Palantir: profits, procurement and power | FT Film

The price of Palantir spy politics

Pushback to the tech group's politics may threaten the core of its $330bn business

Joe Miller in Washington, George Hammond in San Francisco and Chris Cook in London

The week after a US immigration enforcement officer killed an American mother of three on the streets of Minneapolis in January, Palantir's head of "strategic engagement" posted on social media a slickly produced, AI-generated video set to a music track called "Clubbed to Death".

In a series of flash frames, it featured the logo of the company — whose data intelligence platforms are used by the Trump administration to detain and deport migrants — in the midst of a cultist circle, alongside images of the grim reaper, a blood-soaked crucifix, all-seeing eyes and the mysterious slogan "Recon is watching you".

Some Palantir staff, already concerned about their employer's enthusiastic embrace of Donald Trump's policies and its defence of Israel's war in Gaza, were appalled. "The company had an absolute internal meltdown," recalls one former employee, who watched the dispute erupt on an internal messaging platform. "You had people being like: 'My customer is a children's hospital — how am I supposed to explain this to them?'"

The video was taken down within days. But the episode encapsulated the deepening disquiet within the ranks of the $330bn company, which has become, if protests and political outrage are any measure, one of the most controversial tech groups in the world.

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An AI-generated video posted by Palantir's head of strategic engagement, Eliano Younes, featuring images of Alex Karp © Archived by Junkipedia / NCoC

Its growing notoriety, insiders and investors fear, will imperil its core business with the US government, drive away corporate customers and threaten a business model based on retaining skilled engineers who are already being wooed by deep-pocketed AI start-ups.

In the years following its founding in 2003 with a mission to help defend the west from another 9/11-style terrorist attack, Palantir single-handedly revolutionised the US defence industry.

It did so in part by creating a new role: the "forward-deployed engineer", embedded in war zones or placed on factory floors, who catered to the needs of clients ranging from police forces to chemicals groups and adapted Palantir's platforms to suit.

With such engineers and its advanced technology, Palantir helped build software programs that, according to those who have used them, saved lives on the battlefield and helped bring an end to the Covid-19 pandemic.

But it simultaneously cultivated an aura of inscrutability as it shunned the press, providing fodder for fears of mass surveillance in the AI age and exacerbating criticism over its work with warfighters and law enforcement.

Indeed, Palantir named itself after the far-seeing orbs in Tolkien's *The Lord of the Rings* and emphasised its connections with the CIA, an early funder and core client.

In the US, it is now so radioactive that Democratic candidates have felt compelled to sell even small stakes in the group and return donations from those associated with it. Across Europe, doors once open to Palantir in London, Paris or Zürich have been slammed firmly shut.

Now, according to the polls, the Democrats are on course to win back the House of Representatives in November, after which they would have the powers to compel Palantir executives to answer questions under oath and hand over internal records — powers that senior members of the party told the FT they fully intended to use.

If Democrats then took the White House in 2028, the company's vituperative critics would be in charge of its biggest customer, the US Department of Defense, and come under pressure to cancel more than $10bn worth of contracts.

Palantir's stock, which skyrocketed in the first year of Trump's second term as president, has lost a nearly a quarter of its value so far this year amid an assault by short sellers who believe that the company is vulnerable to increased competition from AI labs, could lose more top-level talent to the likes of OpenAI and is massively overvalued.

