

# The Origin of the New War Between Elon Musk and Sam Altman

Musk and Altman co-founded OpenAI and had a close relationship, but are now at odds 'in the most brutal way' since the \$500 billion AI project launched.

On the first day of President Donald Trump's second term, Elon Musk was in the White House complex. The American billionaire heard that Mr. Trump was about to hold a press conference. He turned on the TV and saw OpenAI CEO Sam Altman and the President smiling, talking about a \$500 billion investment in AI infrastructure called Stargate.

Despite his longstanding support for Trump, Musk was caught completely off guard, people familiar with the matter told the WSJ. He immediately exploded at his aides, claiming that Stargate's backers couldn't afford to build an AI center. But the biggest 'cut' was that Altman had successfully built a relationship with Trump through a series of meetings and phone calls with the White House, while Musk was unaware until the last minute.



Sam Altman (left) and Elon Musk. Photo: ReadWrite

Altman and Musk co-founded OpenAI in 2015, but the relationship soured when Musk left in 2018, reportedly due to disagreements and a power struggle. The situation became even more tense when Musk founded xAI, a rival company.

This week, the feud 'escalated dramatically' when Musk filed a \$97.4 billion acquisition offer for OpenAI's nonprofit division.

"A decade after joining forces, they now fight for control of the thing that brought them together, in the most high-stakes and personal battle in history," the WSJ commented.

### **From close friendship**

Musk had a rough childhood. Altman, meanwhile, was a teacher's favorite and his parents encouraged him to be anything he wanted to be. Musk was often brash, while Altman was soft-spoken, with a tendency to say what people wanted to hear. Musk was an engineer, absorbed in the details of engineering design, Altman was an obsessive intellectual, well-read in philosophy, science, and literature.

But both have a taste for power.

People of Altman's generation, now 39, see Musk, 53, as a real-life Tony Stark, with major technological advances. Altman met Musk years ago as president of the startup incubator Y Combinator. The OpenAI CEO also toured a SpaceX rocket factory.

In early 2015, Musk and Altman regularly had dinner together every Wednesday in the Bay Area, discussing the future, how the world might end, what humans need to prepare for, and agreed that AI would develop smarter than humans and at some point become uncontrollable.

In May 2015, Altman proposed the creation of a 'Manhattan Project' in AI to develop AGI. The two attended a Vanity Fair event to talk about a variety of future technology topics. Later that year, OpenAI was launched, with an estimated \$1 billion in funding, with Musk pledging to provide the bulk of the funding.

### **To the discord**

The relationship between Musk and Altman began to unravel in 2017, when researchers at OpenAI realized they needed more money than a nonprofit could raise to develop cutting-edge AI. The management team agreed to partially transition to a for-profit model, but couldn't agree on a structure. Musk demanded majority control and the position of CEO, according to court emails obtained by Business Insider.

Altman, however, did not share his views. He convinced his co-founders Greg Brockman and Ilya Sutskever to support him. In an email to Musk, the two stressed that OpenAI was founded 'to avoid an AGI dictatorship,' and that Musk as CEO 'seems like a bad idea to create a structure where you can become a dictator if you want to.' Hours later, Musk responded: 'That was the last straw.' He left the company in 2018.

Over the next few years, OpenAI quietly focused on research, before shocking the world with ChatGPT in late 2022. At this point, Musk began publicly criticizing his former company, before founding xAI in mid-2023.

In 2024, Musk meets Altman again in a new venue: the courthouse. In February 2024, he sued the OpenAI CEO, but withdrew the lawsuit in June 2024 and re-filed the lawsuit two months later. The American billionaire accused Altman and the company of violating the original agreement to prioritize public interest over profit.

Altman said Musk was "bitter" that he left before the company was successful.

### **"The Fight Inside the White House"**

Throughout his presidential campaign, Musk has been a staunch Trump supporter, spending hundreds of millions of dollars on the campaign and frequently appearing alongside the presidential candidate. Altman, meanwhile, is a longtime Democrat who has said Trump's principles "represent an unacceptable threat to America."

But when Mr. Trump became President, Altman and his team began looking for ways to break in. This time, the biggest obstacle was Musk.

Altman has tried to build a relationship with the president. In December 2024, he agreed to a technology partnership between OpenAI and defense company Anduril, whose co-founder Palmer Luckey is a Trump supporter. OpenAI has also recently tried to connect with the Republican-linked venture 1789 Capital, which counts Donald Trump Jr. as a partner.

To avoid running into Musk at Mar-a-Lago, Altman often scheduled meetings with Trump allies elsewhere in Palm Beach, according to several sources who spoke to the WSJ. At one meeting, Altman told Howard Lutnick, the co-director of the presidential transition, that OpenAI had committed billions of dollars to a U.S. AI data center. He presented it as a potential Trump-branded initiative. Stargate was born.

Altman first mentioned Stargate in 2023 to increase computing power for AI, then proposed Microsoft invest \$100 billion. However, the CEO overthrow event in November 2023 made Microsoft falter and put the plan on hold.

Altman soon found new partners, convincing SoftBank and Oracle to join in. In December 2024, during a golf outing at Mar-a-Lago, SoftBank Chairman Masayoshi Son announced his intention to invest \$100 billion in AI infrastructure in the US. Deals were then negotiated between OpenAI, SoftBank, and Oracle, all while Musk remained unaware.

Altman attended the January 20 inauguration, but did not sit with other tech CEOs. He said he wanted to avoid any public clashes with Musk.

The next day, Altman went to the White House to explain Stargate in more detail to Trump. The new president said he was 'very pleased' that the group was aiming to invest \$500 billion during his term—a figure that 'will certainly get attention.'

As soon as the news broke, Musk exploded. 'They literally have no money,' Musk wrote on X on January 22. 'SoftBank has less than \$10 billion secured. I have reliable sources.' He and Altman also began sparring on social media.

Asked by reporters on January 23 whether Musk's criticism bothered him, Trump replied: "No. He hates one of the people on the deal. The people on the team are very, very smart."

Musk is said to have been planning a counterattack. He has been quietly working with potential investors to buy OpenAI's nonprofit arm. Observers say Musk's message to investors is to join forces to fight back against Sam Altman. The American billionaire said he wanted to save OpenAI from its dangerous course and instead ensure the company 'remains focused on safety and open source as it has always been.' On X, he has given OpenAI's CEO a new nickname: 'Scam Altman.'

In response, Altman told Bloomberg: "His whole life has probably been from a position of insecurity. I really feel sorry for him. I don't think he's happy."

Meanwhile, Musk said he would drop his offer to buy OpenAI if the company maintained its nonprofit mission. On February 14, OpenAI officially rejected the offer.

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