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Welcome to the Machine, Senator Paul

By Eli Lake

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Few national politicians have the credibility of Senator Rand Paul when it comes to the issue of privacy. In his stemwinder Tuesday to kick off his presidential campaign against what he called the "Washington Machine," the Kentucky ophthalmologist promised to end the government's dragnet collection of telephone metadata from U.S. citizens.

So it's strange that one of Paul's major fundraisers founded a private company that helps the U.S. intelligence community sift through metadata. Meet Joe Lonsdale, a Silicon Valley investor who helped found and build Palantir, a private software company that provides software that sorts vast amounts of data to help drone pilots find terrorists and financial analysts spot trends. The New York Times reported last month that Lonsdale was a member of Paul's nascent finance committee.

Lonsdale, along with investor Peter Thiel (another Palantir founder) are part of an elite group of libertarian-leaning Silicon Valley entrepreneurs who have been drawn to Paul since he emerged on the national scene a few years ago. Last July, Lonsdale told Politico that he thought the Republican party had about 10 years to adopt more libertarian positions on immigration, marijuana legalization and government surveillance before it lost libertarians like himself.

Lonsdale's company, however, has played an important role in government surveillance. In January, the website techcrunch published a story based on a leaked 2013 document that showed Palantir's clients include the National Security Agency, the CIA, the Marine Corps, Special Operations Command, the Department of Homeland Security and the Air Force.

Palantir's products help to mine data. Their software has been used, according to former U.S. intelligence officials, to target suspected terrorists for drone strikes. The software in different settings has also been used to smoke out fraudsters like Bernie Madoff and foil the use of roadside bombs that endangered U.S. troops in Afghanistan.

Palantir also has some protections against the abuse of their data mining tools. The software logs every query, for instance, that a user of the software makes. This means the analysts know that their searches can be audited. They too are being watched.

The company has nonetheless drawn some libertarian critics. As Christopher Soghoian, the chief technologist for the American Civil Liberties Union, put it, "If you are sitting at a Palantir interface and you are searching for your ex-wife's information, you will be caught. That feature protects against an employee going rogue, but it doesn't protect against the over-reach of a government program." He added, "Palantir creates custom software that allows their intelligence agency customers to integrate Palantir software into their existing systems."

Soghoian declined to share his views on what Lonsdale's role in the Paul campaign meant for the candidate's views on privacy. But other prominent libertarians said they were not bothered by Lonsdale's support.

"On your finance committee you want people with a lot of money who believe in your candidacy," Nick Gillespie, the editor-in-chief of reason.com told me. "The hawkish wing of the Republican party thinks he is Neville Chamberlain on estrogen," Gillespie said. "But Rand Paul has said he believes in military confrontation. There is no contradiction between being a libertarian-leaning Republican and wanting a strong military."

Julian Sanchez, a senior fellow at the libertarian CATO Institute, told me it would be a strange investment for Lonsdale and Thiel to back Paul if his aim was really to preserve the surveillance state that he has promised to curtail. "You can think the government needs to roll back its military interventions and still needs to buy airplanes," Sanchez said. "There should be limits on how we use surveillance technology but there are still some legitimate uses."

Paul has said as much himself with regard to Lonsdale. When asked about Lonsdale following a fundraiser last May, Paul told Fortune Magazine he saw no contradiction between accepting support from a founder of Palantir and opposing mass government surveillance.

In his big speech Tuesday, Paul pledged to end a "vast dragnet" and "unconstitutional surveillance." He followed up this promise with these words: "I believe we can have liberty and security and I will not compromise your liberty for a false sense of security, not now, not ever."

That phrase is very similar to Obama's 2008 campaign line about rejecting the "false choice between the liberties we cherish and the securities we provide." But eventually Obama -- despite his campaign promise to offer liberty and security -- understood he had to choose between them.

In June 2013, after disclosures by the NSA contractor Edward Snowden, Obama defended the metadata collection program that Paul has promised to end. He said, "You can't have 100 percent security and also then have 100 percent privacy and zero inconvenience. We're going to have to make some choices as a society."

Obama promised liberty, but chose security. And as it turns out, that security has been provided in part by the company founded by a member of Paul's finance committee.