



Revolving Door Project Probes Thiel's White House Connection

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Washington is awash with proposals for a new regulatory agency centered on Silicon Valley. Often lost in that important conversation is the fact that the executive branch already has some positions with a direct focus on the technology sector, though they are limited in scope and scattered across the alphabet-soup of agencies. Perhaps no tech-focused bureaucrat has the president's ear quite like the Chief Technology Officer. The CTO is the White House's top advisor on anything to do with technology and innovation, tasked with explaining the latest developments and guiding the thinking of the most powerful politician on earth.

It should concern onlookers, then, that the current CTO, Michael Kratsios, got his job thanks to his long friendship with one of the most dangerous plutocrats of our age: Peter Thiel, founder of the Big Brother-esque software company Palantir and Trump's most ardent supporter in Silicon Valley. Thiel's explosive political beliefs, and his capacity to profit from White House policies set by his cronies, are why the Revolving Door Project has filed Freedom of Information Act requests for all email correspondence between Kratsios and any employees of Thiel's technology and venture capital firms.

It's worth taking a moment to introduce you to Peter Thiel. He's the unofficial leader of the Paypal Mafia, a gang of Silicon Valley colleagues who got filthy rich by selling Paypal to eBay, then founded their own companies drawing on each other as major investors. They are true kingmakers in the Valley, perhaps the best living proof that the tech sector is not the platonic ideal of bootstrap capitalism which fellow libertarian Charles Koch makes it out to be.

But simply describing Thiel as a businessman and libertarian is woefully insufficient. He ultimately believes only in himself and his entitlement — to power, knowledge, wealth, and fame. He is so certain of his place on top of the food chain that he believes anything which hampers him — including the concept of democracy — must be crushed.

Shortly after Barack Obama's first inauguration, Thiel wrote for the libertarian Cato Institute "I no longer believe that freedom and democracy are compatible." He explained "Since 1920, the

vast increase in welfare beneficiaries and the extension of the franchise to women — two constituencies that are notoriously tough for libertarians — have rendered the notion of ‘capitalist democracy’ into an oxymoron.”

Given a self-imposed choice between the two, Thiel clearly chooses capitalism. After explaining that he’s chosen to “escape politics in all its forms” — including “the unthinking demos that guides so-called ‘social democracy’” — Thiel writes that he’s dedicating his efforts to building internet companies, exploring outer space, and settling the oceans in hopes of building his new libertarian utopia. “The fate of our world may depend on the effort of a single person who builds or propagates the machinery of freedom that makes the world safe for capitalism,” Thiel writes.

A 2016 profile found that “there is no evidence that [Thiel] has changed his mind” about the views expressed in his infamous blog post. But he has taken concrete steps to accomplish the goals laid out in it. Through a network of venture capital funds, Thiel invested in some of the most notable internet companies of our time — including the gig-economy apps Uber and Postmates, which are premised on radical libertarian visions of the workforce. (Uber is now openly flaunting California’s efforts to bring the company’s labor practices in line. Ayn Rand has friends in California.)

That’s not even mentioning that his old college roommate alleges Thiel used to call apartheid South Africa “a sound economic system.” Or that he’s funding Urbit, an app developed by the slavery and white-nationalism apologist Mencius Moldbug. Or that he wrote a book arguing that multiculturalism “dumbed down” American institutions, and in which he called date rape “belated regret.” He denies the apartheid comments, and has apologized for some of the statements in the book. But he also gave \$1.25 million to the Trump campaign a week after the Access Hollywood tape came out. As any anti-intelligentsia crusader should tell you, actions speak louder than words.

And, of course, he funded the lawsuit which brought down Gawker, after considering bribery, theft, bugging, and email hacking, among other potential crimes, years earlier. Gawker’s Silicon Valley-focused blog Valleywag revealed that Thiel is gay in 2007, an understandable reason to hold a grudge. But the Gawker case set a dangerous precedent for reporting rights on the internet, which is quite convenient to Thiel’s anti-democratic worldview. As Jeffrey Toobin wrote in the New Yorker, “Hulk Hogan conceded that Gawker’s story about him was true, yet he still won a vast judgment and, not incidentally, drove the Web site out of business. The prospect of liability, perhaps existential in nature, for true stories presents a chilling risk for those who rely on the First Amendment.”

Thiel does not believe in democracy. He does not believe in equality. He does not believe in a free press. His voice, by default, should be irrelevant to the American democratic process (beyond, of course, his right to cast a vote like you or I).

So it is doubly disturbing that Thiel played a key role in staffing the current White House. And despite the famously high turnover rate in TrumpWorld, several of his cronies are still speckled throughout the executive branch.

