OpenAI board of directors ousts company co-founder and CEO Sam Altman

Kevin Reed
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Sam Altman, co-founder and CEO of OpenAI, the pioneering artificial intelligence company that released ChatGPT one year ago, was removed by the company board of directors on Friday.

OpenAI's four-member board of directors has not revealed the philosophical, strategic, political, or financial differences they had with Altman. But their action has precipitated a power struggle between major corporations over control over the AI market, currently valued at $100 billion but likely to grow in size to trillions of dollars over the coming years and radically transform all aspects of economic life.

In a blog post, the company said Altman "will depart as CEO and leave the board of directors," after "a deliberative review process by the board, which concluded that he was not consistently candid in his communications with the board." The statement added that the board "no longer has confidence" that Altman is able to lead OpenAI.

The company post quoted from a statement by the board which said OpenAI was committed to its mission to ensure that artificial general intelligence "benefits all humanity." The board said a new leadership was needed at OpenAI and that company chief technology officer, Mira Murati, would serve as interim CEO effective immediately.

The OpenAI board of directors is made up of Russian-born Israeli-Canadian company co-founder and chief scientist Ilya Sutskever; the cofounder of Quora and former chief technology officer of Facebook Adam D'Angelo; technology entrepreneur and senior management scientist at Rand Corporation Tasha McCauley; and director of strategy and foundational research at the Georgetown Center for Security and Emerging Technology Helen Toner.

OpenAI co-founder and President Greg Brockman quit the company and posted a message on X/Twitter late Friday night that said, "Sam and I are shocked and saddened by what the board did today."

Brockman said that he and Altman were "still trying to figure out exactly what happened." He then outlined that Altman received a text from Sutskever asking for a meeting at noon on Friday. "Sam joined a Google Meet and the whole board, except Greg, was there. Ilya told Sam he was being fired and that the news was going out very soon," Brockman wrote.

His post went on, "At 12:23pm, Ilya sent a Google Meet link. Greg was told that he was being removed from the board (but was vital to the company and would retain his role) and that Sam had been fired. Around the same time, OpenAI published a blog post."

According to a report by *The Information*, Sutskever told employees at an emergency staff meeting on Friday afternoon, "This was the board doing its duty to the mission of the nonprofit, which is to make sure that OpenAI builds AGI that benefits all of humanity."

An internal memo written by OpenAI chief operating officer Brad Lightcap was shared with *Axios*. Lightcap states that the firing of Altman "was not made in response to malfeasance or anything related to our financial, business, safety, or security/privacy practices. This was a breakdown in communication between Sam and the board."

The memo says further that the announcement to fire Altman "took all of us by surprise," and "We are fully focused on handling this, pushing toward resolution and clarity, and getting back to work."

However, on Monday, more than 700 of 770 OpenAI employees signed a letter denouncing the removal of Altman and demotion of Brockman. The letter states, "The process through which you terminated Sam Altman and removed Greg Brockman from the board

has jeopardized all of this work and undermined our mission and company. Your conduct has made it clear you did not have the competence to oversee OpenAI."

The letter concluded with a demand from the employees that they would leave the company and go to work for Microsoft, "unless all current board members resign, and the board appoints two new lead independent directors, such as Bret Taylor and Will Hurd, and reinstates Sam Altman and Greg Brockman." The first name on the list of signees is Mira Murati, the executive tapped by the board to replace Altman.

On Sunday, the *Wall Street Journal* reported that leading shareholders of OpenAI, such as Microsoft and the venture firm Thrive Capital, "are helping orchestrate the efforts to reinstate Altman." The *Journal* report said the "exact reason for Altman's firing couldn't be determined," although "tensions boiled for weeks around the rapid expansion of OpenAI's commercial offerings, which some board members felt violated the company's initial charter to develop safe AI."

The preview release by OpenAI of ChatGPT, a free prototype of a text-based human conversation simulator, was released on November 30, 2022, and quickly became one of the most rapidly adopted and widely used platforms in the history of computer technology. It is estimated that there are presently 180.5 million users of ChatGPT, and it is being used to automate the creation of online graphics and text content, software programming and customer service functions.

OpenAI, a private company backed by a major investment from Microsoft, has an estimated market value of $90 billion.

Whatever the specific reasons for the conflict at OpenAI, the development of artificial intelligence tools—which have begun to weave their transformative impact into every sector of the economy on a world scale—is producing an intense battle within the ruling class over how they will be used and who will control them.

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