



**A trip to Cabo, an allegation of sexual assault, and 'a culture of dishonesty':**  
Inside the downfall of Kirk Krappe, the founding CEO of \$1.9 billion startup Apptus



**Krappe**, whose faint British accent and pocket-square outfits made him stand out in Silicon Valley's landscape of fleece vests, cofounded Apptus in 2006.

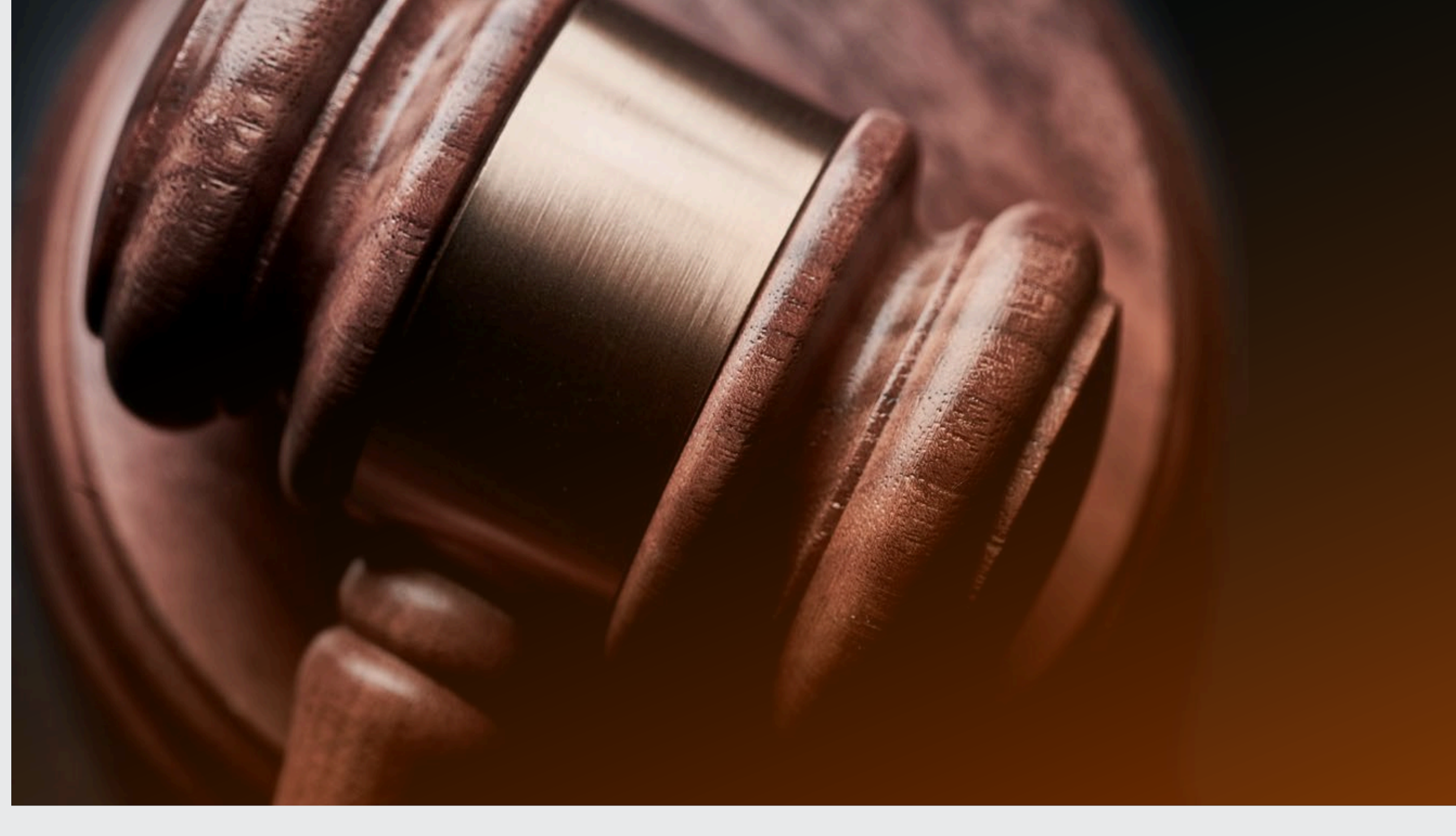
When employees showed up to work at Apptus' San Mateo headquarters on July 2, 2018, they were shocked to learn that the startup's longtime CEO, Kirk Krappe, was no longer at the company.

