

OpenAI reinstates CEO Sam Altman to board after firing and rehiring

Publication Date: 2024-03-09

Author: Kari Paul

Section: Technology

Tags: OpenAI, Artificial intelligence (AI), ChatGPT, Microsoft, news

Article URL: <https://www.theguardian.com/technology/2024/mar/08/openai-sam-altman-reinstated>



OpenAI CEO and co-founder Sam Altman has been reinstated to the firm's board of directors following an outside investigation into the turmoil that led the company to abruptly fire and rehire him in November. OpenAI said the investigation by the law firm WilmerHale concluded that Altman's ouster had been a "consequence of a breakdown in the relationship and loss of trust" between Altman and the prior board and that the CEO's conduct "did not mandate removal". For more than three months, OpenAI said little about what led its then board of directors to fire Altman on 17 November. In a statement at the time, the board accused Altman of not being "consistently candid in his communications", adding that it "no longer had confidence in his ability to lead". Less than a week later he was reinstated as CEO after many at the company threatened to resign unless he returned to his role, including board chair Greg Brockman, who responded to the ouster by quitting his job as the company's president. In addition to sharing the results of the investigation, the ChatGPT maker announced has added three women to its board of directors: Sue Desmond-Hellmann, a former CEO of the Bill & Melinda Gates Foundation; Nicole Seligman, a former Sony general counsel; and Instacart CEO Fidji Simo. The actions are a way for the San Francisco-based artificial intelligence company to show investors and customers that it is trying to move past the internal conflicts that nearly destroyed it last year and made global headlines. Much of OpenAI's conflicts are rooted in its unusual governance structure. Founded as a non-profit with a mission to safely build futuristic AI that helps humanity, it is now a fast-growing big business still controlled by a non-profit board bound to its original mission. An investigation released by the New York Times on Thursday shed light on conditions within the company leading up to Altman's ousting, stating that OpenAI's chief technology officer Mira Murati had called into question the CEO's management style. OpenAI co-founder and chief scientist Ilya Sutskever reportedly raised similar concerns about Altman's alleged "history of manipulative behavior". Altman alluded to such allegations in a call with reporters on Friday, stating that he had been disheartened to see people leaking information to try to "pit us against each other" and demoralize the team. At the same time, he said he had learned from the experience and apologized for a dispute with a former board member he could have handled "with more grace and care". "I'm pleased this whole thing is over," he said. The investigation found that the prior board had acted within its discretion. But it also determined that Altman's "conduct did not mandate removal", OpenAI said. It said both Altman and Brockman remained the right leaders for the company. "The review concluded there was a significant breakdown in trust between the prior board, and Sam and Greg," Bret Taylor, the board's chair, told reporters on Friday. "And similarly concluded that the board acted in good faith, that the board believed at the time that actions would mitigate some of the challenges that it perceived and didn't anticipate some of the instability." Days after his surprise

ouster, Altman and his supporters – with backing from most of OpenAI's workforce and close business partner Microsoft – helped orchestrate a comeback that brought Altman and Brockman back to their executive roles and forced out board members Tasha McCauley, Helen Toner and Ilya Sutskever, though the latter kept his job as chief scientist. Altman and Brockman did not regain their board seats at that time. But an "initial" new board of three men was formed, led by Taylor, a former Salesforce and Facebook executive who also chaired Twitter's board before Elon Musk took over the platform. The others were the former US treasury secretary Larry Summers and the Quora CEO, Adam D'Angelo, the only member of the previous board to stay on. OpenAI had retained the law firm WilmerHale to investigate the events that led to Altman's ouster. During the investigation, OpenAI said, WilmerHale conducted dozens of interviews with the company's previous board, current executives, advisers and other witnesses. The company also said the law firm reviewed thousands of documents and other corporate actions. The board said it will also be making "improvements" to the company's governance structure. It said it will adopt new corporate governance guidelines, strengthen the company's policies around conflicts of interest, create a whistleblower hotline that will allow employees and contractors to submit anonymous reports and establish additional board committees. The company still has other troubles to contend with, including a lawsuit filed by the billionaire Elon Musk, who helped bankroll the early years of OpenAI and was a co-chair of its board after its 2015 founding. Musk alleges that the company is betraying its founding mission in pursuit of profits. Legal experts have expressed doubt about whether Musk's arguments, centered on an alleged breach of contract, will hold up in court. But it has already forced open the company's internal conflicts about its unusual governance structure, how "open" it should be about its research and how to pursue what's known as artificial general intelligence, or AI systems that can perform just as well as – or even better than – humans in a wide variety of tasks. OpenAI and Microsoft have also been sued by a range of news outlets, including the New York Times, the Intercept, AlertNet and Raw Story over allegations that their generative artificial intelligence products violated copyright laws.