Kevin Harrington, a former investor with Thiel Macro, is a senior staffer on Trump's National Security Council. Harrington played a major role in staffing the initial Trump NSC, and has stayed on staff, despite having no national security credentials. If the NSC were not exempt from FOIA requests, we'd be probing Harrington's contacts too. Similarly, Trae Stephens, co-founder of the Thiel-backed Anduril Industries and a partner with Thiel in the investment firm Founders' Fund, was on the Trump national security transition team. And Former Defense Secretary Jim Mattis had plenty of Palantir alumni in his orbit, including Justin Mikolay, who went straight into lobbying for Palantir after leaving the Defense department.

But Kratsios, the Chief Technology Officer, is arguably the most prominent Thiel-ite in the White House. The Senate only confirmed Kratsios (unanimously) as the CTO in August, but he has filled the role of Deputy Chief Technology Officer and Deputy Assistant to the President since early 2017. Thus, he's performed his current job's advisory functions since the start of the Trump era.

Kratsios came to Washington by way of two Thiel financial ventures: Clarium Capital Management and Thiel Capital. Clarium is a hedge fund which made some savvy bets on energy markets in the early 2000's, but took a major tumble in 2010. Kratsios was the firm's Chief Financial Officer and Chief Compliance Officer from 2010 to 2015, according to his LinkedIn bio. Apparently, Kratsios impressed Thiel enough to bring him on at Thiel Capital as Principal and Chief of Staff.

Thiel Capital is more of an enigma. Its website is just a logo. The only public information about it comes, again, from a LinkedIn page, declaring that it "provides strategic and operational support for Peter's many investment initiatives and entrepreneurial endeavors." (LinkedIn, by the way, was created by a Paypal mafioso.) Another sign that Thiel Capital isn't looking for the spotlight is the name: Thiel's better-known venture capital funds are all named after Lord of the Rings references, such as the godlike Valar, or magical metal Mithril. Thiel Capital appears, then, to be a means of overseeing and managing the other, flashier pieces of the Thiel empire.

Trusting Kratsios with such a crucial role speaks to Thiel's high regard for him, as does the nomination to be Trump's Deputy US Chief Technology Officer. As a venture capitalist, Kratsios has no direct background in research, development, or science. His expertise, rather, is spotting which technologies are about to be commercially viable and are likely to make a killing for those who can get in on the ground. Now as America's CTO, his priority is still to pump public money and private investment opportunities into the buzziest Silicon Valley innovation of our time: artificial intelligence.

At a panel last week hosted by the Center for Data Innovation, a subsidiary of the infamously pro-corporate Information Technology and Innovation Foundation, Kratsios bragged about a Trump proposal for nearly \$1 billion in non-defense AI spending. This year's publicly-known defense department spending on AI totals almost \$1 billion more, according to Kratsios. That's a marked contrast with the FY2016 budget, which set aside about \$1 billion in total for all AI spending (defense and non-defense).

That spending is just one part of the “American AI Initiative,” Kratsios’ signature project. Other facets include opening more federal data sets up to private actors, deregulation, and White House-approved technical standards in the AI space. Kratsios preempts any critics of the initiative with the common, flawed fatalism of arguing that the US needs to “beat” China in the sphere. “The American AI Initiative calls for a strong action plan to protect our advantage from adversarial nations for the security of our economy and our nation,” he wrote in a Wired op-ed.

Sam Biddle, a former Valleywag editor, deconstructed the many flaws in the “race with China” narrative here. But it’s worth noting that Peter Thiel stands to profit from federal funds pouring into the AI space. Through his venture capital funds, he’s invested in AI companies all over the globe. He helped develop a non-profit AI group with some long-time investing pals. His own company, Palantir, has an AI division. So does the military technology developer Anduril, in which Thiel has invested.

Both Anduril and Palantir already have major military contracts, and have stood firm in the face of activist pushback. Palantir CEO Alex Karp criticized Google employees’ hesitance to develop AI for the Pentagon’s Project Maven as part of a confused PR junket in the last few weeks, which is a follow-up to Thiel’s own round of Google-bashing. While Palantir’s bread-and-butter is crunching big data, rather than teaching machines to think for themselves, Palantir furthers its future business opportunities by presenting an image of a patriotic, pro-military technology company...especially when it has connections with the White House’s main technology advisor. This just might be enough to edge out Google and Amazon for some of the billions in defense money that is on the line, despite Jeff Bezos’ own corrupt connections in the Pentagon.

Given Thiel’s massive potential to personally profit from the American AI Initiative, and the dangers of his ideology influencing White House decision-making, the Revolving Door Project is requesting transcripts of all email correspondence between Kratsios and anyone with an email address associated with Palantir, Anduril, or any of Thiel’s venture capital companies or philanthropic foundations. We need to see whether Kratsios’ communications, if any, with the Thiel network show unusual or undue coordination, and if Thiel’s firms may have profited from it.

Given his intermittent taste for the limelight, it’s hard to call Peter Thiel under-scrutinized. But his connections to dangerous technology and belief in a dangerous ideology mean that he ought to be more of a household name. Investigating his point man in the White House is just one small part of the goal of greater scrutiny.