

The Man From I.N.Q.T.E.L.



Special submission to the Intercept by Rob Martin and S. Brown with The Guardian

Five tons of cocaine may seem like a lot of cocaine for a “501 C 3 non-profit charity” to have on its airplanes but the little rogue Silicon Valley spy agency called I.N.Q.T.E.L. said that “it just couldn’t imagine how it got there” or why I.N.Q.T.E.L. flight manifests had decided to name the airplane “Cocaine One”.

Former editors at Silicon Valley’s TechCrunch say that “I.N.Q.T.E.L. is just an off-shoot of the Mark Zuckerberg/Eric Schmidt scheme to try to steer defense money to Silicon Valley VC’s who funded the Obama campaign. In fact, all of the Big Data technologies that Silicon Valley tried to push off onto the Pentagon have failed on every front, found not a single terrorist ahead of time, been exploited by those VC’s to spy on Americans for marketing and political manipulation and, got every major corporation hacked by the Russians and Chinese and, generally, turned into one of the biggest social technology disasters in history.”

Chris Byron writes in the The New York Post that he thinks that the THE SPY AGENCY SHOULD CLOSE ITS VENTURE CAPITAL FIRM

“If former National Security Agency chief Michael Hayden hangs in there as President Bush’s nominee to head the CIA and makes it to a Senate confirmation hearing, one of the panel’s members should ask him this: “Sir, please tell the committee how much further you anticipate allowing the CIA to expand its presence on Wall Street via the private venture capital firm known as In-Q-Tel, Inc.”

Hayden came under withering fire in Washington last week as word spread that the ex-NSA chief had presided over the White House’s post-9/11 surveillance program of monitoring domestic U.S. telephone calls. The White House, politically weakened from a year of setbacks both at home and abroad, may decide to withdraw Hayden from consideration and submit an alternative nominee burdened with less civil liberties baggage.

Yet whoever winds up in the CIA’s top job will inherit a developing mess involving In-Q-Tel that was largely ignored by the agency’s departing director, Porter Goss. Hints that all is not well with In-Q-Tel

have begun seeping into view as this little-known domestic CIA front operation continues to funnel agency money into penny stock and micro-cap companies in Wall Street's murkiest back alleys. Two In-Q-Tel CEOs have resigned from the six-year-old venture capital fund in just the last four months; the fund is being run on a day-to-day basis by a man from Washington's politically greased Carlyle Group who has been with In-Q-Tel for only a few weeks. Headhunters are said to be having trouble coming up with candidates for a permanent replacement.

And there are even reports, largely unconfirmed, that the Securities and Exchange Commission is looking into several penny stock promoters with ties to In-Q-Tel.

Launched in 1999 by CIA director George Tenet as a Wall Street venture fund to finance new technologies for the spy world, In-Q-Tel quickly found friends on Capitol Hill, where policymakers seized on the fund as a way to remind constituents that the ghost of Vietnam no longer walked the land. The attacks of 9/11 gave In-Q-Tel even more stature in Congress, where the fund came to be seen as an essential element in the war effort.

Yet the public's visceral reaction to last week's NSA revelations suggests that war or no war, a backlash against government snooping may be starting. And that in turn promises to crank up the heat under In-Q-Tel, where at least some of the fund's investments raise questions of judgment regarding how taxpayer money is being spent by the organization, as well as who it is choosing for business partners. A year ago, this column drew back the curtain on a fishy In-Q-Tel investment, financed out of the black box budget of the CIA, in a defense-sector start-up called Ionatron Inc.

Run by a longtime Wall Street regulatory violator named Robert Howard, Ionatron used a cash infusion from In-Q-Tel to promote itself around Washington as the developer of a laser-equipped, remotely controlled device the size of a golf cart that could patrol the highways of Iraq, ferreting out and detonating insurgent land mines ahead of troop movements.

We warned in this space that the technology being trumpeted by Ionatron was not only unproven, but had been obtained by Howard and some midlevel researchers at Raytheon Corp. under highly irregular circumstances designed to persuade a West Coast laser researcher into turning over his research to Howard's group.

Nonetheless, Sen. Hillary Clinton and her Democratic colleague from California, Barbara Boxer, quickly embraced the Ionatron program, which eventually devoured more than \$12 million in government funding before the Pentagon finally concluded last week that the devices are not reliable and cancelled plans to deploy them.

Ionatron's stock price has tumbled more than a third in the last three weeks, leaving the company's largest investor - prominent hedge fund SAC Capital Advisors, run by Steven A. Cohen of Connecticut - sitting with millions in paper losses.

