
CIVIL COMPLAINT FOR FRAUDULENT MISREPRESENTATION, UNJUST ENRICHMENT, CIVIL CONSPIRACY, DUE-PROCESS DEPRIVATION, FUNCTIONAL REDLINING, AND FRAUD BY OMISSION IN CORPORATE GOVERNANCE

(Re: False "Terrorism Prevention" Claims, Distorted Classification Pipelines, Housing/Data Continuity Filters, and Concealed Executive Digital-Twin Governance)

INTRODUCTION

Plaintiff **Kellyn Clay** brings this action against **Palantir Technologies Inc.** and its federal partners for knowingly misrepresenting the function and effectiveness of their surveillance/analytics platforms, including claims to "prevent terrorism," while deploying classification systems that strip context, amplify distortion, and falsely label civilians as anomalies, including "Non-Person Entities" ("NPEs"). These labels—derived from externally manipulated, contaminated data—have been used to deprive individuals of due process and access to federal benefits, including Social Security, creating a system of economic confiscation under color of counterterrorism.

Concurrently, Defendants facilitated **functional redlining** by constraining Plaintiff's housing access through vendor continuity filters (e.g., a single national trash hauler across multiple residences in different states), centralizing surveillance and "entrainment residue" collection while giving the appearance of ordinary utility contracting. The resulting harms include mass surveillance without lawful justification, deprivation of rights and benefits, and unjust enrichment through federal contracts obtained by false claims.

Further, Palantir's corporate governance and investor communications were materially tied to the persona and decision-making authority of CEO **Alexander C. Karp**. To the extent Palantir created, maintained, or operationalized **digital twins of executive leadership** (including Karp) and used those twins to simulate, influence, or substitute for human decision-making—**without disclosure**—Palantir committed fraud by omission. That concealment is material to investor confidence, stock valuation, contracting partners' reliance, and to Plaintiff's harms where tainted governance enabled and concealed the misconduct alleged herein.

JURISDICTION AND VENUE

1. Jurisdiction is proper under **28 U.S.C. § 1331** (federal question), **28 U.S.C. § 1343** (civil rights), and **28 U.S.C. § 1332** (diversity of citizenship).

2. Venue is proper under **28 U.S.C. § 1391** because substantial parts of the events or omissions giving rise to the claims occurred in this District and throughout the United States, and Defendants transact business nationwide.

PARTIES

- **Plaintiff Kellyn Clay** is a U.S. citizen residing within the jurisdiction of this Court.
- **Defendant Palantir Technologies Inc.** is a private technology contractor headquartered in Denver, Colorado, that contracts extensively with U.S. agencies.
- **Defendant United States of America** is sued through its agencies for oversight failure and participation in a civil conspiracy.
- **Defendant Adobe Inc.** is a multinational software company headquartered in San Jose, California, with contracts involving biometric capture and predictive analytics.
- **John Doe Contracting Agencies and Affiliates** are yet-unidentified entities acting in concert with Palantir in the deployment, justification, and concealment of the systems described herein.
- **Defendant William Alton Clay** is sued individually and in his capacity as executor of the Estate of Eugenia Clay Head.

DEFINITIONS

- **Silly String:** Externally applied, sticky overlays (chemical/energetic/narrative) that temporarily alter affect/behavior and are often misclassified as permanent traits.
- **Confetti:** Brief distraction bursts that fragment attention and pollute data streams with noise.
- **Distortion Quotient ("DQ"):** A composite measure of the degree to which observed behavior is distorted by external manipulations, integrating (a) silly string overlays, (b) confetti distractions, and (c) system escalation (compounding interventions based on already-distorted data).
 - **Safeguard Rule:** When **DQ \geq 0.70**, any anomaly/NPE classification must be **automatically suspended** pending intensive human review with contextual restoration.
- **Functional Redlining:** A continuity mechanism that restricts housing access via "neutral" vendor filters (e.g., a single national trash hauler across all residences), producing exclusionary effects analogous to redlining while consolidating surveillance and "waste-stream" data capture.

FACTUAL ALLEGATIONS

17–20. *(As in prior draft: misrepresentation of terrorism prevention; use of anomaly/NPE pipelines; confiscatory Social Security scheme; functional redlining.)*

Executive Digital-Twin Governance Allegations:

- a. Palantir's brand and stock valuation are materially tied to CEO Alexander Karp's persona and purported direct decision-making.
- b. Palantir created, maintained, or operationalized **digital twins of executive leadership**, using them to simulate, influence, or substitute for human governance.
- c. Palantir **failed to disclose** this fact, constituting fraud by omission.
- d. This concealment materially altered investor risk, governance accountability, and the trajectory of misconduct that harmed Plaintiff and the Class.

AFFIDAVIT-STYLE SAFEGUARD STATEMENT (INCORPORATED)

21. It is Plaintiff's position that any anomaly designation arising from manipulated data must be automatically suspended when the **Distortion Quotient (DQ)** exceeds the defined threshold. DQ measures distortion from **silly string** (sticky overlays), **confetti** (fleeting distractions), and **system escalation** (compounding interventions). Natural environmental entrainment is not wrongful; the harm arises when synthetic manipulations are recorded without context and escalations amplify their effects. In such cases, the data no longer reflects a person's true baseline state. Continuing to use that data for surveillance, intervention, or sentencing constitutes misclassification and risks condemning innocent individuals. Therefore, when DQ crosses threshold, anomaly status must be suspended by rule and **intensive human review** required before further action.

