



AT&T Profiting From Data Mining for Government

In 2013, Americans learned that AT&T had been providing data about countless telephone calls to federal drug agents without proper search warrants as part of a secret program called [Project Hemisphere](#). Now it emerges that the telecommunications giant is not just eagerly cooperating with the government but also turning a hefty profit — at taxpayer expense — in the process.



The [New York Times](#) broke the 2013 story about Hemisphere based on a PowerPoint presentation obtained from West Coast police agencies by a Washington state peace activist. The paper described the program as “a partnership between federal and local drug officials and AT&T” whereby “the government pays AT&T to place its employees in drug-fighting units around the country,” where they “supply [agents] with the phone data from as far back as 1987” on the basis of a subpoena issued by the agency, not a search warrant approved by a judge.

“The scale and longevity of the data storage appears to be unmatched by other government programs, including the N.S.A.’s gathering of phone call logs under the Patriot Act,” the *Times* wrote, noting that “Hemisphere covers every call that passes through an AT&T switch” and “includes information on the locations of callers.”

As bad as that makes Hemisphere sound, the reality is much worse. The *Daily Beast*’s Kenneth Lipp [reported](#) Tuesday:

Hemisphere isn’t a “partnership” but rather a product AT&T developed, marketed, and sold at a cost of millions of dollars per year to taxpayers. No warrant is required to make use of the company’s massive trove of data, according to AT&T documents, only a promise from law enforcement to not disclose Hemisphere if an investigation using it becomes public.

AT&T, which owns more than three-quarters of U.S. landline switches and is second only to Verizon when it comes to wireless infrastructure and cellphone towers, “stores details for every call, text message, Skype chat, or other communication that has passed through its infrastructure,” wrote Lipp, adding that this comes to “trillions of records.” What’s more, the company retains those records much longer than other carriers.

“The database,” penned Lipp, “allows its analysts to detect hidden patterns and connections between call detail records, and make highly accurate inferences about the associations and movements of the



Written by [Michael Tennant](#) on October 27, 2016

people Hemisphere is used to surveil.”

Not surprisingly, government agencies love having access to this vast treasure trove of data, especially since they can obtain it without a warrant. Thus, even though Hemisphere may initially have been created to fight the unconstitutional war on drugs, its use quickly expanded to other types of investigations, including Medicaid fraud and homicide.

How much does the program cost taxpayers? According to Lipp, “Sheriff and police departments pay from \$100,000 to upward of \$1 million a year or more for Hemisphere access.” And since they love having access to this kind of data, they’ll keep shelling out more for it every year, particularly since Washington is picking up the tab. Harris County, Texas, started out paying the relatively modest sum of \$77,924 in 2007; four years later, its annual tab had shot up to \$940,000.

“Did you see that movie *Field of Dreams*?” American Civil Liberties Union (ACLU) technology policy analyst Christopher Soghoian asked Lipp. “It’s like that line, ‘if you build it, they will come.’ Once a company creates a huge surveillance apparatus like this and provides it to law enforcement, they then have to provide it whenever the government asks. They’ve developed this massive program and of course they’re going to sell it to as many people as possible.”

Besides matters of cost, there are “serious Fourth Amendment concerns” and “profound privacy concerns” with Hemisphere, ACLU deputy legal director Jameel Jaffer told the *Times* in 2013. That explains why the program is kept so hush-hush. The slides obtained by that newspaper told law enforcement “to never refer to Hemisphere in any official document.” An AT&T statement of work obtained by the *Daily Beast* says, “The Government agency agrees not to use the data as evidence in any judicial or administrative proceedings unless there is no other available and admissible probative evidence.”

“I’d speculate that one reason for the secrecy of the program is that it would be very hard to justify it to the public or the courts,” Jaffer told the *Times*.

That’s why investigators who obtain leads from Hemisphere often turn around and use more legal and constitutional means to obtain the same evidence, a practice known as “parallel construction.” By doing so, they can introduce the evidence in court without revealing where they first obtained it.

“At a minimum there is a very serious question whether they should be doing it [searching Hemisphere] without a warrant,” Electronic Frontier Foundation staff attorney Adam Schwartz told Lipp. “A benefit to the parallel construction is they never have to face that crucible. Then the judge, the defendant, the general public, the media, and elected officials never know that AT&T and police across America funded by the White House are using the world’s largest metadata database to surveil people.”

AT&T claims that it is merely complying with lawful requests for data, not doing anything special. Soghoian begs to differ, telling Lipp, “They say they only cooperate with law enforcement as required, and frankly, that’s offensive when they are mining the data of millions of innocent people, and really built a business and services around the needs of law enforcement.”

Some are wondering if these revelations will have any effect on AT&T’s attempt to merge with Time Warner, which has yet to be approved by federal regulators. *Reason*’s [Scott Shackford](#) thinks that, if anything, the fact that AT&T has been so helpful will only play in its favor. “AT&T is essentially the company the federal government made it become,” he wrote, recalling what happened to telecom companies like Qwest that didn’t play ball with Uncle Sam. “Imagine them trying to get permission for this merger with Time Warner if they hadn’t been so cooperative with the federal government with



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surveillance.”

Americans who are concerned about their privacy should keep that in mind. Outrage at AT&T is certainly warranted, but the brunt of their anger should be directed at the politicians and bureaucrats who have created a government with the power to compel — or at least strongly encourage — businesses to collaborate in the destruction of our God-given liberties.



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