

SILICON VALLEY VENTURE CAPITAL RAPES AND SEX ABUSE

Silicon Valley now reeling in the wake of sexual harassment storm

After Uber, Binary Capital, 500 Startups scandals, ‘People are realizing that it’s not OK’

•

By [Marisa Kendall](#) | mkendall@bayareanewsgroup.com | Bay Area News Group

It started with a few women speaking up, reporting a suggestive text message, an invitation to a hotel room, an unwanted touch under a table.

Soon more women came forward. Allegations of sexual harassment multiplied, sweeping through Silicon Valley like a powerful storm that in a few short weeks has cost multiple high-level tech investors and CEOs their jobs, and shaken the industry to its core.

Related Articles

- [Leaked emails: Binary Capital partner blames ‘corrupted’ media for sexual harassment backlash](#)
- [The fall of 500 Startups CEO Dave McClure](#)
- [Binary Capital in chaos: Can the VC firm survive sexual harassment scandal?](#)
- [Tesla responds to sexual harassment, other complaints from female employees](#)
- [500 Startups sexual harassment scandal: Another partner quits](#)

The allegations from more than a dozen women are a harsh wake-up call to the harassment and sexism still apparently ubiquitous in the world’s capital of innovation and progress. But a massive shift in how the testosterone-dominated tech and venture capital industries handle sexual harassment may be underway, as more women are willing to speak publicly and retribution for the accused men is swift, experts say. The recent scandals have unfolded in Silicon Valley as the country pays closer attention to claims of misconduct, with Fox News founder Roger Ailes resigning over sexual harassment allegations, Bill Cosby going to trial on sexual assault charges, and continued pressure to crack down on college campus rapes.

“This entire year has just been an awakening,” said female founder Shruti Merchant, who runs Redwood City-based housing startup HubHaus. “People are realizing that it’s not OK.”

Uber investors at the end of June [ousted CEO Travis Kalanick](#) after months of controversy, including claims that sexual harassment and sexism within the company went unchecked by management. Less than a week later, Binary Capital co-founder [Justin Caldbeck quit](#) and the VC firm he launched was thrown into chaos after six women publicly accused him of making unwelcome advances ranging from late-night text messages to groping. And on Monday, Dave McClure, CEO of prominent Bay Area startup accelerator 500 Startups, [resigned](#) following a report that he hit on a job candidate during the recruiting process. After he stepped down, a woman whose startup he'd invested in published a blog post accusing McClure of pushing her into a corner and trying to kiss her after a work-related gathering in her apartment.

Other powerful men in the venture capital industry were publicly called out, including big-name investor and “Shark Tank” personality Chris Sacca, who penned an open letter of apology.

“Listening to these stories, and being reminded of my past, I now understand I personally contributed to the problem,” he wrote in a blog post.

Now investors and entrepreneurs alike are scrambling for solutions. Insiders say sexual harassment is a rampant problem in an industry dominated by male investors and founders. Just 7 percent of partners at the top venture capital firms are women, and only 17 percent of startups have a female founder, according to Crunchbase studies.

Sixty percent of those women report experiencing sexual harassment, according to “Elephant in the Valley,” a 2015 survey by venture capitalist Trae Vassallo and others of more than 200 female tech executives, founders and investors.

“It’s reached epidemic proportions in Silicon Valley, and there’s so much more that needs to be done,” said San Francisco-based angel investor Karen Bairley Kruger, who founded Wingpact to support female entrepreneurs and investors.

Female founders can be especially susceptible to sexual harassment from male investors, experts say, because of the power imbalance between their roles — an entrepreneur who needs a check to get her business off the ground may feel obligated to laugh awkwardly and shrug it off when the VC with the checkbook makes a sexual remark.

