

# Why Google made the NSA

## Inside the secret network behind mass surveillance, endless war, and Skynet—

### part 2

by Nafeez Ahmed

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*INSURGE INTELLIGENCE, a new crowd-funded investigative journalism project, breaks the exclusive story of how the United States intelligence community funded, nurtured and incubated Google as part of a drive to dominate the world through control of information. Seed-funded by the NSA and CIA, Google was merely the first among a plethora of private sector start-ups co-opted by US intelligence to retain ‘information superiority.’*

*The origins of this ingenious strategy trace back to a secret Pentagon-sponsored group, that for the last two decades has functioned as a bridge between the US government and elites across the business, industry, finance, corporate, and media sectors. The group has allowed some of the most powerful special interests in corporate America to systematically circumvent democratic accountability and the rule of law to influence government policies, as well as public opinion in the US and around the world. The results have been catastrophic: NSA mass surveillance, a permanent state of global war, and a new initiative to transform the US military into Skynet.*

READ PART ONE

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Mass surveillance is about control. It's promulgators may well claim, and even believe, that it is about control for the greater good, a control that is needed to keep a cap on disorder, to be fully vigilant to the next threat. But in a context of rampant political corruption, widening economic inequalities, and escalating resource stress due to climate change and energy volatility, mass surveillance can become a tool of power to merely perpetuate itself, at the public's expense.

A major function of mass surveillance that is often overlooked is that of knowing the adversary to such an extent that they can be manipulated into defeat. The problem is that the adversary is not just terrorists. It's you and me. To this day, the role of information warfare as propaganda has been in full swing, though systematically ignored by much of the media.

Here, *INSURGE INTELLIGENCE* exposes how the Pentagon Highlands Forum's co-optation of tech giants like Google to pursue mass surveillance, has played a key role in secret efforts to manipulate the media as part of an information war against the American government, the American people, and the rest of the world: to justify endless war, and ceaseless military expansionism.

## The war machine

In September 2013, the website of the Monterey Institute for International Studies' Cyber Security Initiative (MIIS CySec) posted a final version of a paper on 'cyber-deterrence' by CIA consultant Jeffrey Cooper, vice president of the US defense contractor SAIC and a founding member of the Pentagon's Highlands Forum. The paper was presented to then NSA director Gen. Keith Alexander at a Highlands Forum session titled 'Cyber Commons, Engagement and Deterrence' in 2010.



Gen. Keith Alexander (middle), who served as director of the NSA and chief of the Central Security Service from 2005 to 2014, as well as commander of the US Cyber Command from 2010 to 2014, at the 2010 Highlands Forum session on cyber-deterrence

MIIS CySec is formally partnered with the Pentagon's Highlands Forum through an MoU signed between the provost and Forum president Richard O'Neill, while the initiative itself is funded by George C. Lee: the Goldman

Sachs executive who led the billion dollar valuations of Facebook, Google, eBay, and other tech companies.

Cooper's eye-opening paper is no longer available at the MIIS site, but a final version of it is available via the logs of a public national security conference hosted by the American Bar Association. Currently, Cooper is chief innovation officer at SAIC/Leidos, which is among a consortium of defense technology firms including Booz Allen Hamilton and others contracted to develop NSA surveillance capabilities.

The Highlands Forum briefing for the NSA chief was commissioned under contract by the undersecretary of defense for intelligence, and based on concepts developed at previous Forum meetings. It was presented to Gen. Alexander at a "closed session" of the Highlands Forum moderated by MIIS Cysec director, Dr. Itamara Lochard, at the Center for Strategic and International Studies (CSIS) in Washington DC.



SAIC/Leidos' Jeffrey Cooper (middle), a founding member of the Pentagon's Highlands Forum, listening to Phil Venables (right), senior partner at Goldman Sachs, at the 2010 Forum session on cyber-deterrence at the CSIS

Like Rumsfeld's IO roadmap, Cooper's NSA briefing described "digital information systems" as both a "great source of vulnerability" and "powerful tools and weapons" for "national security." He advocated the need for US cyber intelligence to maximize "in-depth knowledge" of potential and actual adversaries, so they can identify "every potential leverage point" that can be exploited for deterrence or retaliation. "Networked deterrence" requires the US intelligence community to develop "deep understanding and specific knowledge about the particular networks involved and their patterns of linkages, including types and strengths of bonds," as well as using cognitive and behavioural science to help predict patterns. His paper went on to essentially set out a theoretical architecture for modelling data obtained from surveillance and social media mining on potential "adversaries" and "counterparties."

A year after this briefing with the NSA chief, Michele Weslander Quaid—another Highlands Forum delegate—joined Google to become chief technology officer, leaving her senior role in the Pentagon advising the undersecretary of defense for intelligence. Two months earlier, the Defense Science Board (DSB) *Task Force on Defense Intelligence* published its report on *Counterinsurgency (COIN), Intelligence, Surveillance and Reconnaissance (IRS) Operations*. Quaid was among the government intelligence experts who advised and briefed the Defense Science Board Task Force in preparing the report. Another expert who briefed the Task Force was Highlands Forum veteran Linton Wells. The DSB report itself had been commissioned by Bush appointee James Clapper, then undersecretary of defense for intelligence—who had also commissioned Cooper’s Highlands Forum briefing to Gen. Alexander. Clapper is now Obama’s Director of National Intelligence, in which capacity he lied under oath to Congress by claiming in March 2013 that the NSA does not collect any data at all on American citizens.

Michele Quaid’s track record across the US military intelligence community was to transition agencies into using web tools and cloud technology. The imprint of her ideas are evident in key parts of the DSB Task Force report, which described its purpose as being to “influence investment decisions” at the Pentagon “by recommending appropriate intelligence capabilities to assess insurgencies, understand a population in their environment, and support COIN operations.”

The report named 24 countries in South and Southeast Asia, North and West Africa, the Middle East and South America, which would pose “possible COIN challenges” for the US military in coming years. These included Pakistan, Mexico, Yemen, Nigeria, Guatemala, Gaza/West Bank, Egypt, Saudi Arabia, Lebanon, among other “autocratic regimes.” The report argued that “economic crises, climate change, demographic pressures, resource scarcity, or poor governance could cause these states (or others) to fail or become so weak that they become targets for aggressors/insurgents.” From there, the “global information infrastructure” and “social media” can rapidly “amplify the speed, intensity, and momentum of events” with regional implications. “Such areas could become sanctuaries from which to launch attacks on the US homeland, recruit personnel, and finance, train, and supply operations.”

The imperative in this context is to increase the military’s capacity for “left of bang” operations—before the need for a major armed forces commitment—to avoid insurgencies, or pre-empt them while still in incipient phase. The report goes on to conclude that “the Internet and social media are critical sources of social network analysis data in societies that are not only literate, but also connected to the Internet.” This requires “monitoring the blogosphere and other social media across many different cultures and languages” to prepare for “population-centric operations.”

The Pentagon must also increase its capacity for “behavioral modeling and simulation” to “better understand and anticipate the actions of a population” based on “foundation data on populations, human networks, geography, and other economic and social characteristics.” Such “population-centric operations” will also “increasingly” be needed in “nascent resource conflicts, whether based on water-crises, agricultural stress, environmental stress, or rents” from mineral resources. This must include monitoring “population demographics as an organic part of the natural resource framework.”

Other areas for augmentation are “overhead video surveillance,” “high resolution terrain data,” “cloud computing capability,” “data fusion” for all forms of intelligence in a “consistent spatio-temporal framework for organizing and indexing the data,” developing “social science frameworks” that can “support spatio-temporal encoding and analysis,” “distributing multi-form biometric authentication technologies [“such as fingerprints, retina scans and DNA samples”] to the point of service of the most basic administrative processes” in order to “tie identity to all an individual’s transactions.” In addition, the academy must be brought in to help the Pentagon develop “anthropological, socio-cultural, historical, human geographical, educational, public health, and many other types of social and behavioral science data and information” to develop “a deep understanding of populations.”

A few months after joining Google, Quaid represented the company in August 2011 at the Pentagon’s Defense Information Systems Agency (DISA) Customer and Industry Forum. The forum would provide “the Services, Combatant Commands, Agencies, coalition forces” the “opportunity to directly engage with industry on innovative technologies to enable and ensure capabilities in support of our Warfighters.” Participants in the event have been integral to efforts to create a “defense enterprise information environment,” defined as “an integrated platform which includes the network, computing, environment, services, information assurance, and NetOps capabilities,” enabling warfighters to “connect, identify themselves, discover and share information, and collaborate across the full spectrum of military operations.” Most of the forum panelists were DoD officials, except for just four industry panelists including Google’s Quaid.

DISA officials have attended the Highlands Forum, too—such as Paul Friedrichs, a technical director and chief engineer of DISA’s Office of the Chief Information Assurance Executive.

