Couple allegedly tricked AI investors into funding wedding, houses

To further the alleged scheme, he “often described non-existent revenue, inflated cash balances,” and “otherwise exaggerated customer relationships,” the US Attorney’s Office said, to convince investors to spend millions. As Beckman’s accomplice, Lau allegedly manipulated documents, including documents allegedly stolen from the venture capital firm that employed her while supposedly hiding her work for GameOn.

The scheme apparently also included forging audits and bank statements, as well as using “the names of at least seven real people—including fake emails and signatures—without their permission to distribute false and fraudulent GameOn financial and business information and documents with the intent to defraud GameOn and its investors,” the US Attorney’s Office said.

At perhaps the furthest extreme, Lau allegedly falsified account statements, including once faking a balance of over $13 million when that account only had $25 in it. The FBI found that GameOn’s revenues never exceeded $1 million in any year, while Beckman allegedly inflated sales to investors, including claiming that sales in one quarter in 2023 got as high as $72 million.

Beckman and Lau allegedly went to great lengths to hide the scheme while diverting investor funds to their personal accounts. While GameOn employees allegedly sometimes went without paychecks, Beckman and Lau allegedly stole funds to buy expensive San Francisco real estate and pay for their

wedding in 2023. If convicted, they may be forced to forfeit a $4.2 million house, a Tesla Model X, and other real estate and property purchased with their allegedly ill-gotten gains, the indictment said.

It took about five years for the cracks to begin to show in Beckman's scheme. Beginning in 2023, Beckman increasingly started facing "questions about specific customers and specific revenue from those customers," the indictment said. By February 2024, Beckman at last "acknowledged to at least one GameOn consultant" that a flagged audit report "did not contain accurate financial information," but allegedly, he "attempted to shift blame to others for the inaccuracies."

https://arstechnica.com/tech-policy/2025/01/ai-startup-founder-allegedly-faked-profits-to-trick-investors-buy-fancy-houses/

ISP failed to comply with New York's $15 broadband law—until Ars got involved

"Our materials have been updated, including all internal documents and trainings, in addition to our external website," Optimum told us on Wednesday this week.

Law was in the works for years

Broadband lobby groups convinced a federal judge to block the New York affordability law in 2021, but a US appeals court

reversed the ruling in April 2024. The Supreme Court decided not to hear the case in mid-December, allowing the law to take effect.

New York had agreed to delay enforcement until 30 days after the case's final resolution, which meant that it took effect on January 15. The state issued an order on January 9 reminding ISPs that they had to comply.

"We have been working as fast as we can to update all of our internal and external materials since the ABA was implemented only last week—there was quite a fast turnaround between state officials notifying us of the intended implementation date and pushing this live," Optimum told Ars.

AT&T decided to completely stop offering its 5G home Internet service in New York instead of complying with the state law. The law doesn't affect smartphone service, and AT&T doesn't offer wired home Internet in New York.

Optimum told us it plans to market its low-income plan "more broadly and conduct additional outreach in low-income areas to educate customers and prospects of this offer. We want to make sure that those eligible for this plan know about it and sign up."

O'Brien was disappointed that he couldn't get a faster service plan. As noted earlier, the New York law lets ISPs comply with either a $15 plan with download speeds of at least 25Mbps or a $20 plan with at least 200Mbps speeds. ISPs don't have to offer both.

"I did ask about 200Mbps service, but they said they are not offering that," he said. Optimum offers a $25 plan with 100Mbps speeds for low-income users. But even in New York, that one still isn't available to customers who were already subscribed to any other plan.

Failure to comply with the New York law can be punished with

civil penalties of up to $1,000 per violation. The state attorney general can sue Internet providers to enforce the law. O’Brien said he intended to file a complaint against Optimum with the AG and is still hoping to get a 200Mbps plan.

We contacted Attorney General Letitia James’ office on Wednesday to ask about plans for enforcing the law and whether the office has received any complaints so far, but we haven’t gotten a response.

https://arstechnica.com/tech-policy/2025/01/isp-failed-to-comply-with-new-yorks-15-broadband-law-until-ars-got-involved/

Apple must face suit over alleged policy of underpaying female workers

While some of Apple’s defense was deemed “demonstrably inaccurate” and most of its arguments “insufficient,” Apple did successfully argue against efforts to seize back pay for former female employees no longer working for Apple who were seemingly also impacted by allegedly sexist policies implemented in 2020. That claim must be dropped as the proposed class action moves forward.

Additionally, another claim alleging pay disparity that was linked to racial discrimination was suspended. But the Apple worker suing, Zainab Bori, will have a chance to amend her claim that she was fired as retaliation for filing a

discrimination complaint. It could survive if she adds currently missing evidence that "she suffered an adverse employment action" while working under a manager with an alleged "history of negative interactions with African American employees," Schulman's order said.

