NSA accused of spying on Brazilian oil company Petrobras

Accusations that NSA is conducting intelligence-gathering operations that go beyond its core mission of national security

Jonathan Watts in Rio de Janeiro
Monday 9 September 2013 11.55 EDT

The US National Security Agency has been accused of spying on Brazil's biggest oil company, Petrobras, following the release of more files from US whistleblower Edward Snowden.

The latest disclosures, which aired on Brazil's Fantástico news program, have led to accusations that the NSA is conducting intelligence-gathering operations that go beyond its core mission of national security - often cited as the key distinction between the agency and its counterparts in China and Russia.

The revelations are likely to further strain ties between the US and Brazil ahead of a planned state dinner for president Dilma Rousseff at the White House in October. Bilateral relations have already been muddled by the earlier release of NSA files showing the US agency intercepted Brazilian communications and spied on Rousseff and her aides.

Petrobras is the largest company for the government and is developing the biggest oil discoveries of this century, which are in a pre-salt region deep under the Atlantic.

Fantástico revealed a top secret NSA file – given by Snowden to Guardian journalist Glenn Greenwald – which shows Petrobras is among several targets for the agency's Blackpearl program, which extricates data from private networks.

Titled "Private networks are important", the slide names Petrobras along with the Swift network for global bank transfers, the French foreign ministry and Google. Several other targets on the list, which may have links to terrorist organisations and other operations that potentially threaten the US, were redacted.

In a similar vein, it presented a "network exploitation" document from Britain's GCHQ, which works closely with the NSA, that affirms the importance of targeting companies in strategic industries. One slide, headed "Results - what do we find?", notes that private network traffic is collected from energy companies, financial organisations and airlines, as well as foreign governments.

But the TV report did not say when the alleged spying took place, what data might have been gathered or what exactly the agency may have been seeking.

Restating the surveillance and encryption-breaking techniques first reported in the Guardian and Washington Post, the program cast doubt on the NSA's claims to be focussing solely on national security with its use of malware and covert implants.

Such techniques have also been used by Chinese hackers to acquire industrial and other secrets, but the NSA insists its goals are different.

"The department does not engage in economic espionage in any domain, including cyber," the agency said in an emailed response to a Washington Post
story on the subject last month.

In a statement issued on Sunday night after the latest revelations aired in Brazil, the US director of national intelligence, James Clapper, said: "It is not a secret that the intelligence community collects information about economic and financial matters, and terrorist financing.

"We collect this information for many important reasons: for one, it could provide the United States and our allies early warning of international financial crises which could negatively impact the global economy. It also could provide insight into other countries' economic policy or behavior which could affect global markets."

But he again denied this amounted to industrial espionage. "What we do not do, as we have said many times, is use our foreign intelligence capabilities to steal the trade secrets of foreign companies on behalf of - or give intelligence we collect to - US companies to enhance their international competitiveness or increase their bottom line."

President Obama said last week that the US carefully limits its surveillance operations. "When it comes to intelligence gathering internationally, our focus is on counter terrorism, weapons of mass destruction, cybersecurity - core national interest of the United States," he said. "I can give assurances to the publics in Europe and around the world that we are not going around snooping at peoples emails or listening to phone calls. We are targetting very specifically areas of concern."

However, several other documents released on Sunday suggest spying activities by the NSA potentially go beyond the scope of the agency's stated goals.

In the overview of another surveillance operation called Blarney, one slide provides a list of requirements that includes "economic" information as well as military, diplomatic, political and counter proliferation and counter terrorism data.

These documents were released on Brazil's Globo network following the broadcast by Fantástico - the country's most influential current affairs program.

The program included speculation by experts and former Petrobras directors on the industrial secrets that the US might want to acquire, including deep-sea drilling technology.

The presenters said the espionage posed questions about whether the information would be used to benefit the competitiveness of companies in the US and its close allies. The presenters noted that many top-secret US intelligence documents are categorised as FVEY (five eyes) relating to the national agencies entitled to see them: US, UK, Canada, Australia and New Zealand.

Petrobras has yet to respond to the report.

The report was made with the co-operation of Greenwald, who lives in Rio de Janeiro.

The previous week, he and Fantástico also released files showing the NSA monitored the phone calls and emails of Rousseff and her aides, as well as Mexico's president Enrique Peña Nieto.

In the wake of those revelations, Rousseff said her state visit to the US in October was in doubt.

"My trip to Washington depends on the political conditions to be created by President Obama," she told reporters on Friday after talking to the US president during the G20 summit in St Petersburg.
She said the US president had reassured her that he would investigate the espionage and provide her with a full explanation by Wednesday.

"As well as what has been published in the press, I want to know everything there is related to Brazil. Everything," Rousseff said.

The former president of Brazil, Luiz Inácio Lula da Silva has also condemned the spying and insisted that the president of the United States should apologise to the world. He called effort to control global telecommunications a violation of national sovereignty.

Fears that the US - and its British ally - have used "national security" to justify infringements on individual rights were strengthened last month when Greenwald's partner, the Brazilian, David Miranda, was detained at London's Heathrow Airport under UK anti-terrorism laws, after the British government had consulted with the US.

This disquiet is likely to spread to new sectors of society with evidence that the NSA is targetting the state-run Brazilian company that has access to many of the country's most valuable natural assets.