

# United States Senate

WASHINGTON, DC 20510

February 4, 2026

The Honorable Gail Slater  
Assistant Attorney General  
Antitrust Division  
U.S. Department of Justice  
950 Pennsylvania Avenue, NW  
Washington, DC 20530

The Honorable Andrew N. Ferguson  
Chair  
Federal Trade Commission  
600 Pennsylvania Avenue, NW  
Washington, DC 20580

Dear Assistant Attorney General Slater and Chair Ferguson:

We write once again regarding Big Tech's concerning and accelerating practice of "reverse acqui-hiring," which appears to be a tactic to evade antitrust scrutiny. This practice involves Big Tech firms "swooping in to hire star talent and license technology [from smaller competitors], discarding the rest by the wayside."<sup>1</sup> Since we first flagged our concerns about "reverse acqui-hiring" to the Federal Trade Commission (FTC) and U.S. Department of Justice (DOJ) in July 2024,<sup>2</sup> there have been at least three new "reverse acqui-hire" deals involving major Big Tech firms. In June 2025, Meta entered a similar deal with Scale AI, in which Meta hired Scale AI's top talent and acquired a significant minority stake in the smaller company.<sup>3</sup> Then, in July 2025, Google negotiated a non-exclusive license to Windsurf's technology while poaching Windsurf's two co-founders and members of its research and development team.<sup>4</sup> Finally, just last month, NVIDIA announced a deal with Groq to license its technology and hire its cofounder and CEO.<sup>5</sup> These arrangements further consolidate the Big Tech industry, which in turn could cause higher prices and stifle innovation.

The FTC and DOJ should not allow these companies to avoid the typical reviews that your agencies apply to acquisitions and mergers. On January 16, 2026, FTC Chair Ferguson announced that the FTC will investigate Big Tech acquihires.<sup>6</sup> We urge the FTC in these

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<sup>1</sup> Fast Company, "What is the reverse-acquihire?," Sarah Bregel, August 14, 2025, <https://www.fastcompany.com/91384816/what-is-the-reverse-acquihire>.

<sup>2</sup> Letter from U.S. Senators Wyden, Warren, and Welch to Federal Trade Commission Chair Lina Khan and U.S. Department of Justice Assistant Attorney General Jonathan Kanter, July 11, 2024, <https://www.wyden.senate.gov/imo/media/doc/letter-to-ftc-doj-on-ai-competition.pdf>.

<sup>3</sup> CNBC, "Scale AI's Alexandr Wang confirms departure for Meta as part of \$14.3 billion deal," Jonathan Vanian, June 12, 2025, <https://www.cnbc.com/2025/06/12/scale-ai-founder-wang-announces-exit-for-meta-part-of-14-billion-deal.html>.

<sup>4</sup> Reuters, "Google hires Windsurf execs in \$2.4 billion deal to advance AI coding ambitions," Kenrick Cai, Krystal Hu, and Kritika Lamba, July 11, 2025, <https://www.reuters.com/business/google-hires-windsurf-ceo-researchers-advance-ai-ambitions-2025-07-11>.

<sup>5</sup> Fortune, "After Nvidia's Groq deal, meet the other AI chip startups that may be in play – and one looking to disrupt them all," Sharon Goldman, January 5, 2025, <https://fortune.com/2026/01/05/nvidia-groq-deal-ai-chip-startups-in-play>; Axios, "Nvidia deal shows why inference is AI's next battleground," Megan Morrone, December 29, 2025, <https://www.axios.com/2025/12/29/nvidia-groq-inference-chips>.

<sup>6</sup> Bloomberg, "FTC Will Review Acquihires, Chair Ferguson Says," January 16, 2026, <https://www.bloomberg.com/news/videos/2026-01-16/ftc-will-review-acquihires-chair-ferguson-says-video>.

investigations, as well as DOJ, to carefully scrutinize these deals and block or reverse them should they violate antitrust law.

