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How A 'Deviant' Philosopher Built Palantir, A CIA-Funded Data-Mining Juggernaut

This story appears in the September 2, 2013 issue of Forbes. 25 comments, 15 called-out[+ Comment Now](#) [+ Follow Comments](#)**By Andy Greenberg and Ryan Mac**

Since rumors began to spread that a startup called Palantir helped to kill Osama bin Laden, Alex Karp hasn't had much time to himself.

On one sun-baked July morning in Silicon Valley Palantir's lean 45-year-old chief executive, with a top-heavy mop of frazzled hair, hikes the grassy hills around Stanford University's massive satellite antennae known as the Dish, a favorite meditative pastime. But his solitude is disturbed somewhat by "Mike," an ex-Marine—silent, 6 foot 1, 270 pounds of mostly pectoral muscle—who trails him everywhere he goes. Even on the suburban streets of Palo Alto, steps from Palantir's headquarters, the bodyguard lingers a few feet behind.

"It puts a massive cramp on your life," Karp complains, his expression hidden behind large black sunglasses. "There's nothing worse for reducing your ability to flirt with someone."



Palantir chief executive Alex Karp. (Credit: Eric Millette for Forbes)

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I'm a technology, privacy, and information security reporter and most recently the author of the book [This Machine Kills Secrets](#), a chronicle of the history and future of information leaks, from the Pentagon Papers to WikiLeaks and beyond. I've covered the hacker beat for *Forbes* since 2007, with frequent detours into digital miscellanea like

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office for days at a stretch. “It’s easy to be the focal point of fantasies,” he says, “if your company is involved in realities like ours.”

Palantir lives the realities of its customers: the NSA, the FBI and the CIA—an early investor through its In-Q-Tel venture fund—along with an alphabet soup of other U.S. counterterrorism and military agencies. In the last five years Palantir has become the go-to company for mining massive data sets for intelligence and law enforcement applications, with a slick software interface and coders who parachute into clients’ headquarters to customize its programs. Palantir turns messy swamps of information into intuitively visualized maps, histograms and link charts. Give its so-called “forward-deployed engineers” a few days to crawl, tag and integrate every scrap of a customer’s data, and Palantir can elucidate problems as disparate as terrorism, disaster response and human trafficking.

Palantir’s advisors include Condoleezza Rice and former CIA director George Tenet, who says in an interview that “I wish we had a tool of its power” before 9/11. General David Petraeus, the most recent former CIA chief, describes Palantir to FORBES as “a better mousetrap when a better mousetrap was needed” and calls Karp “sheer brilliant.”



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Meet The Venture Arm Of The CIA

 Samantha Sharf
Forbes Staff

Among those using Palantir to connect the dots are the Marines, who have deployed its tools in Afghanistan for forensic analysis of roadside bombs and predicting insurgent attacks. The software helped locate Mexican drug cartel members who murdered an American customs agent and tracked down hackers who installed spyware on the computer of the Dalai Lama. In the book *The Finish*, detailing the killing of Osama bin Laden, author Mark Bowden writes that Palantir’s software “actually deserves the popular designation Killer App.”

And now Palantir is emerging from the shadow world of spies and special ops to take corporate America by storm. The same tools that can predict ambushes in Iraq are helping pharmaceutical firms analyze drug data. According to a former JPMorgan Chase staffer, they’ve saved the firm hundreds of millions of dollars by addressing issues from cyberfraud to distressed mortgages. A Palantir user at a bank can, in seconds, see connections between a Nigerian Internet protocol address, a proxy server somewhere within the U.S. and payments flowing out from a hijacked home equity line of credit, just as military customers piece together fingerprints on artillery shell fragments, location data, anonymous tips and social media to track down Afghani bombmakers.

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Meet The Dread Pirate Roberts, The Man Behind Booming Black Market Drug Website Silk Road



Andy Greenberg
Forbes Staff

Martin with a product that deploys faster, offers cleaner results and often costs less than \$1 million per installation—a fraction of the price its rivals can offer. Its commercial clients—whose identities it guards even more closely than those of its government customers—include Bank of America and News Corp. Private-sector deals now account for close to 60% of the company's revenue, which FORBES estimates will hit \$450 million this year, up from less than \$300 million last year. Karp projects Palantir will sign a billion dollars in new, long-term contracts in 2014, a year that may also bring the company its first profits.



