

Black Cube, Wikistrat, Fusion GPS and 45 other companies sell 'CIA-like' hit jobs to Silicon Valley Oligarchs

Wikistrat bills itself as a 'crowdsourced' analysis agency based in Washington. But interviews with current and former employees and documents tell a very different story.

KEN KLIPPENSTEIN

EXCLUSIVE

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In the fall of 2016, Donald Trump Jr. and other key aides to the future president reportedly met in Trump Tower with Joel Zamel, the founder of a company called Wikistrat.

Wikistrat bills itself as a "crowdsourced" geopolitical analysis firm based in Washington, D.C. But interviews with current and former employees and

documents reviewed by The Daily Beast tell a different story: that the vast majority of Wikistrat’s clients were foreign governments; that Wikistrat is, for all intents and purposes, an Israeli firm; and that the company’s work was not just limited to analysis. It also engaged in intelligence collection.

Robert Mueller’s office is investigating Wikistrat and Zamel, according to *The Wall Street Journal*, as the special counsel’s probe expands into Middle Eastern governments’ attempts to influence American politics.

Publicly, Wikistrat touts its crowdsourcing interface it has described as “Wikipedia meets Facebook” to develop reports for clients. The documents also highlight Wikistrat’s heavy reliance on “gamification”—applying game design features to encourage user engagement—to solicit information from sources. Former Wikistrat employees say its founder viewed himself as the Mark Zuckerberg of the national-security world.



But despite the firm’s purported commitment to “transparent, open-source methodologies,” the documents provided to The Daily Beast show

something different: that the company exploits “in country... informants” as sources.

Wikistrat’s “About” page includes mention of “on-the-ground collection.”

And according to internal Wikistrat documents marked “highly confidential and sensitive material,” 74 percent of the firm’s revenue came from clients that were foreign governments.

Although Wikistrat’s clients were overwhelmingly foreign governments, the company boasted incredible access to top U.S. military and intelligence officials. The firm’s advisory council lists former CIA and National Security Agency director Michael Hayden, former national security adviser James L. Jones, former deputy director of the National Security Council Elliott Abrams, and former acting director of the Defense Intelligence Agency David Shedd, among others.

Perhaps it’s no surprise, then, that the company’s website is adorned with the insignias of U.S. military agencies and that it claims D.C. as its headquarters.

But exactly how much of a connection these advisers have with the company isn’t totally clear. “I have always been informal... but I support the concept of their work (as my quote [on Wikistrat’s website] points out),” Hayden told The Daily Beast in an email. “There is no paperwork between us and I have never been to a board meeting.”

A former senior analyst for Wikistrat, James Kadtke, described his experience with the company to The Daily Beast. A physicist by training, Kadtke worked as a defense and technology adviser to Sen. John Warner from 2002-05 and as a senior fellow at the National Defense University before joining Wikistrat in 2016.

When Kadtke first interviewed with a couple of Wikistrat executives to discuss working for them, he said it became obvious to him that there was more to this company than meets the eye.

“It was clear to me that both of these guys had intelligence backgrounds, intelligence professionals, not academics or analysts,” Kadtke told The Daily Beast. “They were using their experts for tacit information going on in various parts of the world. I got the impression they were doing things outside of Wikistrat. It seemed mysterious.”

Working for Wikistrat didn’t seem to clear up Kadtke’s questions. Kadtke said that, in retrospect, Wikistrat appeared to be more about intelligence collection than anything else.

Elad Schaffer, the Wikistrat CEO who succeeded Zamel this year, did not respond to a request for comment.

Asked about Kadtke’s remarks about intelligence collection, one former high-ranking employee said, “Could he [Wikistrat’s founder] have done this? Yes, by all means,” adding that Wikistrat’s work “was not limited to geopolitics.”

HUSH HUSH

The documents provide rare insight into a company that Wikistrat employees repeatedly described as extraordinarily secretive.