## Knowledge is Power

Given all this it is hardly surprising that in 2012, a few months after Highlands Forum co-chair Regina Dugan left DARPA to join Google as a senior executive, then NSA chief Gen. Keith Alexander was emailing Google’s founding executive Sergey Brin to discuss information sharing for national security. In those emails, obtained under Freedom of Information by investigative journalist Ja-

son Leopold, Gen. Alexander described Google as a “key member of [the US military’s] Defense Industrial Base,” a position Michele Quaid was apparently consolidating. Brin’s jovial relationship with the former NSA chief now makes perfect sense given that Brin had been in contact with representatives of the CIA and NSA, who partly funded and oversaw his creation of the Google search engine, since the mid-1990s.

In July 2014, Quaid spoke at a US Army panel on the creation of a “rapid acquisition cell” to advance the US Army’s “cyber capabilities” as part of the Force 2025 transformation initiative. She told Pentagon officials that “many of the Army’s 2025 technology goals can be realized with commercial technology available or in development today,” re-affirming that “industry is ready to partner with the Army in supporting the new paradigm.” Around the same time, most of the media was trumpeting the idea that Google was trying to distance itself from Pentagon funding, but in reality, Google has switched tactics to independently develop commercial technologies which would have military applications the Pentagon’s transformation goals.

Yet Quaid is hardly the only point-person in Google’s relationship with the US military intelligence community.

One year after Google bought the satellite mapping software Keyhole from CIA venture capital firm In-Q-Tel in 2004, In-Q-Tel’s director of technical assessment Rob Painter—who played a key role in In-Q-Tel’s Keyhole investment in the first place—moved to Google. At In-Q-Tel, Painter’s work focused on identifying, researching and evaluating “new start-up technology firms that were believed to offer tremendous value to the CIA, the National Geospatial-Intelligence Agency, and the Defense Intelligence Agency.” Indeed, the NGA had confirmed that its intelligence obtained via Keyhole was used by the NSA to support US operations in Iraq from 2003 onwards.

A former US Army special operations intelligence officer, Painter’s new job at Google as of July 2005 was federal manager of what Keyhole was to become: Google Earth Enterprise. By 2007, Painter had become Google’s federal chief technologist.

That year, Painter told the *Washington Post* that Google was “in the beginning stages” of selling advanced secret versions of its products to the US government. “Google has ramped up its sales force in the Washington area in the past year to adapt its technology products to the needs of the military, civilian agencies and the intelligence community,” the *Post* reported. The Pentagon was already using a version of Google Earth developed in partnership with Lockheed Martin to “display information for the military on the ground in Iraq,” including “mapping out displays of key regions of the country” and outlining “Sunni and Shiite neighborhoods in Baghdad, as well as US and Iraqi military bases in the city. Neither Lockheed nor Google would say how the

geospatial agency uses the data.” Google aimed to sell the government new “enhanced versions of Google Earth” and “search engines that can be used internally by agencies.”

White House records leaked in 2010 showed that Google executives had held several meetings with senior US National Security Council officials. Alan Davidson, Google’s government affairs director, had at least three meetings with officials of the National Security Council in 2009, including White House senior director for Russian affairs Mike McFaul and Middle East advisor Daniel Shapiro. It also emerged from a Google patent application that the company had deliberately been collecting ‘payload’ data from private wifi networks that would enable the identification of “geolocations.” In the same year, we now know, Google had signed an agreement with the NSA giving the agency open-ended access to the personal information of its users, and its hardware and software, in the name of cyber security—agreements that Gen. Alexander was busy replicating with hundreds of telecoms CEOs around the country.

Thus, it is not just Google that is a key contributor and foundation of the US military-industrial complex: it is the entire Internet, and the wide range of private sector companies—many nurtured and funded under the mantle of the US intelligence community (or powerful financiers embedded in that community)—which sustain the Internet and the telecoms infrastructure; it is also the myriad of start-ups selling cutting edge technologies to the CIA’s venture firm In-Q-Tel, where they can then be adapted and advanced for applications across the military intelligence community. Ultimately, the global surveillance apparatus and the classified tools used by agencies like the NSA to administer it, have been almost entirely made by external researchers and private contractors like Google, which operate outside the Pentagon.

This structure, mirrored in the workings of the Pentagon’s Highlands Forum, allows the Pentagon to rapidly capitalize on technological innovations it would otherwise miss, while also keeping the private sector at arms length, at least ostensibly, to avoid uncomfortable questions about what such technology is actually being used for.

But isn’t it obvious, really? The Pentagon is about war, whether overt or covert. By helping build the technological surveillance infrastructure of the NSA, firms like Google are complicit in what the military-industrial complex does best: kill for cash.

As the nature of mass surveillance suggests, its target is not merely terrorists, but by extension, ‘terrorism suspects’ and ‘potential terrorists,’ the upshot being that entire populations—especially political activists—must be targeted by US intelligence surveillance to identify active and future threats, and to be vigilant against hypothetical populist insurgencies both at home and abroad. Predictive analytics and behavioural profiles play a pivotal role here.

Mass surveillance and data-mining also now has a distinctive operational purpose in assisting with the lethal execution of special operations, selecting targets for the CIA's drone strike kill lists via dubious algorithms, for instance, along with providing geospatial and other information for combatant commanders on land, air and sea, among many other functions. A single social media post on Twitter or Facebook is enough to trigger being placed on secret terrorism watch-lists solely due to a vaguely defined hunch or suspicion; and can potentially even land a suspect on a kill list.

The push for indiscriminate, comprehensive mass surveillance by the military-industrial complex—encompassing the Pentagon, intelligence agencies, defense contractors, and supposedly friendly tech giants like Google and Facebook—is therefore not an end in itself, but an instrument of power, whose goal is self-perpetuation. But there is also a self-rationalizing justification for this goal: while being great for the military-industrial complex, it is also, supposedly, great for everyone else.

## The 'long war'

No better illustration of the truly chauvinistic, narcissistic, and self-congratulatory ideology of power at the heart of the military-industrial complex is a book by long-time Highlands Forum delegate, Dr. Thomas Barnett, *The Pentagon's New Map*. Barnett was assistant for strategic futures in the Pentagon's Office of Force Transformation from 2001 to 2003, and had been recommended to Richard O'Neill by his boss Vice Admiral Arthur Cebrowski. Apart from becoming a *New York Times* bestseller, Barnett's book had been read far and wide in the US military, by senior defense officials in Washington and combatant commanders operating on the ground in the Middle East.

Barnett first attended the Pentagon Highlands Forum in 1998, then was invited to deliver a briefing about his work at the Forum on December 7th 2004, which was attended by senior Pentagon officials, energy experts, internet entrepreneurs, and journalists. Barnett received a glowing review in the *Washington Post* from his Highlands Forum buddy David Ignatius a week later, and an endorsement from another Forum friend, Thomas Friedman, both of which helped massively boost his credibility and readership.

Barnett's vision is neoconservative to the root. He sees the world as divided into essentially two realms: The Core, which consists of advanced countries playing by the rules of economic globalization (the US, Canada, UK, Europe and Japan) along with developing countries committed to getting there (Brazil, Russia, India, China, and some others); and the rest of the world, which is The Gap, a disparate wilderness of dangerous and lawless countries defined fundamentally by being "disconnected" from the wonders of globalization. This includes most of the Middle East and Africa, large swathes of South America, as well as much of Central Asia and Eastern Europe. It is the task of the United States to "shrink The Gap," by spreading the cultural and



economic “rule-set” of globalization that characterizes The Core, and by enforcing security worldwide to enable that “rule-set” to spread.

These two functions of US power are captured by Barnett’s concepts of “Leviathan” and “System Administrator.” The former is about rule-setting to facilitate the spread of capitalist markets, regulated via military and civilian law. The latter is about projecting military force into The Gap in an open-ended global mission to enforce security and engage in nation-building. Not “rebuilding,” he is keen to emphasize, but building “new nations.”

For Barnett, the Bush administration’s 2002 introduction of the Patriot Act at home, with its crushing of habeas corpus, and the National Security Strategy abroad, with its opening up of unilateral, pre-emptive war, represented the beginning of the necessary re-writing of rule-sets in The Core to embark on this noble mission. This is the *only* way for the US to achieve security, writes Barnett, because as long as The Gap exists, it will always be a source of lawless violence and disorder. One paragraph in particular sums up his vision:

*“America as global cop creates security. Security creates common rules. Rules attract foreign investment. Investment creates infrastructure. Infrastructure creates access to natural resources. Resources create economic growth. Growth creates stability. Stability creates markets. And once you’re a growing, stable part of the global market, you’re part of the Core. Mission accomplished.”*

Much of what Barnett predicted would need to happen to fulfill this vision, despite its neoconservative bent, is still being pursued under Obama. In the near future, Barnett had predicted, US military forces will be dispatched beyond Iraq and Afghanistan to places like Uzbekistan, Djibouti, Azerbaijan, Northwest Africa, Southern Africa and South America.