SAC Capital has acknowledged that it is under investigation by the SEC in what appears to be a separate matter involving stock trading, and the SEC may soon start taking a look into the hedge fund's buying of Ionatron's shares.

In-Q-Tel's growing portfolio of investments includes a few successes. Yet the fund has more often poured money into companies that were barking dogs long before In-Q-Tel showed up, and have failed to improve since.

Consider a North Carolina outfit called ID Technologies Corp., which began life in 1994 as CardGuard International Inc. to promote a fingerprint identification system no one wanted to buy. In the four years that followed, the company racked up losses of \$3 million on a mere \$92,000 in revenues.

In 1998, the company changed its name to ID Technologies and added \$2.5 million more to the loss column on barely \$100,000 more in revenues.

Along the way, In-Q-Tel popped up with plans to invest \$400,000 more in ID Tech, but the firm collapsed, leaving investors with \$5.58 million in cumulative losses and a stock that now sells for a fraction of a penny per share.

Another In-Q-Tel investment, in a data software company called Convera Corp., may be headed in the same direction, bearing much greater losses. In 2004 the fund took a stake in Convera, which had yet to turn a profit while piling up more than \$1 billion in cumulative losses since its founding in the mid-1980s.

By the end of 2005, a resulting bounce in Convera stock had topped out at \$16, and the shares have since lost half their value. Last week they were trading below \$8 on investor disenchantment with the perennial money loser's latest offering: an Internet search engine for extracting information from video files.

Because its funding comes from the CIA, In-Q-Tel has been an irresistible target for conspiracy theorists who charge that the CIA is somehow linked through it to every penny stock that goes south. Last week, one left-leaning Web site reported that SEC investigators think the CIA-backed venture fund has been steering money into penny stock "pump and dump" firms in Israel, Dubai and Malaysia. But a day's worth of phoning around traces these claims to a tireless complainant named Tony Ryals, who has been bombarding the SEC and Internet message boards for years with claims that he has uncovered a submerged world of In-Q-Tel-linked fraud stretching for Kuala Lumpur to the Middle East.

The alleged linkages are bewildering in their complexity and typically impossible to follow, but conspiracy buffs find them irresistible, since they seem to echo some of the CIA's worst excesses from 30 to 40 years ago, and by their nature, they can never be entirely disproved.

WHETHER the SEC has looked into Ryals' charges and found them baseless isn't known, but thanks to In-Q-Tel and the lengthening shadow of the CIA on Wall Street, the most improbable of such claims once again have a whiff of credibility.

Bottom line: There are many sensible ways the CIA could have gone about developing the technologies it needs, but funneling money into Wall Street via an outfit like In-Q-Tel was never one of them. So it will be a good thing for Wall Street - and for America, too - if the CIA's next spymaster simply shuts the operation down. (cbyron@nypost.com)

Bob Simon, of the CBS News 60 Minutes TV show, thought that I.N.Q.T.E.L. was a bunch of wanna be's from Stanford and Yale. The internet's Corbett Report has produced numerous documentaries which describe I.N.Q.T.E.L. as nearly psychotic fringe-mentality yuppie spies with their own private agenda.

Thomas Ricks explains how I.N.Q.T.E.L. and New America Foundation, who are, essentially the same organization want all war to now be fought by Silicon Valley technologies. Isn't that convenient for those Silicon Valley campaign financiers?

"The Future of War: A New America project looking at 21st century conflict. In the interest of improving our national security, protecting our rights, and helping get us out of the endless "war on terror," the New America Foundation is launching a project on the future of war. Here is a look at the initial thinking, which is liable to change as our various participants bring to bear their very different areas of expertise. Plus, isn't it time that there was a study of the future of defense funded by neither the Pentagon nor the defense industry?"

By the Future of War team, New America Foundation (Controlled by Eric Schmidt and Google)

Best Defense office of the future. Throughout history, changes in the conduct of warfare have been one of the primary drivers of shifts in how societies and states are organized. Today, the evolution of autonomous weapons systems, the emergence of ever more sophisticated surveillance technologies, the militarization of cyberspace and outer space, and a range of similar developments are dramatically

changing the nature of war -- with profound implications for the nature of the international order, the manner in which we control and constrain power and violence, and the nature of the state itself. Few seem fully to grasp this, however. For the most part, these changes in the means and methods of warfare are usually viewed narrowly, and understood as matters of interest mainly to specialized communities of policy wonks, military planners, civil libertarians, or counterterrorism experts. As with the story of the blind men and the elephant, many people are looking at different facets of the changing nature of war, each trying to describe what they see (and often misunderstanding what it is they are seeing). That's not good enough: We need to look at the whole elephant.

