

The Tectopus: How Silicon Valley's Most Celebrated CEOs Conspired to Drive Down 100,000 Tech Engineers' Wages | Pando

By Mark Ames

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In early 2005, as demand for Silicon Valley engineers began [booming](#), Apple's Steve Jobs sealed a secret and illegal pact with Google's Eric Schmidt to artificially push their workers wages lower by agreeing not to recruit each other's employees, sharing wage scale information, and punishing violators. On February 27, 2005, Bill Campbell, a member of Apple's board of directors and [senior advisor](#) to Google, emailed Jobs to confirm that Eric Schmidt "got directly involved and firmly stopped all efforts to recruit anyone from Apple."

Later that year, Schmidt instructed his Sr VP for Business Operation Shona Brown to keep the pact a secret and only share information "verbally, since I don't want to create a paper trail over which we can be sued later?"

These secret conversations and agreements between some of the biggest names in Silicon Valley were first exposed in a Department of Justice antitrust [investigation](#) launched by the Obama Administration in 2010. That DOJ suit became the basis of a [class action lawsuit](#) filed on behalf of over 100,000 tech employees whose wages were artificially lowered — an [estimated \\$9 billion](#) effectively stolen by the high-flying companies from their workers to pad company earnings — in the second half of the 2000s. Last week, the 9th Circuit Court of Appeals denied attempts by Apple, Google, Intel, and Adobe to have the lawsuit tossed, and gave final approval for the class action suit to go forward. A jury trial date has been set for May 27 in San Jose, before US District Court judge Lucy Koh, who presided over the Samsung-Apple patent suit.

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