Nvidia board opens independent probe after NYT reports Huang was close to an alleged Chinese intelligence officer

VC Tech Radar

2026-11-09

Nvidia board opens independent probe after NYT reports Huang was close to an alleged Chinese intelligence officer

By VC Tech Radar • November 9, 2026

The Jensen Huang counterintelligence story brings governance and policy risk to AI's most important supplier. Also: Salesforce's Cresta purchase slowing AI support deals, a 72% inference-cost drop at SaaStr, pharma pushback on AI drug discovery, and new data on returns per R&D dollar.

Nvidia: board investigation after a counterintelligence report on Huang

The New York Times reported that National Security Adviser Marco Rubio oversaw a highly classified memo, drafted this spring. It said the intelligence community assessed that a woman who had become close to Jensen Huang was working for China's Ministry of State Security [1]. A statement attributed to Huang, posted on Reddit, apologizes for being unfaithful to his wife. It says Nvidia's board "has initiated an independent investigation" into the national-security concerns and that he will cooperate fully [2]. That text comes from a Reddit post, not an Nvidia filing.

Investor reaction tied the story to the export fight. Jason Calacanis called it "defcon 1" and said Huang and Nvidia's technology "are a critical target" that needs protecting [3]. He also reposted a May Culper Research claim that documents suggest Megaspeed was financed by Alibaba through a Singapore shell company. Culper describes Megaspeed as Nvidia's largest chip buyer in Southeast Asia and says it is under US and Singapore investigation. Nvidia had vouched that Megaspeed had no Chinese ownership [4, 5]. These are still

allegations. For anyone exposed to Nvidia, the near-term issue is governance and US policy toward chip sales to China, not demand.

Salesforce's Cresta deal is already slowing startup sales

Salesforce agreed to buy Cresta, whose AI voice agents handle customer-service calls from start to finish. The Information put the price at about $2.7B. Earlier this year Salesforce bought Fin (text support) and Braze (marketing messages), so it now covers text, marketing and voice in one bundle [6]. Vendors who sell into Salesforce accounts report buyers waiting to see how Salesforce prices the bundle. Some ask for shorter pilots or month-to-month terms instead of 12-month contracts [7]. Another vendor says it is already moving to monthly contracts because buyers "want a kill switch" [8]. For investors, expect softer contracted ARR and shorter commitments at AI-support startups that depend on Salesforce-heavy customers.

Diligence takeaways from SaaStr this week

Jason Lemkin's notes on the latest 20VC x SaaStr: - **Inference costs are finally falling in practice.** Moving SaaStr Connect to Haiku 5.5 and a cheaper model mix cut total costs 72% for the same workflow, and it got faster and better. He says nothing they ran agentically had gotten cheaper per use since early 2025 [9]. - **Anthropic's growth is slowing because of price, not demand.** In his view, OpenAI sells roughly equivalent products at 30% off. Companies whose value is mainly model capability should plan for prices to fall 30–40% within a year [9]. - **Always-on agents are expensive to serve.** They can cost more than $20 per user per month, versus about $4–5 for Replit and Lovable [9]. - **Vertical AI needs 2x the incumbent's ACV.** He won't invest in an agentic B2B company unless its deal sizes are at least 2x what pre-AI competitors get [9]. - **Acquirers want $100M in revenue.** Most large acquirers won't put their go-to-market behind a target below that. Listen Labs, at about $20M ARR for roughly $2B, was the exception [9]. - **A growth rate without a base looks weak.** Cohere announced Canada putting in up to $1.14B and ARR growth of 165%, but didn't give the base [9].

A companion SaaStr piece uses Stripe's Privy as an example of how strategic buyers value companies. In the year or so since the acquisition, wallet assets are up about 25x, revenue about 9x, and monthly volume is nearly $25B [10]. Stripe's stated reasons for the deal didn't mention ARR [10]. The piece argues revenue sets the floor in a negotiation, and the premium depends on whether the company fills a gap in the buyer's roadmap [10].

AI for biology: technical progress and pharma pushback

The WSJ reports that no AI-designed drug has won FDA clearance [11]. Vertex executive chairman Jeff Leiden said Vertex had about 50 AI companies work

through its dataset of 10,000 compounds, and "not one managed to generate a working drug." He still finds AI useful as a scientist's co-pilot [12].

