouldn’t wish it on your worst enemy—it’s a horrible experience,” Pao told me. “It’s draining, emotionally and financially.” Joelle Emerson, a women’s-rights lawyer who runs Paradigm Strategy, Inc., which advises companies on diversity, told me that there’s a particular reluctance to sue “among professional women who are really career-driven. They know all the potential negative consequences that can result.” Pao, who was the interim C.E.O. of Reddit at the time of the trial, was subjected to criticism and harassment online, in part because of choices that were unpopular with some Reddit users, including her decision to ban revenge porn. Four months after the Kleiner Perkins verdict, she resigned.

Meanwhile, the tech industry continues to erect barriers to legal action. A recent study by the law firm Carlton Fields Jorden Burt found that in recent years in Silicon Valley there has been an enormous increase in the use of arbitration clauses in employee contracts—a legal strategy pioneered by Wall Street firms, whereby disputes such as harassment must be settled through arbitration rather than litigated in federal court. The arbitration process is both shielded from public scrutiny and generally considered more favorable to employers. Tech companies have also embraced the use of employee confidentiality and nondisclosure agreements. Ostensibly, such agreements exist to protect company secrets, but when they are too broad they prevent employees from comparing salaries or talking publicly about their experiences at work. One former Google employee told me, “I wish we could have a twenty-four-hour moratorium on N.D.A.s, because that day would rock the tech industry.”

Therese Lawless, who, in addition to representing AJ Vandermeiden, was one of the lawyers who represented Pao, told me that these strategies to limit the rights of employees to air grievances are especially harmful to women and minorities. “That’s how you keep out unions,” she said. “And that’s how you silence women and keep them from talking about their wages.” She told me that these provisions have led many tech companies to think that they can do whatever they want in the workplace. She added, “All of the gains that have been made by the labor movement over the years are being slowly chipped away under this guise of ‘We’re in hip Northern California, and everything we do is so cool.’ ”

**I**t is not a coincidence that the earliest gender-discrimination cases, as well as many of the newer cases against tech companies, were brought by women of color. The problem of racial disparity is often inextricably tied to gender disparity, and minority women may be doubly targeted, with both racism and sexism. Freeda Kapor Klein, a founding partner at the social-impact investment firm Kapor Capital and a co-founder of Project Include, which promotes inclusiveness in Silicon Valley, told me that both of these problems are bound up with the industry’s lofty self-conception. “The core of why this has been such a problem for tech is that tech has deluded itself, as a sector, into believing that its practices are meritocratic,” she said. “So if you believe that you’re a meritocracy, and that your meritocracy results in you being disproportionately and overwhelmingly white and Asian male, then you believe that any tinkering with how you recruit, assign, promote, and retain people is somehow, quote-unquote, lowering the bar.” She added that tech has been unwilling to acknowledge that it is “unintentionally a rigged system.”

In 2014, Google, after years of public pressure to release its diversity data, finally disclosed the gender and racial makeup of its workforce. In technical roles, women accounted for just seventeen per cent of the company’s employees. Hispanics made up two per cent and African-Americans one per cent. (In the company’s third diversity report, released in June, those percentages had improved slightly, to twenty, three, and one per cent, respectively.) Erica Joy Baker, a senior engineering manager at Patreon, a membership platform for artists, worked at Google between 2006 and 2015 and has spoken publicly about the need for diversity. Baker, who is African-American, told me that during her time there, the vast majority of opportunities went to employees who fit a particular mold. “Throughout my career at Google, there was the standard thing: ‘I

know you want to work on this thing, but we're going to let a white dude work on it. Sorry, we're going to let a white dude go ahead of you,' ” Baker said. “That was really frustrating.”