Barnett’s Pentagon briefing was greeted with near universal enthusiasm. The Forum had even purchased copies of his book and had them distributed to all Forum delegates, and in May 2005, Barnett was invited back to participate in an entire Forum themed around his “SysAdmin” concept.

The Highlands Forum has thus played a leading role in defining the Pentagon’s entire conceptualization of the ‘war on terror.’ Irving Wladawsky-Berger, a retired IMB vice president who co-chaired the President’s Information Technology Advisory Committee from 1997 to 2001, described his experience of one 2007 Forum meeting in telling terms:

*“Then there is the War on Terror, which DoD has started to refer to as the Long War, a term that I first heard at the Forum. It seems very appropriate to describe the overall conflict in which we now find ourselves. This is a truly global conflict... the conflicts we are now in have much more of the feel of a battle of civilizations or cultures trying to destroy our very way of life and impose their own.”*

The problem is that outside this powerful Pentagon-hosted clique, not everyone else agrees. “I’m not convinced that Barnett’s cure would be any better than the disease,” wrote Dr. Karen Kwiatowski, a former senior Pentagon analyst in the Near East and South Asia section, who blew the whistle on how her department deliberately manufactured false information in the run-up to the Iraq War. “It would surely cost far more in American liberty, constitutional democracy and blood than it would be worth.”

Yet the equation of “shrinking The Gap” with sustaining the national security of The Core leads to a slippery slope. It means that if the US is prevented from playing this leadership role as “global cop,” The Gap will widen, The Core will shrink, and the entire global order could unravel. By this logic, the US simply cannot afford government or public opinion to reject the legitimacy of its mission. If it did so, it would allow The Gap to grow out of control, undermining The Core, and potentially destroying it, along with The Core’s protector, America. Therefore, “shrinking The Gap” is not just a security imperative: it is such an existential priority, that it must be backed up with information war to demonstrate to the world the legitimacy of the entire project.

Based on O’Neill’s principles of information warfare as articulated in his 1989 US Navy brief, the targets of information war are not just populations in The Gap, but domestic populations in The Core, and their governments: including the US government. That secret brief, which according to former senior US intelligence official John Alexander was read by the Pentagon’s top leadership, argued that information war must be targeted at: adversaries to convince them of their vulnerability; potential partners around the world so they accept “the cause as just”; and finally, civilian populations and the political leadership so they believe that “the cost” in blood and treasure is worth it.

Barnett’s work was plugged by the Pentagon’s Highlands Forum because it fit the bill, in providing a compelling ‘feel good’ ideology for the US military-industrial complex.

But neoconservative ideology, of course, hardly originated with Barnett, himself a relatively small player, even though his work was extremely influential throughout the Pentagon. The regressive thinking of senior officials involved in the Highlands Forum is visible from long before 9/11, which was ceased upon by actors linked to the Forum as a powerful enabling force that legitimized the increasingly aggressive direction of US foreign and intelligence policies.

## Yoda and the Soviets

The ideology represented by the Highlands Forum can be gleaned from long before its establishment in 1994, at a time when Andrew ‘Yoda’ Marshall’s ONA was the primary locus of Pentagon activity on future planning.

A widely-held myth promulgated by national security journalists over the years is that the ONA's reputation as the Pentagon's resident oracle machine was down to the uncanny analytical foresight of its director Marshall. Supposedly, he was among the few who made the prescient recognition that the Soviet threat had been overblown by the US intelligence community. He had, the story goes, been a lone, but relentless voice inside the Pentagon, calling on policymakers to re-evaluate their projections of the USSR's military might.

Except the story is not true. The ONA was not about sober threat analysis, but about paranoid threat projection justifying military expansionism. *Foreign Policy's* Jeffrey Lewis points out that far from offering a voice of reason calling for a more balanced assessment of Soviet military capabilities, Marshall tried to downplay ONA findings that rejected the hype around an imminent Soviet threat. Having commissioned a study concluding that the US had overestimated Soviet aggressiveness, Marshall circulated it with a cover note declaring himself "unpersuaded" by its findings. Lewis charts how Marshall's threat projection mind-set extended to commissioning absurd research supporting staple neocon narratives about the (non-existent) Saddam-al-Qaeda link, and even the notorious report by a RAND consultant calling for re-drawing the map of the Middle East, presented to the Pentagon's Defense Policy Board on the invitation of Richard Perle in 2002.

Investigative journalist Jason Vest similarly found from Pentagon sources that during the Cold War, Marshall had long hyped the Soviet threat, and played a key role in giving the neoconservative pressure group, the Committee on the Present Danger, access to classified CIA intelligence data to re-write the *National Intelligence Estimate on Soviet Military Intentions*. This was a precursor to the manipulation of intelligence after 9/11 to justify the invasion and occupation of Iraq. Former ONA staffers confirmed that Marshall had been belligerent about an imminent Soviet threat "until the very end." Ex-CIA sovietologist Melvin Goodman, for instance, recalled that Marshall was also instrumental in pushing for the Afghan mujahideen to be provided with Stinger missiles—a move which made the war even more brutal, encouraging the Russians to use scorched earth tactics.

## Enron, the Taliban and Iraq

The post-Cold War period saw the Pentagon's creation of the Highlands Forum in 1994 under the wing of former defense secretary William Perry—a former CIA director and early advocate of neocon ideas like preventive war. Surprisingly, the Forum's dubious role as a government-industry bridge can be clearly discerned in relation to Enron's flirtations with the US government. Just as the Forum had crafted the Pentagon's intensifying policies on mass surveillance, it simultaneously fed directly into the strategic thinking that culminating in the wars in Afghanistan and Iraq.

On November 7th 2000, George W. Bush 'won' the US presidential elections. Enron and its employees had given over \$1 million to the Bush campaign in total. That included contributing \$10,500 to Bush's Florida recount committee, and a further \$300,000 for the inaugural celebrations afterwards. Enron also provided corporate jets to shuttle Republican lawyers around Florida and Washington lobbying on behalf of Bush for the December recount. Federal election documents later showed that since 1989, Enron had made a total of \$5.8 million in campaign donations, 73 percent to Republicans and 27 percent to Democrats—with as many as 15 senior Bush administration officials owning stock in Enron, including defense secretary Donald Rumsfeld, senior advisor Karl Rove, and army secretary Thomas White.

Yet just one day before that controversial election, Pentagon Highlands Forum founding president Richard O'Neill wrote to Enron CEO, Kenneth Lay, inviting him to give a presentation at the Forum on modernizing the Pentagon and the Army. The email from O'Neill to Lay was released as part of the Enron Corpus, the emails obtained by the Federal Energy Regulatory Commission, but has remained unknown until now.

The email began "On behalf of Assistant Secretary of Defense (C3I) and DoD CIO Arthur Money," and invited Lay "to participate in the Secretary of Defense's Highlands Forum," which O'Neill described as "a cross-disciplinary group of eminent scholars, researchers, CEO's/CIO's/CTO's from industry, and leaders from the media, the arts and the professions, who have met over the past six years to examine areas of emerging interest to all of us." He added that Forum sessions include "seniors from the White House, Defense, and other agencies of government (we limit government participation to about 25%)."

Here, O'Neill reveals that the Pentagon Highlands Forum was, fundamentally, about exploring not just the goals of government, but the interests of participating industry leaders like Enron. The Pentagon, O'Neill went on, wanted Lay to feed into "the search for information/ transformation strategies for the Department of Defense (and government in general)," particularly "from a business perspective (transformation, productivity, competitive advantage)." He offered high praise of Enron as "a remarkable example of transformation in a highly rigid, regulated industry, that has created a new model and new markets."

O'Neill made clear that the Pentagon wanted Enron to play a pivotal role in the DoD's future, not just in the creation of "an operational strategy which has information superiority," but also in relation to the DoD's "enormous global business enterprise which can benefit from many of the best practices and ideas from industry."

“ENRON is of great interest to us,” he reaffirmed. “What we learn from you may help the Department of Defense a great deal as it works to build a new strategy. I hope that you have time on your busy schedule to join us for as much of the Highlands Forum as you can attend and speak with the group.”

That Highlands Forum meeting was attended by senior White House and US intelligence officials, including CIA deputy director Joan A. Dempsey, who had previously served as assistant defense secretary for intelligence, and in 2003 was appointed by Bush as executive director of the President’s Foreign Intelligence Advisory Board, in which capacity she praised extensive information sharing by the NSA and NGA after 9/11. She went on to become executive vice president at Booz Allen Hamilton, a major Pentagon contractor in Iraq and Afghanistan that, among other things, created the Coalition Provisional Authority’s database to track what we now know were highly corrupt reconstruction projects in Iraq.