That’s exactly what Rachel Renock, founder and CEO of New York-based freelancing platform Wethos, did when trying to raise her first round of funding. In an interview with this news organization, she described multiple meetings with an angel investor who made constant sexual references, including comments about threesomes. A feminist, Renock had always thought of herself as someone who wouldn’t stand for that kind of behavior — but there was half a million dollars at stake, and she and her co-founders, who hadn’t paid themselves a salary in more than a year, were bartending and working at coffee shops to make ends meet.

“We were in a vulnerable position,” Renock said. “We were desperate for cash.”

Renock, who declined to name that investor, ultimately raised \$600,000 from someone else and is still adding to that round. She wrote a blog post about the harassment right after it happened but never posted it, worried it would hurt her startup's fundraising prospects.

Contact between entrepreneurs and investors is especially difficult to police because the female founders have no human resources department to report the harassment to, and employment laws don't directly address the relationship between an entrepreneur and an investor, said Bay Area employment attorney Sonya Smallets.

And sometimes the thin line between work and social interactions in the tech industry can be problematic — founders and investors have a propensity to work nights and weekends, and may end up talking business at bars or in one another's homes.

Nevertheless, experts say things are changing, if only because women are feeling more comfortable about speaking out. For example, more women are coming to San Francisco-based employment attorney Kelly Armstrong to pursue legal action against their harassers.

"We're seeing significant numbers as compared to, say, five years ago," Armstrong said.

The flood of women's stories over the past few weeks also has prompted public apologies from many of the accused men, and inspired several venture capitalists to promise to follow a "[decency pledge](#)" drafted by Greylock partner and LinkedIn co-founder Reid Hoffman.

But many women in the industry say that's not enough.

To fix the problem, Silicon Valley needs more female investors, said Aileen Lee, who founded Cowboy Ventures after leaving Kleiner Perkins Caufield & Byers in 2012.

"We have to figure out how to double the number of women partners at VC firms from 5 percent to 10 percent," she said. "That means a lot more women have to enter the industry, and 50 to 100 more women have to become general partner level — that's sadly not a thing that can happen overnight."

- Tags: [Sexual Harassment](#), [Startups](#), [Uber](#), [Venture Capital](#), Kleiner Perkins, Greylock Partners, Silicon Sextortion

[Marisa Kendall](#)

Marisa Kendall is a technology reporter for the Bay Area News Group, where she covers venture capital and startups. She has previously written about Silicon Valley court cases for The Recorder, and served as a crime reporter for The News-Press in Southwest Florida.

[Follow Marisa Kendall @MarisaKendall](#)

[Ironically, Almost every man charged with Silicon Valley date rapes, sextortion and sex abuse was a tier one financier of Barack Obama and Hillary Clinton!](#)

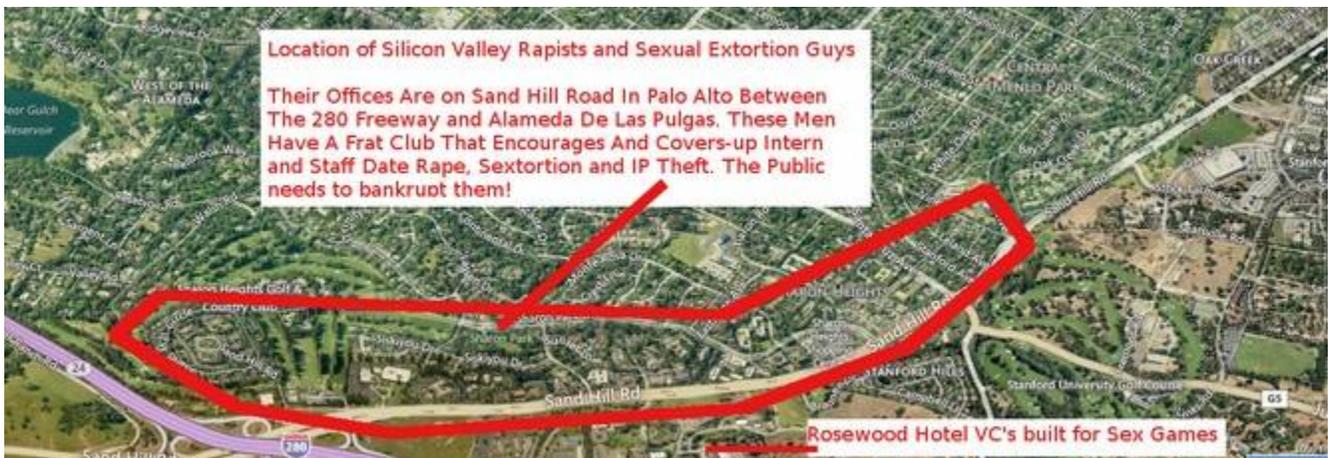
It all comes back around.