At one point, Baker said, she was working as an engineer in a group that provided technical support to Google's top executives. She told me about a day, in 2008 or 2009, when her teammate, a man named Frank, was out of the office and she was sitting in the executive-tech-support room on her own. Google's C.E.O., Eric Schmidt, walked into the room in need of help, and asked where Frank was. “He's not here, is there something I can help you with?” Baker recalled telling him. She said that Schmidt asked her to leave Frank a message describing his technical issue, which she was more than qualified to address. “I said, ‘Oh, I can take care of that for you.’ And he said, ‘Oh, you're not his assistant?’ ” Baker recalled. Schmidt then suggested she put a sign on the door explaining her role, even though other offices didn't have such signs. She added that senior Google employees often confused her with the sole other black woman in a technical job on her team. “We used to jokingly call ourselves the Twins, even though we don't look anything alike,” Baker said. Her impression was that many of her colleagues couldn't “distinguish two completely different black women from each other.” (Google did not respond to requests for comment about the incident.)

In 2014, Baker's experiences prompted her, along with co-workers, to create a document at Google called the Salary Spreadsheet, on which employees could enter their salary and bonus information. When the spreadsheet started, it was maintained on a company server, but eventually the *Times* obtained a copy and, in September, reported that the data showed that women were being paid less than their male counterparts at five of the six job levels the database covered. (Google called the *Times* analysis “extremely flawed,” and noted that it drew from a very small sample size.)

Earlier this year, the Department of Labor conducted an initial audit of Google's pay practices, and found, according to court testimony in April, “systemic compensation disparities against women pretty much across the entire workforce,” showing, one official has said, six to seven standard deviations between pay for men and women in nearly every job category. Google, however, repeatedly refused to hand over fuller pay data to the Labor Department, and, after the government sued to obtain it, fought the case in court for months, arguing that the demands constituted unreasonable search

and seizure. In a statement, the company said that its own internal analysis had found no imbalance. A judge ordered the company to hand over additional data in July.

In September, three women brought a class-action lawsuit on behalf of all female Google employees, accusing the company of “segregating” women into lower-paying jobs and of paying them less than their male counterparts for “substantially similar work.” (Google said in a statement that it disagrees with the central allegations.) Similar class-action gender-discrimination suits are pending against Twitter, Microsoft, and Uber. In 2016, Qualcomm settled its own suit before it was even filed, for almost twenty million dollars. This year, the Labor Department also filed a discrimination suit against Oracle, which is ongoing.

“I think that every major technology company has to be concerned right now. We’ve reached a tipping point,” Kelly Dermody, a lawyer who is working on the cases against Microsoft and Google, told me. “Women are tired of not being taken seriously, and attending ridiculous seminars on how women can get ahead. How about we work on the men? It’s been a long time of talking about skill-building for women, but men aren’t making room, and they’re treating women in a sexualized way and not paying them fairly. And you can never catch up.”

**A**lmost half the women who go into technology eventually leave the field, more than double the percentage of men who depart. The turnover of women and minorities, according to a 2017 study on “tech leavers,” costs Silicon Valley more than sixteen billion dollars each year. The same study showed that, in almost sixty per cent of cases, employees who had been sexually harassed said that the harassment contributed to their decision to change professions. The primary differences between the experiences of employees who left and those who remained, according to another study, had to do with negative perceptions of the workplace environment, unfairness, and lack of opportunity.

The prospect of this kind of thwarted trajectory can be especially dispiriting to a generation of women who, like Kathryn Minshew, the founder of the career Web site the Muse, “grew up with parents who convinced me I could do anything I put my mind to.” Minshew told me that for years she scoffed at the idea that she was at a professional disadvantage as a woman. When McKinsey & Company, the consulting firm that was her first employer, came to Duke to recruit graduating students, the

company hosted a women-only lunch, and at the time Minshew thought that such an event seemed patronizing and unnecessary. She soon came to think otherwise. “I was naïve,” she said. “I entered the workforce and was very quickly hit with the reality that women are often still perceived differently from men.”

At McKinsey, Minshew said, it was clear that, to some of the firm’s clients, “as a very young female analyst I was there to get the coffee, and the young men were assumed to be the math geniuses or the tech whizzes.” In 2011, she co-founded the Muse, which was initially aimed at early-career women looking for advice on everything from asking for raises to dealing with difficult bosses. The conventional wisdom about such questions was based on what had worked for men, Minshew felt, and many of the rules that applied to men were not the same as those that applied to women.