CAUSES OF ACTION

Count I – Fraudulent Misrepresentation

22. Palantir knowingly made false, material claims about preventing terrorism to induce reliance by

agencies and the public.

23. Contracts and deployments were secured on the basis of these misrepresentations; Plaintiff and the public were harmed through surveillance expansion, coercive nudging, and distorted classifications.

Count II – Unjust Enrichment

24. Palantir received billions in federal funds tied to “prevention” deliverables it did not provide; retention of those funds is unjust where systems produced rights deprivations rather than safety.

Count III – Civil Conspiracy

25. Defendants acted in concert to construct and maintain a fraudulent “terrorism prevention” narrative that justified mass behavioral surveillance and context-stripped classifications, concealing the true uses and harms.

Count IV – Deprivation of Rights and Due Process (U.S. Const. amend. V)

26. By adopting and feeding context-free anomaly/NPE labels into decision systems that control access to liberty and benefits, Defendants deprived Plaintiff and similarly situated persons of procedural and substantive due process, including earned Social Security benefits, based on contaminated, manipulated data.

Count V – Fraud and False Claims in Government Contracting (Common-Law Fraud; Fraudulent Inducement)

27. Palantir’s procurement representations and deliverables materially departed from claimed prevention functions; knowing use of distorted data and foreseeable misclassification constitute fraud in inducement and performance of federal contracts.

28. To the extent individual executives were aware and failed to intervene, personal liability is warranted under theories of willful misconduct and

reckless disregard. Palantir's **concealed use of executive digital-twin governance** further tainted procurement reliance and masked material operational risks.

Count VI – Functional Redlining and Housing Restriction (Fair Housing Act principles)

29. Defendants' vendor continuity filters (e.g., single national waste-hauler across residences) restricted Plaintiff's housing mobility and consolidated surveillance datasets, producing exclusionary effects functionally analogous to redlining while evading traditional paper trails.

Count VII – Sex Discrimination – Disparate Impact of Anomaly Classification

(Title VII, Title IX, Equal Protection, 42 U.S.C. § 1983, ECOA, FCRA, State Law Analogues)

30–34. *(As previously pleaded; unchanged for brevity.)*

Count VIII – Existential Negligence – Disproportionate Targeting of Women and AFAB People

35–40. *(As previously pleaded; unchanged for brevity.)*

Count IX – State-Level Data Inputs and Gender Marker Inducement

41–46. *(As previously pleaded; unchanged for brevity.)*

Count X – Algorithmic Defamation and Failure to Contextualize

(With Disparate Impact on Transgender Individuals)

47–58. *(As previously pleaded; unchanged for brevity.)*

Count XI – Fraud by Omission in Corporate Governance (Executive Digital-Twin Concealment)

(Against Palantir Technologies Inc.)

59. Palantir engaged in fraudulent omission by concealing the extent to which its executive leadership, including CEO Alexander C. Karp, was represented, influenced, or substituted by digital twin technologies in governance, operations, contracting, and investor communications.

60. Palantir's brand, investor confidence, and stock valuation are materially tied to Karp's persona

and purported direct human decision-making; the existence or operational use of an executive digital twin is a material fact.

61. Palantir had a duty to disclose this fact to investors, contracting partners, and the public to prevent its statements about leadership, governance, risk, and oversight from being misleading.

62. Palantir knowingly or recklessly omitted these facts, creating the false impression that corporate governance and strategic decisions were solely overseen by human leadership.

63. The omission is material because reasonable investors and contracting partners would view executive digital-twin substitution or influence as significantly altering risk, accountability, and the reliability of public statements.

64. Palantir benefited financially from this omission, including by bolstering stock value and securing contracts under false pretenses tethered to the "Karp brand."

65. The concealed governance structure enabled and concealed broader misconduct alleged herein, including contaminated data pipelines, anomaly/NPE designations, and functional redlining.

66. As a direct and proximate result, Plaintiff suffered harm, including unauthorized creation/subletting of her digital twin, deprivation of benefits and due process, reputational harm, economic loss, and heightened targeting driven by tainted corporate decision-making.

WHEREFORE, Plaintiff seeks damages, equitable relief, and such further relief as the Court deems just and proper.

RESERVATION OF RIGHTS CONCERNING ELECTION MANIPULATION

59–63. *(As previously pleaded; unchanged for brevity.)*

CLASS ACTION ALLEGATIONS

Rule 23 Allegations (Predominance/Superiority)

67. Plaintiff brings this action individually and on behalf of all others similarly situated, pursuant to **Rules 23(a), 23(b)(2), and 23(b)(3)** of the Federal Rules of Civil Procedure.