Data Brokers Are Now Selling Your Car's Location For \$10 Online



Adam Tanner
Contributor

The bottom line: A CIA-funded firm run by an eccentric philosopher has become one of the most valuable private companies in tech, priced at between \$5 billion and \$8 billion in a round of funding the company is currently pursuing. Karp owns roughly a tenth of the firm—just less than its largest stakeholder, Peter Thiel, the PayPal and Facebook billionaire. (Other billionaire investors include Ken Langone and hedge fund titan Stanley Druckenmiller.) That puts Karp on course to become Silicon Valley's latest billionaire—and Thiel could double his fortune—if the company goes public, a possibility Karp says Palantir is reluctantly considering.

The biggest problem for Palantir's business may be just how well its software works: It helps its customers see too much. In the wake of NSA leaker Edward Snowden's revelations of the agency's mass surveillance, Palantir's tools have come to represent privacy advocates' greatest fears of data-mining technology — Google-level engineering applied directly to government spying. That combination of Big Brother and Big Data has come into focus just as Palantir is emerging as one of the fastest-growing startups in the Valley, threatening to contaminate its first public impressions and render the firm toxic in the eyes of customers and investors just when it needs them most.

"They're in a scary business," says Electronic Frontier Foundation attorney Lee Tien. ACLU analyst Jay Stanley has written that Palantir's software could enable a "true totalitarian nightmare, monitoring the activities of innocent Americans on a mass scale."

Karp, a social theory Ph.D., doesn't dodge those concerns. He sees Palantir as the company that can rewrite the rules of the zero-sum game of privacy and security. "I didn't sign up for the government to know when I smoke a joint or have an affair," he acknowledges. In a company address he stated, "We have to find places that we protect away from government so that we can all be the unique and interesting and, in my case, somewhat deviant people we'd like to be."



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- uche emenike

2 days ago

"A Palantir user at a bank can, in seconds, see connections between a Nigerian Internet protocol address..."

Thanks for the stereotype, you should be ashamed of your self.

✓

Called-out comment

[Reply](#)
- Llamas Llamas

1 day ago

Why? Certain types of banks scams are carried out in disproportionate numbers by people from Nigeria. It has little to do with the nature of the people in Nigeria and more to do with certain laws and banking practices that make pulling off these scams easier for people in Nigeria. I don't really remember the details of the explanation. I read about it in an article a couple of years ago.

✓

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[Reply](#)
- Llamas Llamas

1 day ago

+ expand 2 comments



Security Affairs 1 day ago

The Palantir Technologies model, lights and shadows on a case of success
<http://resources.infosecinstitute.com/the-palantir-technologies-model-lights-and-shadows-on-a-case-of-success/>

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Мартин Насковски 1 day ago

If I have done something wrong, I want to hide ...

If I haven't done anything wrong yet I still want to hide, then it must be because I should be some way, other than how I am ... "better", "more" or "different" than something or someone.

... and if I have done something wrong and I have no desire to hide it or make it right, then I need help, because I'm lost.

✓ Called-out comment

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Llamas Llamas 1 day ago

Skanky places.

✓ Called-out comment

Reply



Stencil 98 1 day ago

This guy is nothing but class-a hypocrite, spending his days helping the nsa, cia, and other gov't agencies spy on its people, while pretending to be just an old hippie with libertarian ideals. What an a-hole.

✓ Called-out comment

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jonjon 1 day ago

i agree with you

✓ Called-out comment

Reply



Rob F 1 day ago

Unlike the rest of the IT industry, Palantir's database and data analysis structure only permits limited views and analysis of information to administrators and analysts. Note: Most data stored in typical relational databases is not encrypted. The IT guy can look at *anything* with typical relational database storage.

Proper data mining, even with limitations to what data is morally, ethically, or legally able to use, can still yield very powerful results. Palantir is not merely an OLAP data warehouse solution.

Workday.com does an excellent job at this also with a similar technique.

✓ Called-out comment

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should only describe people who have been diagnosed with schizophrenia. It shouldn't be used casually to describe the outward perception of insanity, and one should be especially careful about linking it to violence (e.g. "stalked") because the stigma surrounding schizophrenia is devastating for those who suffer from it.

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