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17 biggest tech scandals of 2017

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Uber founder and former CEO Travis Kalanick.

Thomson Reuters

2017 has been a reckoning of sorts.

Years of sexual misconduct in the tech industry (and elsewhere) were brought to light this year.

Tech giants like Facebook and Google had to answer questions

about their roles in swaying the 2016 election.

Apple finally owned up to intentionally slowing down old iPhones.

Even YouTube star PewDiePie had a fall from grace, losing out on a lucrative deal with Disney for making anti-Semitic comments.

In short, it's been quite a year in tech.

What follows are the biggest scandals in the tech industry over the course of the last year. Grab some popcorn:

January: Uber's very bad year kicks off with #DeleteUber.

Money Sharma/AFP/Getty Images

It's been [an extraordinarily rocky year for Uber](#). Its bad luck began in January when the #DeleteUber movement led to a flurry of account deletions by customers upset about the company's ties to President Trump. It lost more than 200,000 customers in just one weekend.

As the year progressed, CEO Travis Kalanick resigned amid an investor revolt, many of Uber's other top executives resigned or were forced out, shady business practices were revealed, and more than 20 employees were fired as a result of an investigation into bad behavior in the workplace that includes sexual harassment.

(Plus, there was the Susan Fowler letter, the Waymo lawsuit, and the data breach, all of which deserve their own separate slides — more on those scandals to come.)

By December, Japanese investment firm SoftBank announced it had bought up [around 15% of Uber at a 30% discount](#). SoftBank

offered \$33 per Uber share, which puts the company's value at \$48 billion, a significant decrease from the \$69 billion valuation it had after its last funding round.

Uber has said it still plans to go public [by 2019](#).

February: Former Uber engineer Susan Fowler alleges sexual harassment and gender discrimination at the company.

Susan Fowler

In February, a former Uber employee named Susan Fowler said in a personal blog post that she was sexually harassed and experienced gender bias during her year at the company.

The allegations were made in a post Fowler titled "[Reflecting On One Very, Very Strange Year At Uber,](#)" which detailed how she was propositioned for sex by her manager, was ignored and lied to by HR, and was excluded based on her gender.

CEO Travis Kalanick immediately [launched an internal investigation](#) into sexual harassment and gender discrimination at Uber, which eventually led to his own resignation.

Meanwhile, Fowler [has a movie deal](#), and is expected to have a book deal soon.

February: Disney drops YouTube star PewDiePie after he posted videos containing anti-Semitic messages.

Getty

In February, Disney dropped YouTube star PewDiePie after he posted a series of videos that featured anti-Semitic messages.

PewDiePie, whose real name is Felix Kjellberg, is known for making gaming videos that often contain expletives and other colorful language. While a review [by the Wall Street Journal](#) found several videos containing anti-Semitic jokes, it was a video from January 11 that likely cost Kjellberg his deal with Disney. In the video, Kjellberg hired two men to make a sign that read "Death to All Jews" using the freelancer website Fiverr, where you can pay someone \$5 to do something for you. Kjellberg [later said](#) the video was a joke that had gone too far.

Soon after, YouTube [killed the second season](#) of "Scare PewDiePie," and removed Kjellberg from its preferred advertising program.

Then, in September, Kjellberg [used a racial epithet](#) in an expletive-laden outburst during one of his popular live streams. [He later apologized](#), saying, "I'm really sorry if I offended, hurt, or disappointed anyone with all of this."

February: Self-driving-car company Waymo sues Uber, accusing it of stealing its technology.

Associated Press

In an explosive lawsuit filed in February, Waymo accused Uber of using stolen technology to advance its own autonomous-car development.

The [suit](#), filed in the US District Court in San Francisco, claimed that a team of ex-Google engineers led by Anthony Levandowski

stole the company's design for the LIDAR laser sensor that allows self-driving cars to map the environment around them. Uber denied the claims.

Months later, the lawsuit has gotten ugly. In October, Waymo sought [at least \\$1 billion in damages](#) and a public apology from Uber as conditions for settling the suit, but Uber refused.

And in December, [an explosive letter was unsealed](#) that contained allegations that Uber had internal teams tasked with bugging hotels, infiltrating sensitive WhatsApp groups, and obtaining trade secrets from its competitors.

March: Brands boycott YouTube after their ads appear alongside extremist content.

Justin Sullivan / Getty Staff

In late March, advertisers pulled their ads from YouTube after [The Times' investigation](#) revealed that their ads appeared alongside extremist or hate content on YouTube.

