

Episode 6 - Facebook and the CIA

Intro: Mark Zuckerberg started Facebook in 2004 while attending college at Harvard to help Harvard students keep in touch and get to know each other better.^[14] It became so popular that it was opened to other colleges, then to high schools, then to the general public. Over the next few years Facebook brought on investors to improve their product. Among those investors are Peter Thiel, cofounder of PayPal, Accel Partners (the firm through which conspiracists tie FB to the CIA), Greylock Partners, Hong Kong billionaire Li Ka-shing, and Microsoft.^[15]

Conspiracists claim that the CIA is tied Facebook through Accel Partners, which is run by a man who was once on the board of a different firm with a man that was also on the board of a CIA VC firm, whose board also had a lady that once oversaw DARPA. Accel Partners invested \$12.5m, by which we are to assume they bought the rights to develop and use Facebook to spy on the world. However, Microsoft invested \$246m in Facebook for a measly 1.6% share (looks like somebody got shafted).

- Initial venture capital funding of \$500,000 came from PayPal cofounder and CEO Peter Thiel
 - Thiel is an Angel investor, or someone who often invests their own money as start-up capital for businesses. They help fill in the funding gap between friends and family, and the multi-million dollar investments that venture capitalists usually require^{[2][3]}
 - Cofounded PayPal at age 31 and then sold it to EBay for \$1.5 billion. Two years later became the first investor in Facebook.^[1]
 - Runs a hedge fund company (Clarium Capital) but has made some bad bets. He bet against the economic recovery and as such Clarium has gone from \$7b in assets to \$1.5b
 - Invests in “futuristic” companies now, like private space flight, ocean colonies for humans, and indefinite life extension^[1]
 - Co-wrote “The Diversity Myth – Multiculturalism and Political Intolerance on Campus” which details the problems Stanford University (where Thiel attended college) had with multiculturalism (defined by American Heritage Dictionary as “Of or relating to a social or educational theory that encourages interest in many cultures within a society rather than in only a mainstream culture.”)^[4]
 - Also investor in Zynga, YouNoodle, LinkedIn, Slide, Friendster, Rampleaf, Geni.com, Clickable, Yammer, Yelp, Powerset, Vator, Palantir Technologies, Jaytor and IronPort, Asana, Adroll, Labmeeting, Hooja, OpTrip, Mogad, Big Think, Redux, FlickIM, Badongo, many of which are social networking sites^{[3][6][7]}
 - The Vanguard PAC (<http://www.thevanguard.org>) is an attempt at a conservative response to MoveOn.org. MoveOn started with Silicon Valley alumni, Vanguard wants to accomplish the same thing for the conservative party.^[8]
 - Thiel is not listed as being on the board, nor in the senior leadership, of The Vanguard. However, the founder of Vanguard, Rod Martin, served as an advisor to Thiel during PayPal’s IPO.^[9]
- Facebook’s second round of venture capital, \$12.7m, came from Accel Partners, a VC firm managed by James Breyer^[3]

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- It's through Breyer that conspiracists link Facebook to the CIA. Breyer runs Accel Partners. Breyer was formerly chairman of the National Venture Capital Association. Also on the board of NVCA was Gilman Louie. Louie was the CEO of In-Q-Tel, a VC firm created by the CIA to "bridge the gap between the technology needs of the Intelligence Community and new advances in commercial technology."^[10] Note that Louie did not work for Accel Partners, the link to the CIA is simply because one investor *knows* somebody who *kind of* worked for the CIA.
- Conspiracists go further to bring Anita Jones into the mix. Jones also was part of In-Q-Tel along with Louie. She had previously worked for the DoD, was an advisor to the SecDef, and oversaw DARPA. During her oversight of DARPA the mission of DARPA's Information Awareness Office came to public attention. The IAO was created to track and monitor terrorists and other threats by achieving Total Information Awareness. They were going to accomplish this goal by created large databases that would track emails, social networks, etc. Public outcry caused a congressional hearing, which ultimately ended with the IAO losing its funding.
- Despite losing funding and officially shutting down, the Total Information Awareness project simply became many different projects under ambiguous names^[12]
- Accel Partners also invested in StumbleUpon, Diapers.com, AdMob, Knewton, Groupon, YuMe, Genius.com, Spreadshirt, BitTorrent, MetaCafe, and dozens upon dozens of other startups.
- Other Facebook investors include Greylock Partners and Microsoft and Hong Kong billionaire Li Ka-shing (MS invested \$246m, more than 20 times what Accel Partners invested).

My viewpoint: Facebook has one goal for its creators: to make money. Since accounts are free the best way for them to make money is through advertising. The best way to make money through ads is to target the ads to the people most likely to click them. Collecting data and using it to target ads is being done in every single aspect of our daily lives. Every time you use a credit/debit card, every search you type into google or bing or yahoo, everything you do, leaves a digital profile behind that is used by advertisers. Can others use that data too? Sure. Does the government have programs in place to track us? Absolutely. Is facebook that program? Why would it be? Even though IAO was shut down to quell the public outcry, the research and programs still exist. They don't need Facebook because they have their own, much more secret, programs.

The conspiracy theory is convoluted at best. Facebook is secondarily funded by a guy who used to be on a board with another guy who was also on the board of a CIA VC firm, whose board also had a lady that used to oversee DARPA. The guy who started Facebook is related back to the CIA/DARPA in "only" 4 steps. The fact that venture capital firms invested in a promising social network site, well after Myspace proved their popularity, and that their investment paid off big time does not mean that site is a CIA front. Are we also to conclude that diapers.com, among others, are also CIA operations?

The CIA may access and try to use Facebook data. Facebook may share some of their information with the CIA and other law enforcement agencies. That does not mean Facebook is a front for clandestine CIA operations to spy on the world. The CIA has their own toys for that.

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2. http://en.wikipedia.org/wiki/Angel_investor
3. http://www.businessweek.com/magazine/content/10_10/b4169039646363.htm
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