

# Pentagon Loses Track of \$6.5 Trillion Embezzled “Unaccounted Funds” at Expense of US Tax Payers

Documentation of US Dept of Defense Admitting ‘Losing’ \$6.5 Trillion (\$65,000 Per Average US Family), with 18 Year History of ‘Losing’ Trillions. Your .01% illegal Rogue State Government at ‘Work’ Until ‘We the People’ Demand Arrests For Obvious Crimes in War, Looting, Lying

By [Carl Herman](#)

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Region: [USA](#)

Theme: [Intelligence](#), [Law and Justice](#),  
[Militarization and WMD](#), [Poverty & Social Inequality](#)

**Catherine Austin Fitts** just [published documentation](#) of Department of Defense (DOD) official audit reports from 1998 that acknowledge “losing track” of \$6.5 trillion, along with Department of Housing and Urban Development (HUD) admission of “losing” over \$100 billion. This is euphemistically termed “unaccounted,” and literally means that DOD agrees they received these funds, agrees the funds are gone, and then claims to not have records of where the money went.

This is the work of **Dr. Mark Skidmore** and graduate students; Dr. Skidmore is the Director of the [North Central Regional Center for Rural Development](#) at Michigan State University and Professor and Morris Chair in State and Local Gov’t Finance and Policy. [Catherine](#) was managing director and member of the board of directors of the Wall Street investment bank Dillon, Read & Co. Inc., Assistant Secretary of Housing and Federal Housing Commissioner for HUD in the first Bush Administration, and president of Hamilton Securities Group, Inc. She has designed and closed over \$25 billion of transactions and investments to-date, and has led investment strategy for \$300 billion of financial assets and liabilities.

[I wrote last year](#) upon publication of DOD’s report. Of course, such “official” looting never happens with lawful accounting because records always show where the money goes. This would be like your bank agreeing they received a \$65,000 deposit from you, agreeing the money was gone, and not refunding your account while claiming no further information of this “unaccountable,” “lost,” and “missing” money.

The most common historical explanation of governments “losing” money is, of course, embezzlement to enrich an oligarchy.

## **\$6.5 trillion means how much now?**

- ~\$65,000 per US average household, based upon ~\$50,000 annual income. This means if your household’s annual income is ~\$100,000, your family was looted ~\$130,000.
- Embezzling a billion dollars from a US military project 6,500 times.
- Embezzling a billion dollars of our tax money every day for 18 years (that’s \$10 from every US household everyday).

**Please read those three real-world comparisons twice** to allow your emotions to feel the outrageous .01% looting of *your family*.

An [Inspector General](#) is supposed to be head of an independent and non-partisan auditing organization to discover and **investigate** waste, embezzlement, and fraud. They are supposed to act as “watchdogs” to ensure government agencies are transparent and lawful, with power to subpoena and take testimonies under oath.

You may recall that DoD’s claims of trillions of our tax dollars somehow going missing isn’t new, and reported as [\\$2.3 trillion by Secretary of Defense Rumsfeld](#) on September 10, 2001 as “a matter of life and death” the day before a claimed airplane bulls-eyed into the Pentagon’s accounting department, killing the very accountants tasked to find the “missing” money.

[3-minute CBS report](#):

The fact that the Inspector General **has not** investigated with subpoenas and testimonies under oath speaks strongly as evidence of criminal complicity with the embezzlers.

A similar condition exists with the Federal Reserve, but we’re allowed a little clarity from [this 5-minute video](#) of **Congressman Alan Grayson** (an economist) asking questions of the Fed’s Inspector General during the Financial Services Subcommittee on Oversight and Investigations in 2009, where she admits she has no idea who received trillions in off-balance-sheet transfers from the Fed:

Both cases are .01% oligarchs transferring public funds to “other than public” recipients; that is, **massive theft**.

*This could never occur within an ethical, law-abiding government, but would occur within a dictatorial empire. Let’s look at connected facts:*

- DoD engages in ongoing Orwellian [unlawful Wars of Aggression](#).
- DoD’s [wars are started with lies](#) *known to be false as they were told*, as fully disclosed by official US government documentation.
- [Corporate media is criminally complicit](#) by “covering” these crimes.
- As with any historical empire, [what is used for money has to also be controlled](#) to enrich “masters” and pay minions, and is with the Federal Reserve system. In contrast, obvious reforms can quickly be calculated at [~\\$1,000,000 per US household](#).
- Taken together, the US cannot be defined as a *constitutional republic*, but has become a [rogue state](#).
- This US behavior reaches back [deep into history](#).

Therefore: **DoD acts as its Orwellian opposite: Department of Offensive Wars.**

Therefore: Government of the people, by the people and for the people acts as its Orwellian opposite: Government of the oligarchs, using the people, and enriching themselves.

