

Shocking Quotes from High-Ranking Government Officials on Unaccounted For Military Spending

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Defense Secretaries Sound the Alarm

*This first quote was an important admission from **Robert Gates**, as Defense Secretary during the second-term of the Bush Administration and first-term of the Obama Administration, it was his responsibility to sign off on Pentagon spending. This is also why Gates' Secretary of Defense predecessor Donald Rumsfeld, in his now infamous speech at the Pentagon on September 10, 2001, said it was time to "declare war" on Pentagon waste for not being able to account for \$2.3 trillion.*

Here's a little-known speech on Pentagon accounting that Robert Gates gave on May 2011 at the [American Enterprise Institute](#):

"My staff and I learned that it was nearly impossible to get accurate information and answers to questions such as 'how much money did you spend' and 'how many people do you have?'....

The efficiencies project also showed that the current apparatus for managing people and money across the DoD enterprise is woefully inadequate.

The agencies, field activities, joint headquarters, and support staff functions of the department operate as a semi-feudal system - an amalgam of fiefdoms without centralized mechanisms to allocate resources, track expenditures, and measure results relative to the department's overall priorities."

Reuters was one of a handful of news outlets to report on Gates' shocking comments. They also got additional mind-blowing quotes from former Deputy Secretary of Defense [Gordon England](#). He spoke about the financing and accounting operations throughout the Pentagon that lack oversight:

"No one can even agree on how many of these accounting and business systems are in use. The Pentagon itself puts the number at 2,200 spread throughout the military services and other defense agencies."

"A January 2012 report by a task force of the Defense Business Board, an advisory group of business leaders appointed by the secretary of defense, put the number at around 5,000."

"There are thousands and thousands of systems," former Deputy Secretary of Defense Gordon England said in an interview. "I'm not sure anybody knows how many systems there are."

Given what we know now, Donald Rumsfeld's September 10, 2001 speech at the Pentagon is of historical significance. Here are excerpts from [that speech](#):

"The topic today is an adversary that poses a threat, a serious threat, to the security of the United States of America.

This adversary is one of the world's last bastions of central planning. It governs by dictating five-year plans. From a single capital, it attempts to impose its demands across time zones, continents, oceans and beyond.

With brutal consistency, it stifles free thought and crushes new ideas. It disrupts the defense of the United States and places the lives of men and women in uniform at risk.

Perhaps this adversary sounds like the former Soviet Union, but that enemy is gone: our foes are more subtle and implacable today. You may think I'm describing one of the last decrepit dictators of the world. But their day, too, is almost past, and they cannot match the strength and size of this adversary.

The adversary is closer to home. It's the Pentagon bureaucracy.

In this building... money disappears into duplicative duties and bloated bureaucracy.... An average American family works an entire year to generate \$6,000 in income taxes. Here we spill many times that amount every hour by duplication and by inattention.

That's wrong. It's wrong because national defense depends on public trust, and trust, in turn, hinges on respect for the hardworking people of America and the tax dollars they earn....

According to some estimates, we cannot track \$2.3 trillion in transactions.

We cannot share information from floor to floor in this building because it's stored on dozens of technological systems that are inaccessible or incompatible...

Why is DOD one of the last organizations around that still cuts its own checks?
...

There's a myth, sort of a legend, that money enters this building and disappears, like a bright light into a black hole, never to be seen again.

In truth, there is a real person at the other end of every dollar, a real person who's in charge of every domain, and that means that there will be real consequences from, and real resistance to, fundamental change....

And let there be no mistake, it is a matter of life and death. Our job is defending America, and if we cannot change the way we do business, then we cannot do our job well, and we must.

So today we declare war on bureaucracy....

I've read that there are those who will oppose our every effort to save taxpayers' money.... Well, fine, if there's to be a struggle, so be it....

It's about respect for taxpayers' dollars. A cab driver in New York City ought to be able to feel confident that we care about those dollars.

It's about professionalism, and it's also about our respect for ourselves, about how we feel about seeing GAO reports describing waste and mismanagement and money down a rat hole."

Of course, the day after that speech was 9/11. In a very interesting coincidence, the part of the Pentagon that got hit was where accounting offices were. [34 Pentagon accountants](#) were killed that day. Here's how it was summed up in the "Official U.S. Government Historical Office" [report](#):

"Of the Managerial Accounting Division's 12 members present, only 3 survived. For these three the fireball and partial collapse of a wall almost proved their undoing; not one escaped without injury. All told, 34 of the 40 members of the Program and Budget and Managerial Accounting Divisions present that morning perished."

The only report in the mainstream media that I could find, which followed up on Rumsfeld's September 10th speech, was from CBS News. This [brief report](#) featured shocking quotes from three Pentagon insiders who were in a position to know what was happening.

The War On Waste

On Sept. 10, Secretary of Defense Donald Rumsfeld declared war. Not on foreign terrorists, "the adversary's closer to home. It's the Pentagon bureaucracy," he said.

He said money wasted by the military poses a serious threat. "In fact, it could be said it's a matter of life and death," he said.

Rumsfeld promised change but the next day - Sept. 11- the world changed and in the rush to fund the war on terrorism, the war on waste seems to have been forgotten.

Just last week President Bush announced, "my 2003 budget calls for more than \$48 billion in new defense spending."

More money for the Pentagon, CBS News Correspondent Vince Gonzales reports, **while its own auditors admit the military cannot account for 25 percent of what it spends.**

"According to some estimates we cannot track \$2.3 trillion in transactions," Rumsfeld admitted.

\$2.3 trillion — that's \$8,000 for every man, woman and child in America.

To understand how the Pentagon can lose track of trillions, consider the case of one military accountant who tried to find out what happened to a mere \$300 million.

"We know it's gone. But we don't know what they spent it on," said Jim Minnery, Defense Finance and Accounting Service.

Minnery, a former Marine turned whistle-blower, is risking his job by speaking out for the first time about the millions he noticed were missing from one defense agency's balance sheets. Minnery tried to follow the money trail, even crisscrossing the country looking for records.

“The director looked at me and said ‘Why do you care about this stuff?’ It took me aback, you know? My supervisor asking me why I care about doing a good job,” said Minnery.

He was reassigned and says officials then covered up the problem by just writing it off. **“They have to cover it up,” he said. “That’s where the corruption comes in. They have to cover up the fact that they can’t do the job.”**

The Pentagon’s Inspector General “partially substantiated” several of Minnery’s allegations but could not prove officials tried “to manipulate the financial statements.” Twenty years ago, Department of Defense Analyst Franklin C. [Chuck] Spinney made headlines exposing what he calls the “accounting games.” He’s still there, and although he does not speak for the Pentagon, he believes the problem has gotten worse.

“Those numbers are pie in the sky. The books are cooked routinely year after year,” he said.

Another critic of Pentagon waste, Retired Vice Admiral Jack Shanahan, commanded the Navy’s 2nd Fleet the first time Donald Rumsfeld served as Defense Secretary, in 1976. In his opinion, **“With good financial oversight we could find \$48 billion in loose change in that building, without having to hit the taxpayers.”**

Here’s the TV version of this report:

[Read full article here.](#)

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