In June 2025, Meta set up a new artificial intelligence (AI) research lab to pursue “superintelligence.”<sup>7</sup> To build out its AI portfolio, Meta entered into a deal with the AI data infrastructure and labeling company, Scale AI.<sup>8</sup> Meta paid more than \$14 billion for a 49 percent stake in Scale AI and hired the company’s CEO, Alexandr Wang, to lead Meta’s new AI lab.<sup>9</sup> Weeks after this announcement, Scale AI cut 200 full-time employees and ended work with 500 contractors.<sup>10</sup> Scale AI’s largest customer Google, as well as many of its other customers, cut ties with the company, viewing Scale AI as effectively a part of their competitor Meta.<sup>11</sup> Five months after this ordeal, Scale AI is grappling with pay cuts and loss of customers, with one investor comparing Scale AI to a “gutted fish.”<sup>12</sup>

Similarly, in July 2025, Google DeepMind entered into a \$2.4 billion deal with Windsurf, a start-up that developed an AI coding assistant, in order to improve the coding abilities of Gemini.<sup>13</sup> As a part of the deal, Google poached Windsurf’s CEO Varun Mohan, co-founder Douglas Chen, and the research and development team, as well as negotiated a non-exclusive licensing agreement for Windsurf’s technology.<sup>14</sup> The remaining parts of Windsurf were eventually acquired by Cognition AI in July.<sup>15</sup>

In December 2025, NVIDIA announced a \$20 billion non-exclusive licensing deal for Groq’s inference chip technology.<sup>16</sup> Groq’s founder Jonathan Ross, president Sunny Madra, and other

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<sup>7</sup> New York Times, “Meta’s New Superintelligence Lab is Discussing Major AI Strategy Changes,” Eli Tan, July 14, 2025, <https://www.nytimes.com/2025/07/14/technology/meta-superintelligence-lab-ai.html>.

<sup>8</sup> Forbes, “Meta Invests \$14 Billion In Scale AI To Strengthen Model Training,” Janakiram MSV, June 23, 2025, <https://www.forbes.com/sites/janakirammsv/2025/06/23/meta-invests-14-billion-in-scale-ai-to-strengthen-model-training>.

<sup>9</sup> Politico Pro, “Meta-Scale AI deal raises antitrust eyebrows,” Christine Mui, June 13, 2025, <https://subscriber.politicopro.com/article/2025/06/meta-scale-ai-deal-raises-antitrust-eyebrows-00405110>.

<sup>10</sup> CNBC, “Scale AI cuts 14% of workforce after Meta investment, hiring of founder Wang,” Ashley Capoot, July 16, 2025, <https://www.cnbc.com/2025/07/16/scale-ai-cuts-14percent-of-workforce-after-meta-investment-hiring-of-wang.html>.

<sup>11</sup> Reuters, “Exclusive: Google, Scale AI’s largest customer, plans split after Meta deal, sources say,” Anna Tong, Kendrick Cai, and Krystal Hu, June 13, 2025, <https://www.reuters.com/business/google-scale-ais-largest-customer-plans-split-after-meta-deal-sources-say-2025-06-13>; Business Insider, “Meta’s Scale AI deal has clients like Google halting projects, contractors scrambling, and one investor bailing out,” Charles Rollet, Effie Webb, Ben Bergman, Hugh Laangley, and Shubhangi Goel, June 18, 2025, <https://www.businessinsider.com/google-xai-openai-pull-back-meta-scale-ai-investment-2025-6>.

<sup>12</sup> Business Insider, “Inside Scale AI after Meta,” Charles Rollet and Ben Bergman, December 10, 2025, <https://www.businessinsider.com/pay-cuts-poaching-pivoting-inside-scale-ai-meta-2025-12>.

<sup>13</sup> Forbes, “The Prompt: Windsurf Acquisition Is The Latest Salvo in the Battle for AI Talent,” Rashi Shrivastava, July 15, 2025, <https://www.forbes.com/sites/rashishrivastava/2025/07/15/the-prompt-windsurf-acquisition-is-the-latest-salvo-in-the-battle-for-ai-talent>.