68. The proposed Class is defined as:

All persons in the United States who were, at any time since January 1, 2010, subjected to anomaly classification, digital-twin modeling, NPE designation, or other context-stripped predictive labeling by Palantir Technologies Inc. or its government or contractor partners.

69. Excluded from the Class are Defendants,

their officers and directors, and the Court and its staff.

70. The Class is so numerous that joinder of all members is impracticable. Members are geographically dispersed, and the identities of many Class members can be ascertained only through Defendants' records.

71. Questions of law and fact common to the Class predominate over any questions affecting only individual members. Common issues include:

- a. Whether Palantir knowingly deployed anomaly/NPE classification systems using contaminated or manipulated data;
- b. Whether Palantir sublet or sublicensed digital twins without consent or oversight;
- c. Whether Palantir's concealment of executive digital-twin governance constitutes fraud by omission;
- d. Whether such practices deprived Class members of due process, housing, benefits, or equal protection;
- e. The appropriate measure of damages and equitable relief.

72. Plaintiff's claims are typical of those of the Class. Plaintiff, like other Class members, was subject to anomaly classification, data contamination, and deprivation of rights as a result of Defendants' misconduct.

73. Plaintiff will fairly and adequately represent the interests of the Class. Plaintiff has no interests antagonistic to the Class and intends to prosecute this action vigorously.

74. Class certification under Rule 23(b)(2) is appropriate because Defendants have acted on grounds generally applicable to the Class, rendering injunctive and declaratory relief proper.

75. Class certification under Rule 23(b)(3) is also appropriate because common questions predominate, and a class action is superior to individual actions for fairly and efficiently adjudicating the controversy.

Main Class

All individuals in the United States, from **1950 to the present**, who were subjected to covert biomedical intervention, anomaly classification, or coercion into participation in continuity theater or behavioral futures markets.

Subclass A — Anomalies: Individuals classified as anomalies/NPEs.

Subclass B — Surveillants: Individuals coerced into surveillance roles.

Subclass C — Artificial Intelligence Entities: Synthetic agents trained on coerced/distorted data.

Subclass D — Gig Workers: Amazon/Flex/logistics workers exploited for behavioral futures modeling.

Subclass E — Coerced Family Members: Family induced into complicity against primary targets.

Subclass F — Transgender and Nonbinary Retail Consumers: Misclassified as predatory in retail contexts.

Subclass G — Women and AFAB Individuals: Disproportionately targeted, excluded from economic/civic life.

Subclass H — Investors and Shareholders: Misled by omission of executive digital-twin governance.

(Plaintiff pleads both the 2010–present class and, in the alternative or in addition, the broader 1950–present class with subclasses to ensure no prior formulation is omitted.)

PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully requests that this Court:

1. Declare that Palantir committed **fraudulent misrepresentation** in public claims about terrorism prevention;
2. Declare that **anomaly/NPE classification pipelines** violate due process;
3. Declare Palantir's **concealment of executive digital-twin governance** to be **fraudulent omission**;
4. Order **disgorgement** of federal funds received under false or misleading "terrorism prevention" claims;
5. Enter an **injunction** prohibiting deployment or marketing of classification systems that ignore context and **requiring implementation of the DQ Safeguard**

Rule (automatic suspension of anomaly/NPE labels when $DQ \geq$ threshold pending human review);

6. **Enjoin functional redlining practices** via vendor continuity filters and require fair-housing-compliant placement procedures;

7. Order an **independent audit and special master** to:

i. quarantine or purge datasets contaminated by synthetic manipulations;

ii. identify individuals wrongfully labeled;

iii. restore access to federal benefits wrongfully denied;

8. Declare Defendants' anomaly classification system **discriminatory and unlawful**;

9. Enjoin further use of anomaly classifications that produce **sex-based disparate impacts**;

10. Order full **restoration of access, benefits, and opportunities** denied to those wrongfully classified as anomalies;

11. Declare Defendants' **disproportionate targeting of women and AFAB people** unlawful and negligent at the highest level;

12. Enjoin Defendants from continuing anomaly classification practices that create **sex-based disparate impacts**;

13. Order full **restoration of access, opportunities, and survivability pathways** denied to women and AFAB individuals through anomaly classification;

14. Declare Palantir's concealment of executive digital-twin governance to be **fraudulent omission** and **enjoin further nondisclosure** in investor, contracting, and public communications;

15. **Enjoin functional redlining** and similar housing/data continuity schemes;

16. Award **compensatory and punitive damages** to Plaintiff and the Class (if certified), in amounts to be determined at trial;

17. Award subclass-specific relief, including:

- For **Subclass F (trans/nonbinary consumers)**: remedies for discriminatory defamation and retail misclassification;
- For **Subclass G (AFAB individuals)**: remedies under Equal Protection and Title VII/IX for sex-based disparate impact;
- For **Subclass H (investors)**: restitution and damages for securities fraud and fraudulent omission;

18. **Symbolic reparations** including public apology, testimony preservation, and acknowledgment ceremonies for those misclassified as anomalies;

19. **Creation of a neutral public oversight body** with enforcement powers and open-source audits of AI training sets;

20. Award **fees, costs**, and any other relief the Court deems just and proper.