[More than 250 brands](#) reportedly froze all their campaigns with Google aside from search, after the issue — which first seemed isolated to the UK — spread globally. Major US advertisers [soon began to boycott](#) the online ad giant too, and according to The Times, the money pulled amounted to [hundreds of millions of dollars](#).

At the time, [analysts predicted](#) that Google could lose up to \$750 million from the boycott. By June, the Wall Street Journal reported that while some big brands has returned to advertising on YouTube, many had not.

June through December: Several powerful investors, bloggers, and CEOs are accused of sexual harassment or misconduct.

Steve Jennings/Getty Images

June: Six women working in the tech industry [told The Information](#) that Binary Capital cofounder Justin Caldbeck had made inappropriate advances to them while in a business setting. In the same month, "Shark Tank" judge and investor Chris Sacca [issued an apology](#) for helping make tech hostile to women after being accused of touching a female investor without her permission at a tech event in 2009.

July: Dave McClure, the founder of startup incubator 500 Startups, [resigned from his position](#) as general partner following an investigation into claims of sexual harassment. In that same month, a former BetterWorks employee [sued the company](#) and its CEO Kris Duggan over allegations of assault, sexual harassment and a hostile work environment.

September: SoFi cofounder Mike Cagney resigned as chairman and announced he would [step down as CEO](#) by the end of the year amid allegations of widespread sexual harassment at the company.

October: Tech blogger Robert Scoble [was accused](#) of sexually assaulting two women and behaving inappropriately with other women in the tech community.

December: Venture capitalist and early Uber investor Shervin Pishevar [resigned from VC fund Sherpa Capital](#) after multiple women accused him of sexual misconduct. He has now been accused of sexual misconduct by six women in total.

July: The first-ever Pokémon Go Fest turns into a disaster.

Alex Heath / Business Insider

About 20,000 Pokémon Go players traveled from all corners of the world in July to Chicago's Grant Park for [the first-ever Pokémon Go Fest](#).

The festival promised players the chance to catch rare Pokémon throughout the day. But rampant server outages and poor cell service quickly turned the event into an experience so disappointing that the game's owner, Niantic Labs, [issued refunds and \\$100 worth of in-game credits](#) for each ticket holder.

August: Google employee James Damore writes a controversial memo criticizing gender and racial diversity.

In August, senior Google engineer James Damore penned [an anti-diversity manifesto](#) that spread through the tech world like wildfire.

The manifesto criticized company initiatives aimed at increasing gender and racial diversity and argued that Google should instead focus on ["ideological diversity."](#) The 10-page treatise also claims that biological difference between men and women are responsible for the underrepresentation of women in the tech industry.

Damore was fired from Google shortly thereafter, and immediately filed a complaint with federal labor officials. But Damore's firing also sparked a debate [over freedom of speech](#), and even [calls for Google CEO Sundar Pichai to resign](#).

September: Facebook says fake accounts linked to Russia bought thousands of ads during the US election.

Justin Sullivan/Getty Images

In September, Facebook said it had found evidence that fake accounts "likely operated out of Russia" [purchased thousands of ads](#) during the 2016 US presidential election.

The ads [covered a wide range of hot-button political issues](#), including the Black Lives Matter movement, LGBT rights, immigration, and gun rights. Some were designed to stir support for then-presidential-candidate Donald Trump.

Facebook said the ads were designed to deceive the public and distort political sentiment ahead of the election, and estimated that [10 million of its users](#) saw the ads.

In October, Facebook turned over to Congress copies of [3,000 ads](#) that it were most likely bought by people in Russia, and in November, representatives from Facebook — as well as Google and Twitter — [testified before the congressional committees](#) investigating Russia's alleged interference in the election.

September: Equifax announces it was targeted in a hack that exposed the personal data of nearly half the US population.

Reuters / Brendan McDermid

October: Fake news about the Las Vegas shooting spreads on Facebook, Google, and Twitter.

David Becker/Getty Images

While sites like Google, Twitter, and Facebook spent much of 2017 combatting the spread of fake news on their platforms, it was ineffective at the worst possible time: after the [deadly mass shooting in Las Vegas](#) in October.

Shortly after the shooting took place, viral fake-news stories showed up across the popular social media platforms, and even landed at the top of Google Search results. A 4chan message board about the shooting hit the top of Google's Top Stories, which is not vetted by humans.