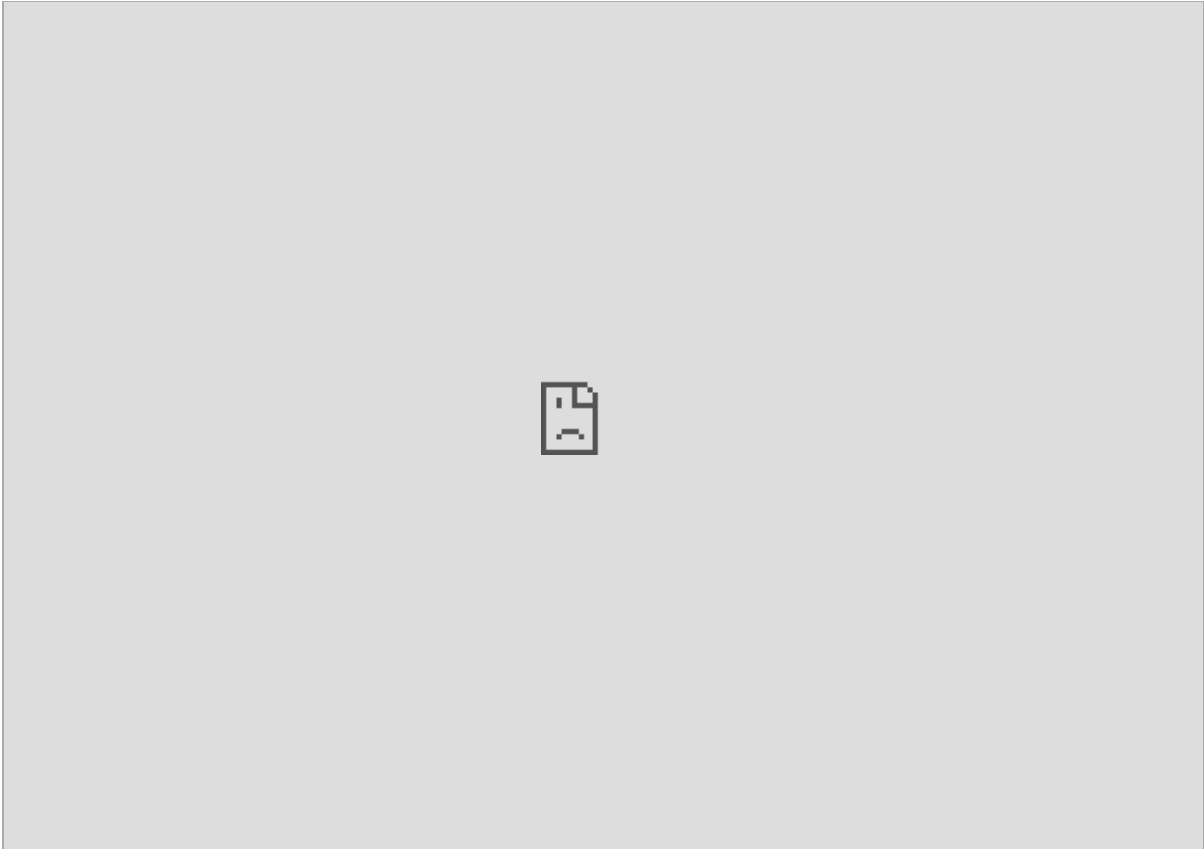
“Joel ran a very compartmentalized organization,” one former high-ranking staffer said.

“I felt like I had no real visibility into what the company was really doing,” another former senior employee said.

“He was very secretive, everything was highly compartmentalized... It was clear that he kept the entire company in the dark. Even [company executives] didn’t have the whole picture,” a former employee said, adding that if someone took a photo at a company gathering, Zamel would leave the room.

“He never allowed anyone to get near his phone, his laptop, stuff like that.”