Apple did not immediately respond to Ars' request for comment.

In a press release sent to Ars, Eve Cervantez, a lawyer representing Apple workers suing, celebrated the court's ruling.

"I am really pleased with today's ruling," Cervantez said. "This start low, stay low practice has been a no-win situation for women working at Apple for years. So, I'm glad they will have their day in court."

Apple accused of ignoring hostile work environment

For Justina Jong—whom the complaint noted joined Apple in 2013 and has helped lead "cross-functional teams that improve the App Review experience for global app developers"—this week's win might be particularly encouraging after Apple allegedly refused to take her experience with sexual harassment seriously.

Jong has alleged that in 2019, Blaine Weilert, a senior member of an Apple talent development team, touched her in a sexually suggestive manner without consent. Although Weilert admitted to the act and was disciplined, Apple tried and failed to argue this was a one-time offense that didn't constitute a hostile work environment or warrant Jong's repeated requests to be moved away from Weilert in Apple's offices.

https://arstechnica.com/tech-policy/2025/01/apple-must-face-suit-over-alleged-policy-of-underpaying-female-workers/

Trump admin fires security board investigating Chinese hack of large ISPs

“Effective immediately, the Department of Homeland Security will no longer tolerate any advisory committee[s] which push agendas that attempt to undermine its national security mission, the President’s agenda or Constitutional rights of Americans,” the DHS statement said.

The Cyber Safety Review Board operates under the DHS’s Cybersecurity and Infrastructure Security Agency (CISA), which has been criticized by Republican lawmakers for allegedly trying to “surveil and censor Americans’ speech on social media.”

Democrat: Board will be stacked with Trump loyalists

A Democratic lawmaker said that Trump appears ready to stack the Cyber Safety Review Board with “loyalists.” House Committee on Homeland Security Ranking Member Bennie Thompson (D-Miss.) made the criticism in his opening statement at a hearing today.

“Before I close, I would also like to express my concern regarding the dismissal of the non-government members of advisory committees inside the Department, including the Cyber Safety Review Board and the CISA Advisory Committee,”

Thompson's statement reads. "The CSRB is in the process of investigating the Salt Typhoon hack of nine major telecommunications companies, and it is a national security imperative that the investigation be completed expeditiously. I am troubled that the President's attempt to stack the CSRB with loyalists may cause its important work on the Salt Typhoon campaign to be delayed."

Thompson said Republicans have been trying to shut down CISA over "false allegations and conspiracy theories." The conservative Heritage Foundation's Project 2025 alleged that "CISA has devolved into an unconstitutional censoring and election engineering apparatus of the political Left."

The DHS memo dismissing board members was published yesterday by freelance cybersecurity reporter Eric Geller, who quoted an anonymous source as saying the Cyber Safety Review Board's review of Salt Typhoon is "dead." Geller wrote that other advisory boards affected by the mass dismissal include the Artificial Intelligence Safety and Security Board, the Critical Infrastructure Partnership Advisory Council, the National Security Telecommunications Advisory Committee, the National Infrastructure Advisory Council, and the Secret Service's Cyber Investigations Advisory Board.

"The CSRB was 'less than halfway' done with its Salt Typhoon investigation, according to a now-former member," Geller wrote. The former member was also quoted as saying, "There are still professional staff for the CSRB and I hope they will continue some of the work in the interim."

House Committee on Homeland Security Chairman Mark Green (R-Tenn.) told Nextgov/FCW that "President Trump's new DHS leadership should have the opportunity to decide the future of the Board. This could include appointing new members, reviewing its structure, or deciding if the Board is the best way to examine cyber intrusions."

https://arstechnica.com/tech-policy/2025/01/trump-admin-fires-homeland-security-advisory-boards-blaming-agendas/

TikTok is mostly restored after Trump pledges an order and half US ownership

At a rally Sunday, he did not clarify if this meant a US-based business or the government itself. “So they’ll have a partner, the United States, and they’ll have a lot of bidders … And there’s no risk, we’re not putting up any money. All we’re doing is giving them the approval without which they don’t have anything,” Trump said Sunday.

Legal limbo

Trump’s order, and TikTok’s return to service, both seem at odds with the law—and leadership in the Republican party. Speaker Mike Johnson said on NBC’s *Meet the Press* Sunday that Congress would “enforce the law.” Sens. Tom Cotton (R-Ark.) and Pete Ricketts (R-Neb.) issued a joint statement Sunday, commending Apple, Microsoft, and Google for “following the law,” and noting that other companies “face ruinous bankruptcy” for violating it.