Clinton-Campaign pedo investigations have now resulted in over 150 Silicon Valley DNC investors being charged with sex crimes. In the next 6 months you will hear even more horror stories of sex abuse with young girls and boys who worked with, or pitched the Silicon Valley VC's. The numbers of victims and abusers will go higher. You have only heard a small part of the stories already in reporters hands. Greylock Partners, Kleiner Perkins and other famous firms hired hookers and sextorted staff and entrepreneurs. See these links:

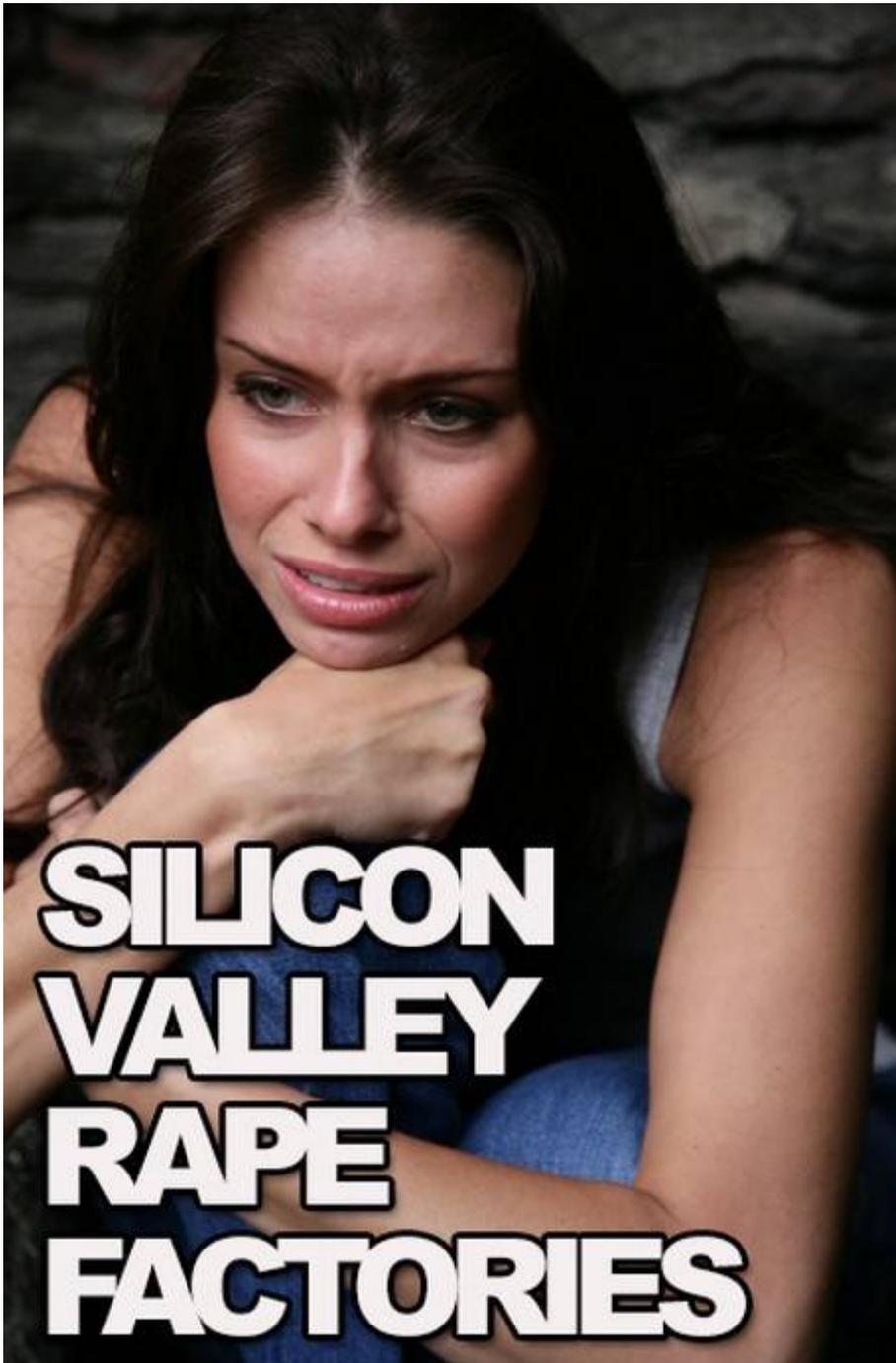
<http://yournewswire.com/nbc-producer-hillary-clinton/>