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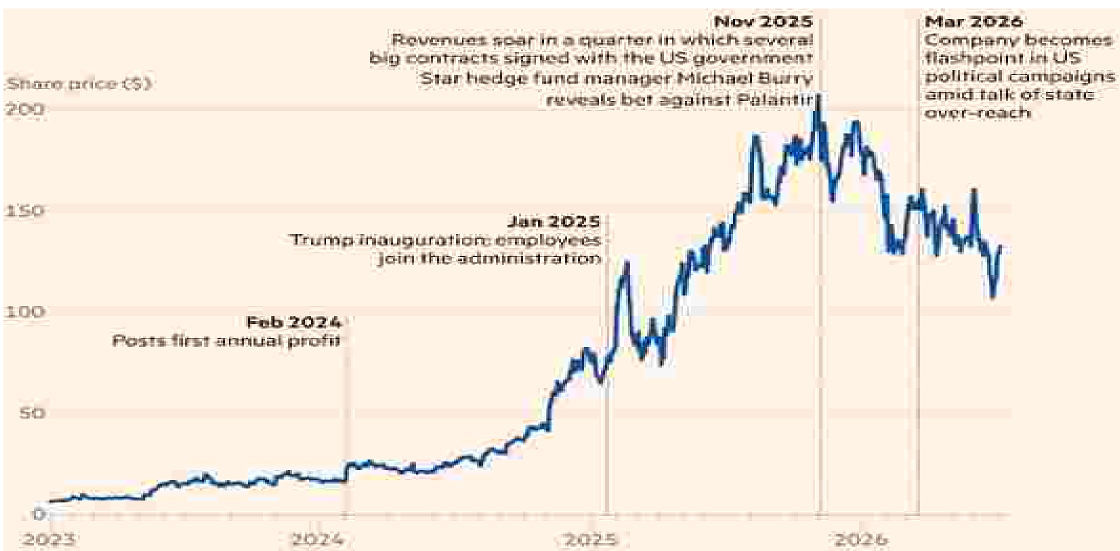

Some of Palantir's leaders, notably its outspoken chief executive, Alex Karp, have also been supplying its detractors with ammunition. In recent months, Karp has backed Trump's immigration crackdown, called his company "completely anti-woke", boasted that its tools kill US enemies and republished a "manifesto" that calls for Silicon Valley technologists to be deployed in the fight against urban crime.

The tactics that fuelled Palantir's relentless rise have, according to some insiders, become a liability. In the words of one recently departed senior employee, the company's leaders have manoeuvred themselves into a situation where "a perfect storm is brewing".

The group — which declared worldwide staff of 4,429 in a December 2025 filing — has also lost more than five dozen experienced engineers to the likes of Anthropic and OpenAI over the past year, according to an analysis of LinkedIn data by Harnham, a recruitment firm that specialises in AI talent.

This account of the turmoil inside Palantir is based on interviews with more than 20 current and former employees, executives, investors and advisers. Almost all — supporters and critics alike — agreed on one thing: some of the company's woes are self-inflicted.

Turning data into gold

For a long time, Palantir's notoriety was a selling point. The start-up's central, if prosaic, proposition was to clean up the mess made by the digital age, enabling incompatible databases to talk to one another.

Yet its public relations strategy was deliberately clandestine. In the words of a former employee, it "ignored everything at all times", rarely engaging with the media and letting conjecture fill the gaps. "To get early customers excited they had to present themselves as this all-knowing oracle," says one investor. "That was necessary to get folks to take them seriously."

Clients did take them seriously. In the wake of the 2008 financial crisis, Palantir won contracts from cash-strapped governments desperate to improve the delivery of public services, which it promised to do more cheaply than the alternatives. Corporates followed: in the mid-2010s Palantir signed up Airbus, BP, Ferrari and major investment banks, for which, through a suite of increasingly useful tools, it turned raw data into economic power.

The strategy paid off in 2024, when the company posted its first annual profit. Just over a year later, Palantir's growth was supercharged by Trump's return to the White House.

Several Palantir employees went into the Trump administration, including Gregory Barbaccia, who became the chief information officer for the entire federal government in January 2025. Palantir alumni helped staff Elon Musk's so-called Department of Government Efficiency, or Doge, which slashed US aid spending and fired thousands of federal workers.

Concurrently, the company's US government work prospered. In the 12-month period following Trump's return to office, its revenue from federal contracts soared to nearly $2.2bn, a 65 per cent increase on the previous year. The company's commercial business seemed to benefit too — its revenue more than doubled year on year. Palantir's stock, which had been in the doldrums since the company's 2020 IPO, was one of the best performing on the S&P 500 in 2025, surging about 135 per cent.

But while Palantir was becoming one of the biggest corporate winners of the Trump era, its success was increasingly inseparable from the controversial policies enabled by its technology, such as tracking undocumented migrants and drone warfare. As recently as 2020 the company "purposefully" declined to work with Immigration and Customs Enforcement's deportation arm over the risk of disproportionate enforcement. That guardrail was now gone.

Even during the Biden administration, insiders including the head of Palantir's privacy and civil liberties team, Courtney Bowman, warned about the risks of appearing ever more political. Executives later cautioned that Karp's 2025 book *The Technological Republic*, which accused American allies of "self-righteousness", would complicate its growth strategy in Europe and deepen the company's dependency on the US.