Even in the internal company documents, which include a page about the company's leadership, photos of each of the executives are included—except Zamel's.



“I suspected he was involved in other stuff simply because a man without secrets doesn't need to be secretive. If he had nothing to hide, he would've been much more open. I thought he was involved in other operations.”

THE ISRAEL CONNECTION

If Wikistrat was engaged in intelligence collection, an obvious question arises: For whom?

Much of the reporting so far has focused on Wikistrat's relationship with the United Arab Emirates. For instance, *The New York Times* recently reported a secretive Trump Tower meeting three months before the 2016 presidential election, between Donald Trump Jr., Zamel, and George Nader, an emissary for the UAE. The meeting drew comparison to the infamous

Trump Tower meeting between Trump Jr., Jared Kushner, Paul Manafort, and a Russian lawyer with ties to the Kremlin.

Zamel is reported to have pitched Trump Jr. on a social-media manipulation strategy to help his father win the election. After Trump was elected, Nader is said to have paid Zamel a large sum of money—as much as \$2 million.

In light of the scrutiny of Zamel’s ties to the UAE, it’s natural that news coverage would focus on that country. But Wikistrat may, in fact, have stronger ties to Israel.

Zamel is a citizen of Israel and master’s graduate of IDC Herzliya—a small, elite college that’s often compared to U.S. Ivy League schools—where he studied government, diplomacy, and strategy, specializing in counterterrorism and homeland security.

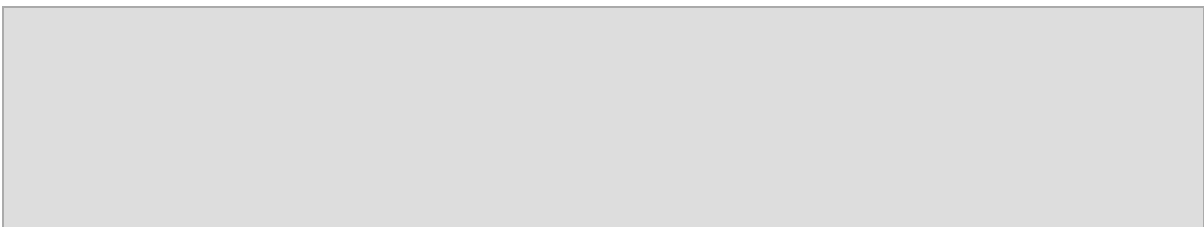
(The internal documents reviewed by The Daily Beast confirm that Zamel also owned the lion’s share—86 percent—of Wikistrat, with the next biggest shareholder possessing less than 6 percent of the company.)

Though Wikistrat’s website lists its location as Washington, Kadtko said the company was run out of Israel the entire time he worked there.

A former Wikistrat employee confirmed the company was run out of Tel Aviv, with the D.C. office only handling sales and business development, he said.

“He knew a whole lot of people there [in Israel]. One of his connections was the former head of the [Israeli] intelligence directorate, Amos Yadlin.”

In fact, each of Wikistrat’s principals listed Tel Aviv as their address in a 2015 copy of Wikistrat’s Virginia business license.





Former employees say that at the core of Wikistrat's leadership were three Israelis: Daniel Green, the CTO, Elad Schaffer, formerly the COO and now the CEO, and Zamel, the founder and, until this year, its CEO.

"Those people were very close, and it wasn't just professional," one former employee said.

That former employee added, "I had an initial conversation with Joel where I said, 'One of the issues you're going to run into, if you want to be focused on [U.S.] government work, you're going to run into problems every day because of the Israeli connection.' He said, 'Well, why is that? They're amazing allies?'"

"There were many conversations internally [about this]... Israel is one of the top counterintelligence concerns for the U.S."

One of the internal documents reviewed by The Daily Beast lists a former "major in [an] elite Israeli intelligence-analysis unit," Shay Hershkovitz, as its chief security officer and director of analytic community. That document also describes Schaffer as a former "counterterrorism officer for Israeli intelligence."