**Then the truth trickled out.**



**Multiple lawsuits**

There are **three lawsuits** from former employees who claim that Krappe had **misled** them about the health and size of Apptus' business.



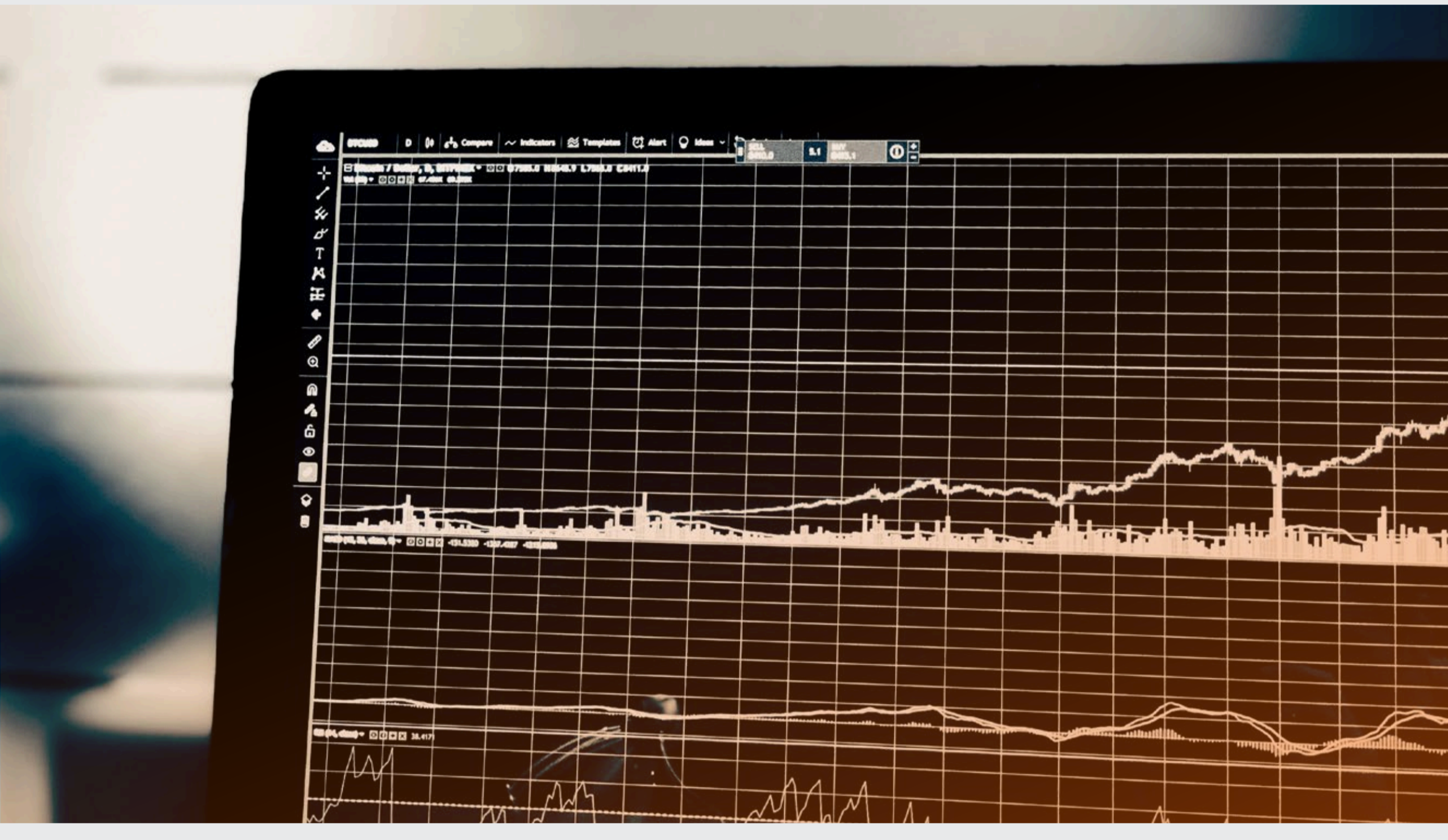
In mid-2017, Apptus was hit with two lawsuits from former employees who both alleged that executives at Apptus, including Krappe, **lied about the company's sales pipeline, product readiness, and command structure.**

The two suits were filed on behalf of **Elizabeth Baker and Marco De La Cuesta**, high flyers in the enterprise-sales world.