Soon Minshew and her co-founders began to raise money for the company, something that many of their male classmates who were entrepreneurs seemed to be doing with relative ease. “That was a very defining moment for me, in terms of encounters with sexism and gender bias in tech,” she said. “It really existed on a spectrum, from overt sexual passes and comments to very dismissive or patronizing attitudes toward me because of my gender.” Minshew told me about one meeting that, at the last minute, an investor’s assistant moved to his hotel bar. Minshew and the investor ordered drinks and talked about her business plan. “We went to sit, and the next thing I knew he was so close to me,” Minshew said. She found herself wedged between the end of a sofa and the man’s body as he leaned into her. It was clear that she was no longer at a pitch meeting, and she left, feeling shaken. “It’s funny, because I think if you had asked me, ‘What would you do in that situation?,’ I would have said that I would have been so much more badass and assertive,” she said. “But then it happened . . .”

Many women in Silicon Valley have reported some version of this encounter. Aileen Lee, a founder of the venture-capital firm Cowboy Ventures, told me that she’d witnessed behavior that ranged from biased to illegal, and had faced racism, sexism, and harassment. “Like most women, I’ve experienced things across the spectrum,” she said. “I’ve had a general partner at another firm—who had earlier in the day talked to me about how much I’d like his wife and how she was a smart working woman and how we should all have dinner together with their kids—call me at three in the morning while we were on a business trip and ask if he could come to my room.”



Minshew told me that the reaction from friends in the industry made her feel that it was pointless to speak up about the incident. “When I told several male entrepreneurs the next day, the general attitude was, ‘Well, what do you expect? You’re a pretty girl and of course these guys are all going to try to get in your pants.’ ” She said that the response felt “doubly demoralizing.”

She also realized that very few investors had dealt with female founders before, and that some struggled with how to comport themselves. Although she had many positive meetings, she also told me that male investors often couldn’t conceive of a business that catered to women who worked full-time. They would ask multiple times whether her customer base would disappear once women entered their thirties and started having children. Many of the investors’ wives didn’t work, which they cited as proof that this theory was correct. Frequently, Minshew recalled, investors spoke to her as if “they thought it was so cute that I was trying to play with the boys, like I was a circus animal.” She was also repeatedly told that she should seek funding from Golden Seeds, a venture-capital firm that exclusively funds women-led companies.

Minshew persisted, and, in 2012, the Muse became one of the first all-female teams admitted to the prestigious startup accelerator Y Combinator. The achievement laid bare how much of her earlier mistreatment was a result of the industry’s power dynamic. Minshew told me that as soon as the company established itself, the predatory behavior from male investors stopped. “I think the stakes for making an inappropriate comment became much higher,” she said.

**I**n some cases, sexual harassment allegations are a sign of even more serious violations at a company. Robert Ottinger, Jr., an employment attorney who previously worked at the New York attorney general’s office, is pursuing one such case. Ottinger, who is slight and boyish and speaks in a near-mumble, now runs his own practice out of San Francisco, and sometimes finds himself representing Silicon Valley employees. He told me that his interest in defending workers against abuse came from his own experiences. “I grew up with a really authoritarian stepfather—he was a real jerk,” he said. “So I know what it’s like to live under a power-monger kind of person.” Noting the recent harassment and assault stories that have dominated the press, he said, “We’re only hearing about the movie stars, but there are so many people who aren’t that high profile, and no one cares about them. It’s kind of showing us that these laws don’t

really work. They're not really helping women that much. Even though it's illegal, it's still happening."