Enron’s relationship with the Pentagon had already been in full swing the previous year. Thomas White, then vice chair of Enron energy services, had used his extensive US military connections to secure a prototype deal at Fort Hamilton to privatize the power supply of army bases. Enron was the only bidder for the deal. The following year, after Enron’s CEO was invited to the Highlands Forum, White gave his first speech in June just “two weeks after he became secretary of the Army,” where he “vowed to speed up the awarding of such contracts,” along with further “rapid privatization” of the Army’s energy services. “Potentially, Enron could benefit from the speedup in awarding contracts, as could others seeking the business,” observed *USA Today*.

That month, on the authority of defense secretary Donald Rumsfeld—who himself held significant shares in Enron—Bush’s Pentagon invited another Enron executive and one of Enron’s senior external financial advisors to attend a further secret Highlands Forum session.

An email from Richard O’Neill dated June 22nd, obtained via the Enron Corpus, showed that Steven Kean, then executive vice president and chief of staff of Enron, was due to give another Highlands presentation on Monday 25th. “We are approaching the Secretary of Defense-sponsored Highlands Forum and very much looking forward to your participation,” wrote O’Neill, promising Kean that he would be “the centerpiece of discussion. Enron’s experience is quite important to us as we seriously consider transformative change in the Department of Defense.”

Steven Kean is now president and COO (and incoming CEO) of Kinder Morgan, one of the largest energy companies in North America, and a major supporter of the controversial Keystone XL pipeline project.

Due to attend the same Highlands Forum session with Kean was Richard Foster, then a senior partner at the financial consultancy McKinsey. “I have given copies of Dick Foster’s new book, *Creative Destruction*, to the Deputy Secretary of Defense as well as the Assistant Secretary,” said O’Neill in his email, “and the Enron case that he outlines makes for important discussion. We intend to hand out copies to the participants at the Forum.”

Foster’s firm, McKinsey, had provided strategic financial advice to Enron since the mid-1980s. Joe Skilling, who in February 2001 became Enron CEO while Kenneth Lay moved to chair, had been head of McKinsey’s energy consulting business before joining Enron in 1990.

McKinsey and then partner Richard Foster were intimately involved in crafting the core Enron financial management strategies responsible for the company’s rapid, but fraudulent, growth. While McKinsey has always denied being aware of the dodgy accounting that led to Enron’s demise, internal company documents showed that Foster had attended an Enron finance committee meeting a month before the Highlands Forum session to discuss the “need for outside private partnerships to help drive the company’s explosive growth”—the very investment partnerships responsible for the collapse of Enron.

McKinsey documents showed that the firm was “fully aware of Enron’s extensive use of off-balance-sheet funds.” As *The Independent’s* economics editor Ben Chu remarks, “McKinsey fully endorsed the dubious accounting methods,” which led to the inflation of Enron’s market valuation and “that caused the company to implode in 2001.”

Indeed, Foster himself had personally attended six Enron board meetings from October 2000 to October 2001. That period roughly coincided with Enron’s growing influence on the Bush administration’s energy policies, and the Pentagon’s planning for Afghanistan and Iraq.

But Foster was also a regular attendee at the Pentagon Highlands Forum—his LinkedIn profile describes him as member of the Forum since 2000, the year he ramped up engagement with Enron. He also delivered a presentation at the inaugural Island Forum in Singapore in 2002.

Enron’s involvement in the Cheney Energy Task Force appears to have been linked to the Bush administration’s 2001 planning for both the invasions of Afghanistan and Iraq, motivated by control of oil. As noted by Prof. Richard Falk, a former board member of Human Rights Watch and ex-UN investigator, Enron’s Kenneth Lay “was the main confidential consultant relied upon by Vice President Dick Cheney during the highly secretive process of drafting a report outlining a national energy policy, widely regarded as a key element in the US approach to foreign policy generally and the Arab world in particular.”

The intimate secret meetings between senior Enron executives and high-level US government officials via the Pentagon Highlands Forum, from November 2000 to June 2001, played a central role in establishing and cementing the increasingly symbiotic link between Enron and Pentagon planning. The Forum's role was, as O'Neill has always said, to function as an ideas lab to explore the mutual interests of industry and government.

## Enron and Pentagon war planning

In February 2001, when Enron executives including Kenneth Lay began participating concertedly in the Cheney Energy Task Force, a classified National Security Council document instructed NSC staffers to work with the task force in “melding” previously separate issues: “operational policies towards rogue states” and “actions regarding the capture of new and existing oil and gas fields.”

According to Bush's treasury secretary Paul O'Neill, as quoted by Ron Suskind in *The Price of Loyalty* (2004), cabinet officials discussed an invasion of Iraq in their first NSC meeting, and had even prepared a map for a post-war occupation marking the carve-up of Iraq's oil fields. The message at that time from President Bush was that officials must “find a way to do this.”

Cheney Energy Task Force documents obtained by Judicial Watch under Freedom of Information revealed that by March, with extensive industry input, the task force had prepared maps of Gulf state and especially Iraqi oilfields, pipelines, and refineries, along with a list titled ‘Foreign Suitors for Iraqi Oilfield Contracts.’ By April, a think-tank report commissioned by Cheney, overseen by former secretary of state James Baker, and put together by a committee of energy industry and national security experts, urged the US government “to conduct an immediate policy review toward Iraq including military, energy, economic and political/diplomatic assessments,” to deal with Iraq's “destabilizing influence” on oil flows to global markets. The report included recommendations from Highlands Forum delegate and Enron chair, Kenneth Lay.

But Cheney's Energy Task Force was also busily pushing forward plans for Afghanistan involving Enron, that had been in motion under Clinton. Through the late 1990s, Enron was working with California-based US energy company Unocal to develop an oil and gas pipeline that would tap Caspian basin reserves, and carry oil and gas across Afghanistan, supplying Pakistan, India and potentially other markets. The endeavor had the official blessing of the Clinton administration, and later the Bush administration, which held several meetings with Taliban representatives to negotiate terms for the pipeline deal throughout 2001. The Taliban, whose conquest of Afghanistan had received covert assistance under Clinton, was to receive formal recognition as the legitimate government of Afghanistan in return for permitting the installation of the pipeline. Enron paid \$400 million for a feasibility study for the pipeline, a

large portion of which was siphoned off as bribes to Taliban leaders, and even hired CIA agents to help facilitate.

Then in summer 2001, while Enron officials were liaising with senior Pentagon officials at the Highlands Forum, the White House's National Security Council was running a cross-departmental 'working group' led by Rumsfeld and Cheney to help complete an ongoing Enron project in India, a \$3 billion power plant in Dabhol. The plant was slated to receive its energy from the Trans-Afghan pipeline. The NSC's 'Dabhol Working Group,' chaired by Bush's national security adviser Condoleezza Rice, generated a range of tactics to enhance US government pressure on India to complete the Dabhol plant—pressure that continued all the way to early November. The Dabhol project, and the Trans-Afghan pipeline, was by far Enron's most lucrative overseas deal.

Throughout 2001, Enron officials, including Ken Lay, participated in Cheney's Energy Task Force, along with representatives across the US energy industry. Starting from February, shortly after the Bush administration took office, Enron was involved in about half a dozen of these Energy Task Force meetings. After one of these secret meetings, a draft energy proposal was amended to include a new provision proposing to dramatically boost oil and natural gas production in India in a way that would apply only to Enron's Dabhol power plant. In other words, ensuring the flow of cheap gas to India via the Trans-Afghan pipeline was now a matter of US 'national security.'

A month or two after this, the Bush administration gave the Taliban \$43 million, justified by its crackdown on opium production, despite US-imposed UN sanctions preventing aid to the group for not handing over Osama bin Laden.

Then in June 2001, the same month that Enron's executive vice president Steve Kean attended the Pentagon Highlands Forum, the company's hopes for the Dabhol project were dashed when the Trans-Afghan pipeline failed to materialize, and as a consequence, construction on the Dabhol power plant was shut down. The failure of the \$3 billion project contributed to Enron's bankruptcy in December. That month, Enron officials met with Bush's commerce secretary, Donald Evans, about the plant, and Cheney lobbied India's main opposition party about the Dhabol project. Ken Lay had also reportedly contacted the Bush administration around this time to inform officials about the firm's financial troubles.

By August, desperate to pull off the deal, US officials threatened Taliban representatives with war if they refused to accept American terms: namely, to cease fighting and join in a federal alliance with the opposition Northern Alliance; and to give up demands for local consumption of the gas. On the 15th of that month, Enron lobbyist Pat Shortridge told then White House economic



advisor Robert McNally that Enron was heading for a financial meltdown that could cripple the country's energy markets.