With the United States still locked into a "forever war" paradigm that doesn't comport with American values or history, it's more urgent than ever to understand the ways in which changes in the nature of war both drive and are driven by changes in state-level, sub-state-level, and international policies and institutions. At the same time states are developing unprecedented military technologies, the means of mass destruction have been democratized: Today, terrorist organizations and other non-state actors can cause damage and destruction on a scale we normally associate with states. Meanwhile, new technologies are eroding old assumptions about sovereignty and state autonomy. Nonetheless, we still operate mainly within a legal and political paradigm that draws sharp -- if increasingly arbitrary-- lines between domestic and international matters, between states and non-state actors, and between war and crime.

It's increasingly apparent that existing legal paradigms neither provide adequate tools for responding to new kinds of threats nor offer an appropriate framework for protecting human rights and human dignity. As we move forward, we need to find a way to evolve beyond the post-9/11 state of perpetual war -- and we need to do so in a way that takes into account these seismic changes, allows for an adaptive response to evolving threats, and enhances the robust protection of human rights.

The New America Foundation is well positioned to sort out the thorny issues that arise from the changing nature of warfare. Unlike most think tanks and NGOs, New America isn't made up of specialists having "insider" conversations with one another: lawyers talking to other lawyers, or defense policy experts talking to other defense policy experts. Instead, New America connects the worlds of law, technology, political science, history, policy, the military, the human rights community, and the media, each of which often operates in isolation.

Core members of New America's Future of War team include journalists, technologists, military history and terrorism experts, human rights experts, and international law and defense policy experts. Our individual and collective expertise and connections enable us to convene the most creative and influential thinkers, writers, and decision-makers from these varied and often separate worlds; develop bold conceptual frameworks combined with more specific legal and policy proposals; write and talk about these intelligibly and interestingly; and attract extensive media coverage to our work and our recommendations. The Future of War project is led by Peter Bergen, director of national security studies at the New America Foundation and the author of several books. This series was drafted by him and the team's other members: Rosa Brooks, Anne-Marie Slaughter, Sascha Meinrath, and Tom Ricks."

If that isn't a pitch for "GIVE GOOGLE ALL OF THE PENTAGON'S MONEY" then the moon is blue. There is how Eric Schmidt gets hundreds of billions of government dollars shoveled into his pocket and why Eric Schmidt gets to tell President Obama what to do! (See the article THE ANDROID ADMINISTRATION)

I.N.Q.T.E.L. has provided the staff for Google, Facebook, Elon Musk's companies including Space X (Where an I.N.Q.T.E.L. related programmer was arrested for running SILK ROAD, the largest on-line cocaine selling service in history) and helped get Sony Pictures Entertainment the secret information for their OBL film: ZERO DARK THIRTY in exchange for campaign contributions.

I.N.Q.T.E.L. is the dirty tricks team that the Sid Blumenthal's of the world send their clients to. I.N.Q.T.E.L. is contracted by the U.S. Chamber of Commerce to put hit jobs on the enemies of the U.S. Chamber of Commerce. Hillary Clinton's State Department has paid I.N.Q.T.E.L. tens of millions of dollars. Why?

When Eric Schmidt and Google created "The Arab Spring" uprisings in the Middle East, a fact widely reported in the news and bragged about by Google's own staff, I.N.Q.T.E.L. was riding shotgun on the whole affair.

Here is the thing: Should taxpayer money be used to fund I.N.Q.T.E.L. when it is often just being used as a political and business dirty tricks service to attack U.S. citizens, inside America, who compete with Silicon Valley campaign financiers?

The law says it is a felony for I.N.Q.T.E.L. to exist. What does the reader think?

We asked Chester L. Jordan, The U.S. Army Legal Services Agency Regulatory Law and Intellectual Property Division boss in Arlington, VA, and his staff, if I.N.Q.T.E.L. did not seem to be competing with, and screwing with the very Pentagon, itself. He said he would take it under consideration.

Topics: I.N.Q.T.E.L., bob simon 60 minutes, U.S. Army, Eric Schmidt, New America Foundation, Peter Bergen, Arab Spring, Googles Arab Spring, Hillary Clinton, Silicon Valley, Mark Zuckerberg, Sid Blumenthal, dirty tricks, Zero Dark Thirty, Leon Panetta, *Rosa Brooks*, *Anne-Marie Slaughter*, *Sascha Meinrath*, and *Tom Ricks*, "Cocaine one", *Elon Musk*, *Space X*