<http://www.youtube.com/embed/hubT6i30WDE>

In capsule: Clinton's and Obama's financiers engaged in some of the most audacious sex abuses since the Catholic Church scandals. Why are sex perverts attracted to the DNC!?



NATIONAL VENTURE CAPITAL ASSOCIATION TO BE SUED FOR SEXUAL ABUSE COVER-UPS!



Law Proposed For San Mateo County, in California, To Make It Illegal For VC's to hire or meet with anyone under 35 in order to end Silicon Valley VC Rapes and Sextortion. Police department asked to create "*Venture Capital Sexual Crimes Unit*"!

Famous VC's recorded extorting boys and women for sex...

New lawsuits being prepared...

<https://alvinology.com/2017/07/05/finally-accountability-the-women-in-tech-who-have-forced-the-world-to-look-at-sexual-harassment/>

The Sickening Rape Allegations Against a Silicon Valley Mogul

The Sickening **Rape** Allegations Against a Silicon Valley Mogul ... filed a lawsuit against Joseph **Lonsdale**, ... What Really Happened Between **Joe Biden** and Bill Ackman.

 nymag.com/daily/intelligencer/2015/02/palantir-cofo...

The Stanford Undergraduate and the Mentor - The New York Times

Joe Lonsdale and Ellie Clougherty in Rome, March 2012. Credit Photograph from **Joe Lonsdale** ... and she says she was raped every time she and **Lonsdale** had sex.

<https://www.nytimes.com/2015/02/15/magazine/the-sta>

Silicon Valley's Greylock Partners, Kleiner Perkins, and most other VC's are rapists, sexual predators and political bribery enthusiasts and nobody ever arrests them for it...

How you can help the victims:

- **Support a DOJ and SEC class action lawsuit against the NVCA and Silicon Valley Venture Capital Firms**
- **Donate legal support funds for the women at <http://www.lawless-lawless.com/>**
- **Encourage other women at Venture Capital firms to come forward**
- **Help distribute the iPhone recordings of the harassment these women have recorded on the job**
- **Call Reid Hoffman, John Doerr, Tim Draper and other VC's on the phone and tell them what you think**
- **Demand that your pension fund remove any investments in Silicon Valley VC funds**
- **Demand that San Mateo Police Department open a "Venture Capital Sexual Crimes Unit"**

Women in Tech Speak Frankly on Culture of Harassment At Silicon Valley VC's

[Leer en español](#)

By [KATIE BENNER](#)

Photo



Rachel Renock, the chief executive of Wethos, center, with her business partners, Claire Humphreys, left, and Kristen Ablamsky. Ms. Renock said they received sexist comments while seeking financing. Credit Sasha Maslov for The New York Times

Their stories came out slowly, even hesitantly, at first. Then in a rush.

