

was adamant that Palantir would not succeed without a strategy to protect civil liberties.

THE CONTRARIAN: PETER THIEL AND SILICON V...

In later years, Thiel would strongly imply that he'd been in favor of the privacy approach from the start, but, in fact, he was skeptical at first, arguing that no one would believe that a product that claimed to preserve privacy would actually work. Karp won him over, and Palantir's privacy paper trail would become central to the company's pitch to the public. Karp seemed sincere but it was never clear how seriously clients took the idea. One of Palantir's former engineers recalled meetings during which government clients would suggest trying to use the database to look up an ex-girlfriend immediately after hearing the whole privacy spiel. Palantir employees would never object to these requests, this person said. Instead, they would remind the clients that searches were logged—and then allow them to look up whoever they wanted, no matter how flimsy the pretext.

Palantir executives pushed ethical boundaries in other ways. In 2006, Shyam Sankar, a Palantir business development executive, posed as the founder of a security firm to buy software from a more established competitor, i2, according to a lawsuit the company filed. Palantir said that nothing improper had occurred but ultimately paid a \$10 million settlement.

Around this time, Thiel was involved in another effort to get sales moving. He asked Joe Lonsdale to work on a version of Palantir that could be used by hedge funds to analyze their portfolios, with Clarium as a test customer. Even though Palantir Finance didn't really work—"a disaster," as a senior executive described it—it helped Karp make the case to government agencies that Palantir was worth buying.

"You can't sell to the government if you're only selling to the government," said someone familiar with the project. "The government never wants to be the only thing