<sup>14</sup> Reuters, “Google hires Windsurf execs in \$2.4 billion deal to advance AI coding ambitions,” Kenrick Cai, Krystal Hu, and Kritika Lamba, July 11, 2025, <https://www.reuters.com/business/google-hires-windsurf-ceo-researchers-advance-ai-ambitions-2025-07-11>.

<sup>15</sup> Forbes, “The Prompt: Windsurf Acquisition Is The Latest Salvo in the Battle for AI Talent,” Rashi Shrivastava, July 15, 2025, <https://www.forbes.com/sites/rashishrivastava/2025/07/15/the-prompt-windsurf-acquisition-is-the-latest-salvo-in-the-battle-for-ai-talent>.

staff will join NVIDIA to “help advance and scale the licensed technology.”<sup>17</sup> This “reverse acqui-hire” allows NVIDIA, which already dominates the market for AI training chips,<sup>18</sup> to expand its foothold in the market for inference chips, the chips that run AI models and that McKinsey predicts will account for over half of AI workloads by 2030.<sup>19</sup> The deal thus raises serious questions about market concentration.<sup>20</sup>

Deals like those between Meta and Scale AI, between Google and Windsurf, and between NVIDIA and Groq function as de facto mergers, allowing the companies to consolidate talent, information, and resources, all while apparently attempting to bypass the scrutiny typically applied to mergers and acquisitions. However, as noted in the FTC and DOJ merger guidelines, even partial acquisitions may present “significant competitive concerns” because of the effects on firms’ incentives and power.<sup>21</sup> Partnerships like these, that involve minority stakes and significant investments that influence the competitive conduct of the partner corporations, have become more common since the recent boom in generative AI technology.<sup>22</sup> And the FTC warned in a January 2025 report that such partnerships might pose “risks to competition and consumers, such as ‘... locking in the market dominance of large incumbent technology firms.’”<sup>23</sup> The structure of the Meta-Scale AI, Google-Windsurf, and NVIDIA-Groq deals carries many of the hallmarks of one of these questionable AI partnerships.

The Meta, Google, and NVIDIA deals follow a growing pattern of Big Tech companies trying to disguise major acquisitions, apparently in order to avoid scrutiny. In March 2024, Microsoft announced a deal with Inflection AI, under which it would pay the smaller company about \$650 million for access to Inflection’s models and hire away the majority of the company’s staff.<sup>24</sup> The FTC opened an investigation into whether the deal was made in an attempt to avoid antitrust

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<sup>16</sup> CNBC, “Nvidia buying AI chip startup Groq’s assets for about \$20 billion in its largest deal on record,” David Faber, December 24, 2025, <https://www.cnbc.com/2025/12/24/nvidia-buying-ai-chip-startup-groq-for-about-20-billion-biggest-deal.html>.

<sup>17</sup> Fierce Network, “Here’s why Nvidia is dropping \$20B on Groq’s AI tech,” Diana Goovaerts, January 5, 2026, <https://www.fierce-network.com/cloud/heres-why-nvidia-dropping-20b-groqs-ai-tech>.

