

The lie won't stand

Bush Administration Explanations for Pre-9-11 Warnings Fail the Smell Test

Warnings Received From Heads of State, Allied Intelligence Services Specifically Warned of Suicide Attacks by Hijackers

Insider Trading Also Clearly Warned of Attacks

By Michael C. Ruppert

May 16, 2002, 19:00 PDT (FTW) -- Never in the history of scandals involving the United States government has an attempt to conceal criminal conduct by an administration been more transparently dishonest or more easily exposed. On May 15, White House Press Secretary Ari Fleischer -- while making the startling admission that President Bush received CIA and FBI intelligence briefings in August indicating Osama bin Laden might be planning hijackings -- told major news sources including CBS News, "All appropriate action was taken based on the threat information we had," Fleischer said. "The president did not -- not -- receive information about the use of airplanes as missiles by suicide bombers."

In other statements Fleischer told the press, "The president was also provided information about bin Laden wanting to engage in hijacking in the traditional pre-9-11 sense, not for the use of suicide bombing, not for the use of an airplane as a missile." According to a May 16 story by the New York Times, "Mr. Fleischer said the information given to the president in Texas [last August], had prompted the administration to put law enforcement agencies on alert."

Every major position taken by an administration in full retreat and on the defensive can be easily deconstructed and shown to be false.

For more than seven months FTW has been documenting specific warnings received by the U.S. government from both foreign intelligence services and, in one case, from Russian President Vladimir Putin, indicating commercial airliners were going to be used by terrorists to attack -- among other things -- the World Trade Center in the week of Sept. 9. In order for Fleischer's statement to be credible he would have to assert then that George W. Bush either ignored or was not informed of a direct warning from a head of state and also from the German intelligence service, the BND.

As reported in the German daily Frankfurter Allgemeine Zeitung (FAZ) on Sept. 14, the BND warned both the CIA and Israel in June that Middle Eastern terrorists were "planning to hijack commercial aircraft to use as weapons to attack important symbols of American and Israeli culture." The story specifically referred to an electronic eavesdropping system known as Echelon, wherein a number of countries tap cell phone and electronic communications in partner

countries and then pool the information. The BND warnings were also passed to the United Kingdom. No known denial by the BND of the accuracy of this story exists, and the FAZ report indicates the information was received directly from BND sources.

According to a Sept. 14 report in the Internet newswire online.ie, German police, monitoring the phone calls of a jailed Iranian man, learned the man was telephoning U.S. intelligence agencies last summer to warn of an imminent attack on the World Trade Center in the week of Sept. 9. German officials confirmed the calls to the U.S. government for the story but refused to discuss additional details.

According to a story in Izvestia on Sept. 12, Russian intelligence warned the U.S. last summer that as many as 25 suicide pilots were training for suicide missions involving the crashing of airliners into important targets.

In an MSNBC interview on Sept. 15, Russian President Putin stated he had ordered Russian intelligence to warn the U.S. government “in the strongest possible terms” of imminent assaults on airports and government buildings before the attacks on Sept. 11. No credible information has emerged from any source indicating that Putin omitted the above information when issuing the warning.

Many other direct warnings were received by the U.S. government and have been documented in FTW’s 9-11 timeline located at:

http://www.fromthewilderness.com/free/ww3/02_11_02_lucy.html. These stories give the immediate lie to Fleischer’s statements that Bush had no inkling of airliners being used as weapons.

But there is more.

In 1996 -- as reported by the German paper Die Welt on Dec. 6, and by Agence France Presse on Dec. 7 -- Western intelligence services, including the CIA, learned after arrests in the Philippines that Al Qaeda operatives had planned to crash commercial airliners into the Twin Towers. Details of the plan, as reported by a number of American press outlets, were found on a computer seized during the arrests. The plan was called “Operation Bojinka.” Details of the plot were disclosed publicly in 1997 in the New York trial of Ramsi Youssef for his involvement in the 1993 World Trade Center bombing.

Fbi Memos Trigger White House Backstepping

In “traditional” hijackings the hijackers have no need or desire to learn how to fly.

