

The Pentagon Money Pit: \$6.5 Trillion in Unaccountable Army Spending and No DoD Audit

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According to a July 2016 Department of Defense Inspector General (DODIG) report, \$6.5 trillion of Army Spending allocated to the Pentagon have no paper trail and no audit has been made by the Department of Defense (DOD) for the past two decades to resolve this issue. In other words, David Lindorff reported that “the Department of Defense has not been tracking or recording or auditing all of the taxpayer money allocated by Congress — what it was spent on, how well it was spent, where the money actually ended up. There are enough opportunities here for corruption, bribery, secret funding of ‘black and illegal activities, and of course for simple waste to march a very large army, navy and air force through. And by the way, things aren’t any better at the Navy, Air Force and Marines.”

Lindorff notes that the Office of Inspector General (OIG) showed the Pentagon money pit goes back to Fiscal Year 1991 “during an annual audit five years before Congress even passed the law requiring all federal agencies to operate using federal accounting standards and to conduct annual audits.” This past year, the Government Accountability Office found out that “unsupported re-adjustments” were being made to the military’s financial statements.

For backstory, Congress passed The Government Accountability Act of 1996 that required annual audit on government department budgets. This bill was passed to resolve the previous accounting mistakes made in 1991. Surprisingly, the DOD is still unable to implement the measures over 20 years later. Looking at the Federal Discretionary Spending of the Fiscal Year (FY) 2015, the DOD was allocated \$600 billion of the \$1.1 trillion budget. The rest of the budget was split between \$70 billion for education, \$63 billion for housing and community development, \$66 billion for Medicare and Health care, \$65 billion for Veterans, \$39 billion for energy, \$26 billion for transportation, and finally \$41 billion for International affairs. With the exception of DoD, all the other departments have reported their budgets since the bill was passed.

In 2008, the Army finally reported on the issue in their Fiscal Year statement of Assurance on Internal Control: “The ‘weakness’ found in 1991 ‘would be corrected by the end of FY 2011.’” In response, the Congress set in 2009, a September 30 2017 deadline for the Pentagon to subject itself to a full audit. Indeed, this \$6.5 trillion “weakness” was still present in 2017 as the OIG report stipulated that, “the FY 2015 Statement of Assurance on Internal Controls indicated this material weakness remained uncorrected and may not be corrected until third quarter 2017.” Ironically, Leon Panetta, then Secretary of Defense, stated on October 13, 2011, that, “We owe it to the taxpayers to be transparent and accountable for how we spend their dollars, and under this plan we will move closer to fulfilling that responsibility.”

As Lindorff points out, the inaction of the Congress over the decades on such incredible amount of money is mindboggling. While accountability is expected of all other US Departments, the ease with which the Pentagon gets away with its accounting defaults remains a mystery. Both major political party candidates in the primaries last year didn’t mention once the IGDC report. According to a statement in Lindorff’s article by Mandy Smith Berger, director of the Strauss Military Reform Project at the Project Government Oversight, “Accounting at the Department of Defense is a disaster, but nobody is screaming about it because you have a lot of people in Congress who believe in more military spending, so they don’t really challenge military spending.” While the September 2017 deadline is approaching, the outcome of the Pentagon audit whether it fails or not will reveal which actions the Congress is willing to take to hold the DOD truly accountable of the taxpayer money they receive.

In terms of corporate media coverage of this story, it was under-reported or misrepresented by several outlets. While some media reported the lack of audit from the Pentagon, they usually failed to mention the amount of money associated with how long this failure of accountability has persisted. *The Huffington Post* and *CNN* reported once the report on their political page. However, *CNN* failed to mention that “the Army is in the process of identifying and correcting the root causes of the errors” in the last 20 years and focus only on the accounting mistakes rather than the Congress role in not asking for accountability. Regarding the *Huffington Post*, lack of accountability is mentioned but the amount of \$6.5 trillion is left out. Regarding independent media, Lindorff’s article was also reported on *CounterPunch*, *OpedNews*, and *News Target*.

Sources:

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