“Now that the law has taken effect, there’s no legal basis for any kind of ‘extension’ of its effective date,” the statement read. The law states that “A path to executing a qualified divestiture” has to be determined before a one-time extension

of 90 days can be granted.

TikTok’s best chance at avoiding a shutdown vanished in last week’s unanimous Supreme Court decision upholding the divest-or-sell law. Aimed at protecting national security interests from TikTok’s Chinese owners having access to the habits and data of 170 million American users, the law was ruled to be “content-neutral,” and that the US “had good reason to single out TikTok for special treatment.”

Reports at Forbes, Bloomberg, and elsewhere have suggested that ByteDance and its Chinese owners could be seeking to use TikTok as a bargaining chip, with maneuvers including a sale to Trump ally Elon Musk as a means of counteracting Trump’s proposed tariffs on Chinese imports.

One largely unforeseen side effect of Congress’ TikTok-centered actions is that *Marvel Snap*, a mobile collectible card and deck-building game, disappeared in similar fashion over the weekend. The game, developed by a California-based team, is published by ByteDance’s Nuverse mobile game division. With no web version available, *Snap* remained unavailable on app stores Monday morning. A message to players with the game installed noted that “This outage is a surprise to us and wasn’t planned,” though it pledged to restore the game.

https://arstechnica.com/tech-policy/2025/01/after-chaotic-weekend-tiktok-remains-in-limbo/

Anthony Fauci granted

preemptive pardon in the last hours of Biden’s term

Since retiring, Fauci has been under federal protection due to death threats on his life and the life of his family.

In issuing the pardon, Biden emphasized that Fauci is not guilty of any wrongdoing. He justified the uncommon pardon by arguing that it is, essentially, a good-conscience effort to protect from a political witch hunt.

“I believe in the rule of law, and I am optimistic that the strength of our legal institutions will ultimately prevail over politics. But these are exceptional circumstances, and I cannot in good conscience do nothing,” Biden said. “Baseless and politically motivated investigations wreak havoc on the lives, safety, and financial security of targeted individuals and their families. Even when individuals have done nothing wrong—and in fact have done the right thing—and will ultimately be exonerated, the mere fact of being investigated or prosecuted can irreparably damage reputations and finances.”

In addition to Fauci, Biden also granted pardons to General Mark Milley, the Members of Congress and staff who served on the Select Committee to Investigate the January 6th Attack on the United States Capitol, and the US Capitol and D.C. Metropolitan police officers who testified before the Select Committee.

“The issuance of these pardons should not be mistaken as an acknowledgment that any individual engaged in any wrongdoing, nor should acceptance be misconstrued as an admission of guilt for any offense,” Biden said. “Our nation owes these public

servants a debt of gratitude for their tireless commitment to our country.”

https://arstechnica.com/tech-policy/2025/01/biden-preemptively-pardons-anthony-fauci-top-us-infectious-disease-expert/

Elon Musk complains about China’s ban on X

But it highlighted the Tesla chief’s potential conflicts of interest between protecting his business interests in China and serving as a confidant to the incoming president and a government efficiency tsar.

Tesla earned almost a quarter of its sales in the third quarter from China and exported even more vehicles from its Shanghai plant to third countries.

Some analysts believe Beijing is pinning its hopes on Musk as a potential intermediary with Trump, who has vowed to increase tariffs on imports from China. Chinese officials had previously discussed using Musk as a broker to resolve TikTok’s fate in the US.

Musk on Sunday also met Chinese vice-president Han Zheng, who will represent President Xi Jinping at Trump’s inauguration. The presence of a Chinese official as senior as Han is unprecedented at US presidential inaugurations, where Beijing is normally represented by its ambassador in Washington.

“Han met . . . Elon Musk, and welcomed US companies including

Tesla to seize opportunities and share the fruits of China’s development,” China’s state-run news agency Xinhua reported.

Han also met business leaders from the US-China Business Council and the US Chamber of Commerce on Sunday, as well as Trump’s incoming vice-president JD Vance.

Han and Vance discussed the deadly synthetic opioid fentanyl, which successive US administrations have pushed Beijing to crack down on, as well as regional stability and balancing trade, the Trump-Vance transition team said in a statement.

US business leaders in the past have sought to play a moderating influence in often-volatile Sino-US relations, a role Beijing seems eager to encourage ahead of the second Trump administration.

Han described US business as a “backbone” of relations between the countries, and urged businesses to “play an active role as a bridge” in US-China relations, Xinhua said.

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https://arstechnica.com/tech-policy/2025/01/elon-musk-complains-about-chinas-ban-on-x/

Has Trump changed the retirement plans for the country’s largest coal

plants?