“Elad was involved in a very elite, select group of individuals performing a very important mission... dealing with the height of the global war on terrorism,” one former employee said. “He did some collaborative work with U.S. special-operations counterparts who were working in the Middle East to deal with threats coming from al Qaeda.”

“Elad kept a very low profile.”

Schaffer did not respond to a request for comment.

‘FLYNN TOOK A REAL SHINING TO JOEL’

Zamel apparently wanted former national security adviser Michael Flynn to be a member of the firm’s advisory board; Zamel spoke with him about it on multiple occasions around the time Flynn was forming his ill-fated Flynn Intel Group, a former high-ranking Wikistrat employee told The Daily Beast.

“Flynn took a real shining to Joel,” the source said.

Another former Wikistrat employee appeared to confirm Zamel’s links to Flynn, saying a mutual contact, Adam Lovinger, helped introduce Zamel to numerous Pentagon officials. Lovinger, a Pentagon strategist and former Trump NSC analyst, had been named to the National Security Council by Flynn and was reportedly associated with Flynn Intel Group.

Flynn Intel Group would later be investigated by special counsel Robert Mueller in connection to a \$530,000 payment it received from a company owned by a Turkish businessman close to Turkish President Recep Tayyip Erdogan.

Lovinger told The Daily Beast that he had introduced Zamel to Pentagon officials after a Navy commander brought him to the Pentagon’s Office of Net Assessment.

“I know both Joel and Mike Flynn, but I don’t know the extent of their relationship,” Lovinger added.

Zamel had apparently been introduced to Flynn by Bijan Kian, Flynn Intel Group's former vice chairman of its board of directors, according to one source. Kian had been a partner at Flynn Intel Group and served as point man on Flynn's discussions with Zamel.

Neither Flynn nor Kian responded to requests for comment.

"Joel Zamel has never met Michael Flynn," Zamel's attorney, Marc Mukasey, told The Daily Beast via telephone. Asked about Zamel's relationship with Kian, Mukasey hung up.

However, shortly after this report's publication, Mukasey confirmed via email that Zamel had indeed communicated with Flynn. In an email to The Daily Beast, Mukasey wrote: "Regarding Joel and Wikistrat, your information and your statistics and your numbers and your descriptions are flat-out wrong. You've been fed misinformation (likely by a disgruntled ex-employee) or you're simply making things up. By way of example, there was one—and only one—conversation with Flynn."

BUT WHY?

The appeal of working with a high-profile intelligence officer like Flynn is easy to see. What's more opaque is why Zamel moved away from harvesting "crowdsourced" intel to making foreign deals.

The allure of quick and easy money from extravagantly wealthy Middle East leadership figures, coupled with an increasingly personal relationship with them, represented a "shiny object" that lured Zamel away from Wikistrat's original mission, a former senior Wikistrat employee said.

And although Zamel was rich, he might not have been wealthy enough to float Wikistrat on his own.

"It was never clear to me how much Joel was actually paying out of pocket to subsidize the company vs. what was brought in," another former employee said. "Clients paid decently but not enough to sustain the company. So Joel was either substantially funding the company or we were getting money

from somewhere else. That naturally leads you to focus on non-U.S. sources of income.”

The documents appear to corroborate this, showing that Wikistrat had been losing large amounts of money. For example, an income statement summary shows Wikistrat’s income as -\$603,000 in 2013, -\$110,000 in 2014, and a projected -\$773,000 for 2016.

Kadtke said that, toward the end of 2017, Wikistrat’s ordinary operations (i.e., war games and analysis) went “way down.”

“Around the beginning of 2017, the three people I knew there left very abruptly... The last study on the website was January 2017 (they used to do a lot). They seemed to have ceased operations,” Kadtke said. “It was very strange to me that they just sort of collapsed. It was probably a three-month period after which everyone I knew there left.”