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Ed Haas

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March 22, 2007 – William Bergman worked at the Federal Reserve Bank of Chicago from July 1990 until early 2004. He served as an economist for eight years, and then moved to a senior analyst position in a new department researching financial market and payment system risk policy issues. In late 2003, he was asked to consider an assignment in the money laundering area. Bergman accepted the assignment, underwent a background check, received credentials affording access to confidential banking information, and began working in the area. He was told that he was “part of the fight against terrorism” and that he “had been asking good questions.”

One aspect of the assignment to the money laundering area was for Bergman to develop a paper that, *if accepted*, could serve as a reference source for the Federal Reserve System.

Bergman decided to begin his new assignment by developing a 40 question Q&A in order to introduce himself and anyone else new to the money laundering area to the topic. He thought that the Q&A could serve as a primer that dealt with the fundamentals, including some history on money laundering, recent legal developments in the area, and the role of banking regulators.

After submitting his draft to a supervisor, Bergman received approval of his work and was told that it could be considered as a reference. However, in his Q&A, Bergman left one question without an answer. That is to say that Bergman submitted his 40 question Q&A with 40 questions, but only 39 answers. The supervisor that reviewed the draft told Bergman that he should continue his work by answering the only remaining *unanswered* question in the draft.

What prompted the unanswered question that Bergman incorporated into his draft? Bergman had noted that the Board of Governors of the Federal Reserve had issued supervisory letters to the 12 Reserve Banks in the weeks *after* September 11, 2001 urging scrutiny of suspicious activity reports in tracking terrorism activity and financing. However, Bergman also noticed that the Board of Governors had issued a similar letter, albeit one that did not refer *explicitly* to terrorism, on August 2, 2001^[1]. According to Bergman, terrorism and terrorist financing were known to be part of ‘suspicious activity’ however, and the August 2, 2001 supervisory letter clearly called for scrutiny of suspicious activity, which implies and includes the tracking of terrorism activity and financing. The unanswered question on Bergman’s 40 question Q&A asked why the Board had issued the August 2, 2001 letter – *a very fair, logical, and important question that has yet to be answered to this day*.

Given the fact that the supervisor gave him the green light and directed him to find the answer regarding the August 2, 2001 supervisory letter, Bergman decided that the best method to discover the answer was to contact the staff of the Board of Governors of the Federal Reserve directly. In December 2003 he called the Board and inquired about the meaning and motivation behind the August 2, 2001 letter. Within two weeks his assignment was abruptly terminated and his credentials canceled.

Bergman explains:

At the time I was also looking into and asking questions about currency flows. I thought these questions were worth pursuing, and was planning to raise them when I made the above-noted phone call to the Board of Governors. The currency component of M1 (Federal Reserve Notes circulating outside of

banks) rose especially rapidly in July and August 2001. In fact, up to and including August 2001, that month (August 2001) was one of the three fastest growing months for the currency component of M1 since 1947, on a seasonally adjusted basis, even on the heels of significantly above-average growth in July 2001. Much of the July-August surge (over \$5 billion above-average) seems to have been in the \$100 denomination. Among other explanations, persons aware of any imminent terrorist attacks and concerned about possible asset seizures such as those that arose after the 1979 Iranian hostage crisis and the 1998 embassy bombings could have been trying to liquidate their bank accounts in July and August 2001. The money trail could provide important clues about people aware of, if not responsible for, the attacks. I looked at some internal data bearing on this issue that was available to anyone within the Federal Reserve's internal computer network; after going back to look at this important data again a week or two later, it was no longer freely available, but password protected.

Approximately one month after his money laundering work was terminated for what was described at the time as an *egregious breach of protocol* attributed to his contacting the staff of the Board of Governors, Bergman's department was absorbed into another department, and his 14-year employment with the Federal Reserve ended. Bergman was told that the elimination of his position at the Federal Reserve had nothing to do with him personally – that it was an organizational matter. He was offered and accepted a severance package, and left the Chicago Federal Reserve Bank in March 2004.

Whether inquiring about the unusually high put options placed *prior to 9/11* on airline companies such as *American* and *United*, or the World Trade Center Complex insurance companies such as *Axa*, *Allianz*, along with other insurance companies of interests, put options that then most likely made the *insiders* billions of dollars as a result of these companies' stock values plummeting after 9/11, or about an unusual spike in the currency component of the M1 in July / August 2001 that appears to be \$5 billion denoted in \$100 bills – and what the reader is left with is more evidence that prior knowledge of 9/11 was rampant in the United States and that the event could have been prevented but was instead, enabled and exploited.

And what about the August 2, 2001 supervisory letter? What prompted it? Sadly, Americans are once again left with trying to determine for themselves - because nobody entrusted to uphold the rule of law free from passion or prejudice is willing to launch a thorough and purposeful *criminal* investigation - *who knew what, and when*.

Prior knowledge of 9/11 without action and / or effort to prevent the events from unfolding is at minimum – criminally negligent homicide – a felony. For many within the U.S. government and foreign intelligence community, as well as the banking cartel, for the entire wide-ranging set of un-indicted co-conspirators, justice waits, but must prevail.

[1] Board of Governors of the Federal Reserve System, SR 01-18 (SUP), Suspicious Activity Report Database, August 2, 2001, <http://www.federalreserve.gov/boarddocs/srletters/2001/sr0118.htm>, [Accessed March 21, 2007]

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