YC's Paper Club showed both what works and where the limits are. Agents reprocessed NIH transcriptomics data and grew a dataset from 36M to more than 500M cells. But immune cells, and T cells in particular, were heavily overrepresented [13]. The speaker's proposed fix is "AI guided experimentation" rather than simply collecting more data [13]. On the genomics side, the DNA model EVO 2 was trained on 9 trillion base pairs, and its developers report it is competitive with or better than human-specific supervised models on a cancer-risk gene benchmark. They said the data mix made the difference between state-of-the-art and "bottom of the pack" [13].

DeepMind's Pushmeet Kohli says the lab is seeing "a genuine phase transition in the pace of scientific discovery," with releases expected in the coming weeks [14]. Demis Hassabis describes Isomorphic Labs' aim as cutting drug development from about 10 years to months [15]. The difference between these labs' framing and pharma's experience is the main thing to check when diligencing AI-bio companies.

Is AI progress getting more expensive?

One analysis finds AI progress (measured by AECI) per $1B of R&D fell 63% from 2025 to 2026, even as progress per year doubled [16]. Martin Casado asked how METR's report is useful if it doesn't normalize by spend [17]. Taken with Lemkin's pricing view, frontier capability looks more expensive to produce and harder to charge a premium for.

Policy and regulation

- **Mistral vs. France's Darcos bill.** Arthur Mensch says Mistral Large 4 was trained entirely on Mistral's own infrastructure in Essonne, and that the company is building 1 GW of capacity, mostly in Europe and largely in France [18]. He argues the bill's presumption that copyrighted work was used in training reverses the burden of proof. Developers would have to prove a negative without exposing trade secrets, and he says that risk will weigh on where data centers get built [18]. His alternative is a revenue-based levy on all AI providers selling in Europe, including foreign ones [18].
- **Suno lawsuits.** Elvis Presley's estate and Eminem's publisher sued Suno, alleging copyright and likeness violations. Suno denies the claims [19].
- **Local resistance to data centers.** A Reddit post says voters backed restrictions on data centers in 40 of 41 local ballot measures across 10 states [20]. This adds to the permitting pressure covered earlier this week.

Macro: AI growth is coming from the companies building it

A summary of the Bank of England's November report says AI accounts for just under a fifth of UK GDP growth since January. Almost all of that comes from companies that build, install and host AI. Users report about 0.5% total productivity gain over three years. Hiring is slowing through fewer replacement hires, but firing has not risen [21]. Firms expect about 0.9 points a year of productivity growth, half of it from slower headcount growth. UK productivity figures due November 17 are the first test [22].

Smaller items

- **Can an LLM fix another model's weights?** MIT CSAIL researchers report GPT-6 Astra edited 0.016% of Qwen3.5-0.8B's weights, with no training run, and lifted MATH-500 from 7.9% to 48.1%. Critics say Astra had Python tools and that the fix applies steering, an existing technique. The work is a blog post with logs, not a peer-reviewed paper [23].
- **Smaller teams.** Garry Tan says Apple should rebuild apps like TV and Calendar with "a few people and a hundred codegen agents" [24]. He also says personal just-in-time software looks inevitable [25].
- **Private vs. public valuations.** WashU CIO Scott Wilson thinks Anthropic could have raised privately above $2T, a price he doubts public markets would pay. He blames weak DPI (cash returned to LPs) on too much capital chasing private winners [26].

Sources

1. X post by @maggieNYT
2. r/artificial post by u/YasufoKiddo
3. X post by @Jason
4. X post by @CulperResearch
5. X post by @Jason
6. r/SaaS post by u/stephane_castellani
7. r/SaaS comment by u/tiersova
8. r/SaaS comment by u/Apart_Trouble4445
9. Jason's Takes on This Week's 20VC: A 72% Cost Drop on Our Own App, the $100M Acquisition Bar, and DoorDash's Third Competitor
10. Why Your Revenues Often Only Sort of Matter When You Get Acquired by a Strategic. Even Though They Are Usually How a Deal is Priced
11. r/Futurology post by u/Gari_305
12. r/Futurology comment by u/Gari_305
13. Is AI Now Good Enough To Cure Cancer? | YC Paper Club
14. X post by @pushmeet
15. Insights (feat. Demis Hassabis about His Journey in AI)

16. X post by @michael_wiebe
17. X post by @martin_casado
18. X article by @arthurmensch
19. r/Futurology comment by u/Odd_Presentation888
20. r/artificial post by u/SuzannahB1001
21. r/Futurology post by u/mawcopolow
22. r/Futurology comment by u/mawcopolow
23. r/artificial post by u/winer666
24. X post by @garrytan
25. X post by @garrytan
26. X post by @HarryStebbings