**Essential economic facts showing .01% looting & lying**

Before we consider the obvious solution of *We the People* seeing the [Emperor's New Clothes](#) facts and demanding arrests to stop these OBVIOUS crimes centered in war, money, and lies, a few more data points of more trillions of our dollars looted from us by oligarchs:

- We've already documented how the global so-called "elite" [1% are now wealthier than the 99%](#) while [~30,000 children die daily from preventable poverty](#) in gruesomely-slow agony. Just [62 people on Earth own more than the bottom 50%](#), with the most recent data of just five humans owning almost more than the poorest half of us (a ratio of 5: 3,500,000,000 or 1:750,000,000).
- The [US .1% own more than the bottom 90%](#).
- The [top 20 Americans \(.000006%\) own more than the bottom 50%](#).
- The [top three public benefits of monetary and banking reform would add ~\\$1,000,000 to every US household](#). The lies of omission and commission by US "leaders" with legal fiduciary responsibility to communicate full and transparent economic data to never advise Americans of these options is a massive crime causing damages in the trillions of dollars yearly.
- Our current system of creating what we use for money as debt has the so-called ["developed" and "former" colonial nations \\$50 trillion in debt](#), and lying for public austerity rather than admit the option of monetary and banking reforms.

For Americans still zombified to "believe" in America, please embrace the reality that [40% of US children live at least one year of their lives in under-measured poverty](#), while [oligarchs most responsible literally laugh](#) in [grandiose](#) glee of the poverty they [euphemise](#) as "income inequality." Please absorb this [1-minute reality check](#):

[John Perkins' 2-minutes](#) of context as an illustration of what the [US rogue state](#) executes:

More game-changing economic data that confirm what we receive for economic leadership is [literal criminal fraud](#):

- [decaying infrastructure](#) getting uglier from "deferred maintenance,"
- [real unemployment near 25%](#) with most families demanding both parents work longer and longer hours,
- [real inflation](#) well above official reports,
- [US poverty of 20% among children, 40% for living at least a year in poverty](#),
- [72% of California students](#) in schools with over half the children classified as "socio-economically disadvantaged,"
- the annual interest payment of [~\\$450 billion for the US national debt](#) is [over four times the amount needed to invest for ending all forms of global poverty](#) (~\$100 billion/year for ~10 years).
- a rigged-casino economy designed for "[peak inequality](#),"
- "too big to fail" [banks demand public subsidies](#) (so-called "bailouts") while gambling with [over \\$200 TRILLION in derivatives](#),
- these "too big to fail/jail" banks deriving most of their income from [subsidies and apparent market manipulations](#),
- Daily and never-ending Orwellian criminal-complicit lies of [corporate media](#).
- US college *Class of 2015* students [average \\$35,000 in debt](#), with the total for 2015 graduates nearly \$70 billion: more than ten times the amount from just 20

years ago. The average time to pay this debt is [now 15 years](#) (think paying until age 40).

- [half of US 25-year-olds live with their parents](#), more than twice the number from 15 years ago.
- [Over one million US college students are “Sugar babies”](#): selling sex as part-time employment. The UK has the same condition ([here](#), [here](#)).
- [31% of US adjunct professors live in poverty](#).

**15-minute video of obvious solutions:** [Mark Anielski](#) and [Ellen Brown](#)'s powerful 15-minute response to [an interview](#) at the [Seizing an Alternative](#) conference (and [here](#), with videos [here](#)) with former World Bank economist [Herman Daly](#) and co-author [John B. Cobb](#) of [For the Common Good](#) (video should [start at 1:04:43](#)):

**81-minute interview** with [Byron Dale](#) and [Greg Soderberg](#) of [WealthMoney.org](#) (the three of us have combined over 90 years of research on this topic):

### **Demand .01% arrests for Orwellian lies and crimes**

Obviously, when the truth is *rogue state empire* annually killing millions, harming billions, and looting trillions, the foremost response for justice is public call for .01% arrests.

### **Obviously.**

I mean really, this is beyond anyone's imagination of psychopathic Big Lie crimes (although the facts will show more .01% horrendous crimes when Truth is unleashed).

The categories of crime we can demonstrate beyond reasonable doubt now include:

- [Wars of Aggression](#) (the worst crime a nation can commit).
- Likely [treason](#) for lying to US military, ordering unlawful attack and invasions of foreign lands, and causing thousands of US military deaths.
- [Crimes Against Humanity](#) for ongoing *intentional policy* of poverty that's killed over 400 million human beings just since 1995 (~75% children; more deaths than from all wars in Earth's recorded history).
- [Tens of trillions in looting](#) beyond the [\\$6.5 trillion just reported by the US Department of “Defense” as “lost.”](#)

In [just 90 seconds](#), former [US Marine Ken O'Keefe](#) powerfully states how you may choose to voice “very obvious solutions”: arrest the criminal leaders (video starts at 20:51, then finishes this episode of [Cross Talk](#)):

**Note:** I make all factual assertions as a [National Board Certified Teacher](#) of US Government, Economics, and History, with all economics factual claims receiving zero refutation since I began writing in 2008 among [Advanced Placement Macroeconomics](#) teachers on [our discussion board](#), public audiences of [these articles](#), and [international conferences](#) (and [here](#)). I invite readers to empower their civic voices with the strongest comprehensive facts most important to building a brighter future. I challenge professionals, academics, and citizens to add their voices for the benefit of all Earth's inhabitants.

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