Palantir and those associated with it increasingly picked a side in the culture wars and intervened more directly in politics. Joe Lonsdale, a Palantir co-founder turned Maga mega-donor who hosts fundraisers for vice-president JD Vance, called for the return of public hangings and suggested the company was founded to fight "commies".

Karp publicly embraced the "disruption" caused by Doge, telling investors on an earnings call that "some people are going to get their heads cut off" due to the initiative. Shyam Sankar, the company's chief technology officer, and architect of the forward-deployed engineer model, joined the US Army reserves and praised Trump as "a founder who can . . . lead us to a new golden age". (Sankar was also given oversight of Palantir's US government business.)

Most rank-and-file Palantirians do not share the Trump administration's politics. Federal records show a majority of donations over $200 made by US employees in 2024 went to Democrats, as in previous election cycles. Karp himself donated to Joe Biden's campaign and in 2024 said he was "voting against Trump".

But the public increasingly perceives Palantir as a Trump-aligned organisation. "Historically, Karp and most others at the company were to the left," says one former employee who worked on US government projects, adding there is no longer "anyone credible who can speak for the company who isn't to the right".

Palantir's closeness to the Trump administration and the Maga movement has had ramifications far beyond Washington.

The company is facing widespread resistance in Europe, with government agencies in Switzerland, Germany and France rejecting or replacing its tools due to political and sovereignty concerns.

An FT original film
This 30-minute film looks at the remarkable rise of Palantir and examines what's next for Alex Karp's company as controversy mounts on both sides of the Atlantic

In the UK, Palantir's biggest market outside the US, London mayor Sadiq Khan blocked a £50mn contract last month with the Metropolitan Police. The Labour government is reviewing a £330mn deal with the NHS, although the company remains embedded in several UK intelligence agencies.

In the US, concrete actions against Palantir have been confined to towns and cities and smaller clients such as New York hospitals. But the political backlash has been severe. Democratic senators including Elizabeth Warren last year accused Palantir of making "huge profits by enabling violations of human rights by authoritarian governments" and pledged to investigate. A progressive pressure group, Purge Palantir, has secured commitments from a dozen Democrats to refuse or return Palantir-linked contributions.

The criticism is not confined to the left — it has also come from Republicans in Congress, Maga figures such as Steve Bannon, Tucker Carlson and right-leaning podcasters including Theo Von.

The company is bracing for a reckoning. In the past few months, it has quietly hired several Democratic-aligned lobbyists, including a former Democratic senator, Mark Begich, in anticipation of being hauled on to Capitol Hill if Republicans are forced to hand over the gavel. “I expect we’ll be spending a lot of time with our right hands in the air,” says one Palantir adviser, referring to oaths sworn before congressional committees.

Palantir co-founder Peter Thiel leaving Trump Tower in New York in 2016. The group’s closeness to the Trump administration and the Maga movement has had ramifications far beyond Washington © Eduardo Munoz/Reuters

In the meantime, Palantir has sought to emphasise that it empowers liberal democratic institutions that are accountable to the general public and that it is “neither conducting nor enabling mass surveillance of American citizens”. It has pointed out that its Immigration and Customs Enforcement work began under the Obama administration and was extended under Biden.

“For over 20 years, and across five administrations, Palantir has been proud to work with the US government and its allies to strengthen national security and deliver public services effectively and efficiently,” the company tells the FT.

It has highlighted its work with Nato and Ukraine and its life-saving medical tech. But it has also complained in a recent regulatory document about “recurring mischaracterizations and inaccuracies” about its work, lamenting that its attempts to change the narrative are often falling on deaf ears.

“I won’t stop demanding answers until we get them from big corporations like Palantir that are profiting off of Trump’s cruel mass deportation agenda,” Democratic congressman Dan Goldman, a former lawyer on Trump’s impeachment, warned in May.

‘We don’t care’

Some investors are growing uneasy. Last year, the Netherlands’ largest pension fund, ABP, sold €825mn in Palantir shares, citing concerns over the company’s contracts with ICE and its work in conflict zones.

