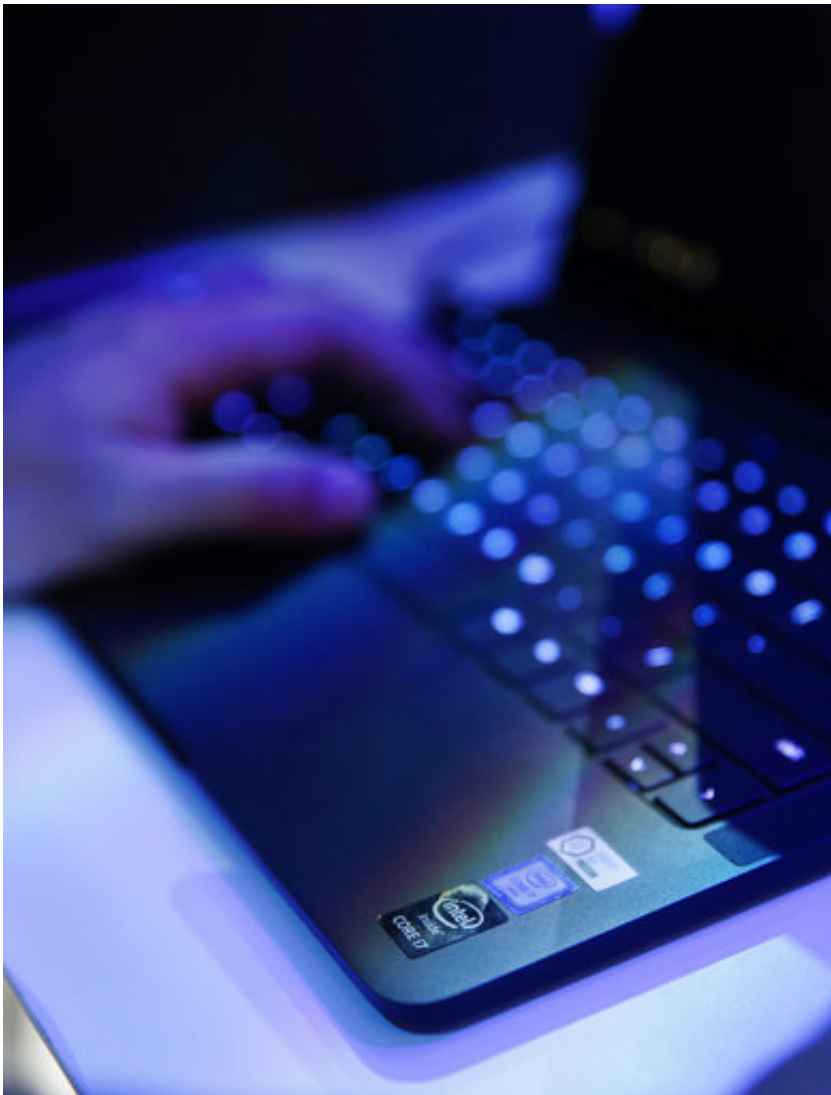


Intel CEO sold shares before chip security flaw disclosed

January 5 2018



This Thursday, Jan. 7, 2016, file photo shows a laptop that uses Intel's chip technology, at the Intel booth during CES International in Las Vegas. Technology companies are scrambling to fix serious security flaws affecting

computer processors built by Intel and other chipmakers and found in many of the world's personal computers and smartphones. (AP Photo/John Locher, File)

Intel's CEO sold shares in his company several months after Google informed the chipmaker of a serious security problem affecting its products.