One day last June, Ottinger received a call from Brandon Charles, a thirty-three-year-old operations manager living in nearby Santa Rosa. Charles had started working at a firm called Social Finance, or SoFi, a few months earlier. SoFi, which was co-founded by a charismatic former trader named Mike Cagney, was a startup with a unique business model—it pooled money from investors and used those funds to make or refinance student and other kinds of loans—and the company had raised more than two billion dollars from investors such as Softbank and Baseline Ventures. Charles's job included managing a team of five people and, he said, the very first time that he sat down with them he could tell something was amiss. Toward the end of the meeting, he asked them to be candid and let him know if there were problems within the company that he could help address. "When I said that, the way they reacted—it was almost like they were victims of war," Charles told me. "They literally looked at me, and one said, 'Why should we trust you?' "

Over the next few weeks, a range of allegations emerged. It turned out that an employee was convinced that managers in another office were manipulating loan applications in order to pad their own quarterly bonuses. The atmosphere of the office was overly sexualized: male executives made lewd comments to female employees, and employees, including managers and their subordinates, were having sex in parked cars and in bathroom stalls. One manager allegedly joked about dipping "his pen in the company inkwell," according to court documents. He also allegedly asked one of his female subordinates to fetch him K-Y Jelly, and talked to another about anal sex. SoFi denies these claims.

To Charles, upper management had to have known about the alleged activities, including the bathroom shenanigans, but they didn't seem to care. Cagney had wanted to create a "fun" atmosphere at SoFi, of the sort he'd seen at other tech companies, and the office perks included kegs of beer and a regular margarita cart, according to a former employee. In fact, Charles soon learned, Cagney and the company C.F.O., Nino Fanlo—a Wall Street veteran who had formerly worked at Goldman Sachs and at the private-equity firm KKR—also had reputations for unprofessional behavior. Female colleagues told one another to "watch out," and not to get "cornered" by Fanlo. (Fanlo

told me that this characterization was inaccurate. “I never hit on anyone there, ever,” he said.)

Cagney was married and had two children. His wife also worked at SoFi, as the chief technology officer. Nonetheless, several former employees of SoFi told me that he seemed to be “dating” several women in the office at various points. He liked to host wine-tasting parties at his house, and a former employee who attended one said that Cagney spent much of the evening boasting about his sexual conquests and visits to strip clubs. (Cagney denies that he discussed these topics.) In 2012, SoFi paid a settlement to an executive assistant named Laura Munoz, who had accused Cagney of harassing her, according to two people who heard about the agreement. One former SoFi employee who worked with Munoz said that she complained about receiving a stream of sexually explicit text messages from Cagney, and would frequently cry in the office. According to two former employees, one of Munoz’s male colleagues tried to report the harassment to the company’s board of directors. Afterward, he was demoted, and eventually left the company. (The SoFi board has said in a statement regarding the Munoz case that there was “no allegation or evidence of a romantic or sexual relationship between Mr. Cagney and the employee.”)

Charles said that he wrote a memo outlining the fraud allegations and sent it to his superiors at SoFi. He felt strongly that he was doing the right thing. Still, he said, “I was sure I was going to get fired.” At first, it appeared that the company was taking his allegations seriously. During a meeting in early April, a vice-president of human resources told Charles that the allegations about the manipulation of loans to increase manager bonuses had proved to be true. Charles filed another report with H.R. a month later, detailing sexual harassment at the company. In June, he received a message from human resources requesting a meeting. Charles told me that he had already packed his desk by the time he arrived at the appointment. The director of human resources told Charles that his sexual-harassment allegations had been found to be without merit and that the company was terminating his employment, effective immediately. (SoFi claims that they did not receive a memo from Charles and that he was never told the fraud allegations had proved to be true.)

On August 14th, Charles, with Robert Ottinger’s help, filed a lawsuit against SoFi alleging retaliation. Ottinger told me that, over the summer, word spread that he was

preparing the lawsuit, and he became a sort of clearinghouse for unhappy SoFi employees. The day that Charles filed his suit, Ottinger filed another case on behalf of five other former SoFi employees alleging labor-law abuses, including failure to pay appropriate overtime, and seeking class-action status. On September 11th, after sexual harassment allegations appeared in the press, SoFi announced that Cagney was stepping down as C.E.O. On September 21st, another Ottinger client, a former SoFi loan reviewer named Yulia Zamora, filed a lawsuit alleging sexual harassment.