In early June, Norway’s $2.3tn wealth fund, which had recently increased its stake in Palantir, urged fellow shareholders to vote for two proposals that would force the company to address potential human rights violations enabled by its work with the Pentagon, the Israel Defense Forces and US immigration. (The measure was opposed by the board and failed, despite winning support from almost 60 per cent of external shareholders.)

A mother and child at immigration court in New York in 2025. Last year, the Netherlands’ largest pension fund, sold €825mn in Palantir shares, citing concerns over the company’s contracts with ICE and its work in conflict zones © Charly Triballeau/AFP/Getty Images

Privately, however, some investors trace Palantir’s recent turbulence back to the transformation of a single figure: chief executive Karp.

For many years, the self-described “neurodivergent crazy person” had been a boon to the company.

As a progressive with a doctorate in philosophy, Karp was unapologetic about Palantir's work, painting it as a way to ensure that western governments could defend themselves from terror and improve services for their citizenry. This was unusual for Silicon Valley, where, in the words of former executive Julie Bush, "most people did not want to support defence missions", or even "government writ large".

Karp's stance helped attract a small group of fellow mavericks such as Sankar, alongside many left-leaning liberals who bought into the mission. He always had a sharp edge — Palantir, Karp often says, is "not for everyone" — but he helped balance his fellow company founder, the hard-right libertarian Peter Thiel, and calm customers who would otherwise have been squeamish about the company's links to the intelligence community.

Over time, though, that balancing act began to wobble. Karp, current and former colleagues say, evolved from being provocative but mainstream enough to sit on the board of The Economist to being overtly political.

Several insiders date the shift to 2023, the year Palantir's long-dormant share price took off, minting a cohort of executive billionaires, and the year that Hamas's October 7 attack hardened Karp's ideological convictions.

Palantir took out a full-page New York Times ad backing Israel, and Karp moved a board meeting to Tel Aviv in a show of solidarity. He began boasting that Palantir's tools were used to kill enemies, told Wall Street analysts who "tried to screw" the company they deserved to be sprayed with "light fentanyl-laced urine", and declared the "truly progressive position" on immigration to be "extreme scepticism".

A former Democrat who voted for Hillary Clinton, Karp donated $1mn to Trump's Maga Inc Super Pac after the 2024 election. After the administration sank boats allegedly carrying drugs off the coast of Venezuela, killing those on board in potentially illegal strikes, Karp defended the actions, saying that "if fentanyl was killing 60,000 Yale grads . . . we would be dropping a nuclear bomb on whoever was sending it from South America".

In turn, Trump hailed Palantir's "great warfighting capabilities and equipment" in a post in April that included the group's Nasdaq ticker.

Karp's Maga-fication manifested itself in other ways.

He hired a head of strategic engagement called Eliano Younes, the mastermind behind the video that caused the internal backlash and the curator of a popular feed that regularly taunts Palantir's critics.

To the bafflement of many insiders, Younes remains close to the chief executive and even speaks in meetings on Karp's behalf, according to Palantir employees. (The video clip depicts Karp choosing a "red pill", a meme used to depict progressives undergoing a political awakening).

Even as senior executives in the company urge their colleagues to refrain from unnecessarily belligerent communications, Younes has doubled down. When one person on Reddit complained that the January video had "1984 vibes", he responded: "We don't care."

Protesters outside Palantir's headquarters in Miami in March. Insiders and investors fear the company's notoriety will imperil its core business with the US government and drive away corporate customers © Joe Raedle/Getty Images

That defiance set the stage for a far bigger confrontation in April, when the company published a summary of Karp's manifesto on its X feed. It laid out how the "limits of soft power . . . have been exposed" and argued for compulsory national service.

The post — which was pushed by a co-author of Karp's book and came as a surprise even to senior executives — triggered a revolt within the company and led to a revamp of its communications policies.

Karp has long taken political outspokenness "to another level", says Argus Research analyst Joseph Bonner, who maintains Palantir is a good long-term bet. But he adds that the CEO now "runs the risks" of alienating customers.

"Governments change," Bonner warns. "The US government is a large percentage of Palantir's business, if something happens to that, that is a big problem for the company."

Karp has plenty of defenders. Ken Langone, the 90-year-old financier who was an early backer of Palantir, says he was drawn to invest by Karp's "commitment to humanity" — and also notes his ability to get "people to do things they never dreamed they could do". The company would survive without Karp, Langone says, but it would be "nowhere near as visionary".