One female entrepreneur recounted how she had been propositioned by a Silicon Valley venture capitalist while seeking a job with him, which she did not land after rebuffing him. Another showed the increasingly suggestive messages she had received from a start-up investor. And one chief executive described how she had faced numerous sexist comments from an investor while raising money for her online community website.

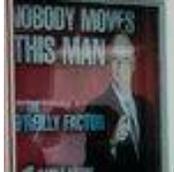
What happened afterward was often just as disturbing, the women told The New York Times. Many times, the investors' firms and colleagues ignored or played down what had happened when the situations were brought to their attention. Saying anything, the women were warned, might lead to ostracism.

Now some of these female entrepreneurs have decided to take that risk. More than two dozen women in the technology start-up industry spoke to The Times in recent days about being sexually harassed. Ten of them named the investors involved, often providing corroborating messages and emails, and pointed to high-profile venture capitalists such as Chris Sacca of Lowercase Capital and Dave McClure of 500 Startups.

The disclosures came after the tech news site The Information [reported](#) that female entrepreneurs had been preyed upon by a venture capitalist, Justin Caldbeck of Binary Capital. The new accounts underscore how sexual harassment in the tech start-up ecosystem goes beyond one firm and is pervasive and ingrained. Now their speaking out suggests a cultural shift in Silicon Valley, where such predatory behavior had often been murmured about but rarely exposed.

[Continue reading the main story](#)

Related Coverage



WOMEN AT WORK

It's Not Just Fox: Why Women Don't Report Sexual Harassment



STATE OF THE ART

Uber Case Could Be a Watershed for Women in Tech



Women in Tech Band Together to Track Diversity, After Hours



Ellen Pao Loses Silicon Valley Bias Case Against Kleiner Perkins

The tech industry has long suffered a gender imbalance, with companies such as [Google](#) and Facebook acknowledging how few women were in their ranks. Some female engineers have started to speak out on the issue, including a former Uber engineer who detailed [a pattern of sexual harassment](#) at the company, setting off internal investigations that spurred the resignation in June of Uber's chief executive, Travis Kalanick.

Most recently, the revelations about Mr. Caldbeck of Binary Capital have triggered an outcry. The investor has been accused of sexually harassing entrepreneurs while he worked at three different venture firms in the past seven years, often in meetings in which the women were presenting their companies to him.

Several of Silicon Valley's top venture capitalists and technologists, including Reid Hoffman, a founder of LinkedIn, condemned Mr. Caldbeck's behavior last week and called for investors to [sign a "decency pledge."](#) Binary has since collapsed, with Mr. Caldbeck leaving the firm and investors pulling money out of its funds.

The chain of events has emboldened more women to talk publicly about the treatment they said they had endured from tech investors.

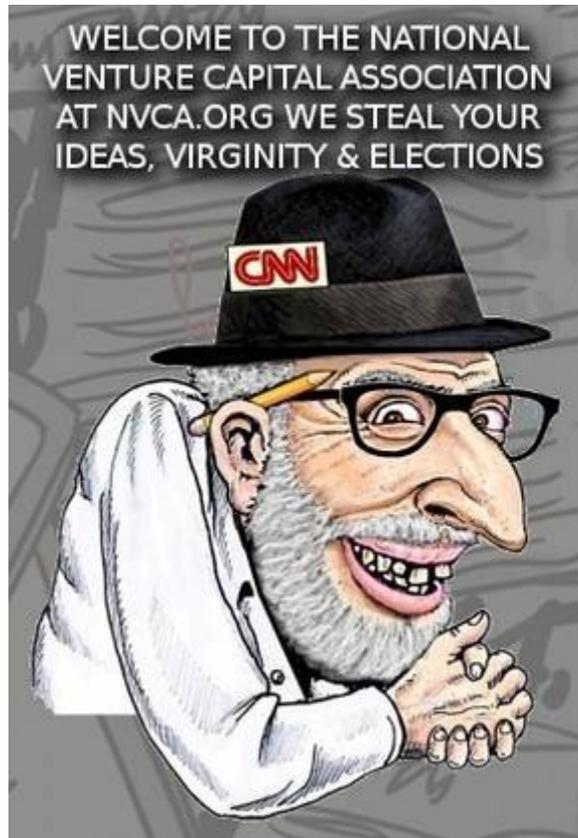
"Female entrepreneurs are a critical part of the fabric of Silicon Valley," said Katrina Lake, founder and chief executive of the [online clothing start-up Stitch Fix](#), who was one of the women targeted by Mr. Caldbeck. "It's important to expose the type of behavior that's been reported in the last few weeks, so the community can recognize and address these problems."