As reported by the New York Times, CNN and the Washington Post (among others) the events leading to Fleischer’s statements were the recent disclosure of FBI memoranda, originated by field agents in Arizona and Minnesota, that warned of a possible hijack attempt by bin Laden’s followers. In both cases the suspects were taking flight lessons. According to Newsweek and the New York Times, FBI agents in Phoenix submitted a classified memorandum in July naming Osama bin Laden and tracking the activities of possible Middle Eastern terrorist suspects who had enrolled in local flight schools. The memo, according to the Times, stated bin Laden’s followers “could use the schools to train for terror operations.” The information in the Phoenix

memo was not shared with FBI field agents in Minnesota who had uncovered other startling evidence.

Just days before the attacks in early September, FBI agents in Minnesota wrote notes that subsequently became included in an internal FBI document warning that accused terrorist Zacarias Moussaoui “might be planning on flying something into the World Trade Center.” A story from the May 20 issue of Newsweek by Michael Isikoff described how a local flight instructor had reported Moussaoui had “showed a suspicious interest in learning how to steer [and not land] large airliners. The [FBI] agents were ‘in a frenzy, absolutely convinced he was planning to do something with a plane.’”

A multitude of sources have reported the FBI agents requested a warrant to search Moussaoui’s personal computer but were denied by Attorney General John Ashcroft’s Justice Department. After the 9-11 attacks the computer was seized and found to contain information directly related to the World Trade Center attacks.

This apparent lack of support from within the administration is consistent with reports released last fall by the BBC’s Gregg Palast showing that in January 2001 the Bush administration had issued direct orders to the FBI to curtail investigations of two of Osama bin Laden’s relatives, Omar and Abdullah bin Laden. The two bin Ladens had been connected to possible terrorist activities and were living in Falls Church, Va., near CIA headquarters.

Appropriate Warnings?

Fleischer’s statement that adequate warnings had been given to appropriate federal agencies falls flat on its face. Two of the most “appropriate” agencies would have been the Federal Aviation Administration (FAA) and the U.S. Air Force and Air National Guard. As documented by researchers like Jared Israel at www.tenc.net, it has been standard FAA procedure for more than 25 years to scramble U.S. fighters to intercept -- not shoot down -- any errant or non-responsive aircraft under FAA control. This protocol is even more stringent in the case of a hijacking. Yet, Vice President Dick Cheney and others have stated publicly there were no fighters available in some cases, and there was no heightened state of alert on Sept. 11. For 50 minutes on 9-11, in direct contravention of established policy, no fighters were scrambled to intercept two outstanding hijacked airliners even though it was known attacks were in progress.

Given the above information, it would have been an obvious move to have placed fighter aircraft on a heightened state of alert in this time period. This unresponsiveness stands in contrast to the fact that, in October 1999 at a time when there was no heightened alert, the ill-fated Lear Jet occupied by golfer Payne Stewart had an F-16 fighter and an A-10 attack aircraft flying beside it within minutes of losing radio contact and veering off course.

Insider Trading

FTW has spent months on this important story that proves foreknowledge of the attacks by people who also profited from them. This was a glaring warning signal, since such trades ran the risk of being detected by intelligence agencies that routinely monitor all market activity in real time.

The insider trading involves the placement of large numbers of “put” options on stocks of companies directly affected by the Sept. 11 attacks. They include United Air Lines, American Air Lines, Morgan Stanley, Merrill Lynch, AXA Reinsurance, Munich Reinsurance and Swiss Reinsurance. Put options are a leveraged bet that a stock’s price will fall dramatically.

As CBS news noted on Sept. 26, the peak of trading activity occurred just before the attacks. There was a jump in United Air Line’s put options 90 times (not 90 percent) above normal between Sept. 6 and Sept.10, and 285 times higher than average on Sept. 6. Numbers for other affected stocks were equally alarming. It is uncontested that only United and American stocks had this level of put buying before the attacks. No other airlines were affected.