<sup>18</sup> Wall Street Journal, “Nvidia vs. Everybody Else: Competition Mounts Against the Top AI Chip Company,” Robbie Whelan, December 5, 2025, [https://www.wsj.com/tech/ai/nvidia-ai-chips-competitors-amd-broadcom-google-amazon-6729c65a?gaa\\_at=eafs&gaa\\_n=AWEtseqjNBdmhmAdymY0o1H3ySbHVp5DAi\\_tnLWt83271QPNTx8H5nkv5jb2QawcTas%3D&gaa\\_ts=696fc747&gaa\\_sig=cbalJZXnLxZrOFt6g0p2ILtPM-fmh7DGXoJL7Dgb96Tvnfnlh\\_u7Hoc6hX306Q64uMHT2yVW0tGdu8neFXCSQ%3D%3D](https://www.wsj.com/tech/ai/nvidia-ai-chips-competitors-amd-broadcom-google-amazon-6729c65a?gaa_at=eafs&gaa_n=AWEtseqjNBdmhmAdymY0o1H3ySbHVp5DAi_tnLWt83271QPNTx8H5nkv5jb2QawcTas%3D&gaa_ts=696fc747&gaa_sig=cbalJZXnLxZrOFt6g0p2ILtPM-fmh7DGXoJL7Dgb96Tvnfnlh_u7Hoc6hX306Q64uMHT2yVW0tGdu8neFXCSQ%3D%3D).

<sup>19</sup> McKinsey and Company, “The next big shifts in AI workloads and hyperscaler strategies,” Chhavi Arora, Marc Sorel, Pankaj Sachdeva, et al., December 17, 2025, <https://www.mckinsey.com/industries/technology-media-and-telecommunications/our-insights/the-next-big-shifts-in-ai-workloads-and-hyperscaler-strategies>.

<sup>20</sup> Forbes, “Nvidia Acquires Groq Talent In A Strategic To Move Into AI Inference,” Sol Rashidi, December 29, 2025, <https://www.forbes.com/sites/solrashidi/2025/12/29/nvidia-acquires-groq-talent-in-a-strategic-to-move-into-ai-inference>.

<sup>21</sup> U.S. Department of Justice, “2023 Merger Guidelines,” <https://www.justice.gov/atr/merger-guidelines>; Memorandum from Omeed Assefi, Acting Assistant Attorney General, Antitrust Division to Antitrust Division Staff, February 18, 2025, <https://www.justice.gov/atr/media/1389861/dl?inline>.

<sup>22</sup> Federal Trade Commission, Office of Technology Staff, “Partnerships Between Cloud Service Providers and AI Developers: FTC Staff Report on AI Partnerships & Investments 6(b) Study,” January 2025, p. 7, [https://www.ftc.gov/system/files/ftc\\_gov/pdf/p246201\\_aipartnerships6breport\\_redacted\\_0.pdf](https://www.ftc.gov/system/files/ftc_gov/pdf/p246201_aipartnerships6breport_redacted_0.pdf).

<sup>23</sup> Federal Trade Commission, Office of Technology Staff, “Partnerships Between Cloud Service Providers and AI Developers: FTC Staff Report on AI Partnerships & Investments 6(b) Study,” January 2025, p. 37, [https://www.ftc.gov/system/files/ftc\\_gov/pdf/p246201\\_aipartnerships6breport\\_redacted\\_0.pdf](https://www.ftc.gov/system/files/ftc_gov/pdf/p246201_aipartnerships6breport_redacted_0.pdf).

review and government scrutiny.<sup>25</sup> In June 2024, Amazon entered a similar agreement with the AI company Adept, to license Adept’s technology and hire away the company’s co-founders.<sup>26</sup> We flagged this deal in a letter to the FTC and DOJ,<sup>27</sup> prompting the FTC to launch an informal inquiry into the partnership.<sup>28</sup> In August 2024, Google entered a licensing agreement with Character.AI and hired away its co-founders.<sup>29</sup> The DOJ is currently probing whether Google violated antitrust laws, and whether the deal was structured to avoid government scrutiny.<sup>30</sup> These FTC and DOJ investigations are consistent with federal regulations providing that “[a]ny transaction(s) or other device(s) entered into or employed for the purpose of avoiding the obligation to comply with [antitrust law] shall be disregarded, and the obligation to comply shall be determined by applying [antitrust law] to the substance of the transaction.”<sup>31</sup>

