US spied on governments for decades through secret ownership of Swiss encryption firm

By Kevin Reed
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The US Central Intelligence Agency (CIA) and National Security Agency (NSA) have been spying on the encrypted communications of governments all over the world for the past five decades through the CIA’s secret ownership of a global security firm based in Switzerland.

According to a lengthy report in the Washington Post on Tuesday, the CIA-owned company known as Crypto AG sold diplomatic encryption technologies to more than half of the countries in the world for the past half-century, all the while with US intelligence eavesdropping on their communications.

Crypto was a World War II-era mechanical encryption technology company that was acquired in a partnership deal between the CIA and West German foreign intelligence (BND) in 1970. With a reputation for developing sophisticated encryption methods, the company then began selling to governments systems which contained backdoor access keys held by US and German intelligence agencies.

As the Post report explains, “The Swiss firm made millions of dollars selling equipment to more than 120 countries well into the 21st century. Its clients included Iran, military juntas in Latin America, nuclear rivals India and Pakistan, and even the Vatican.” Among the countries that used Crypto technologies for sensitive communications were Japan, Mexico, Egypt, South Korea, Iran, Saudi Arabia, Italy, Argentina, Indonesia and Libya.

The Post report was published jointly with the German public broadcaster ZDF (Zweites Deutsches Fernsehen) and is based on information contained in a classified comprehensive history of the secret CIA program, called “Thesaurus” and later “Rubicon,” that was leaked to the two news organizations. The Post and ZDF also interviewed current and former intelligence officials and Crypto employees, most of whom spoke on condition of anonymity.

Among the instances of spying by Crypto for US intelligence reported in detail by the Post were the communications of Egyptian President Anwar Sadat with Cairo during the 1978 Camp David negotiations, the diplomatic cables between the Iranian regime of Ayatollah Khomeini and Algeria during the US hostage crisis in 1979-80 and the sharing of decrypted communications with Britain from Argentina during the Malvinas War in 1982.

The Post quotes directly from the conclusion of the leaked report: “It was the intelligence coup of the century. Foreign governments were paying good money to the US and West Germany for the privilege of having their most secret communications read by at least two (and possibly as many as five or six) foreign countries.”

The “five or six” countries with access to the decrypted communications are likely the Five Eyes intelligence partnership that includes Australia, Canada, New Zealand, the UK and the US. However, the Post report adds that the CIA records “show that at least four other countries—Israel, Sweden, Switzerland and the United Kingdom—were aware of the operation or were provided intelligence from it by the United States or West Germany.”

At the height of the Crypto spying operations in the 1980s, the company’s systems were responsible for 40 percent of the world’s diplomatic cables and, while governments using them believed their communications were protected from eavesdropping, everything was being collected and decrypted.

Among the few governments that did not purchase the Crypto systems were the Soviet Union and China because, according to the Post, they had “well-founded
suspicion of the company’s ties to the West shielded them from exposure, although the CIA history suggests that U.S. spies learned a great deal by monitoring other countries’ interactions with Moscow and Beijing.”

That US intelligence, in collaboration with its imperialist partners, was spying on the diplomatic communications of governments around the world for the past half-century is a significant revelation. While not surprising, it demonstrates in the most concrete manner the blatant criminality and gangsterism of US imperialism.

The revelations also prove that the government in Washington D.C., whether a Democrat or Republican has been in the White House, has been the number one “meddler” in the affairs of other countries for five decades, in complete violation of international law.

The Crypto revelations add to the long history of eavesdropping by the US government on both its allies and enemies in world affairs. Many of the more recent exposures have been published by WikiLeaks or contained in leaks by the former NSA contractor Edward Snowden, who turned over a trove of secret intelligence documents to reporters from the Guardian and the Post in 2013.

In 2015, during the presidential administration of Barack Obama, WikiLeaks revealed that the NSA had been listening in on the phone calls of German Chancellor Angela Merkel going back to 2009. The WikiLeaks data showed that the US had in fact been spying on the German chancellery for decades, beginning with the administration of Helmut Kohl (1982-1998).

The Snowden revelations, that proved the NSA was collecting and storing the electronic communications of the entire world’s population, showed that US intelligence operations include hacking into the fiber optic backbone of the international undersea cable system that connect the countries of the world together. Among Snowden’s revelations was the fact that the US had intercepted the phone calls of the presidents of Mexico and Brazil in this manner.

The decades of unfettered access by US imperialism through secret backdoor keys built into commercially available encryption equipment exposes the motivations behind the present drive by the Trump administration to force tech companies to abolish end-to-end encryption on smartphones and texting apps. The demand that Apple, Google and Facebook give US law enforcement backdoor access to their products is, in part, aimed at restoring government surveillance of the private communications of rival governments and corporations.

The struggle against government surveillance of the public and the illegal operations of the US military-intelligence state against the countries of the world is fundamentally a question of defending basic democratic rights. While all of the candidates of the Democratic Party accept the unproven allegations of “Russian meddling” in the 2016 elections, not one of them has commented on the Washington Post’s latest revelations of US spying and meddling on behalf of the American giant corporations and big banks.

The Socialist Equality Party’s candidates in the 2020 US elections—Joseph Kishore for President and Norissa Santa Cruz for Vice President—are the only ones demanding an immediate end to American interference and spying on the countries of the world, based on the program of world socialist revolution. For more information on the SEP’s election campaign and to sign up, visit socialism2020.org.