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Palantir's 'revolving door' with government spurs huge growth

Peter Thiel-chaired group has Washington and Westminster network that helped secure around \$3bn in official contracts

Palantir is profiting from a “revolving door” of executives and officials passing between the \$264bn data intelligence company and high level positions in Washington and Westminster, creating an influence network who have guided its extraordinary growth.

The US group, whose billionaire chair Peter Thiel has been a key backer of Donald Trump, has enjoyed an astonishing stock price rally on the back of strong rise of sales from government contracts and deals with the world's largest corporations. Detailed findings by the [Tech Transparency Project \(TTP\)](#), which analysed transparency disclosures and dozens of job moves, as well as US and UK public records obtained by the Financial Times, show how Palantir has hired extensively from government agencies critical to its sales.

The analysis reveals the US group's sprawling influence network which includes: deep ties with largest client, the Department of Defense; a six-fold increase in lobbying spending in the US in the past decade; and creating a non-profit foundation to fund academic research and shape policy discussions.

Palantir has won more than \$2.7bn in US contracts since 2009, including over \$1.3bn in Pentagon contracts, according to federal records. In the UK, Palantir has been awarded more than £376mn in contracts, according to Tussell, a data provider. Palantir declined to comment.

The company’s executives “have their fingerprints all over the Trump transition and administration”, said Bill Hartung, senior research fellow at the Quincy Institute for Responsible Statecraft.

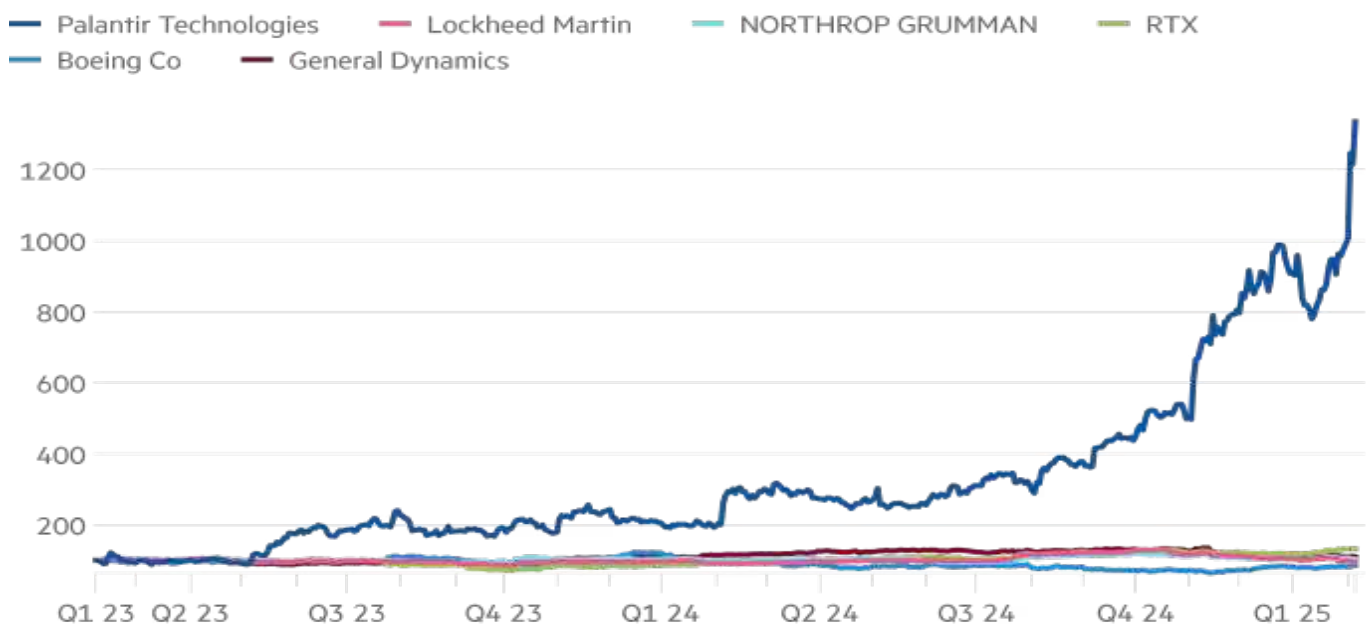
“Silicon Valley used to say ‘we don’t have to lobby because we have a superior product’, but now it is all in on politics.”

Palantir argues its data analysis products are in demand from clients including BP and Hertz due to their market-leading ability to analyse complex sets of information. Its technology is credited with helping kill al-Qaeda leader Osama bin Laden, distributing Covid-19 vaccines and convicting financier Bernard Madoff.

Palantir chief Alex Karp — an outspoken Democratic donor who backed Trump’s opponent Kamala Harris — said it would gain further windfalls from the new president’s expected focus on budget efficiency as well as higher spending on national security.

Palantir shares have far outpaced US defence contractors

Share prices rebased



Source: LSEG via markets.ft.com

Its shares rose 340 per cent over the course of 2024, when it was the top performer in the S&P 500. Palantir’s top executives, Thiel and Karp, have earned over \$1bn in share sales since Trump’s November election victory.

“This is a revolution. Some people will get their heads cut off,” said Karp announcing stellar [quarterly earnings](#) on Monday that sent it stock to new highs. “We’re expecting to see really unexpected things and to win.”