If left unchecked, these types of arrangements between Big Tech companies and smaller AI developers will accelerate consolidation of the AI sector, which in turn risks driving up prices and choking off innovation. Lawmakers have long called for greater antitrust scrutiny of Big Tech in the interest of supporting competition and innovation in the tech sector.<sup>32</sup> Lawmakers have called out companies for their anticompetitive partnerships that appear designed to skirt antitrust laws,<sup>33</sup> as well as authored legislation that prevents Big Tech monopolies from elbowing out competitors in the AI and cloud computing markets.<sup>34</sup> The risk of AI consolidation has

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<sup>24</sup> Reuters, “Microsoft pays Inflection \$650 mln in licensing deal while poaching top talents, source says,” Krystal Hu and Harshita Mary Varghese, March 21, 2024, <https://www.reuters.com/technology/microsoft-agreed-pay-inflection-650-mln-while-hiring-its-staff-information-2024-03-21>.

<sup>25</sup> Wall Street Journal, “FTC Opens Antitrust Probe of Microsoft AI Deal,” Dave Michaels and Tom Dotan, June 6, 2024, <https://www.wsj.com/tech/ai/ftc-opens-antitrust-probe-of-microsoft-ai-deal-29b5169a>.

<sup>26</sup> Tech Crunch, “Amazon hires founders away from AI startup Adept,” Kyle Wiggers, June 28, 2024, <https://techcrunch.com/2024/06/28/amazon-hires-founders-away-from-ai-startup-adept>.

<sup>27</sup> Letter from U.S. Senators Wyden, Warren, and Welch to Federal Trade Commission Chair Lina Khan and U.S. Department of Justice Assistant Attorney General Jonathan Kanter, July 11, 2024, [https://www.wyden.senate.gov/imo/media/doc/letter\\_to\\_ftc\\_doj\\_on\\_ai\\_competition.pdf](https://www.wyden.senate.gov/imo/media/doc/letter_to_ftc_doj_on_ai_competition.pdf).

<sup>28</sup> CNBC, “Amazon’s deal with AI startup Adept faces FTC scrutiny,” Annie Palmer, July 16, 2024, <https://www.cnbc.com/2024/07/16/amazons-deal-with-ai-startup-adept-faces-ftc-scrutiny.html>.

<sup>29</sup> Reuters, “Google hires top talent from startup Character.AI, signs licensing deal,” Kenrick Cai, August 2, 2024, <https://www.reuters.com/technology/artificial-intelligence/google-hires-characterai-cofounders-licenses-its-models-information-reports-2024-08-02>.

<sup>30</sup> Bloomberg, “Google Faces Antitrust Investigation Over Deal for AI-Fueled Chatbots,” May 22, 2025, <https://www.bloomberg.com/news/articles/2025-05-22/google-faces-antitrust-investigation-over-deal-for-ai-fueled-chatbot-technology>.

<sup>31</sup> 16 CFR 801.90.

<sup>32</sup> Letter from U.S. Senator Warren to U.S. Department of Justice Antitrust Division Assistant Attorney General Jonathan Kanter, September 5, 2024, [https://www.warren.senate.gov/imo/media/doc/letter\\_to\\_doj\\_re\\_nvidia\\_investigation.pdf](https://www.warren.senate.gov/imo/media/doc/letter_to_doj_re_nvidia_investigation.pdf).

<sup>33</sup> Letter from U.S. Senators Warren and Wyden to Google Chief Executive Officer Sundar Pichai and Anthropic Chief Executive Officer Dario Amodei, April 7, 2025, [https://www.warren.senate.gov/imo/media/doc/letter\\_from\\_senators\\_warren\\_wyden\\_to\\_anthropic\\_and\\_google\\_on\\_anticompetitive\\_ai\\_partnerships.pdf](https://www.warren.senate.gov/imo/media/doc/letter_from_senators_warren_wyden_to_anthropic_and_google_on_anticompetitive_ai_partnerships.pdf); Letter from U.S. Senators Warren and Wyden to Microsoft Chief Executive Officer Satya Nadella and OpenAI Chief Executive Officer Sam Altman, April 7, 2025, [https://www.warren.senate.gov/imo/media/doc/letter\\_from\\_senators\\_warren\\_wyden\\_to\\_openai\\_and\\_microsoft\\_on\\_anticompetitive\\_ai\\_partnerships.pdf](https://www.warren.senate.gov/imo/media/doc/letter_from_senators_warren_wyden_to_openai_and_microsoft_on_anticompetitive_ai_partnerships.pdf).