The 4chan board posts were quickly picked up by far-right website The Gateway Pundit, a far-right website that has [spread misinformation](#) in the past. The story went viral.

It wasn't just Google, though: On its "safety check" page, Facebook linked to a story on a self-proclaimed alt-right blog that suggested the festival was "[more like the kind of target a left-wing nutjob would choose](#)." And on Twitter, users like the far-right provocateur Laura Loomer went viral by stoking speculation that Islamic terror groups were responsible for the shooting.

In [a statement to Business Insider](#) at the time, a Google representative said the link to 4chan was algorithmically removed within several hours of it appearing, and both Facebook and Twitter said they were reviewing and removing those types of posts.

October: Yahoo says 3 billion accounts were stolen in the biggest hack ever.

AP Photo/Lionel Cironneau

November: YouTube points kids toward disturbing videos.

YouTube

In November, a [popular Medium article](#) and [a New York Times story](#) both revealed the thousands of disturbing videos on YouTube that [target young viewers](#).

The videos [frequently depict](#) popular children's characters, but are often knockoffs made by obscure or anonymous producers instead of the studios that own the rights to the characters. The knockoff videos show those characters in lewd, violent, or disturbing scenarios, but YouTube lists them alongside the official videos from the characters' owners.

Following the revelations, [YouTube said](#) it would step up its efforts to prevent children from seeing that type of content by restricting access to inappropriate videos to users that are logged into the site and are older than 17. Any age-restricted videos are already automatically blocked from showing up in YouTube Kids, the company's app that's designed for children under 13.

November: Uber reveals it covered up a cyberattack that exposed the personal data of 57 million people.

Thomson Reuters

Uber paid hackers \$100,000 to cover up a 2016 cyberattack that exposed the personal data of 57 million people, including both riders and drivers, [Bloomberg's Eric Newcomer](#) reported in November.

The data breach, which occurred in October 2016, was not made

public until November when Uber [quietly published a blog post](#) about the incident.

Among the info stolen was trove of data including the names, emails, and phone numbers for 50 million riders globally, as well as the personal information of 7 million drivers. This included US drivers license numbers, but no Social Security numbers, according to Uber.

Two of the people responsible for Uber's handling of the breach are [no longer with the company](#) as a result of the findings.

November: EA's new "Star Wars Battlefront 2" angers fans.

EA

Game maker EA launched a gorgeous new "Star Wars" game in November called "Star Wars Battlefront 2." But well before the game was released, it became [embroiled in controversy](#).

While ["Battlefront 2" itself is a stunning game](#), that was overshadowed by the way the game implemented in-game purchases.

Players were able to buy currency within the game that could be spent on items like character enhancements. But people took issue with the fact that the game's developers tipped the scales in favor of people willing to spend more money, known among gaming fans as "pay to win."

On top of that, several major Star Wars characters — Princess Leia and Luke Skywalker included — weren't unlocked to begin with. Redditors soon discovered unlocking them would take hundreds of

hours.

As controversy swelled, an EA representative issued a statement on Reddit, but it only served to make fans angrier — it quickly became one of the most downvoted Reddit comments of all time. Soon after, EA dropped the in-game costs by 75%, then on the night before the game launched, dropped in-game purchases altogether — but said they'll return at a later date.

November: A dangerous security hole is discovered in the latest Mac software.

Getty

In November, [a security flaw was discovered](#) in the latest version of MacOS, called High Sierra.

On an up-to-date Mac, users could gain access to change protected settings in certain circumstances by telling the system their username is "root" and providing a blank password.

Apple quickly [released a software update](#) to fix the bug and said in a statement, "We greatly regret this error and we apologize to all Mac users, both for releasing with this vulnerability and for the concern it has caused. Our customers deserve better."

December: Apple admits it intentionally slowed down older iPhones.

Avery Hartmans/Business Insider

In December, [data from Geekbench](#) showed that Apple has been slowing down the processors on iPhones with older batteries, presumably to boost performance. The data fueled long-held

conspiracy theories that Apple purposely slows down older iPhones to sell new phones.

Apple ended up confirming that it began slowing down old phones last year, but says it did it for an altruistic reason: not to make older iPhones slower, but to help prevent them from suddenly turning off.

Still, Apple immediately faced [class-action lawsuits](#) filed by furious customers and [caused outrage](#), even among Apple's most loyal fans. Apple soon [issued an apology](#) and offered low-cost battery replacements for customers with an iPhone 6 or newer.

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