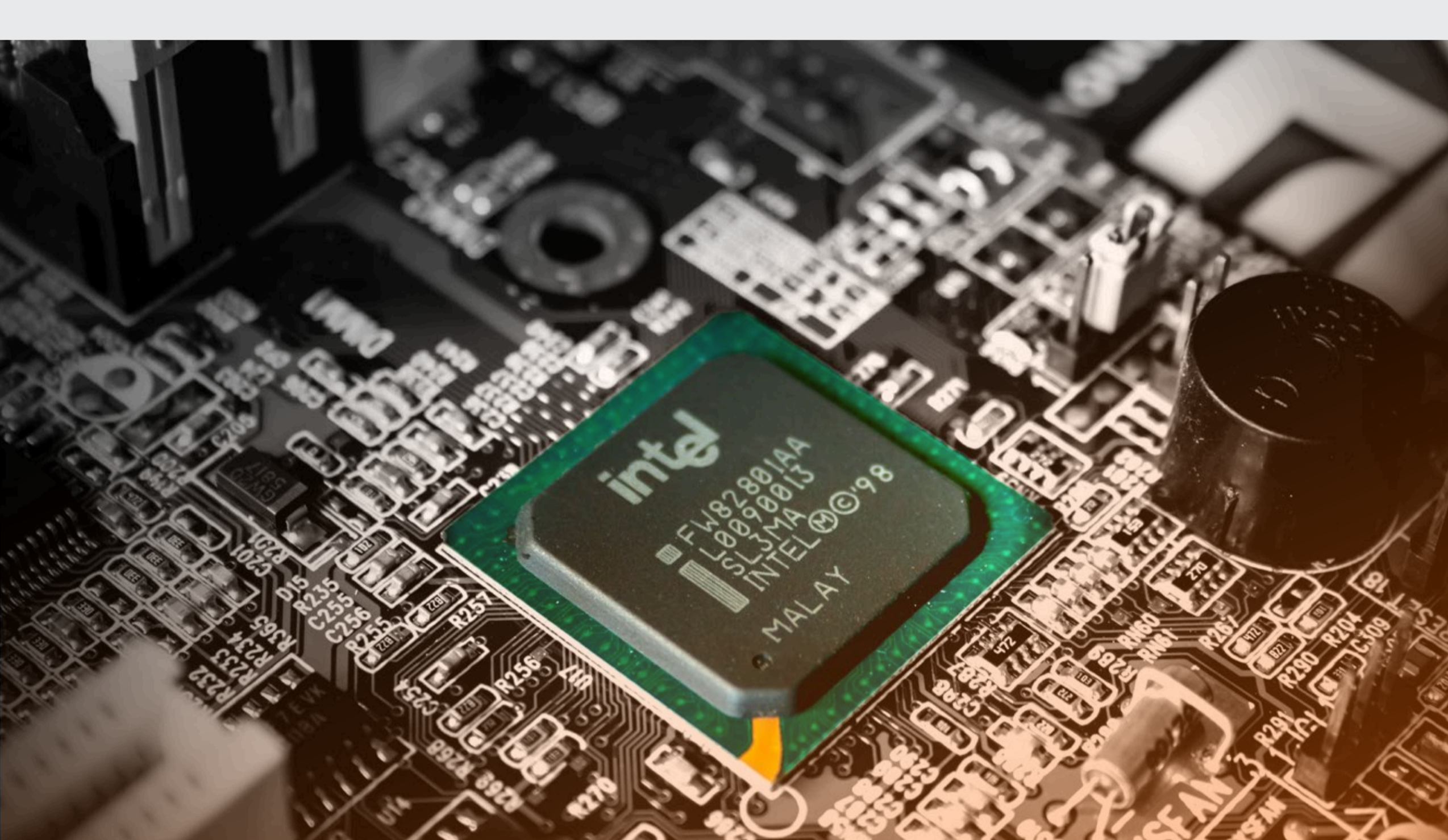
A third suit, on behalf of a former general manager and vice president **William Veiga**, is pending.

Baker described meeting Krappe for lunch before she took the job, and being told that Apptus was experiencing **"unprecedented growth in large enterprise companies."**

Both Baker and De La Cuesta allege that Krappe sold them on Apptus as a company with a **\$400 million sales pipeline**, but that pipeline didn't exist. He also sold them on key customers, like Intel. They allege that parts of the customer base were fictionalized or misrepresented.