The revolving door

While Elon Musk has emerged as Trump's biggest Silicon Valley booster, Thiel was the tech sector's champion of the president during his first campaign in 2016. The investor also played a crucial role in the ascendancy of JD Vance, launching the new vice-president's venture capital career before becoming the largest donor to his campaign for US senate in 2022.

[Thiel](#) threw a celebration party for Trump's inauguration at his DC home last month, attended by Vance as well as Silicon Valley leaders like Meta's Mark Zuckerberg and OpenAI's Sam Altman.

After the US election in November, Trump began tapping Palantir executives for key government roles.

Jacob Helberg, senior adviser to Karp, was nominated as under secretary of state for economic growth, energy and the environment, which would make him the top economic policy and trade official at the State Department.

Meanwhile, Gregory Barbaccia, who worked at Palantir for a decade until 2020, was named federal chief information officer at the executive office of the President, overseeing the country's \$70bn IT budget.

Palantir has also assembled former lawmakers and government officials from both Republican and Democrat backgrounds.

In August, it recruited Mike Gallagher, an ex-Republican congressman who led the House Select Committee on China, to help identify contract opportunities. He resigned from the House in April 2024 and under federal policy is banned from lobbying Congress for one year.

In 2023, Palantir hired Geof Kahn, a former CIA veteran who worked on Trump's 2016 transition team, and Jamie Fly, former foreign and national security adviser to Florida governor Marco Rubio, Trump's secretary of state.

Since 2019, it has hired former senior defence and legal officials, such as Trump administration appointees Matthew Turpin and Alexander Alden, Obama-era staffer Wendy Anderson and ex-Biden assistant Funmi Olorunnipa Badejo.

At least six individuals have moved between Palantir and the Pentagon's Chief Digital and Artificial Intelligence Office (CDAO), an office that oversees the defence department's adoption of data, analytics and AI, according to the TTP.

Meanwhile, Joe Lonsdale, a venture capitalist and Palantir co-founder, has played a central role in setting up and staffing Musk's Department of Government Efficiency, a new advisory group seeking to cut swaths of the federal budget.

A close ally of the Tesla chief, Lonsdale also helped establish and finance the pro-

Trump America PAC, which became the vehicle through which Musk donated over \$239mn to Trump’s campaign.

These sorts of moves allow companies like Palantir to gain “credibility on Capitol Hill,” said Jeff Hauser, executive director of the Revolving Door Project, and help them “exert both direct and indirect influence on contracting and appropriations”. Hauser added: “Palantir is doing it because it has been proven over decades that the revolving door can help companies win more contracts.”

Ramping up lobbying


In October, Palantir hired the firm of one of Washington’s most prominent corporate lobbyists, Miller Strategies, to lobby on defence policy and appropriations, according to federal disclosures.

The firm’s head, Jeff Miller, had established himself as the go-to lobbyist for influencing the Trump administration during the president’s first term in office. His other tech clients include SpaceX, Amazon and Apple.

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 Overall, Palantir ramped up spending on lobbying last year to \$5.8mn, up from around \$1mn in 2015, according to federal disclosures. However, that compares to \$12.3mn by Google, and \$12.4mn and \$8.8mn by traditional defence companies Lockheed Martin and Northrop Grumman respectively.

Palantir has also backed the creation of a lobby trade group, the New American Industrial Alliance, which is advised by former Trump administration officials and aims to overhaul the Pentagon’s work with defence contractors. It is also backed by Lonsdale’s 8VC venture firm.

In 2023, it launched the Palantir Foundation for Defense Policy and International Affairs, which gained non-profit tax exempt status.

The group said it is a “non-partisan organisation dedicated to advancing national security”, and was set up to influence policy discussions by funding academic research and hosting conferences. It publishes a journal called The Republic, with its first issue featuring an essay titled, ‘Don’t let copyright kill American AI’.

Palantir has used a similar playbook in the UK. Its British business is overseen by Louis Mosley, a former activist in the Conservative party, while head of UK corporate affairs Ben Mascall was previously an adviser at the Ministry of Defence and the head of strategic communications at Downing Street.

Ahead of winning a contract [worth up to £330mn](#) with the NHS in November 2023 to help manage patient data, Palantir [recruited](#) two senior NHS officials specialising in AI and data, a move which raised concerns about the company's growing ties to the health service.

Palantir has also hired civil servants from departments including the UK's Ministry of Defence and the Home Office, and forged other links with British government officials. It has used former high-level civil servants, such as former MI6 chief Sir John Sawers, to broker introductions to the UK government.

The company has been a client of Global Counsel, the lobbying firm founded by Labour peer [Peter Mandelson](#) — the incoming British ambassador to the US.

Lobbying expenditure data is not publicly available in the UK.

Palantir attended at least 13 ministerial-level meetings between 2022 and 2023, but also extended hospitality such as drinks and dinners to senior officials such as Caroline Bellamy, the chief data officer at the Ministry of Defence where Palantir has a \$75mn contract.

In January 2024, Thiel personally met Lord Dominic Johnson, then investment minister, to “develop a relationship”, according to documents released to the FT under transparency laws.

Johnson planned to address concerns about the lack of access to the European marketplace by Palantir's defence arm and pitch the UK as a “world-leading destination and incubator for venture philanthropy”, the documents show.

According to heavily redacted meeting notes provided to the FT, Thiel expressed pessimism about the UK economy citing high taxes, low growth and “the fact that growth is driven by real estate rather than innovation like tech”.