

White House announces Oracle Corporation as “trusted tech partner” of TikTok

Kevin Reed
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Business news sources began reporting on Sunday evening that California-based software services and technology giant Oracle Corporation had been selected by the Chinese-owned social media platform TikTok as its “trusted tech partner” in the US.

The *Wall Street Journal* reported, “Oracle Corp. won the bidding for the US operations of the video-sharing app TikTok, people familiar with the matter said, beating out Microsoft Corp. in a high-profile deal to salvage a social-media sensation that has been caught in the middle of a geopolitical standoff.”

On Monday morning, the preliminary deal was confirmed by Treasury Secretary Steven Mnuchin, who said his office received a bid from Oracle to take over TikTok’s US operations over the weekend. Mnuchin also said the proposal had yet to be reviewed and approved by the White House.

Mnuchin told CNBC that two aspects of the deal will be examined. The first is by the Treasury Department’s Committee on Foreign Investment in the US (CFIUS) which brokered the deal. The second “is the national security review under the president’s executive order.”

President Trump issued an emergency order on August 6 demanding that the China-based ByteDance divest itself of TikTok on the unsubstantiated grounds that the company was turning over “Americans’ personal and proprietary information” to the Chinese intelligence state.

Mnuchin said that the President’s executive order specified that the acquisition of TikTok had to be completed by September 20 in order prevent a shutdown of the tremendously popular short-form video sharing app, not by September 15 as had been previously stated by the President. It is estimated that TikTok has 100 million users in the US, nearly two-thirds of them under the age of 30.

Mnuchin also claimed that the Oracle plan included a commitment “to create TikTok Global as a US-headquartered company with 20,000 new jobs.”

From the beginning of the anti-Chinese campaign against TikTok, references to national security have been a top priority for the administration. As Mnuchin explained on CNBC, “From our standpoint, we’ll need to make sure that the code is, one, secure, Americans’ data is secure, that the phones are secure, and we’ll be looking to have discussions with Oracle over the next few days with our technical teams.”

Mnuchin’s comments on CNBC—which assumed the features of a public relations damage control operation—raised many more questions than they answered. He did not explain why a TikTok technology partnership with Oracle has been announced instead of a purchase of the assets of the social media platform from ByteDance as originally demanded by Trump. Mnuchin also would not explain why it was that Oracle beat out Microsoft, an early front runner in the negotiations for the TikTok deal.

He said, “I don’t want to go into the details of the negotiation. I would say there has always been a critical factor for us driving national security is making sure that the technology on American’s phones is safe and make sure that it is not corrupt.” He added that Oracle’s proposal included “many representations for national security issues.”

By mid-August, President Trump made it clear that he favored Oracle in any TikTok deal. On August 18, Trump said, “I think Oracle is a great company, and I think its owner [Larry Ellison] is a tremendous guy. He’s a tremendous person. I think that Oracle would be certainly somebody that could handle it.”

Oracle’s CEO Ellison, a fervent Trump supporter, is the fifth wealthiest person in the US, with \$72 billion in

personal net worth. That Trump and Mnuchin were able to maneuver the deal in Ellison's direction lends the entire affair the distinct odor of high-level corruption. Oracle's stock value jumped 8 percent on Wall Street on news of the deal, or approximately \$15 billion. Ellison owns 35 percent of company stock and personally made \$5 billion in one day.

Ellison is also a supporter of the US intelligence state and went on record in the aftermath of the 2013 revelations by Edward Snowden of unconstitutional mass government surveillance of the public, saying that the National Security Agency programs are "absolutely essential."

With Ellison's record of support for illegal spying combined with the emphasis on "national security" concerns—including the massive amounts of personal data the Trump administration claims the social media app can gather about users—there is every reason to believe that the new TikTok Global is being created as a platform for international NSA intelligence gathering. TikTok is available globally in 150 markets, in 39 languages and with 500 million users.

It appears that the Oracle deal has been announced as a partnership due at least in part to the intervention of the Chinese Ministry of Commerce last week, which changed economic policies to prevent the export of key software such as AI and software algorithms, both of which represent the core technologies of TikTok.

Any deal that does not involve the complete divestiture of all the assets of TikTok and leaves the sophisticated video recommendation engine as property of ByteDance undermines the bogus national security claims of the Trump administration and, thereby, exposes the real purpose of the campaign in the first place: to whip up anti-China fears and xenophobic hatred in the run-up to the 2020 elections.



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