The Bush administration must have anticipated the Taliban's rejection of the deal, because they had planned a war on Afghanistan from as early as July. According to then Pakistani foreign minister Niaz Naik, who had participated in the US-Taliban negotiations, US officials told him they planned to invade Afghanistan in mid-October 2001. No sooner had the war commenced, Bush's ambassador to Pakistan, Wendy Chamberlain, called Pakistani's oil minister Usman Aminuddin to discuss "the proposed Turkmenistan-Afghanistan-Pakistan gas pipeline project," according to the *Frontier Post*, a Pakistani English-language broadsheet. They reportedly agreed that the "project opens up new avenues of multi-dimensional regional cooperation particularly in view of the recent geo-political developments in the region."

Two days before 9/11, Condoleeza Rice received the draft of a formal National Security Presidential Directive that Bush was expected to sign immediately. The directive contained a comprehensive plan to launch a global war on al-Qaeda, including an "imminent" invasion of Afghanistan to topple the Taliban. The directive was approved by the highest levels of the White House and officials of the National Security Council, including of course Rice and Rumsfeld. The same NSC officials were simultaneously running the Dhabol Working Group to secure the Indian power plant deal for Enron's Trans-Afghan pipeline project. The next day, one day before 9/11, the Bush administration formally agreed on the plan to attack the Taliban.

The Pentagon Highlands Forum's background link with the interests involved in all this, show they were not unique to the Bush administration—which is why, as Obama was preparing to pull troops out of Afghanistan, he re-affirmed his government's support for the Trans-Afghan pipeline project, and his desire for a US firm to construct it.

## The Pentagon's propaganda fixer

Throughout this period, information war played a central role in drumming up public support for war—and the Highlands Forum led the way.

In December 2000, just under a year before 9/11 and shortly after George W. Bush's election victory, key Forum members participated in an event at the Carnegie Endowment for International Peace to explore "the impact of the information revolution, globalization, and the end of the Cold War on the US foreign policy making process." Rather than proposing "incremental reforms," the meeting was for participants to "build from scratch a new model that is optimized to the specific properties of the new global environment."

Among the issues flagged up in the meeting was the 'Global Control Revolution': the "distributed" nature of the information revolution was altering "key

dynamics of world politics by challenging the primacy of states and inter-state relations.” This was “creating new challenges to national security, reducing the ability of leading states to control global policy debates, challenging the efficacy of national economic policies, etc.”

In other words, how can the Pentagon find a way to exploit the information revolution to “control global policy debates,” particularly on “national economic policies”?

The meeting was co-hosted by Jamie Metz, who at the time served on Bill Clinton’s National Security Council, where he had just led the drafting of Clinton’s Presidential Decision Directive 68 on International Public Information (IPI), a new multiagency plan to coordinate US public information dissemination abroad. Metz went on to coordinate IPI at the State Department.

The preceding year, a senior Clinton official revealed to the *Washington Times* that Metz’s IPI was really aimed at “spinning the American public,” and had “emerged out of concern that the US public has refused to back President Clinton’s foreign policy.” The IPI would plant news stories favorable to US interests via TV, press, radio and other media based abroad, in hopes it would get picked up in American media. The pretext was that “news coverage is distorted at home and they need to fight it at all costs by using resources that are aimed at spinning the news.” Metz ran the IPI’s overseas propaganda operations for Iraq and Kosovo.

Other participants of the Carnegie meeting in December 2000, included two founding members of the Highlands Forum, Richard O’Neill and SAIC’s Jeff Cooper—along with Paul Wolfowitz, another Andrew Marshall acolyte who was about to join the incoming Bush administration as Rumsfelds’ deputy defense secretary. Also present was a figure who soon became particularly notorious in the propaganda around Afghanistan and Iraq War 2003: John W. Rendon, Jr., founding president of The Rendon Group (TRG) and another longtime Pentagon Highlands Forum member.

John Rendon (right) at the Highlands Forum, accompanied by BBC anchor Nik Gowing (left) and Jeff Jonas, IBM Entity Analytics chief engineer (middle)

TRG is a notorious communications firm that has been a US government contractor for decades. Rendon played a pivotal role in running the State Department's propaganda campaigns in Iraq and Kosovo under Clinton and Metzler. That included receiving a Pentagon grant to run a news website, the Balkans Information Exchange, and a US Agency for International Development (USAID) contract to promote "privatization."

Rendon's central role in helping the Bush administration hype up the non-existent threat of weapons of mass destruction (WMD) to justify a US military invasion is now well-known. As James Bamford famously exposed in his seminal *Rolling Stone* investigation, Rendon played an instrumental role on behalf of the Bush administration in deploying "perception management" to "create the conditions for the removal of Hussein from power" under multi-million dollar CIA and Pentagon contracts.

Among Rendon's activities was the creation of Ahmed Chalabi's Iraqi National Congress (INC) on behalf of the CIA, a group of Iraqi exiles tasked with disseminating propaganda, including much of the false intelligence about WMD. That process had begun concertedly under the administration of George H W. Bush, then rumbled along under Clinton with little fanfare, before escalating after 9/11 under George W. Bush. Rendon thus played a large role in the manufacture of inaccurate and false news stories relating to Iraq under lucrative CIA and Pentagon contracts—and he did so in the period running up to the 2003 invasion as an advisor to Bush's National Security Council: the same NSC, of course, that planned the invasions of Afghanistan and Iraq, achieved with input from Enron executives who were simultaneously engaging the Pentagon Highlands Forum.

But that is the tip of iceberg. Declassified documents show that the Highlands Forum was intimately involved in the covert processes by which key officials engineered the road to war on Iraq, based on information warfare.

A redacted 2007 report by the DoD's Inspector General reveals that one of the contractors used extensively by the Pentagon Highlands Forum during and after the Iraq War was none other than The Rendon Group. TRG was contracted by the Pentagon to organize Forum sessions, determine subjects for discussion, as well as to convene and coordinate Forum meetings. The Inspector General investigation had been prompted by accusations raised in Congress about Rendon's role in manipulating information to justify the 2003 invasion and occupation of Iraq. According to the Inspector General report:

*"... the Assistant Secretary of Defense for Networks and Information Integration/Chief Information Officer employed TRG to conduct forums that would appeal to a cross-disciplinary group of nationally regarded leaders. The forums were in small groups discussing information and technologies and their effects on science, organizational and business processes, international relations, economics, and national security. TRG also conducted a research program and interviews to formulate and develop topics for the Highlands Forum focus group. The Office of the Assistant Secretary of Defense for Networks and Information Integration would approve the subjects, and TRG would facilitate the meetings."*

TRG, the Pentagon's private propaganda arm, thus played a central role in *literally running* the Pentagon Highlands Forum process that brought together senior government officials with industry executives to generate DoD information warfare strategy.

The Pentagon's internal investigation absolved Rendon of any wrongdoing. But this is not surprising, given the conflict of interest at stake: the Inspector General at the time was Claude M. Kicklighter, a Bush nominee who had directly overseen the administration's key military operations. In 2003, he was director of the Pentagon's Iraq Transition Team, and the following year he was appointed to the State Department as special advisor on stabilization and security operations in Iraq and Afghanistan.

## The surveillance-propaganda nexus

Even more telling, Pentagon documents obtained by Bamford for his *Rolling Stone* story revealed that Rendon had been given access to the NSA's top-secret surveillance data to carry out its work on behalf of the Pentagon. TRG, the DoD documents said, is authorized "to research and analyze information classified up to Top Secret/SCI/SI/TK/G/HCS."

'SCI' means Sensitive Compartmented Information, data classified higher than Top Secret, while 'SI' designates Special Intelligence, that is, highly secret communications intercepted by the NSA. 'TK' refers to Talent/Keyhole, code

names for imagery from reconnaissance aircraft and spy satellites, while ‘G’ stands for Gamma, encompassing communications intercepts from extremely sensitive sources, and ‘HCS’ means Humint Control System—information from a very sensitive human source. In Bamford’s words:

*“Taken together, the acronyms indicate that Rendon enjoys access to the most secret information from all three forms of intelligence collection: eavesdropping, imaging satellites and human spies.”*

So the Pentagon had:

1. contracted Rendon, a propaganda firm;
2. given Rendon access to the intelligence community’s most classified information including data from NSA surveillance;
3. tasked Rendon to facilitating the DoD’s development of information operations strategy by running the Highlands Forum process;
4. and further, tasked Rendon with overseeing the concrete execution of this strategy developed through the Highlands Forum process, in actual information operations around the world in Iraq, Afghanistan and beyond.

TRG chief executive John Rendon remains closely involved in the Pentagon Highlands Forum, and ongoing DoD information operations in the Muslim world. His November 2014 biography for the Harvard Kennedy School ‘Emerging Leaders’ course describes him as “a participant in forward-thinking organizations such as the Highlands Forum,” “one of the first thought-leaders to harness the power of emerging technologies in support of real time information management,” and an expert on “the impact of emerging information technologies on the way populations think and behave.” Rendon’s Harvard bio also credits him with designing and executing “strategic communications initiatives and information programs related to operations, Odyssey Dawn (Libya), Unified Protector (Libya), Global War on Terrorism (GWOT), Iraqi Freedom, Enduring Freedom (Afghanistan), Allied Force and Joint Guardian (Kosovo), Desert Shield, Desert Storm (Kuwait), Desert Fox (Iraq) and Just Cause (Panama), among others.”