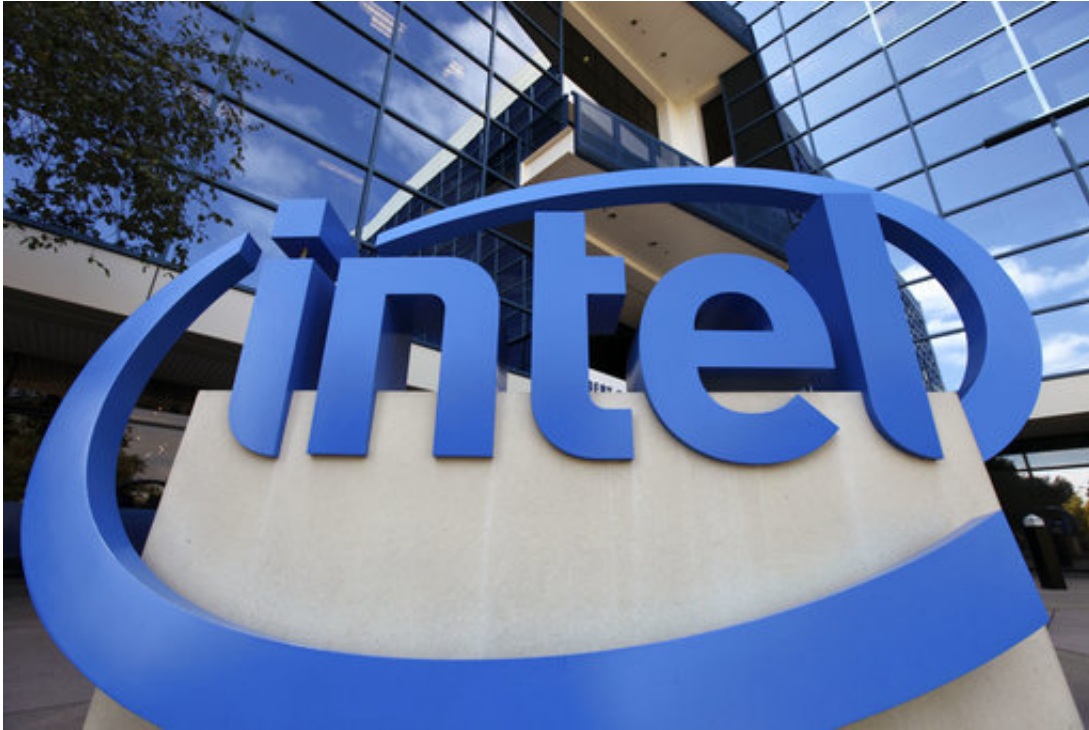
CEO Brian Krzanich sold about \$39 million in stocks and options in late November, before the [security vulnerability](#) was publicly known. Intel says it was notified about the bugs in June.

The company didn't respond to inquiries about the timing of Krzanich's divestments, but a spokeswoman told MarketWatch it was unrelated to the [security flaws](#).

GBH Insights Chief Strategy Analyst Daniel Ives says Krzanich's stock sale was "cookie cutter" and not a concern.

Krzanich made about \$25 million in profits, before taxes, from the sale, which was disclosed in government filings made at the time. The sale allowed Krzanich to whittle his holdings down to about 250,000 shares, the minimum he is required to own under Intel's rules.

Intel said it has worked with other companies to verify the vulnerability and develop ways to fix or mitigate it. It said it planned to publicly disclose the problem next week. It was forced to address it earlier because of a Wednesday news report.



In this July 20, 2011 file photo, Intel corporate offices are seen in Santa Clara, Calif. Intel says it's working to patch a security vulnerability in its products but says the average computer user won't experience significant slowdowns as the problem is fixed. The chipmaker released a statement Wednesday, Jan. 3, 2018, after a report by British technology site The Register caused Intel stocks to trade lower. (AP Photo/Ben Margot)

Two hardware bugs can be exploited to allow the memory content of a computer to be leaked. Such a leak could potentially expose stored passwords and other sensitive data, including personal photos, emails and instant messages.

Intel is at the center of the problem because it supplies the processors used in many of the world's PCs. Researchers say one of the bugs, called Meltdown, affects nearly every processor Intel has made since the mid-1990s. While security flaws are typically limited to a specific [company](#) or product, Intel says the problem is "not a bug or a flaw in

Intel products" but rather a broader problem affecting processing techniques common to modern computing platforms.

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