

# Professional Issues & Ethics Report - Palantir

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## Introduction

Palantir is an American software company which works with governments and large institutions to perform data analysis for defence, intelligence, business and policing applications. They are often portrayed as a “National Security Darling”, even including by former CIA Director, General David Petraeus (Mac, 2013). They are a go-to contractor for government related big-data work. Their Initial Public Offering (IPO) happened in October, making this year the first that an investor could choose to support their work.

Palantir’s roots and original team have raised ethical concerns since their founding. Palantir was created in 2003 by PayPal co-founder Peter Thiel, when he financed Stanford students and Paypal engineers to work on software to help governments control their data. Palantir’s earliest investors were Thiel, and In-Q-Tel, A CIA funded startup incubator (Maus Strategic Consulting, 2014). Thiel himself is controversial for being a Trump supporter, and previously argued that since the 1920’s, American Democracy has been corrupted by enfranchising women and the poor (Meyer, 2016). Palantir’s long history as a private company has added to the shady reputation that would already attach to any CIA-funded defense contractor. Further, the company was originally inexperienced in the defense industry, with their mythical name (a Palantir is a seeing stone from Lord of the Rings) hinting at their silicon valley past. Now, the company has grown to be a formidable defense and security contractor, with a valuation of \$20B Dollars, and \$800M USD contracts with the US Department of Defense (Buhr, 2015).

The company employs over 2000 staff, a large percentage of them being software engineers (Buhr, 2015). Palantir has worked with the US Army, Air Force and Marine Corps; with police departments like the LAPD and New Orleans PD; with US Immigration and Customs Enforcement (ICE), as well as with private businesses like JP Morgan. They provide services which integrate and display data to non-engineers; and they also “forward deploy” those engineers to manage and build on those services.

Legitimate ethical concerns have been raised about Palantir’s involvement with some of these organisations. Their work with ICE may have contributed to the US’s programs of immigrant detention and child separation. Their work with police departments probably contributed to racial minorities and the socioeconomically disadvantaged being further pushed into poverty and crime (Lapowsky, 2018). This report aims to summarize key ethical issues with Palantir’s work and evaluate whether they are a company that can be invested in ethically. It will focus on two parts of their business -- their work with the US immigration agency ICE; and their work with local police departments.

## Ethical Issue I -- Palantir in Immigration

One of the most controversial Palantir partnerships is their working with ICE, specifically providing technology to collate information on illegal immigrants to the US. ICE has long been regarded as one of the most egregiously unethical US government agencies, and has continually been subject to calls to be defunded.

Unlike other tech companies, Palantir believes elected officials -- and the organisations they control and represent -- ought to be supported by tech companies; and has thus supported ICE in some of their work. CEO Alex Karp argues in a Washington Post opinion piece that it “is worrisome that some Silicon Valley companies are taking the power to decide these issues away from elected officials” (Karp, 2019). From a Kantian perspective, the company has a duty to

help defend the nation that it resides in. Karp has made this perspective clear himself, arguing that companies who refuse to defend their country are taking a “loser position” (Lovelace Jr, 2019). Karp also demonstrates a consequentialist nationalist perspective -- Palantir’s support of United States defense interests clearly serve to advance the interests of the nation, whether or not it’s in the interests of the victims of ICE (or even, overall). Whether or not it is ultimately good for the country, this is helping the country achieve a goal its political leaders have decided is worthy; and as such Palantir can argue they are acting ethically. Despite this, the fact that Palantir is acting in the interests of a Government does not necessarily justify investment in the company.

Palantir’s CEO’s position is argued against by its own employees (MacMillan & Dwoskin, 2019), as well as respected academics. Michael Posner, a Professor at NYU, echoes the arguments of many Palantirians when he argues that companies have a duty to society to apply their own ethical standards, and that while following the law is necessary, it is not sufficient to being ethical (Posner, 2019). Employees further argue that the direct consequences of Palantir’s contracts are more detention and extradition, which previous reporting has shown to be cruel and inhumane (Shoichet, 2019). Their concerns are supported by the ACM Code of Ethics, which says: “Computing professionals should consider whether the results of their efforts will respect diversity, will be used in socially responsible ways, will meet social needs, and will be broadly accessible” (Association for Computing Machinery, 2018). Despite the government’s support for the programs, the broad criticism means that Palantir must consider the consequences for victims of deportation, even if the government does not. Furthermore, Palantir must also consider the ethical perspectives of their employees -- recently, a group of Palantir engineers approached the CEO to ask that profits from their ICE contract be redirected to a non-profit charity, and the subject of supporting ICE has been frequent at internal meetings (MacMillan & Dwoskin, 2019). This internal support for abandoning the company’s partnership with ICE may mean Palantir has a duty to respect it’s employees wishes, as other companies like Google and Microsoft have committed to doing.

Human rights group Amnesty International has also argued strongly against the company’s position on their contracts with ICE. The company’s software was used in raids of small companies and franchises like 7-Eleven to gain intelligence about other illegal immigrants, and it produced actionable intelligence that was used in further raids (Amnesty International, 2020a). Palantir also provided the software that managed data from ICE phone hotlines. With the help of this software, ICE executed one of the largest raids in the history of the United States. This raid had many ethical issues, like leaving children of immigrants without parents for up to 8 days as their guardians were arrested and imprisoned for violating rules around illegal entry to the United States (Amnesty International, 2020b). Palantir, in providing this advanced software, is creating the opportunity for more enforcement, and therefore more cruelty. From a consequential perspective it is hard to argue that this is overall beneficial, and it is in direct violation of the ACM Code of Ethics’ requirement for software engineers to “Do No Harm”.

