

# Kissinger Fingerprints All Over Suspicious Pre-911 Money Movements

By Wayne Madsen

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"WMR has learned from one of its sources in New York that the Federal Reserve Bank of New York actively covered up massive money laundering by the Hong Kong and Shanghai Banking Corporation (HSBC) United Arab Emirate branch through its branch in New York. The money laundering consisted of questionable money movements through Dubai that involved individuals linked to "Al Qaeda," including those connected to the 9/11 terrorist attacks on the United States."

We have now learned that the Federal Reserve Bank in Chicago was made aware of possible terrorist-related money movements in a Federal Reserve Board of Governors letter sent to all Federal Reserve Banks a little over a month before the 9/11 attacks. The letter, dated August 1, 2006, requested all cognizant Federal Reserve components, including the bank's Financial Payments and Risk Analysis branches, to pay special attention to Suspicious Activity Reports (SARs) being submitted by component banks.

In fact, some Federal Reserve banks did notice something very suspicious prior to 9/11. There was a dramatic downdraft in Federal Reserve note currency holdings in July and August 2001 (this is referred to as the M1 money supply). In fact, the decrease in Federal Reserve note inventory was 35 percent, equating to billions of dollars. Essentially, there was a run on cash at the banks in the months before 9/11, an event not seen since December 1999, in the weeks before Y2K, and in January 1991, prior to the commencement of Operation Desert Storm in the Gulf.

In addition, there is also evidence that the run on cash was masked by using Argentina, which was experiencing a banking crisis, to evade detection by United States authorities. The spotlight on suspicious cash transactions was Banca Nazionale del Lavoro (BNL) SpA of Argentina, an Italian bank whose Atlanta branch featured prominently in the BCCI and U.S. Iraq weapons transfer scandals of the 1980s. In January 2006, BNL Argentina was acquired by none other than HSBC, the subject of attention by UAE Central Bank authorities for suspicious transactions prior to 9/11. In addition, Kissinger and Associates employed Timothy Geithner from 1985 to 1988. Geithner is now the ninth president and chief executive officer of the Second District Federal Reserve Bank of New York, the entity that stands accused of covering up information about suspicious "Al Qaeda"

money flows from the UAE, Pakistan, and Saudi Arabia for possible terrorist-related purposes prior to 9/11.

"BNL was a client of Kissinger Associates. In addition, the late Democratic Rep. Henry Gonzalez of Texas stated the following on the floor of the House on April 26, 1991: "Henry Kissinger was a paid member of the Banca Nazionale del Lavoro Consulting Board for International Policy. Mr. Kissinger held this position during the height of the biggest banking scandal in United States history-\$4 billion in unreported loans to Iraq by the Atlanta branch of BNL . . . Another interesting point to note is the timing of Mr. Kissinger's supposed resignation from BNL on February 22, 1991. That date is just days before the Justice Department announced a 347 count indictment against the former employees of BNL after an exhaustive 18-month investigation. This is quite a coincidence.

BNL was actually a client of Kissinger Associates at the same time BNL's former employees in Atlanta were providing Iraq with billions in unreported loans. This solidifies Mr. Kissinger's link to BNL and raises the question of whether Mr. Kissinger had knowledge of the BNL loans to Iraq.

As I stated last week, many Kissinger Associates clients were doing business with the Iraqis as a direct result of the unreported \$4 billion in BNL loans to Iraq. Volvo, whose chairman serves on the Kissinger Associates board of directors, was doing big business in Iraq and it was the beneficiary of BNL loans.

BNL was also the largest participant in the \$5.5 billion CCC program for Iraq. Between \$800 and \$900 million in BNL loans to Iraq were guaranteed by the CCC. BNL was also the second largest participant in the Export-Import [Eximbank] program for Iraq. Over \$50 million in BNL loans to Iraq were guaranteed by Eximbank. Through these programs it became common knowledge in the export community that BNL was Iraq's prime banker in the United States.

I also reported last week that Mr. Lawrence Eagleburger had ties to BNL. While he was serving as president of Kissinger Associates, Eagleburger was a board member of a Yugoslavian bank that had a substantial and even incestuous relationship with BNL. BNL was a main factor in the growth of that Yugoslavian bank's operations in the United States.

Despite the many linkages between Kissinger Associates and BNL, Mr. Kissinger still maintains that he had no knowledge of the \$4 billion in BNL loans to Iraq.

The fact that BNL was a client of Kissinger Associates also solidifies the link between BNL and two very high ranking Bush administration employees, NSC Director Brent Scowcroft and Deputy Secretary of State Lawrence Eagleburger. Mr. Lawrence Eagleburger and Mr. Brent Scowcroft were both high ranking employees of Kissinger Associates during the period BNL was a client of Kissinger Associates. In other words, part of their paychecks was derived from fees paid by BNL.

The fact that BNL was a client of Kissinger Associates also raises the question of how Mr. Eagleburger and Mr. Scowcroft reacted to the BNL scandal once it became known to them in the fall of 1989. I wonder if either thought it necessary to recuse himself from making decisions on Iraq once the BNL scandal was uncovered?"

Eagleburger is a member of the Iraq Study Group, replacing Robert Gates, Defense Secretary-designate, who was CIA deputy director at the time of the BNL loans to Saddam Hussein. Scowcroft is a close friend of group chairman James Baker. There are still many questions about the strange suicide death earlier this year of Phillip Merrill, the head of the Eximbank under George W. Bush.

We have also learned there was a dramatic spike in diamond market transactions prior to 9/11. Diamonds have been used by "Al Qaeda" and the Russian-Israeli Mafia to launder cash to evade detection by financial surveillance authorities. Many of the diamond transactions occurred in West Africa, a center for terrorist-related financing according to a former chief of the Mossad, who spoke to the editor on background.

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