In some ways, the SoFi scandal seems like a bizarre mishmash of offenses, with sexual harassment and abuse intertwined with allegations of financial fraud and other misdeeds. But Valerie Aurora, the principal consultant at Frame Shift Consulting, a diversity-and-inclusion consultancy, and Leigh Honeywell, a technology fellow at the A.C.L.U., argue that this situation is actually fairly typical, and that sexual harassment is a tipoff that other misconduct may be taking place at a company. They've formulated their argument as "The Al Capone Theory of Sexual Harassment," which they posted online last summer. Capone was a Prohibition-era gangster whom federal authorities spent years trying to prosecute for serious crimes, including smuggling and murder. Eventually, they arrested him for a completely different offense—tax evasion. Aurora and Honeywell developed their theory after they noticed a pattern in the tech world that mirrored the Al Capone case: predatory sexual behavior was often accompanied by other infractions. "People who engage in sexual harassment or assault are also likely to steal, plagiarize, embezzle, engage in overt racism, or otherwise harm their business," the pair wrote. "All of these behaviors are the actions of someone who feels entitled to other people's property—regardless of whether it's someone else's ideas, work, money, or body. Another common factor was the desire to dominate and control other people."

Aurora and Honeywell provided examples, including that of Mark Hurd, a former C.E.O. of Hewlett-Packard, who was accused of sexual harassment but resigned for lying on expense reports (an internal investigation at Hewlett-Packard found "no violation" of the company's "sexual harassment policy"). In Aurora and Honeywell's view, it's no coincidence that federal prosecutors have opened a criminal investigation into Harvey Weinstein's charity transactions even as he is being investigated on rape charges. When I asked Aurora why she thought this connection existed, she said, "There are several reasons, but the most interesting one is entitlement. The same personality flaw says, 'I am more important than all other people.' " She added, "It's

really helpful to have Donald Trump as President—we now all know how narcissists behave.”

As in other fields, women in tech have always had their own information networks, both formal and informal, on and offline, to exchange career advice and other intelligence. An app called Blind gives employees from more than a hundred companies, including Uber, Twitter, Google, and Facebook, a platform to talk anonymously about their workplaces. (According to the *Times*, after Susan Fowler posted her piece about Uber, the ride-sharing company’s employees logged into Blind “more than 10 times on average each day—spending more than 3.5 hours—to discuss the scandal.”) Over the summer, Y Combinator sent a form to more than three thousand entrepreneurs, asking them to report sexual harassment by venture capitalists and promising to compile a blacklist. As the outpouring on social media over the past months indicates, the Internet has become the new whisper network, and the claims are not being whispered anymore.

Minshew, the founder of the Muse, told me she was hopeful that the public conversation about women in tech would help reshape the culture. “For so many years, it felt like talking about it was the kiss of death for your career,” she said. “This summer is the first time I’ve ever seen consequences for bad behavior. And that is empowering. Before, it seemed like nobody will fund you, and nothing will change.” Therese Lawless said that her law firm had been flooded with calls from women. “I do hope maybe the norms are changing, and people are saying, ‘We can’t just keep sweeping it under the carpet,’ ” she said. “It’s women saying, ‘I’m going to come forward and I’m going to talk about this.’ ”

Other women I interviewed were less optimistic. One former Tesla employee told me that she had learned early in her career to roll her eyes and laugh off incidents of sexism and harassment, but that today she would handle things differently. “In this climate, I definitely would have said something,” she told me. “Especially after the election. That was so deeply disappointing, and I made a rule to myself that I am going to speak up, no matter what. I’m not going to sit and try not to rock the boat anymore.” But she was dismayed by what she saw as the deeply ingrained hypocrisy of the tech world. “What I find specifically disturbing,” she said, “is that this is an industry that is supposed to be the future. They are so dedicated to making things different, and better. But this is a

huge problem that they're not addressing and not really trying to change." She paused. "I don't think they're capable of changing, honestly." ♦

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