In the case of Intel, the Silicon Valley chip giant, both suits allege that **Apptus sought to sell a product that didn't yet exist.** Intel grew concerned that something was wrong **"after extensive suspicious delays and excuses from Apptus,"** according to the complaints.

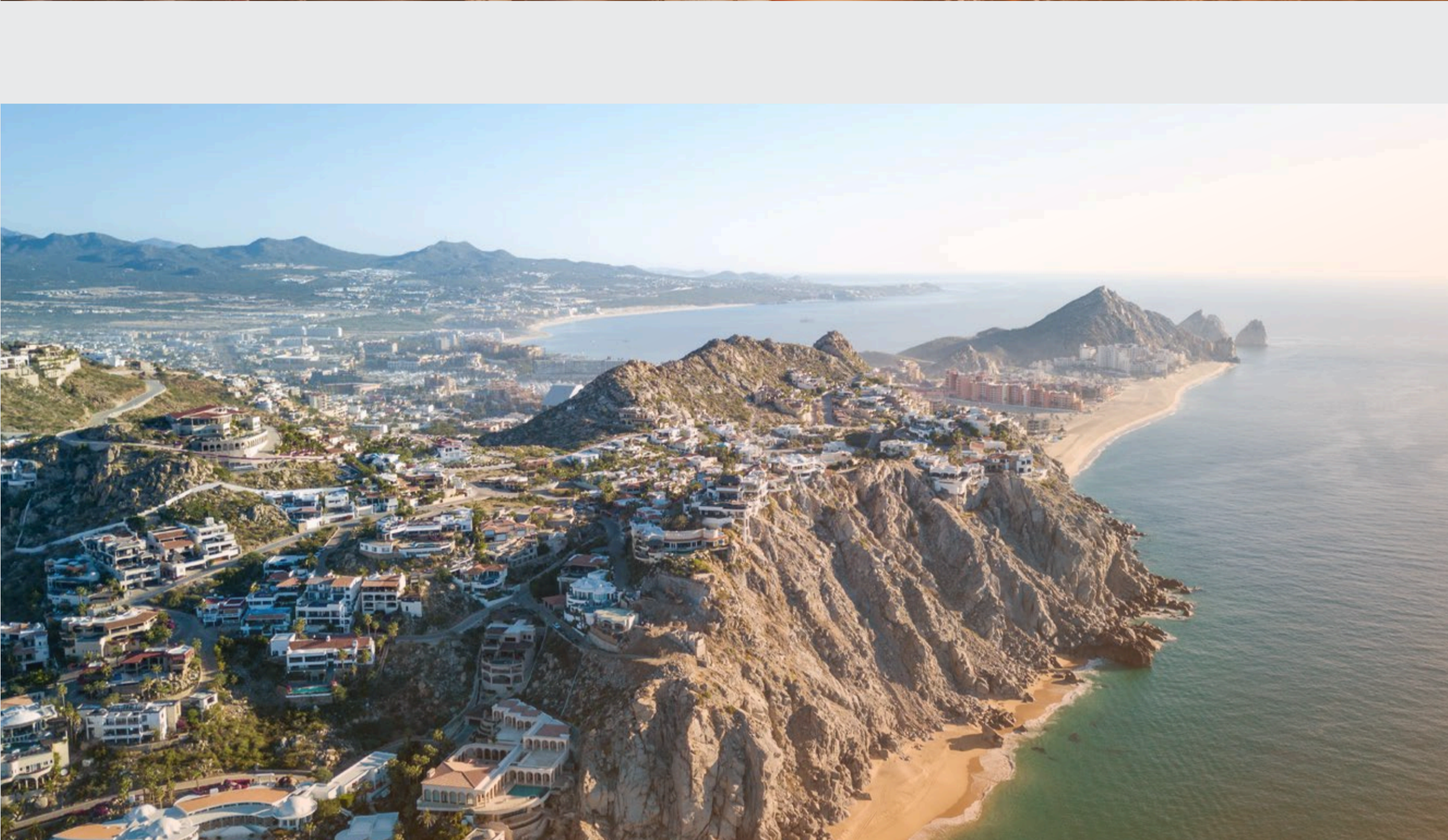


**A night of heavy drinking at the hotel bar**



The **President's Club event**, as Apptus called the company getaway, took place at a resort near Cabo San Lucas.