This article originally appeared on Inside Climate News, a nonprofit, non-partisan news organization that covers climate, energy, and the environment. Sign up for their newsletter here.

There is renewed talk of a coal power comeback in the United States, inspired by Donald Trump's return to the presidency and forecasts of soaring electricity demand.

The evidence so far only shows that some plants are getting small extensions on their retirement dates. This means a slowdown in coal's rate of decline, which is bad for the environment, but it does little to change the long-term trajectory for the domestic coal industry.

In October, I wrote about how five of the country's 10 largest coal-fired power plants had retirement dates. Today, I'm revisiting the list, providing some updates and then taking a few steps back to look at US coal plants as a whole. Consider this the "before" picture that can be judged against the "after" in four years.

Some coal plant owners have already pushed back retirement timetables. The largest example, this one from just before the election, is the Gibson plant in Indiana, the second-largest coal plant in the country. It's set to close in 2038 instead of 2035, following an announcement in October from the owner, Duke Energy.

But the changes do not constitute a coal comeback in this country. For that to happen, power companies would need to be building new plants to replace the many that are closing, and there is almost no development of new coal plants.

That said, there have been some changes since October.

As recently as a few months ago, Southern Co. was saying it intended to close Plant Bowen in Georgia by 2035 at the latest. Bowen is the largest coal plant in the country, with a summer capacity of 3,200 megawatts.

https://arstechnica.com/science/2025/01/has-trump-changed-the-retirement-plans-for-the-countrys-largest-coal-plants/

Under new law, cops bust famous cartoonist for AI-generated child sex abuse images

Late last year, California passed a law against the possession or distribution of child sex abuse material (CSAM) that has been generated by AI. The law went into effect on January 1, and Sacramento police announced yesterday that they have already arrested their first suspect—a 49-year-old Pulitzer-prize-winning cartoonist named Darrin Bell.

The new law, which you can read here, declares that AI-generated CSAM is harmful, even without an actual victim. In part, says the law, this is because all kinds of CSAM can be used to groom children into thinking sexual activity with adults is normal. But the law singles out AI-generated CSAM for special criticism due to the way that generative AI

systems work.

“The creation of CSAM using AI is inherently harmful to children because the machine-learning models utilized by AI have been trained on datasets containing thousands of depictions of known CSAM victims,” it says, “revictimizing these real children by using their likeness to generate AI CSAM images into perpetuity.”

The law defines “artificial intelligence” as “an engineered or machine-based system that varies in its level of autonomy and that can, for explicit or implicit objectives, infer from the input it receives how to generate outputs that can influence physical or virtual environments.”

https://arstechnica.com/tech-policy/2025/01/under-new-law-cops-bust-famous-cartoonist-for-ai-generated-child-sex-abuse-images/

GM faces ban on selling driver data that can be used to raise insurance rates

The FTC said its complaint alleged that “GM used a misleading enrollment process to get consumers to sign up for its OnStar connected vehicle service and the OnStar Smart Driver feature.” Lina Khan, who is in her final week as FTC chair, said that “GM monitored and sold people’s precise geolocation data and driver behavior information, sometimes as often as

every three seconds.”

Settlement not quite finalized

The proposed settlement was approved in a closed meeting by the FTC’s three Democrats, with the two Republicans recorded as absent. The pending agreement will be subject to public comment for 30 days after publication in the Federal Register, and a final FTC decision will be made under the Trump administration.

In addition to location data, the GM/FTC settlement covers “radio listening data regarding specific content, channel, or station; hard braking, hard acceleration, hard cornering, crossing of a designated high-speed threshold, seat belt usage, or late-night driving; and trip time and duration for such events.” GM and OnStar agreed to delete data collected before the settlement and ask third parties to delete data previously shared with them.

GM also “must allow consumers to disable the collection of Location Data from their Vehicles to the extent the Vehicle is equipped with the necessary technology.”

GM issued a press release on the settlement. “Last year, we discontinued Smart Driver across all GM vehicles, unenrolled all customers, and ended our third-party telematics relationships with LexisNexis and Verisk,” GM said. “In September, we consolidated many of our US privacy statements into a single, simpler statement as part of our broader work to keep raising the bar on privacy… As part of the agreement, GM will obtain affirmative customer consent to collect, use, or disclose certain types of connected vehicle data (with exceptions for certain purposes).”

Affirmative consent is not required for purposes such as providing driver data to emergency responders, responding to customer-initiated communications, complying with government

requests and legal requirements, and investigating product quality or safety problems. While the ban on sharing driving data lasts only five years, the overall settlement would be in place for 20 years.

https://arstechnica.com/tech-policy/2025/01/gm-faces-ban-on-selling-driver-data-that-can-be-used-to-raise-insurance-rates/