Rendon’s work on perception management and information operations has also “assisted a number of US military interventions” elsewhere, as well as running US information operations in Argentina, Colombia, Haiti, and Zimbabwe—in fact, a total of 99 countries. As a former executive director and national political director of the Democratic Party, John Rendon remains a powerful figure in Washington under the Obama administration.

Pentagon records show that TRG has received over \$100 million from the DoD since 2000. In 2009, the US government cancelled a 'strategic communications' contract with TRG after revelations it was being used to weed out reporters who might write negative stories about the US military in Afghanistan, and to solely promote journalists supportive of US policy. Yet in 2010, the Obama administration re-contracted Rendon to supply services for "military deception" in Iraq.

Since then, TRG has provided advice to the US Army's Training and Doctrine Command, the Special Operations Command, and is still contracted to the Office of the Secretary of Defense, the US Army's Communications Electronic Command, as well as providing "communications support" to the Pentagon and US embassies on counter-narcotics operations.

TRG also boasts on its website that it provides "Irregular Warfare Support," including "operational and planning support" that "assists our government and military clients in developing new approaches to countering and eroding an adversary's power, influence and will." Much of this support has itself been fine-tuned over the last decade or more inside the Pentagon Highlands Forum.

## Irregular war and pseudo-terrorism

The Pentagon Highlands Forum's intimate link, via Rendon, to the propaganda operations pursued under Bush and Obama in support of the 'Long War,' demonstrate the integral role of mass surveillance in both irregular warfare and 'strategic communications.'

One of the major proponents of both is Prof John Arquilla of the Naval Postgraduate School, the renowned US defense analyst credited with developing the concept of 'netwar,' who today openly advocates the need for mass surveillance and big data mining to support pre-emptive operations to thwart terrorist plots. It so happens that Arquilla is another "founding member" of the Pentagon's Highlands Forum.

Much of his work on the idea of 'networked warfare,' 'networked deterrence,' 'information warfare,' and 'swarming,' largely produced for RAND under Pentagon contract, was incubated by the Forum during its early years and thus became integral to Pentagon strategy. For instance, in Arquilla's 1999 RAND study, *The Emergence of Noopolitik: Toward an American Information Strategy*, he and his co-author David Ronfeldt express their gratitude to Richard O'Neill "for his interest, support and guidance," and to "members of the Highlands Forum" for their advance comments on the study. Most of his RAND work credits the Highlands Forum and O'Neill for their support.

Prof. John Arquilla of the Naval Postgraduate School, and a founding member of the Pentagon Highlands Forum

Arquilla's work was cited in a 2006 National Academy of Sciences study on the future of network science commissioned by the US Army, which found based on his research that: "Advances in computer-based technologies and telecommunications are enabling social networks that facilitate group affiliations, including terrorist networks." The study conflated risks from terror and activist groups: "The implications of this fact for criminal, terror, protest and insurgency networks has been explored by Arquilla and Ronfeldt (2001) and are a common topic of discussion by groups like the Highlands Forum, which perceive that the United States is highly vulnerable to the interruption of critical networks." Arquilla went on to help develop information warfare strategies "for the military campaigns in Kosovo, Afghanistan and Iraq," according to military historian Benjamin Shearer in his biographical dictionary, *Home Front Heroes* (2007)—once again illustrating the direct role played by certain key Forum members in executing Pentagon information operations in war theatres.

In his 2005 *New Yorker* investigation, the Pulitzer Prize-winning Seymour Hersh referred to a series of articles by Arquilla elaborating on a new strategy of "countering terror" with pseudo-terror. "It takes a network to fight a network," said Arquilla, drawing on the thesis he had been promoting in the Pentagon through the Highlands Forum since its founding:

*"When conventional military operations and bombing failed to defeat the Mau Mau insurgency in Kenya in the 1950s, the British formed teams of friendly Kikuyu tribesmen who went about pretending to be terrorists. These 'pseudo gangs', as they were called, swiftly threw the Mau Mau on the defensive, either by befriending and then ambushing bands of fighters or by guiding bombers to the terrorists' camps."*

Arquilla went on to advocate that western intelligence services should use the British case as a model for creating new "pseudo gang" terrorist groups, as a way of undermining "real" terror networks:

*“What worked in Kenya a half-century ago has a wonderful chance of undermining trust and recruitment among today’s terror networks. Forming new pseudo gangs should not be difficult.”*

Essentially, Arquilla’s argument was that as only networks can fight networks, the only way to defeat enemies conducting irregular warfare is to use techniques of irregular warfare against them. Ultimately, the determining factor in victory is not conventional military defeat *per se*, but the extent to which the direction of the conflict can be calibrated to influence the population and rally their opposition to the adversary. Arquilla’s ‘pseudo-gang’ strategy was, Hersh reported, already being implemented by the Pentagon:

*“Under Rumsfeld’s new approach, I was told, US military operatives would be permitted to pose abroad as corrupt foreign businessmen seeking to buy contraband items that could be used in nuclear-weapons systems. In some cases, according to the Pentagon advisers, local citizens could be recruited and asked to join up with guerrillas or terrorists...”*

*The new rules will enable the Special Forces community to set up what it calls ‘action teams’ in the target countries overseas which can be used to find and eliminate terrorist organizations. ‘Do you remember the right-wing execution squads in El Salvador?’ the former high-level intelligence official asked me, referring to the military-led gangs that committed atrocities in the early nineteen-eighties. ‘We founded them and we financed them,’ he said. ‘The objective now is to recruit locals in any area we want. And we aren’t going to tell Congress about it.’ A former military officer, who has knowledge of the Pentagon’s commando capabilities, said, ‘We’re going to be riding with the bad boys.’”*

Official corroboration that this strategy is now operational came with the leak of a 2008 US Army special operations field manual. The US military, the manual said, can conduct irregular and unconventional warfare by using surrogate non-state groups such as “paramilitary forces, individuals, businesses, foreign political organizations, resistant or insurgent organizations, expatriates, transnational terrorism adversaries, disillusioned transnational terrorism members, black marketers, and other social or political ‘undesirables.’” Shockingly, the manual specifically acknowledged that US special operations can involve both counterterrorism and “Terrorism,” as well as: “Transnational criminal activities, including narco-trafficking, illicit arms-dealing, and illegal financial transactions.” The purpose of such covert operations is, essentially, population control—they are “specifically focused on leveraging some portion of the indigenous population to accept the status quo,” or to accept “whatever political outcome” is being imposed or negotiated.



By this twisted logic, terrorism can in some cases be defined as a legitimate tool of US statecraft by which to influence populations into accepting a particular “political outcome”—all in the name fighting terrorism.

Is this what the Pentagon was doing by coordinating the nearly \$1 billion of funding from Gulf regimes to anti-Assad rebels, most of which according to the CIA’s own classified assessments ended up in the coffers of violent Islamist extremists linked to al-Qaeda, who went on to spawn the ‘Islamic State’?

The rationale for the new strategy was first officially set out in an August 2002 briefing for the Pentagon’s Defense Science Board, which advocated the creation of a ‘Proactive, Preemptive Operations Group’ (P2OG) within the National Security Council. P2OG, the Board proposed, must conduct clandestine operations to infiltrate and “stimulate reactions” among terrorist networks to provoke them into action, and thus facilitate targeting them.

The Defense Science Board is, like other Pentagon agencies, intimately related with the Highlands Forum, whose work feeds into the Board’s research, which in turn is regularly presented at the Forum.

According to the US intelligence sources who spoke to Hersh, Rumsfeld had ensured that the new brand of black operations would be conducted entirely under Pentagon jurisdiction, firewalled off from the CIA and regional US military commanders, and executed by its own secret special operations command. That chain of command would include, apart from the defense secretary himself, two of his deputies including the undersecretary of defense for intelligence: the position overseeing the Highlands Forum.

## Strategic communications: war propaganda at home and abroad

Within the Highlands Forum, the special operations techniques explored by Arquilla have been taken up by several others in directions focused increasingly on propaganda—among them, Dr. Lochard, as seen previously, and also Dr. Amy Zalman, who focuses particularly on the idea of the US military using ‘strategic narratives’ to influence public opinion and win wars.

Like her colleague, Highlands Forum founding member Jeff Cooper, Zalman was schooled in the bowels of SAIC/Leidos. From 2007 to 2012, she was a senior SAIC strategist, before becoming Department of Defense Information Integration Chair at the US Army’s National War College, where she focused on how to fine-tune propaganda to elicit the precise responses desired from target groups, based on complete understanding of those groups. As of summer last year, she became CEO of the World Futures Society.