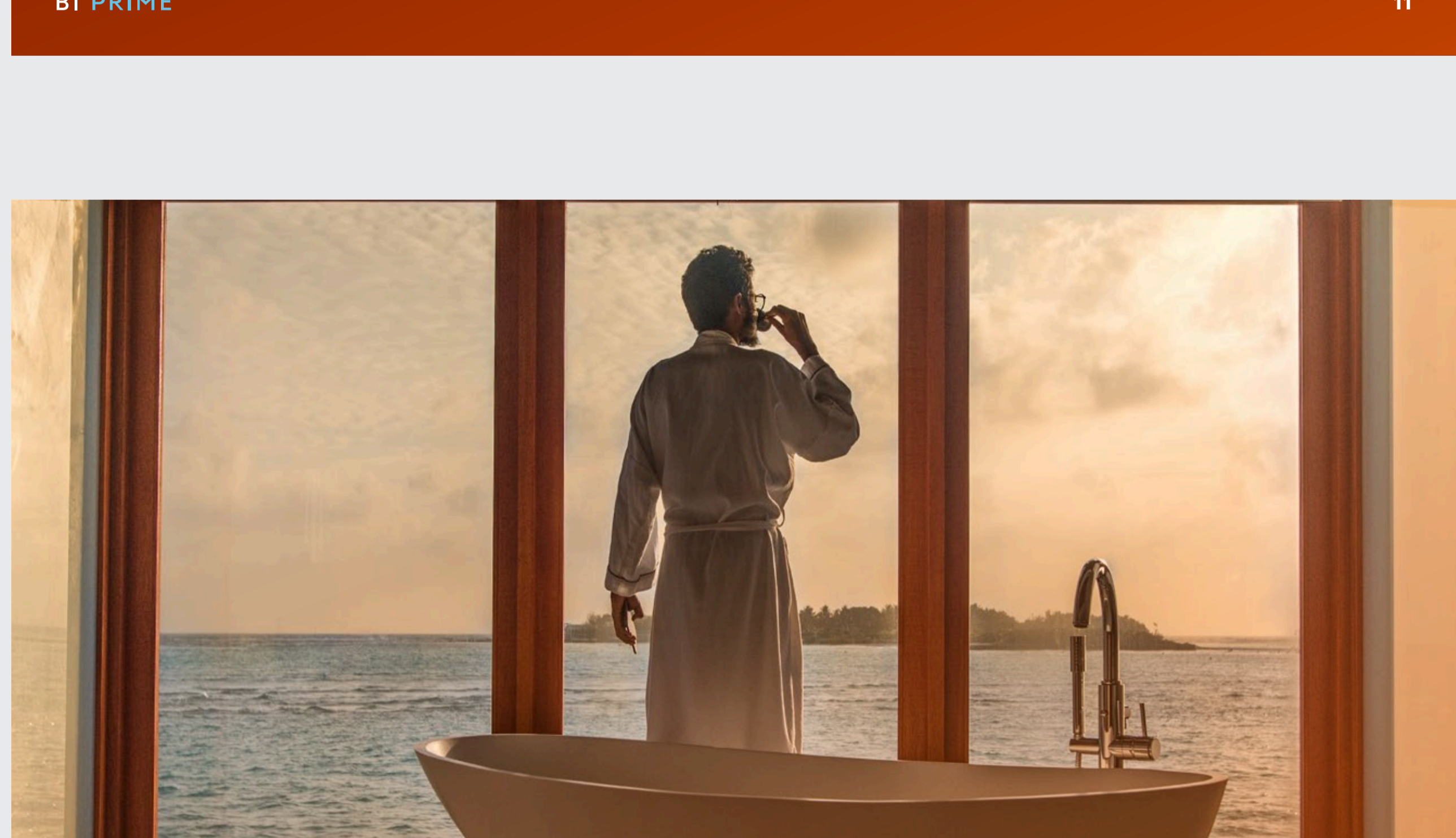
**Many consider it the epitome of paradise.**



It was there, after a night of heavy drinking at the hotel bar, that **Krappe allegedly followed the business-development employee back to her hotel room and sexually assaulted her.**

The claim against Krappe was settled outside of court.

**Bikinis, massages, and 'sexulence'**



In early 2015, people at the company **noticed that one of their colleagues was pregnant.** Their late-20s blonde coworker was starting to show.

Though she was tight-lipped about her relationship with Krappe, **most people at the company thought it was his child.**

Krappe, who was in his mid-50s at the time, was **still legally married to the mother of his four oldest children.** But the newly minted couple got engaged and started raising their newborn daughter as a family.

