

Trillions of Dollars in U.S. Military Spending Is Unaccounted-For. Tax Payers' Money is Missing

By [Eric Zuesse](#)

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Region: [USA](#)

Theme: [Intelligence](#), [Militarization and WMD](#), [US NATO War Agenda](#)

[Now, and for many decades past](#), the American public has displayed far higher confidence and trust in “The Military” than in any other “Institution” (including than churches, schools, the Presidency, the police, courts — any).

And yet — according to the Inspector General of the U.S. Department of Defense — many billions, and sometimes even trillions, of dollars, in the Department’s periodic financial reports, are not documented. What has happened to the taxpayers’ money is unknown — it’s missing (alleged to have been spent, but to payees unidentified).

According to the DOD’s IG, this goes on year-after-year (yet [without at all reducing Americans’ trust in “The Military”](#)). Apparently, Americans, as a lot, are gluttons for punishment — or else our ‘news’media haven’t sufficiently reported the “waste, fraud, and abuse” that “The Military” are doing to the American public. Either way, there is this extraordinarily high public confidence in the military ongoing year-after-year though the U.S. DOD continues to be the only unauditible federal Department, and expenditures amounting (over the years) into trillions of dollars remain unaccounted-for. But here will now be the American ‘news’media’s chance to call to the public’s attention this discrepancy between the military’s reality and the public’s perceptions of that reality, by publishing this documentation:

On July 14th, Catherine Austin Fitts posted to her website links to some of the key relevant federal documents. Her site is linked-to below, and some of the documents that refer to trillions of dollars unaccounted-for are also linked-to below, and are then quoted from, so that a reader can obtain a sense both of the enormity of the corruption, and also of the authoritativeness of the official statements that are being made here, regarding that corruption.

I am using here the word “corruption” because whenever an official finding by a U.S. government agency is reporting trillions of dollars of taxpayer money that have been spent for purposes and recipients that are unknown, I call it “corruption,” on the basis that: regardless of whether or not the matter is intended or is instead sloppiness, even mere sloppiness is heinous if it ranges into trillions of dollars of taxpayer-money missing or wrongly spent. Even sloppiness of that magnitude, in the expenditure of taxpayer funds, reflects corruption, if it continues on for years, or especially (as it is shown to do here) for decades, and still has not been stopped.

In fact, [the most recent such IG report](#) makes clear (on page “7 of 74”) that

“Army and Defense Finance and Accounting Service Indianapolis personnel did not adequately support \$2.8 trillion in third quarter adjustments and \$6.5 trillion in yearend adjustments made to Army General Fund data during FY 2015 financial statement compilation.”

These “adjustments” had been made to *prior* unacceptable reports, but were *still* failing to explain where the money had gone. Here is the main site (solari, of Catherine Austin Fitts), and excerpts from the main documents, which excerpts are posted immediately below it:

<https://solari.com/blog/dod-and-hud-missing-money-supporting-documentation/>

DOD and HUD Missing Money: Supporting Documentation

Catherine Austin Fitts, News & Commentary on July 14, 2017 at 11:07 pm

1. 2015 Semiannual Report to Congress

<http://www.dodig.mil/pubs/documents/DODIG-2016-113.pdf>

“We determined that 236, totaling \$2 trillion, of the 263 third quarter JV adjustments in our sample, and 170, totaling \$2.1 trillion, of the 194 yearend JV adjustments in our sample, were in fact unsupported.”

6. 2010 Testimony of the Deputy Inspector General, DOD

[http://www.dodig.mil/IGInformation/IGInformationReleases/DoDIG_Testimony_Final%20\(HOGR-20110923\).pdf](http://www.dodig.mil/IGInformation/IGInformationReleases/DoDIG_Testimony_Final%20(HOGR-20110923).pdf)

“We found the Department’s review process included less than half of the fiscal year 2010 first quarter gross outlays.10 Comptroller officials stated that the \$167.5 billion in outlays the Department did not examine for improper payments included internal and intragovernmental transfers. Those outlays were not subject to the OMB reporting requirements since the payments did not leave the Government. However, we later determined that Comptroller officials did not perform a reconciliation to determine whether these outlays were internal or intragovernmental transfers. A complete reconciliation is still needed to demonstrate that all outlays are being examined for overpayments and in order to accurately report the extent of the overpayments. Specifically, DoD did not review approximately \$167.5 billion of the \$303.7 billion in gross outlays for high dollar overpayments. Additionally, some overpayments that we or the Department identified were not reported, and the First Quarter FY 2010 High Dollar Overpayments Report did not include sufficient information about recoveries and corrective actions.”

“Unless DoD improves its methodology to review all its disbursements, it will continue to understate its estimate of

overpayments and will likely miss opportunities to collect additional improper payments.”

