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MEMORANDUM FOR: Deputy Director for Intelligence  
Deputy Director for Administration  
FROM: Director of Central Intelligence  
SUBJECT: IRIS Systems Development Co. - SAFE

Someone might ask us how these guys developed their "pilot computer" system in something like a year at a fraction of what has been spent on SAFE.

William J. Casey

*Bill - Having some knowledge of this outfit - the answer is - they didn't. Their computers is - they barely "up" if at all and the product is highly untested. Only two or three clients so far. I'm told, and their through contacts of the CIA have on board. The Director's name show he has anything he can tell. Last I heard he was planning the computer*

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When IRIS' formation was first announced, it was described as a "private spy network" or "private CIA," a team of spooks for hire whose electronic capability would rival that at Langley. According to Boeker and Atwood, IRIS does have CIA-style technical resources, set up by a former CIA man, but the organization will work more like a newspaper than like a cloak-and-dagger team.

The computer system was developed under the direction of Barry Kelly, a retired CIA technology specialist who is now president of IRIS. His function, Boeker and Atwood said, is to design the computer system, not to influence the analysis of the information the computer puts out.

"Private CIA is misleading," Atwood said. "We collect information openly from open sources. Our correspondents overseas operate on an accredited, open basis. It has nothing to do with the clandestine, dirty-tricks world."

"It's not hush-hush," said Boeker, senior vice president. "Anybody can subscribe. Any government can have its own terminal. It's like a wire service, but with analysis."

When it becomes operational in January, he said, IRIS will distribute its information and analyses in several formats, always directly to each client's computer terminal. IRIS will publish a daily report on developments in each of six regions, North America, Europe, Africa, Latin America, Middle East and Asia.

IRIS will also publish "country assessments," analyses of the politics, economy, social trends and foreign policy of whatever country the client is interested in. Each client can also receive a daily report that covers worldwide developments of interest to his government or corporation. In addition, IRIS will provide "customized" special reports on request, and what Boeker called "in-depth analysis of major events, such as Mexico's bank nationalization."

According to IRIS marketing brochures, "a software program generated by the Client Profile instructs the IRIS computers as they scan the mass of data collected from IRIS correspondents, newspapers, wire services, selected periodicals, government publications and other sources. Matching the information collected against the client's requirements, the computers screen the IRIS information flow in eight languages, select the information pertinent to the client, and deliver it to the appropriate members of the IRIS staff. The staff analyzes the information and then distills it into concise English-language reports tailored to meet the client's needs."

"If you are an American client, you don't need any analysis of American politics from IRIS," Baron said. "But a Third World country negotiating with, say, Weyerhaeuser, has no base of information. The idea is to get this information down to the individual person."

Baron said the computer would enable IRIS to assemble the results of public-opinion polls in all 31 countries where they are taken, a resource that he said does not currently exist. He said he will not be working for IRIS full time, but will make available to IRIS, as part of its data base, the political analysis he does as editor of the Baron report.

The principal investors in IRIS are Skandia Insurance Co. Ltd., of Sweden; Bank in Liechtenstein AG; the Bank of Bilbao; Seascope Overseas Corp., an affiliate of Lloyds of London; and Henry Ansbacher Investments Ltd., a London merchant bank.

According to Boeker, they wanted to have the operation based in the United States because the most advanced computer technology was available here, and chose Washington because it is the site of the World Bank and the International Monetary Fund. The European investors, he said, installed their own man, Swedish newspaper publisher Gustav Douglas, as chairman of the American operation.

The "initial investment," he said, "is about \$15 million. We expect to spend \$20-to-25 million before we break even."

The "basic subscription fee" for IRIS services "begins at \$100,000 a year," the company says. Boeker acknowledged that it is expensive, but he said the company is only aiming at "a couple of hundred demanding clients."

Marketing began in mid-November. Boeker said the objective is to sign up 15 clients by April 1, at least 50 by the end of 1983, and 100 by the end of the 1984.