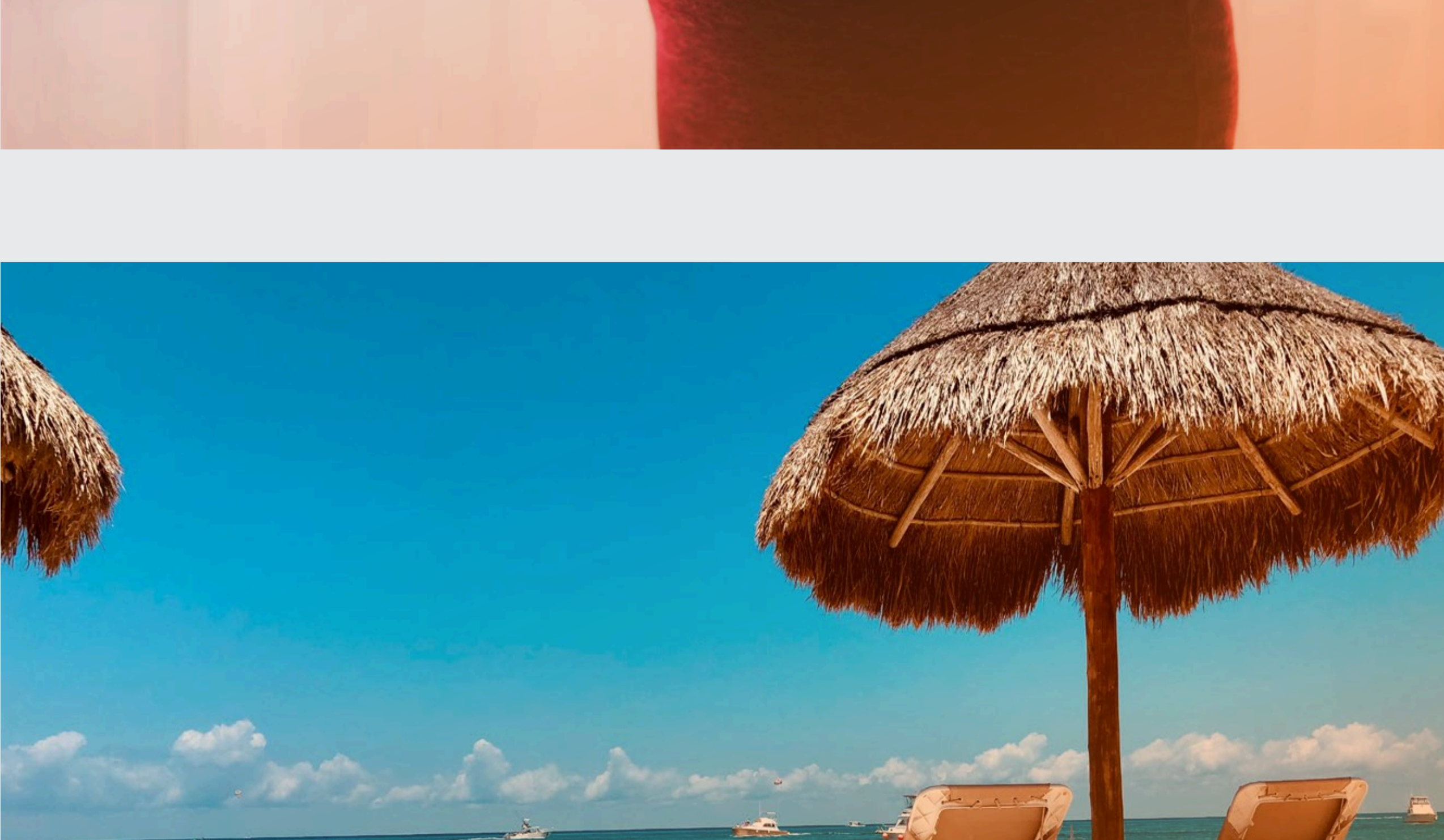
**Krappe's fiancée moved up quickly at Apptus**, and eventually managed a team called the Salesforce Excellence Team, known by some internally as the "sexulence team".



It was that team's job to fly around the country to host social events.

Manicures and massages would be documented as team-bonding expenses. Luxurious dinners between two Apptus employees would be documented as four-person client dinners with nonexistent Salesforce employees.

In at least one instance, bikinis and beach chairs got expensed. **Instance, bikinis and beach chairs got expensed on a trip to Florida.**



**"We were encouraged to spend money on anything, and it would be approved,"** one former team employee said.



Whether Krappe will **attempt to return** to the business world is unclear.

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