EXHIBIT 4

Bogus analysis led to terror alert in Dec. 2003

Recommend 0 1

G+1 0

CIA experts saw a secret code on Al-Jazeera that wasn't there

By
Lisa Myers, Aram Roston and the NBC Investigative Unit
NBC News Investigative Unit
updated

WASHINGTON — Christmas 2003 became a season of terror after the federal government raised the terror alert level from yellow to orange, grimly citing credible intelligence of another assault on the United States.

"These credible sources," announced then-Secretary of Homeland Security Tom Ridge, "suggest the possibility of attacks against the homeland around the holiday season and beyond."

For weeks, America was on edge as security operations went into high gear. Almost 30 international flights were canceled, inconveniencing passengers flying Air France, British Air, Continental and Aero Mexico.

But senior U.S. officials now tell NBC News that the key piece of information that triggered the holiday alert was a bizarre CIA analysis, which turned out to be all wrong.

CIA analysts mistakenly thought they'd discovered a mother lode of secret al-Qaida messages. They thought they had found secret messages on Al-Jazeera, the Arabic-language television news channel, hidden in the moving text at the bottom of the screen, known as the "crawl," where news headlines are summarized.

'Steganography' suspected

U.S. officials tell NBC News that CIA experts — technicians working for the Directorate of Science and Technology — thought they had found numbers embedded in the crawl signaling upcoming attacks; dates and flight numbers, and geographic coordinates for targets, including the White House, Seattle's Space Needle, even the tiny town of Tappahanock, Va. What the analysts thought they had found was something called "steganography" — messages hidden inside a video image.

President Bush and Ridge were briefed on the Al-Jazeera analysis, U.S. intelligence sources say.

In an exclusive interview with NBC News, Ridge defended the government's actions, although he called the intelligence analysis "bizarre, unique, unorthodox, unprecedented."

"Maybe that's very much the reason that you'd be worried about it, because you hadn't seen it before," recalls Ridge.

He says the administration had to take the suspected terror messages seriously, although "speaking for myself I've got to admit to wondering whether or not it was credible."

Was he himself skeptical?

"Yeah, we weren't certain," says Ridge. "Still, in the context of everything else (intelligence chatter and a terror attack in Saudi Arabia), we could not set it aside and dismiss it as not credible."

So the United States raised the alert level and canceled flights.

Critics question evaluation of the evidence

"I'm astonished," says author and intelligence expert Jim Bamford, "that they would put so much credibility in such a weak source of intelligence."

Bamford says the CIA shouldn't be criticized for considering the theory, but that analysts should have weighed how implausible it was.

"What you have to do is judge the intelligence versus what your actions are going to be. And this is the equivalent, basically, of looking at tea leaves," Bamford says.

Intelligence sources say that even within the CIA, the analysis was a closely guarded secret. Still, they say, some top CIA officials who learned about it were skeptical. Top officials at the Directorate of Operations, which conducts clandestine operations, and others who worked at the CIA Counterterrorism Center, felt that the whole theory was implausible and was being taken far too seriously.

As discredited as the CIA's interpretation now is, experts say steganography is a valid subject for CIA analysis, and could be used by terrorists to hide data in files on the Web, in still photographs or in broadcast television images.

"Steganography," says professor Nasir Memon of Polytechnic University in Brooklyn, N.Y., "is the art, if you will, of secret writing. And when two parties want to talk to each other and not let anybody know they are indeed communicating, they would use steganography."

Memon is an expert in "steganalysis" — using sophisticated software to locate hidden messages. He says such analysis is valuable but not always reliable, because there are many "false positives." In general, he says, "it's not something I would bet the farm on because there is a significant chance that it could be wrong."

TV networks commonly hide digital "watermarks" in their video broadcasts, a legitimate use of video encoding to pass along innocuous digital information. The CIA's Al-Jazeera analysis is classified, and it is still unclear exactly what the CIA technicians were looking for in the network's "crawl."

Ridge stands by alert
Regardless, Ridge told NBC News that the CIA analysis certainly did turn out to be wrong. He confirms there were no secret terror messages. He also says there was no evidence that terrorists were actively plotting against aviation at the time.

But Ridge insisted it was not a mistake to raise the alert level or to cancel the flights.

"I think it was the right thing to do," he said.

Even if raising the alert level frightened a lot of people?

"We acted accordingly based on our best information and best conclusions and the information that we had at the time," Ridge said.

Ridge added that the faulty CIA analysis was a significant factor in raising the alert level, but not the only factor.

As for the CIA, a spokeswoman would not confirm or deny this report, but said it's the "agency's job to run all plausible theories to the ground, especially when American lives could be at risk."

Lisa Myers is NBC's senior investigative correspondent and Aram Roston is an NBC investigative producer.

1