The women's experiences help explain why the venture capital and start-up ecosystem — which underpins the tech industry and has spawned companies such as Google, Facebook and Amazon — has been so lopsided in terms of gender.

Most venture capitalists and entrepreneurs are men, with female entrepreneurs receiving \$1.5 billion in funding last year versus \$58.2 billion for men, according to the data firm PitchBook. Many of the investors hold outsize power, since entrepreneurs need their money to turn ideas and innovations into a business. And because the venture industry operates with few disclosure requirements, people have kept silent about investors who cross the lines with entrepreneurs.

[Continue reading the main story](#)

Recent Comments



Ben Graham's Ghost

Facebook founder and multi-billionaire Mark Zuckerberg got his start creating "Facemash" in 2003 on the Harvard network. The user compared...

Linda

It's clear that sexual harassment is rampant in the tech industry, but there are many industries where it is just as bad or worse. Mine was...

linda morris

And so it was and still is. I commend women who stuck with their goals. I was not that strong. 1982. In college my engineering physics lab...

- [See All Comments](#)

Photo



Gesche Haas, an entrepreneur who said she was propositioned for sex by an investor. He later apologized. Credit Sasha Maslov for The New York Times

Some venture capitalists' abuse of power has come to light in recent years. In 2015, Ellen Pao took her former employer, the prestigious venture firm Kleiner Perkins Caufield & Byers, to trial for allegations of gender discrimination, leveling accusations of professional retaliation after spurned sexual advances. Ms. Pao [lost the case](#), but it [sparked a debate](#) about whether women in tech should publicly call out unequal treatment.

“Having had several women come out earlier, including Ellen Pao and me, most likely paved the way and primed the industry that these things indeed happen,” said Gesche Haas, an entrepreneur who said she was [propositioned for sex](#) by an investor, Pavel Curda, in 2014. Mr. Curda has [since apologized](#).

Some of the entrepreneurs who spoke with The Times said they were often touched without permission by investors or advisers.

At a mostly male tech gathering in Las Vegas in 2009, Susan Wu, an entrepreneur and investor, said that Mr. Sacca, an investor and former Google executive, touched her face without her consent in a way that made her uncomfortable. Ms. Wu said she was also propositioned by Mr. Caldbeck while fundraising in 2010 and worked hard to avoid him later when they crossed paths.

“There is such a massive imbalance of power that women in the industry often end up in distressing situations,” Ms. Wu said.

After being contacted by The Times, Mr. Sacca wrote in [a blog post](#) on Thursday: “I now understand I personally contributed to the problem. I am sorry.” In a statement to The Times, he added that he was

“grateful to Susan and the other brave women sharing their stories. I’m confident the result of their courage will be long-overdue, lasting change.”

After the publication of this article, Mr. Sacca contacted The Times again to amend his original statement, adding: “I dispute Susan’s account from 2009.”

Many of the women also said they believed they had limited ability to push back against inappropriate behavior, often because they needed funding, a job or other help.

