

EXECUTIVE SECRETARIAT
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3	EXDIR		✓ "		
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Executive Secretary
12/17/82
Date



Photo by Ray Lustig—The Washington Post

Brian Atwood, left, and Paul Boeker, former assistant secretaries of state who are involved with IRIS Systems Development Co.

IRIS Gambles on Super Information Network

By Thomas W. Lippman
Washington Post Staff Writer

In an eighth-floor office in Crystal City overlooking the runways of National Airport, surrounded by defense consultants and military procurement offices, a small band of overachievers, Washington style, has set up shop.

From the list of names, it might be a presidential commission, or a think-tank, one of those institutions where the out-of-power find shelter until the next change of administrations.

Paul Boeker, who was a deputy assistant secretary of state in the Ford administration at the age of 37, and later ambassador to Bolivia, works there now. So does John Brian Atwood, who was assistant secretary of state for congressional affairs in the Carter years.

Erland H. Heginbotham, deputy assistant secretary of state for East Asian affairs in the Carter administration, is there, too. John Tratter, former State Department spokesman, will soon join them as "director of client report services."

The "regional director for North America" is none other than Alan Baron, the

Schneider, the public-opinion expert whose commentaries appear in the National Journal and the Los Angeles Times.

The "deputy director for North America" is Peggy Lampl, who as executive director of the League of Women Voters organized the 1976 Ford-Carter presidential debates.

Also on board are Juan de Onis, who was a New York Times correspondent in Latin America for 20 years, and Joseph Fitchett, former chief correspondent for the International Herald Tribune.

What brings them together in Crystal City is not some presidential mandate or foundation grant, but the prospect of making lots of money. They represent a \$25 million gamble by a Swedish insurance company, a Norwegian shipping line, and banks in Spain, Liechtenstein and Britain, which put up the money in the hope that a small group of affluent clients would pay upward of \$100,000 a year each for sophisticated analysis of international political and economic affairs.

This is IRIS Systems Development Co., the U.S. operating subsidiary of International Reporting Information Systems, or IRIS, the Dutch-based holding company that the European investors set up to de-

announced in London last year, the organization appeared to be the brainchild of Anthony Stout, creator of the National Journal, whose Government Research Corp. had a contract with the Europeans to set up the business. But when that contract expired in May, it was not renewed. The European investors set up their own operating subsidiary, leaving Stout, who still owns 5 percent of IRIS, "in as an investor but out as part of the operation," Boeker said in an interview.

IRIS' products are information and analysis. The information is provided by three Burroughs mainframe computers at the IRIS computer center in Springfield, which receive some 15,000 messages—radio broadcasts, government announcements, wire service reports, official documents—in eight languages daily, and return the information to clients' terminals in the format they select. The analysis is provided by people like Boeker, de Onis, Baron, and a network of correspondents in several foreign countries.

"This is the most ambitious thing in information that's ever been tried," said Atwood, who is vice president of the American operation. "The computer absorbs about 3 million words, and translates it into software language."

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.