A May 13 story by the Washington Times’ Insight Magazine attempted to explain the insider trading by stating higher numbers of put options had been placed on United and American stocks earlier in 2001. By relying only on the numbers of put options, Insight asserted that there was nothing unusual about the pre-9-11 trades.

However, FTW has contacted several experienced traders and reviewed existing documentation from financial experts, which indicate the alarm for insider trading is to look for any “imbalance” between the level of put options (a bet that a stock’s price will fall) and the level of call options (a bet that a stock’s price will rise). It is a significant imbalance in puts vs. calls that indicates criminal insider trading. The Insight piece did not address this point.

Several traders have stated that in a fairly flat market with high trading volumes, it has been a routine procedure for experienced traders to place roughly equal numbers of puts and calls on various stocks in order to generate a paper cash flow. They were quick to point out that by September, the market had gone into sharp decline and trading volumes were way down. Thus, lower numbers of put options did not mean that everything was normal. They stressed it was the imbalance in put-to-call ratios that signaled the insider trading. [Ed. Note: FTW has undertaken a more detailed investigation of this trading activity and hopes to have a more comprehensive report within 4-6 weeks].

Part of the problem in Insight’s research stems from the fact that since Sept. 11, there has been no transparency from either the government or the financial sector on how the trades worked or how the markets tracked them. Secrecy is everywhere. Telephone calls have not been returned, and the government refuses to divulge any information about probes it admits are still ongoing. But simplistic dismissals from sources quoted in the Insight story contradict not only other evidence, but statements made by financial experts and major news sources just after the attacks. “This could very well be insider trading at the worst, most horrific, most evil use you’ve ever seen in your entire life. This would be one of the most extraordinary coincidences in the history of mankind if it was a coincidence,” said Dylan Ratigan of Bloomberg Business News, interviewed Sept. 20 on Good Morning Texas.

“‘I saw put-call numbers higher than I’ve ever seen in 10 years of following the markets, particularly the options markets,’ said John Kinnucan, principal of Broadband Research, as quoted in the San Francisco Chronicle,” reported the Montreal Gazette on Sept. 19. To quote 60 Minutes from Sept. 19, “Sources tell CBS News that the afternoon before the attack, alarm bells were sounding over unusual trading in the U.S. stock options market.”

Assertions that the reported number of puts involved were not abnormal also failed to analyze highly intricate shell games that involve the movement of put options to markets outside the U.S. or hidden in what traders refer to as “net positions.” Serious financial experts have indicated the profits from insider trading could have been in the billions. Andreas von Bulow, a former member of the German parliament responsible for oversight of Germany’s intelligence services, estimated the worldwide amount at \$15 billion, according to Tagesspiegel on Jan. 13. Other experts have estimated the amount at \$12 billion. CBS News gave a conservative estimate of \$100 million.

A hasty conclusion reached by many is the insider trades were placed by bin Laden and his associates. Such a notion is flatly contradicted by the now absolute certainty that such insider trades would have -- and apparently did -- set off alarm bells. It makes little sense to argue bin Laden et al would have risked compromising at the last minute an operation planned in total secrecy for at least four years.

Also lacking credibility is the argument that many of the trades were what some brokers described as inconsequential amounts valued at \$1 million or \$2 million. This does not address the possibility that U.S. intelligence officials decided in a few cases to make a quick profit from attacks they knew were going to succeed. As distasteful as it may seem, this explanation is far more credible than an assumption that bin Laden made the trades himself and risked the exposure of what the world has been led to believe was his life’s “masterpiece.”

For more information on 9-11 insider trading please visit www.copvcia.com.

The explanations offered by the Bush Administration over the last 48 hours will not withstand even the slightest scrutiny if a major press organization asks any questions about the warnings received from credible foreign government sources and heads of state. Other questions must inevitably follow that will implode an oil dictatorship whose sins and crimes are exposed and just waiting for someone to pick them up and run with them.

Other Briefing Papers on Bush Administration Foreknowledge:

http://www.fromthewilderness.com/free/ww3/042202_bushknows.html

http://www.fromthewilderness.com/free/ww3/02_11_02_lucy.html

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