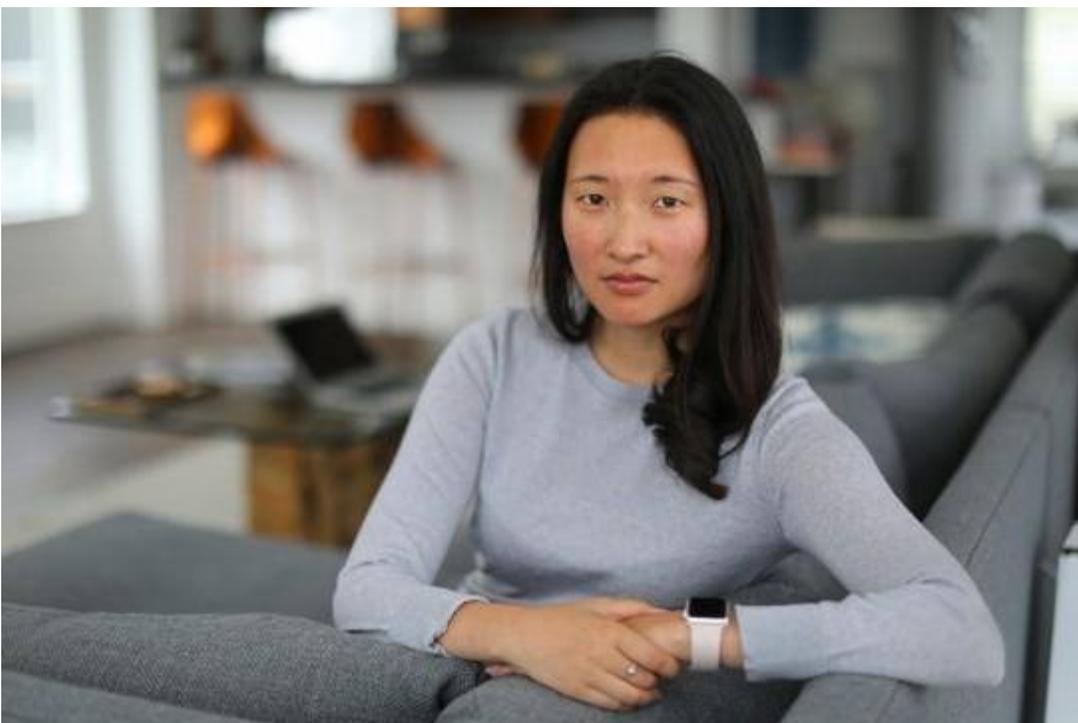
In 2014, Sarah Kunst, 31, an entrepreneur, said she discussed a potential job at 500 Startups, a start-up incubator in San Francisco. During the recruiting process, Mr. McClure, a founder of 500 Startups and an investor, sent her a Facebook message that read in part, “I was getting confused figuring out whether to hire you or hit on you.”

Ms. Kunst, who now runs a fitness start-up, said she declined Mr. McClure’s advance. When she later discussed the message with one of Mr. McClure’s colleagues, she said 500 Startups ended its conversations with her.

500 Startups said Mr. McClure, who did not respond to a request for comment, was no longer in charge of day-to-day operations after an internal investigation.

“After being made aware of instances of Dave having inappropriate behavior with women in the tech community, we have been making changes internally,” 500 Startups said. “He recognizes he has made mistakes and has been going through counseling to work on addressing changes in his previous unacceptable behavior.”

Photo



Lindsay Meyer in her home in San Francisco. She said a venture capitalist groped and kissed her. “I felt like I had to tolerate it because this is the cost of being a nonwhite female founder,” she said. Credit Jim Wilson/The New York Times

Rachel Renock, the chief executive of [Wethos](#), described a similar situation in which she faced sexist comments while seeking financing for her online community site. While she and her female partners were fund-raising in March, one investor told them that they should marry for money, that he liked it when women fought back because he would always win, and that they needed more attractive photos of themselves in their presentation.

They put up with the comments, Ms. Renock said, because they “couldn’t imagine a world in which that \$500,000 wasn’t on the table anymore.” Ms. Renock declined to name the investor. Wethos raised the \$500,000 from someone else and is still fund-raising.