Palantir responded to the complaints of Amnesty International by sidestepping, claiming that they do not have contracts with the Enforcement and Removal Operations unit of ICE (Bowman, 2020) -- the division that performs most of the deportations. They argue that this means that while they may indirectly contribute to some removals of immigrants, it would only be around 3.1% of the deportations; while the same division has arrested over 3000 child predators. From a consequentialist point of view, Palantir’s defense suggests that they are moral insofar as they are not complicit with the worst harms of ICE, while supporting work to help keep the country safe. Furthermore, they work to limit their contribution to things like the Department of Homeland Security’s child separation policy, or ICE’s general operations to remove unlawful immigrants from the United States -- this contributes to their argument that they are acting ethically. This position, however, seems at odds with their CEO’s position that Silicon Valley should not be making moral judgements on governments. Palantir also did not draw attention to the fact that their Integrated Case Management system will have undoubtedly been used in supporting investigations that led to deportation, since it had been made available to most of ICE (MacMillan & Dwoskin, 2019). The inconsistency in their response should be worrying to investors; again both from a financial and an ethical perspective.

## Ethical Issue II -- Palantir in Policing

Palantir has also been controversial for its work with police departments across the US, specifically in Los Angeles and New Orleans. They provide their software to help make policing easier by integrating multiple data-sources into one tool. They have also made strides in developing “predictive policing”, which is the concept of using big data to determine where crimes are likely to happen, and by whom they are likely to be committed. Palantir has in the past supplied software capable of this to the LAPD, as well as (at last report) having an ongoing program with the New Orleans police department; both programs having the goal of helping those departments track and police persons at high-risk of criminality.

Palantir’s position on this is hard to ascertain directly, but given their continued involvement with policing programs, it seems they are supportive of efforts to give police better access to their data. In now-dated interviews with LAPD officers, numerous comments are made about how useful it is to be able to synthesize disparate pieces of crime data, like number plates, offender photos and rap-sheets. A naive consequential analysis would say that because police departments are better able to do their jobs, this is clearly an ethical good. Both Palantir and local police argue that this data has been helpful to them, and the LAPD give the specific examples of a robbery suspect who was identified by Palantir’s software, and a murderer for whom it was possible to get a profile thanks to Palantir (Palantir, 2013). There are two major arguments against this, however -- whether police departments are actually ethical, and whether they have a Kantian duty to privacy. The first argument would state that police departments throughout the US are racist and enforce power hierarchies. Giving them more data, and supporting their efforts is therefore complicity in (and the advancement of) those interests. An ethical investment would rely on the assessment that those departments are indeed ethical; which is a hard assessment to make in good faith. The other argument against this is that police departments may have a duty to preserve privacy, and the all-consuming nature of the Palantir database may mean that people’s privacy is violated, even if any one data-point would not itself challenge a person’s privacy. While Palantir avoids mentioning their technology directly in court cases, for fear of a court challenge (Winston, 2018), some argue that their ability to correlate such disparate datasets is in fact an unreasonable search, and would therefore be unconstitutional.

Predictive policing is a special case of Palantir’s involvement, because it disproportionately affects minorities, and does not lead to better outcomes for the community - in fact, it generally serves to further push targets into crime or poverty (Lapowsky, 2018). From Palantir’s end, this program seems unjustifiable, both because it did not lead to better outcomes, and because it violated core duties of companies to not discriminate; as suggested by the ACM Code of Ethics (i.e. they were not “taking action not to discriminate” (Association for Computing Machinery, 2018)). Even the defense that law-makers actually wanted it is flimsy, as civilian oversight boards, and lawmakers, have in some cases reported that they did not know what Palantir was doing. In one such case, Los Angeles stopped their “LASER” program (run with Palantir software) after a civilian review board disapproved (Lapowsky, 2018). Palantir’s programs were discriminatory, even if not by design, and they should have taken active steps to prevent it being used in that way. Palantir has no public statements on this issue, however, and have never formally renounced their program.

## Recommendations -- Palantir in the Public Interest

Overall, Palantir’s involvement with these two ethical issues make them an unethical investment. Despite their arguments, Palantir’s arguments may make them ethical in some circumstances, and they may cause some good, but it is difficult to argue that an ethical investment company should support them. In order for them to become a prospect for an ethical investor, they would need to at least implement the recommendations enumerated below.

First, Palantir should expand their Privacy and Civil Liberties (P/CL) Team, which is designed to ensure that the work they do is ethical. Reports suggest that this team is small, having only 10 engineers (Posner, 2019). Having an interdisciplinary team who designs products to be ethical is a very important step, but it is hard to believe such a small

team can adequately consider the whole work of the company. Palantir should significantly invest in expanding the team. It should also expand on what information is publicly available about its work. Since its IPO, more information exists about its operations, but the information is not sufficient to judge whether the company does in fact act ethically. This increase should be accompanied by more work to distance Peter Thiel from the company, as he and his views are corrosive to the good name and ethical reputation of the company.

Second, Palantir should desist entirely from “predictive policing” work, and release more information publicly about what the programs have involved in the past, and what they involve now. Palantir should also revisit their partnership with ICE. While their work may be helping actual enforcement activities, it is their duty to ensure (and publicly communicate) that their software is not involved in many of the unethical operations of ICE. Better information about their partnership with ICE would make for an easier judgement about whether or not it was actually ethical.

In conclusion, Palantir would only be an ethical investment if they at least made the changes suggested above, or if the investment firm believed their investment would give them the power to make the above changes. It could be feasible for the investment firm to take a controlling share of the company and therefore made it harder for Peter Thiel to remain Chairman; or for activist shareholders to push the company during AGMs to release more information about their partnerships with the government and local policing.

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