

# Petraeus Reboots With Private-Equity Giant

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[David Petraeus](#), the former U.S. Army general who resigned last year as Central Intelligence Agency chief, is rebooting his career with [KKR](#) [KKR -2.62%](#) & Co., the giant private-equity firm.

KKR, known for large debt-fueled corporate takeovers, hopes Mr. Petraeus's experience and Rolodex will help the firm seek and size up deals, said people familiar with the move. The former general will be chairman of a new internal "institute" focused on macroeconomic forecasts, communications, public policy and advice on investments in emerging markets, they said.

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Agence France-Presse/Getty Images

Former Gen. David Petraeus

Mr. Petraeus, 60 years old, instantly becomes one of the most recognizable faces at KKR. A former four-star general who led forces in Iraq and Afghanistan, Mr. Petraeus has traveled the world and knows military, economic and political leaders. Those connections could help KKR land deals in some foreign countries where the firm has less experience and better evaluate the risks and rewards of offbeat investments, the

people said.

Mr. Petraeus resigned in November as CIA director after the Federal Bureau of Investigation uncovered an extramarital affair with his biographer, Paula Broadwell, in

the course of investigating allegations she had sent threatening emails to a Tampa socialite. The investigation is continuing.

Also while CIA director, in response to a congressional request, he ordered up now-controversial talking points on last September's attacks on U.S. outposts in Benghazi, Libya, by al Qaeda-affiliated militants.

[Ken Mehlman](#), a former Republican National Committee chairman who now serves as KKR's global head of public affairs, said Mr. Petraeus is "someone who has served in an incredibly effective and in some ways heroic way."

Mr. Petraeus, he said, "made an unfortunate personal misjudgment for which he's apologized." His record of creative thinking and leadership "will be very helpful to us."

"The focus is forward," Mr. Petraeus said in an interview. In a March speech at the University of Southern California, where he now teaches, Mr. Petraeus said he was "keenly aware that I am regarded in a different light now than I was a year ago" and emphasized "how deeply I regret and apologize for the circumstances that led to my resignation."

Mr. Petraeus is the latest from the Washington political establishment to land a position in high finance later in their careers. Former Vice President Dan Quayle and former Treasury Secretary John Snow work for Cerberus Capital Management LP.

**Public to Private Equity**  
Some of the longtime government insiders that joined the private-equity industry

- ◆ **DAN QUAYLE, former U.S. vice president**  
Heads unit focused on international deals at Cerberus Capital Management
- ◆ **JAMES BAKER III, former Treasury secretary and secretary of state**  
Former senior counselor at Carlyle Group
- ◆ **COLIN POWELL, former secretary of state**  
Strategic adviser at Kleiner Perkins

*James Baker III*

Enlarge Image

Former President George H.W. Bush and former Secretary of State James Baker III have done work for Washington-based buyout firm [Carlyle Group](#) CG -2.59% LP. A handful of officials from the Bush and Clinton administrations have or currently serve as Carlyle advisers.

Mr. Petraeus sees his consultant-like role as an active one at KKR, which has been behind some of America's largest

buyouts, such as retailer Dollar General Corp. and hospital operator HCA Holdings Inc. In addition to helping identify new investment opportunities abroad, he will work in tandem with the private-equity firm's buyout teams to perform due diligence on deals, said people familiar with the matter. He pointed to KKR's decision to develop housing in North Dakota to address an influx of oil-industry workers as the kind of opportunity he wants to help the firm seize.

He also is expected to advise on economic trends, issues with foreign governments and other matters that could affect transactions, the people said. He will advise companies owned by KKR in an effort to improve management and leadership and help them confront economic and geopolitical forces that affect them, they said.

The KKR Global Institute, as the private-equity firm has dubbed it, will bring together Mr. Petraeus and others at the firm to formalize discussions over macroeconomic and geopolitical forces that could influence KKR's investment decisions. These issues include the heightened role of central banks following the financial crisis, and what KKR views as "revolutions" in energy, manufacturing and technology, among other areas.

Mr. Mehlman and Henry McVey, KKR's global head of macro and asset allocation at KKR, will take on leading roles with the institute, they said.

Over many discussions with [Henry Kravis](#), one of KKR's co-founders, the two discussed ways to expand the firm and how Mr. Petraeus could help, he said.

Mr. Kravis, who Mr. Petraeus said he got to know over the past few years at dinner parties, conferences and as a member of the Council on Foreign Relations, called the former general the day after he left the CIA, even though he had a new phone. "It was impressive that he found the phone number," Mr. Petraeus said.

KKR then wooed Mr. Petraeus during a series of meetings between January and May. "It's not like we're just putting a name on the door," Mr. Mehlman said. He called Mr. Petraeus a "student of the world" who could make KKR "better investors."

—Ryan Dezember and Siobhan Gorman contributed to this article.

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