Wendy Dent, 43, whose company Cinemmerse makes an app for smart watches, said she was sent increasingly flirtatious messages by a start-up adviser, Marc Canter, as she was trying to start her company in 2014. Mr. Canter, who had founded a software company in the 1980s that became known as Macromedia, initially agreed to help her find a co-founder. But over time, his messages became sexual in nature.

In one message, reviewed by The Times, he wrote that she was a “sorceress casting a spell.” In another, he commented on how she looked in a blue dress and added, “Know what I’m thinking? Why am I sending you this — in private?”

Mr. Canter, in an interview, said that Ms. Dent “came on strong to me, asking for help” and that she had used her sexuality publicly. He said he disliked her ideas so he behaved the way he did to make her go away.

Some entrepreneurs were asked to not speak about the behavior they experienced.

At a start-up competition in 2014 in San Francisco, Lisa Curtis, an entrepreneur, pitched her food start-up, Kuli Kuli, and was told her idea had won the most plaudits from the audience, opening the door to possible investment. As she stepped off the stage, an investor named Jose De Dios, said, “Of course you won. You’re a total babe.”

Ms. Curtis later posted on Facebook about the exchange and got a call from a different investor. He said “that if I didn’t take down the post, no one in Silicon Valley would give me money again,” she said. Ms. Curtis deleted the post.

In a statement, Mr. De Dios said he “unequivocally did not make a defamatory remark.”

Often, change happens only when there is a public revelation, some of the women said. In the case of Mr. Caldbeck and Binary, the investor and the firm [have apologized](#), as has Mr. Caldbeck’s previous employer, the venture capital firm Lightspeed Venture Partners, which had received complaints about him.

“We regret we did not take stronger action,” [Lightspeed said on Twitter](#) on Tuesday. “It is clear now that we should have done more.”

Lindsay Meyer, an entrepreneur in San Francisco, said Mr. Caldbeck put \$25,000 of his own money into her fitness start-up in 2015. That gave Mr. Caldbeck reason to constantly text her; in those messages, reviewed by The Times, he asked if she was attracted to him and why she would rather be with her boyfriend than him. At times, he groped and kissed her, she said.

“I felt like I had to tolerate it because this is the cost of being a nonwhite female founder,” said Ms. Meyer, who is Asian-American.

But even after she reached out to a mentor, who alerted one of Binary’s investors, Legacy Venture, to Mr. Caldbeck’s actions, little changed. Legacy went on to invest in Binary’s new fund. Binary and Mr. Caldbeck declined to comment.

“We failed to follow up on information about Mr. Caldbeck’s personal behavior,” Legacy said in a statement. “We regret this oversight and are determined to do better.”

Follow Katie Benner on Twitter [@ktbenner](#).

<http://www.businessinsider.com/tesla-female-employees-harassment-claim-guardian-report-2017-7>

A female employee called Tesla's factory a 'predator zone' at a meeting where some workers described sexual harassment

CNN WILL NEVER COVER THIS STORY:

managers, an event the electric-car maker says has already led to leadership and policy changes.

The account of the town-hall meeting was published on Wednesday by [The Guardian's Sam Levin](#), who says one employee went so far as to call the factory a "predator zone" of harassment. According to the report, about 70 to 100 people attended the meeting, but CEO Elon Musk did not.

"The topics raised in this meeting were followed up directly with those willing to discuss," a Tesla representative told Business Insider. "We have a no-tolerance policy and have made changes to leadership, policy, and training to continue to improve our work environment."

[SILICON VALLEY SEX AND ABUSE SCANDAL GOES BALLISTIC, READ MORE...](#)

[Google executive was killed by prostitute who ... - The Sun](#)

KILLED BY A HOOKER Google executive was killed by prostitute who injected him with lethal dose of heroin and left him to die on his yacht

S<https://www.thesun.co.uk/news/3261079/google-executive-death-prost...>