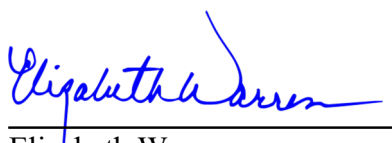
<sup>34</sup> Office of U.S. Senator Elizabeth Warren, “Warren, Schmitt Renew Bipartisan Fight for More Competition in Pentagon’s AI and Cloud Contracting,” press release, May 15, 2025, <https://www.warren.senate.gov/newsroom/press-releases/warren-schmitt-renew-bipartisan-fight-for-more->

received attention from bipartisan groups in Congress, federal antitrust agencies, and regulators in allied nations like the United Kingdom and those in the European Union.<sup>35</sup>

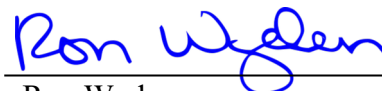
The FTC and DOJ have a responsibility to enforce the nation’s antitrust laws in order to protect consumers, small businesses, and workers, and should not allow Big Tech to engage in acquisition strategies that are designed to limit competition in violation of federal law. Given the anticompetitive nature of the agreements described here, we ask that you apply close scrutiny while investigating these deals and block or reverse them should they violate antitrust law.

Sincerely,

Sincerely,



Elizabeth Warren  
United States Senator



Ron Wyden  
United States Senator



Richard Blumenthal  
United States Senator

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competition-in-pentagons-ai-and-cloud-contracting.

<sup>35</sup> U.S. Senator Elizabeth Warren, “What’s Next for Big Tech,” keynote speech at RemedyFest Conference, February 27, 2024, <https://www.warren.senate.gov/imo/media/doc/Senator%20Warren%20-%20RemedyFest%20speech.pdf>; Office of U.S. Senator Elizabeth Warren, “Warren, Schmitt Introduce Bipartisan Bill to Encourage Resiliency, Competition in DoD Procurement of AI, Cloud Computing Tools,” press release, December 5, 2024, <https://www.warren.senate.gov/newsroom/press-releases/warren-schmitt-introduce-bipartisan-bill-to-encourage-resiliency-competition-in-dod-procurement-of-ai-cloud-computing-tools>; Protecting AI and Cloud Competition in Defense Act of 2024, S.5436, <https://www.congress.gov/bill/118th-congress/senate-bill/5436>; Letters from U.S. Senators Warren and Bennett to Big Tech Chief Executive Officers, January 17, 2025, [https://www.warren.senate.gov/imo/media/doc/letters\\_on\\_big\\_tech\\_donations\\_to\\_trump\\_inaugural\\_fund.pdf](https://www.warren.senate.gov/imo/media/doc/letters_on_big_tech_donations_to_trump_inaugural_fund.pdf); Reuters, “Microsoft, OpenAI tie-up comes under antitrust scrutiny,” Muvija M, Chavi Mehta, and Aditya Soni, December 8, 2023, <https://www.reuters.com/world/uk/uk-antitrust-regulator-considering-microsoft-openai-partnership-2023-12-08>; European Commission, “Commission launches calls for contributions on competition in virtual worlds and generative AI,” press release, January 8, 2024, [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_24\\_85](https://ec.europa.eu/commission/presscorner/detail/en/ip_24_85); Reuters, “Exclusive: Amazon likely to face investigation under EU tech rules next year, sources say,” Foo Yun Chee, November 21, 2024, <https://www.reuters.com/technology/amazon-likely-face-investigation-under-eu-tech-rules-next-year-sources-say-2024-11-21>.