“We are concerned with the accuracy and reliability of the Department’s estimation process. Without a reliable process to review all expenditures and identify the full extent of improper payments, the Department will not be able to improve internal controls aimed at reducing improper payments. 12 The Department’s financial management processes are not always adequate to prevent or detect improper payments. For example, in our recent audit of a contract supporting Broad Area Maritime Surveillance, we found DoD personnel did not validate that the contractor was entitled to \$329.3 million it received as of January 12, 2010. These are costs paid to contractors that Defense Contract Audit Agency questioned because they do not comply with rules, regulations, laws and/or contract terms which meets the definition of an improper payment. These improper payments the audit agency identified are greater than the \$1.3 billion of improper payments the Department identified during 2004 to 2010.”

https://solari.com/00archive/web/solarireports/2017/unsupported_adjustments/DOD/DODIG-2016-113.pdf

Inspector General U.S. Department of Defense Report No. DODIG-2016-113 JULY 26, 2016
Army General Fund Adjustments Not Adequately Documented or Supported.

“OASA(FM&C) and DFAS Indianapolis personnel did not adequately document or support adjustments made to AGF data during FY 2015 financial statement compilation. Specifically, OASA(FM&C) and DFAS Indianapolis personnel did not adequately support \$2.8 trillion in JV adjustments for third quarter and \$6.5 trillion in JV adjustments for yearend.17”

https://solari.com/00archive/web/solarireports/2017/unsupported_adjustments/DOD/00-167.pdf

STATEMENT OF ROBERT J. LIEBERMAN ASSISTANT INSPECTOR GENERAL DEPARTMENT OF DEFENSE BEFORE THE TASK FORCE ON DEFENSE AND INTERNATIONAL RELATIONS HOUSE BUDGET COMMITTEE ON DEPARTMENT OF DEFENSE FINANCIAL MANAGEMENT Report No. D-2000-167 DELIVERED: July 20, 2000

“The audits of the FY 1999 DoD financial statements indicated that \$7.6 trillion of accounting entries were made to compile them. This startling number is perhaps the most graphic available indicator of just how poor the existing systems are. The magnitude of the problem is further demonstrated by the fact that, of \$5.8 trillion of those adjustments that we audited this year, \$2.3 trillion were unsupported by reliable explanatory information and audit trails or were made to invalid general ledger accounts. About \$602.7 billion of accounting entries were made to correct errors in feeder reports.”

IN CLOSING:

Here, from the list of the 100 largest, are the 20 largest recipients of U.S. federal government money:

<http://www.bga-aeroweb.com/Top-100-Defense-Contractors-2015.html>

1. Lockheed Martin Corp.
2. The Boeing Company
3. Raytheon Company
4. General Dynamics Corp.
5. Northrop Grumman Corp.
6. United Technologies Corp.
7. L-3 Communications Holdings Inc.
8. BAE Systems plc
9. Humana Inc.
10. Huntington Ingalls Industries Inc.
11. Bechtel Group Inc.
12. Health Net Inc.
13. Unitedhealth Group Inc.
14. SAIC Inc.
15. General Atomic Technologies Corp.
16. McKesson Corp.
17. Bell-Boeing Joint Project Office
18. AmerisourceBergen Corp.
19. Booz Allen Hamilton Holding Corp.
20. United Launch Alliance L.L.C.

As is obvious, all or almost all of these firms are contractors to (recipients of money from) the U.S. Department of Defense; and they may reasonably be presumed to be benefiting significantly from some of the unaccounted-for payments from the U.S. DOD. However, if the money isn't going to them, then where is it going? And why? And for what? Why is there no congressional investigation to answer these questions? And why are U.S. 'news' media not

publicizing this matter so as to force such investigations? Are payoffs involved — payoffs for silence? Why are none of the 'news' media that have the resources to explore these questions, publishing their own investigations into it, since Congress won't investigate? And, since the Inspector General's reports into these matters have had no impact, why isn't the focus finally shifting away from studying to find how much is missing, toward instead prosecuting the people who — at the very least — failed to do what they were being paid to do: keep track of every cent of taxpayers' money? If doing that job is too dangerous, then shouldn't the people who are tasked to do it be paid more, so as to cover their exceptionally high personal risk? Is all of this secrecy really necessary in order to keep "The Military" way on top as the most respected of all institutions in the United States — even after all of the harms that the U.S. military has actually caused in Iraq, Libya, Syria, etc., destroying those countries and others? How much would the public's respect for the military — the mass-killing institution — be brought down, if the truth about it were known? Would the mass-killing institution deserve to be the most respected institution even if it *weren't* so corrupt?

Investigative historian Eric Zuesse is the author, most recently, of [They're Not Even Close: The Democratic vs. Republican Economic Records, 1910-2010](#), and of [CHRIST'S VENTRILOQUISTS: The Event that Created Christianity](#).

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About the author:

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