Dr. Amy Zalman, an ex-SAIC strategist, is CEO of the World Futures Society, and a long-time Pentagon Highlands Forum delegate consulting for the US government on strategic communications in irregular warfare

In 2005, the same year Hersh reported that the Pentagon strategy of “stimulating reactions” among terrorists by provoking them was underway, Zalman delivered a briefing to the Pentagon Highlands Forum titled, *‘In Support of a Narrative Theory Approach to US Strategic Communication.’* Since then, Zalman has been a long-time Highlands Forum delegate, and has presented her work on strategic communications to a range of US government agencies, NATO forums, as well as teaching courses in irregular warfare to soldiers at the US Joint Special Operations University.

Her 2005 Highlands Forum briefing is not publicly available, but the thrust of Zalman’s input into the information component of Pentagon special operations strategies can be gleaned from some of her published work. In 2010, when she was still attached to SAIC, her NATO paper noted that a key component of irregular war is “winning some degree of emotional support from the population by influencing their subjective perceptions.” She advocated that the best way of achieving such influence goes far further than traditional propaganda and messaging techniques. Rather, analysts must “place themselves in the skins of the people under observation.”

Zalman released another paper the same year via the IO Journal, published by the Information Operations Institute, which describes itself as a “special interest group” of the Association of Old Crows. The latter is a professional association for theorists and practitioners of electronic warfare and information operations, chaired by Kenneth Israel, vice president of Lockheed Martin, and vice chaired by David Himes, who retired last year from his position as senior advisor in electronic warfare at the US Air Force Research Laboratory.

In this paper, titled ‘*Narrative as an Influence Factor in Information Operations*,’ Zalman laments that the US military has “found it difficult to create compelling narratives—or stories—either to express its strategic aims, or to communicate in discrete situations, such as civilian deaths.” By the end, she concludes that “the complex issue of civilian deaths” should be approached not just by “apologies and compensation”—which barely occurs anyway—but by propagating narratives that portray characters with whom the audience connects (in this case, ‘the audience’ being ‘populations in war zones’). This is to facilitate the audience resolving struggles in a “positive way,” defined, of course, by US military interests. Engaging emotionally in this way with “survivors of those dead” from US military action might “prove to be an empathetic form of influence.” Throughout, Zalman is incapable of questioning the legitimacy of US strategic aims, or acknowledging that the impact of those aims in the accumulation of civilian deaths, is precisely the problem that needs to change—as opposed to the way they are ideologically framed for populations subjected to military action.

‘Empathy,’ here, is merely an instrument by which to manipulate.

In 2012, Zalman wrote an article for *The Globalist* seeking to demonstrate how the rigid delineation of ‘hard power’ and ‘soft power’ needed to be overcome, to recognize that the use of force requires the right symbolic and cultural effect to guarantee success:

“As long as defense and economic diplomacy remain in a box labeled ‘hard power,’ we fail to see how much their success relies on their symbolic effects as well as their material ones. As long as diplomatic and cultural efforts are stored in a box marked ‘soft power,’ we fail to see the ways in which they can be used coercively or produce effects that are like those produced by violence.”

Given SAIC’s deep involvement in the Pentagon Highlands Forum, and through it the development of information strategies on surveillance, irregular warfare, and propaganda, it is hardly surprising that SAIC was the other key private defense firm contracted to generate propaganda in the run up to Iraq War 2003, alongside TRG.

“SAIC executives have been involved at every stage... of the war in Iraq,” reported *Vanity Fair*, ironically, in terms of deliberately disseminating false claims about WMD, and then investigating the ‘intelligence failure’ around false WMD claims. David Kay, for instance, who had been hired by the CIA in 2003 to hunt for Saddam’s WMD as head of the Iraq Survey Group, was until October 2002 a senior SAIC vice president hammering away “at the threat posed by Iraq” under Pentagon contract. When WMD failed to emerge, President Bush’s commission to investigate this US ‘intelligence failure’ included three SAIC executives, among them Highlands Forum founding member Jeffrey Cooper. The very year of Kay’s appointment to the Iraq Survey Group,

Clinton's defense secretary William Perry—the man under whose orders the Highlands Forum was set-up—joined the board of SAIC. The investigation by Cooper and all let the Bush administration off the hook for manufacturing propaganda to legitimize war—unsurprisingly, given Cooper's integral role in the very Pentagon network that manufactured that propaganda.

SAIC was also among the many contractors that profited handsomely from Iraqi reconstruction deals, and was re-contracted after the war to promote pro-US narratives abroad. In the same vein as Rendon's work, the idea was that stories planted abroad would be picked up by US media for domestic consumption.

Delegates at the Pentagon's 46th Highlands Forum in December 2011, from right to left: John Seely Brown, chief scientist/director at Xerox PARC from 1990–2002 and an early board member of In-Q-Tel; Ann Pendleton-Jullian, co-author with Brown of a manuscript, *Design Unbound*; Antonio and Hanna Damasio, a neurologist and neurobiologist respectively who are part of a DARPA-funded project on propaganda

But the Pentagon Highlands Forum's promotion of advanced propaganda techniques is not exclusive to core, longstanding delegates like Rendon and Zalman. In 2011, the Forum hosted two DARPA-funded scientists, Antonio and Hanna Damasio, who are principal investigators in the 'Neurobiology of Narrative Framing' project at the University of Southern California. Evoking Zalman's emphasis on the need for Pentagon psychological operations to deploy "empathetic influence," the new DARPA-backed project aims to investigate how narratives often appeal "to strong, sacred values in order to evoke an emotional response," but in different ways across different cultures. The most disturbing element of the research is its focus on trying to understand how to increase the Pentagon's capacity to deploy narratives that influence listeners in a way that overrides conventional reasoning in the context of morally-questionable actions.

The project description explains that the psychological reaction to narrated events is “influenced by how the narrator frames the events, appealing to different values, knowledge, and experiences of the listener.” Narrative framing that “targets the sacred values of the listener, including core personal, nationalistic, and/or religious values, is particularly effective at influencing the listener’s interpretation of narrated events,” because such “sacred values” are closely tied with “the psychology of identity, emotion, moral decision making, and social cognition.” By applying sacred framing to even mundane issues, such issues “can gain properties of sacred values and result in a strong aversion to using conventional reasoning to interpret them.” The two Damasio and their team are exploring what role “linguistic and neuropsychological mechanisms” play in determining “the effectiveness of narrative framing using sacred values in influencing a listener’s interpretation of events.”

The research is based on extracting narratives from millions of American, Iranian and Chinese weblogs, and subjecting them to automated discourse analysis to compare them quantitatively across the three languages. The investigators then follow up using behavioral experiments with readers/listeners from different cultures to gauge their reaction different narratives “where each story makes an appeal to a sacred value to explain or justify a morally-questionable behavior of the author.” Finally, the scientists apply neurobiological fMRI scanning to correlate the reactions and personal characteristics of subjects with their brain responses.

Why is the Pentagon funding research investigating how to exploit people’s “sacred values” to extinguish their capacity for logical reasoning, and enhance their emotional openness to “morally-questionable behavior”?

The focus on English, Farsi and Chinese may also reveal that the Pentagon’s current concerns are overwhelmingly about developing information operations against two key adversaries, Iran and China, which fits into longstanding ambitions to project strategic influence in the Middle East, Central Asia and Southeast Asia. Equally, the emphasis on English language, specifically from American weblogs, further suggests the Pentagon is concerned about projecting propaganda to influence public opinion at home.

Rosemary Wenchel (left) of the US Department of Homeland Security with Jeff 'Skunk' Baxter, a former musician and now US defense consultant who has worked for contractors like SAIC and Northrup Grumman. SAIC/Leidos executive Jeff Cooper is behind them

Lest one presume that DARPA's desire to mine millions of American weblogs as part of its 'neurobiology of narrative framing' research is a mere case of random selection, an additional co-chair of the Pentagon Highlands Forum in recent years is Rosemary Wenchel, former director of cyber capabilities and operations support at the Office of the Secretary of Defense. Since 2012, Wenchel has been deputy assistant secretary for strategy and policy in the Department of Homeland Security.

As the Pentagon's extensive funding of propaganda on Iraq and Afghanistan demonstrates, population influence and propaganda is critical not just in far-flung theatres abroad in strategic regions, but also at home, to quell the risk of domestic public opinion undermining the legitimacy of Pentagon policy. In the photo above, Wenchel is talking to Jeff Baxter, a long-time US defense and intelligence consultant. In September 2005, Baxter was part of a supposedly "independent" study group (chaired by NSA-contractor Booz Allen Hamilton) commissioned by the Department of Homeland Security, which recommended a greater role for US spy satellites in monitoring the domestic population.