Another investor told the FT that while there was "downside risk" to a chief executive like Karp, his "bombast" has made an otherwise boring company "more attractive to talent and customers".

Even if Karp is a liability, Palantir's governance structure makes removing him difficult. Its latest annual report — which contains some 40 pages of risk factors, more than double that of beleaguered Boeing — argues that the company's growth depends on its unorthodox chief executive.

While some executives defend Karp's iconoclasm as the force that holds its "artist colony" of engineers together, there is a movement afoot to push level-headed media performers such as UK chief Louis Mosley forward for public appearances. "The simplest way to calm things down," one long-serving employee said, "is to say less."

The battle against big AI

Palantir has faced political adversity before. It had to sue the Pentagon even to be taken seriously as a software vendor for the US government. Later, the Biden administration took a dim view of the company when it came into office in 2021, but officials were won over by a demo of Palantir's platforms, especially those involved in the delivery of healthcare.

"The only thing that kept Palantir in the door was the product," says Bush, the former executive, referring to similar challenges over the decades. Palantir still believes its technology will impress any administration, and that its software is by now so deeply woven into the machinery of western governments and militaries that no successor could easily rip it out.

But the political storm engulfing Palantir has broken just as the market, for the first time in years, is questioning its technical prowess.

Michael Burry, the investor made famous by *The Big Short* for his bet against the US housing market ahead of the 2008 financial crisis, has claimed Anthropic (now valued at almost $1tn) is “eating Palantir’s lunch” and placed a large bet against Palantir’s stock.

Karp has been on the offensive. Clients will find “there are a myriad of problems that these . . . [AI] models solve, and there are even bigger problems that they create,” he told a company conference in June. Palantir’s technology, he posited, was the solution: “We’re in the business of giving you the ability to solve those problems for yourself.”

He has taken the fight to the leading AI groups. “Something has gone completely wrong,” Karp told CNBC last week, suggesting that worries about cost and loss of intellectual property were holding back other companies from using the big AI groups’ frontier models.

But he has also emphasised that “the whole secret of Palantir is the forward-deployed model” of engineers. In the company’s own words, it faces “intense competition” for talent, which could be made worse by “increased regulation of immigration or work visas”.

Karp, centre, in Washington in June 2024. The Palantir chief executive has long taken political outspokenness ‘to another level’, says Argus Research analyst Joseph Bonner, but now ‘runs the risks’ of alienating customers © Graeme Sloan/Bloomberg

Some engineers, Karp has said, left over the group’s support for Israel, while more departed in early 2025, unwilling to sign up for another Trump term.

Even though employees can refuse to work on specific projects (vegans, for example, have been excused from work with a poultry company), “what you’re seeing . . . is a pretty large exodus of long-tenured people”, says a former forward-deployed engineer. The strain surfaced on a recent quarterly earnings call, when Palantir admitted pulling people off its growing commercial business to backfill government work.

Working at Palantir “is death by a million paper cuts” says another recently departed employee. “All of the people in your life are giving you an incredibly hard time for working at Trump’s favourite software company and your LinkedIn is full of [job offers from AI rivals] . . . there are infinite AI dollars flying around.”

A person close to Palantir leadership said reports of a staff exodus were “not supported by the facts, despite the fact that our talent is highly sought after”.

Joshua Poore, vice-president at Harnham, which specialises in AI talent, says that while Palantir remains “one of the sector’s biggest talent magnets”, it is “losing a narrow, intense battle at the very top of the AI native pack” for the best few dozen researchers — overwhelmingly to OpenAI and Anthropic.

Palantir has spent millions of dollars on staff security, but the social costs of working for the company have risen steeply — some employees have reported being hounded out of neighbourhood groups and finding it hard to date in progressive cities. Many senior executives have received death threats.

In Silicon Valley, one employee quips, the most prized thing to be is a former Palantirian: the pedigree without the stigma.

“By 2026, if you are choosing to work at Palantir, you are making an active statement about your own politics,” the person says. “They have become the place for Republican tech bros to go work.”

The number of talented engineers who share the views of the US president, or of Karp, is “vanishingly small”, the former Palantir engineer says. The problem for the company that built its fortune by selling foresight, the person adds, is that it is “increasingly tied to a single administration, and a single man at the top”.

Additional reporting by Peter Andringa