Meanwhile, Zalman and Rendon, while both remaining closely involved in the Pentagon Highlands Forum, continue to be courted by the US military for their expertise on information operations. In October 2014, both participated in a major Strategic Multi-Layer Assessment conference sponsored by the US Department of Defense and the Joint Chiefs of Staff, titled '*A New Information Paradigm? From Genes to "Big Data" and Instagram to Persistent Surveillance... Implications for National Security.*' Other delegates represented senior US military officials, defense industry executives, intelligence community officials, Washington think-tanks, and academics.

John Rendon, CEO of The Rendon Group, at a Highlands Forum session in 2010

Rendon and SAIC/Leidos, two firms that have been central to the very evolution of Pentagon information operations strategy through their pivotal involvement in the Highlands Forum, continue to be contracted for key operations under the Obama administration. A US General Services Administration document, for instance, shows that Rendon was granted a major 2010–2015 contract providing general media and communications support services across federal agencies. Similarly, SAIC/Leidos has a \$400 million 2010–2015 contract with the US Army Research Laboratory for “Expeditionary Warfare; Irregular Warfare; Special Operations; Stabilization and Reconstruction Operations”—a contract which is “being prepared now for recomplete.”

## The empire strikes back

Under Obama, the nexus of corporate, industry, and financial power represented by the interests that participate in the Pentagon Highlands Forum has consolidated itself to an unprecedented degree.

Coincidentally, the very day Obama announced Hagel’s resignation, the DoD issued a media release highlighting how Robert O. Work, Hagel’s deputy defense secretary appointed by Obama in 2013, planned to take forward the Defense Innovation Initiative that Hagel had just announced a week earlier. The new initiative was focused on ensuring that the Pentagon would undergo a long-term transformation to keep up with leading edge disruptive technologies across information operations.

Whatever the real reasons for Hagel’s ejection, this was a symbolic and tangible victory for Marshall and the Highlands Forum vision. Highlands Forum co-chair Andrew Marshall, head of the ONA, may indeed be retiring. But the post-Hagel Pentagon is now staffed with his followers.

Robert Work, who now presides over the new DoD transformation scheme, is a loyal Marshall acolyte who had previously directed and analyzed war games for the Office of Net Assessment. Like Marshall, Wells, O'Neill and other Highlands Forum members, Work is also a robot fantasist who lead authored the study, *Preparing for War in the Robotic Age*, published early last year by the Center for a New American Security (CNAS).

Work is also pitched to determine the future of the ONA, assisted by his strategist Tom Ehrhard and DoD undersecretary for intelligence Michael G. Vickers, under whose authority the Highlands Forum currently runs. Ehrhard, an advocate of “integrating disruptive technologies in DoD,” previously served as Marshall’s military assistant in the ONA, while Mike Vickers—who oversees surveillance agencies like the NSA—was also previously hired by Marshall to consult for the Pentagon.

Vickers is also a leading proponent of irregular warfare. As assistant defense secretary for special operations and low intensity conflict under former defense secretary Robert Gates in both the Bush and Obama administrations, Vickers’s irregular warfare vision pushed for “distributed operations across the world,” including “in scores of countries with which the US is not at war,” as part of a program of “counter network warfare” using a “network to fight a network”—a strategy which of course has the Highlands Forum all over it. In his previous role under Gates, Vickers increased the budget for special operations including psychological operations, stealth transport, Predator drone deployment and “using high-tech surveillance and reconnaissance to track and target terrorists and insurgents.”

To replace Hagel, Obama nominated Ashton Carter, former deputy defense secretary from 2009 to 2013, whose expertise in budgets and procurement according to the *Wall Street Journal* is “expected to boost some of the initiatives championed by the current Pentagon deputy, Robert Work, including an effort to develop new strategies and technologies to preserve the US advantage on the battlefield.”

Back in 1999, after three years as Clinton’s assistant defense secretary, Carter co-authored a study with former defense secretary William J. Perry advocating a new form of ‘war by remote control’ facilitated by “digital technology and the constant flow of information.” One of Carter’s colleagues in the Pentagon during his tenure at that time was Highlands Forum co-chair Linton Wells; and it was Perry of course that as then-defense secretary appointed Richard O’Neill to set-up the Highlands Forum as the Pentagon’s IO think-tank back in 1994.

Highlands Forum overlord Perry went on to join the board of SAIC, before eventually becoming chairman of another giant defense contractor, Global Technology Partners (GTP). And Ashton Carter was on GTP’s board under Per-



ry, before being nominated to defense secretary by Obama. During Carter's previous Pentagon stint under Obama, he worked closely with Work and current undersecretary of defense Frank Kendall. Defense industry sources rejoice that the new Pentagon team will "dramatically improve" chances to "push major reform projects" at the Pentagon "across the finish line."

Indeed, Carter's priority as defense chief nominee is identifying and acquiring new commercial "disruptive technology" to enhance US military strategy—in other words, executing the DoD Skynet plan.

The origins of the Pentagon's new innovation initiative can thus be traced back to ideas that were widely circulated inside the Pentagon decades ago, but which failed to take root fully until now. Between 2006 and 2010, the same period in which such ideas were being developed by Highlands Forum experts like Lochard, Zalman and Rendon, among many others, the Office of Net Assessment provided a direct mechanism to channel these ideas into concrete strategy and policy development through the Quadrennial Defense Reviews, where Marshall's input was primarily responsible for the expansion of the "black" world: "special operations," "electronic warfare" and "information operations."

Andrew Marshall, now retired head of the DoD's Office of Net Assessment and Highlands Forum co-chair, at a Forum session in 2008

Marshall's pre-9/11 vision of a fully networked and automated military system found its fruition in the Pentagon's Skynet study released by the National Defense University in September 2014, which was co-authored by Marshall's colleague at the Highlands Forum, Linton Wells. Many of Wells' recommendations are now to be executed via the new Defense Innovation Initiative by veterans and affiliates of the ONA and Highlands Forum.

Given that Wells' white paper highlighted the Pentagon's keen interest in monopolizing AI research to monopolize autonomous networked robot warfare, it is not entirely surprising that the Forum's sponsoring partners at SAIC/Leidos display a bizarre sensitivity about public use of the word 'Skynet.'

On a Wikipedia entry titled 'Skynet (fictional)', people using SAIC computers deleted several paragraphs under the 'Trivia' section pointing out real-world 'Skynets', such as the British military satellite system, and various information technology projects.

Hagel's departure paved the way for Pentagon officials linked to the Highlands Forum to consolidate government influence. These officials are embedded in a longstanding shadow network of political, industry, media and corporate officials that sit invisibly behind the seat of government, yet literally write its foreign and domestic national security policies whether the administration is Democrat or Republican, by contributing 'ideas' and forging government-industry relationships.

It is this sort of closed-door networking that has rendered the American vote pointless. Far from protecting the public interest or helping to combat terrorism, the comprehensive monitoring of electronic communications has been systematically abused to empower vested interests in the energy, defense, and IT industries.

The state of permanent global warfare that has resulted from the Pentagon's alliances with private contractors and unaccountable harnessing of information expertise, is not making anyone safer, but has spawned a new generation of terrorists in the form of the so-called 'Islamic State'—itself a Frankenstein by-product of the putrid combination of Assad's brutality and longstanding US covert operations in the region. This Frankenstein's existence is now being cynically exploited by private contractors seeking to profit exponentially from expanding the national security apparatus, at a time when economic volatility has pressured governments to slash defense spending.

According to the Securities and Exchange Commission, from 2008 to 2013, the five largest US defense contractors lost 14 percent of their employees, as the winding down of US wars in Iraq and Afghanistan led to lack of business and squeezed revenues. The continuation of the 'Long War' triggered by ISIS has, for now, reversed their fortunes. Companies profiting from the new war include many connected to the Highlands Forum, such as Leidos, Lockheed Martin, Northrup Grumman, and Boeing. War is, indeed, a racket.

## No more shadows

Yet in the long-run, the information imperialists have already failed. This investigation is based entirely on open source techniques, made viable largely in the context of the same information revolution that enabled Google. The in-

vestigation has been funded entirely by members of the public, through crowd-funding. And the investigation has been published and distributed outside the circuits of traditional media, precisely to make the point that in this new digital age, centralized top-down concentrations of power cannot overcome the power of people, their love of truth and justice, and their desire to share.

What are the lessons of this irony? Simple, really: The information revolution is inherently decentralized, and decentralizing. It cannot be controlled and co-opted by Big Brother. Efforts to do so will in the end invariably fail, in a way that is ultimately self-defeating.

The latest mad-cap Pentagon initiative to dominate the world through control of information and information technologies, is not a sign of the all-powerful nature of the shadow network, but rather a symptom of its deluded desperation as it attempts to ward off the acceleration of its hegemonic decline.

But the decline is well on its way. And this story, like so many before it, is one small sign that the opportunities to mobilize the information revolution for the benefit of all, despite the efforts of power to hide in the shadows, are stronger than ever.

#### READ PART ONE

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