

**"'According to some estimates we cannot track \$2.3 trillion in transactions,' Rumsfeld admitted. \$2.3 trillion is that's \$8,000 for every man, woman and child in America." ~ ~ [CBS News](#), 1/29/02, U.S. Secretary of Defense raises evidence of government and military corruption**

**"The Special Inspector General for Iraq Reconstruction says the US Department of Defence is unable to account properly for 96% of the money. Out of just over \$9bn, \$8.7bn is unaccounted for." ~ ~ [BBC News](#), 7/27/10**

**"All other federal agencies are audited annually ... and with rare exceptions, they pass every year. The Pentagon alone has never been audited, leaving roughly \$8.5 trillion in taxpayer dollars unaccounted for since 1996. The Pentagon has for years kept lousy books with impunity." ~ ~ [MSNBC/Reuters](#), 12/23/13 ([Reuters link](#))**

**"A GAO report found Defense inventory systems so lax that the U.S. Army lost track of 56 airplanes, 32 tanks, and 36 Javelin missile command launch-units. When military leaders were scrambling to find enough chemical and biological warfare suits to protect U.S. troops, the department was caught selling these suits as surplus on the Internet 'for pennies on the dollar.'" ~ ~ [San Francisco Chronicle](#), 5/18/03**

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One of the most stunning underreported stories in the media is the well-established fact that at the very least hundreds of billions of dollars (if not trillions) are missing from the accounts of the U.S. Department of Defense (DOD). Former Secretary of Defense Donald Rumsfeld himself admitted that \$2.3 trillion may be missing. **Why hasn't this astounding evidence of major government and military corruption been broadcast in headline news around the world? Why isn't anyone talking about it now?** Read a [highly revealing answer](#) to these questions by a top U.S. general.

As the media is failing so badly at getting this news out, excerpts from the few media articles and government documents which have reported the corruption over the years have been compiled below. Click on the links provided for verification. To understand how the media is failing at its job on this and other critically important stories, read the two-page summary by top journalists at [available here](#). You can help to change this vastly irresponsible behavior by informing your friends and colleagues and calling on all of our [media and elected representatives to address this critical problem](#). Together, we can and will build a brighter future.

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## **Has Our Government Spent \$21 Trillion Of Our Money Without Telling Us?**

**December 8, 2017, *Forbes***

<https://www.forbes.com/sites/kotlikoff/2017/12/08/has-our-government-spent-21...>

On July 26, 2016, the Office of the Inspector General (OIG) issued a report "Army General Fund Adjustments Not Adequately Documented or Supported". The report indicates that for fiscal year 2015 the Army failed to provide adequate support for \$6.5 trillion. **Given that the entire Army budget in fiscal year 2015 was \$120 billion, unsupported adjustments were 54 times the level of spending authorized by Congress.** An appendix to the July 2016 report shows \$2 trillion in changes to the Army General Fund balance sheet due to unsupported adjustments. On the asset side, there is \$794 billion increase in the Army's Fund Balance with the U.S. Treasury. There is also an increase of \$929 billion in the Army's Accounts Payable. What is the source of the additional \$794 billion in the Army's Fund Balance? The July 2016 report is not the only such report of unsubstantiated adjustments. Mark Skidmore and Catherine Austin Fitts, former Assistant Secretary of Housing and Urban Development, conducted a search of government websites and found similar reports dating back to 1998. **While the documents are incomplete, original government sources indicate \$21 trillion in unsupported adjustments have been reported for the Department of**

## **Defense and the Department of Housing and Urban Development for the years 1998-2015.**

[And why] after Mark Skidmore began inquiring about OIG-reported unsubstantiated adjustments, [was] the OIG's webpage, which documented, albeit in a highly incomplete manner, these unsupported "accounting adjustments," ... mysteriously taken down?

**Note:** Explore [this webpage](#) for a brief background to this astounding news. See also a [detailed analysis](#) of these missing trillions, which amount to \$65,000 per man, woman, and child in the US. And don't miss this [highly revealing interview](#) with Prof. Mark Skidmore of Michigan State with even more startling news.

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## **The War On Waste**

**January 29, 2002, CBS News**

<http://www.cbsnews.com/stories/2002/01/29/eveningnews/main325985.shtml>

On Sept. 10 [2001], Secretary of Defense Donald Rumsfeld declared war. Not on foreign terrorists, "the adversary's closer to home. It's the Pentagon bureaucracy." He said money wasted by the military poses a serious threat. Rumsfeld promised change but the next day <sup>a</sup> Sept. 11 <sup>a</sup> 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 ... 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 <sup>3</sup> that's \$8,000 for every man, woman and child in America.** A former Marine turned whistle-blower is risking his job by speaking out ... about the millions he noticed were missing from one defense agency's balance sheets. Jim Minnery, Defense Finance and Accounting Service ... 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. 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. The Pentagon's Inspector General "partially substantiated" several of Minnery's allegations.

**Note:** To see the three-minute CBS video clip of this shocking admission, [click here](#). For another key four-minute clip, [click here](#). To read Rumsfeld's speech admitting \$2.3 trillion missing on the U.S. Department of Defense website, [click here](#). Even though this news was originally not reported because of the trauma of 9/11, why wasn't it broadcast loudly once it finally was reported? Why isn't this making media headlines now?

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## **U.S. Army fudged its accounts by trillions of dollars, auditor finds**

**August 19, 2016, CNBC/Reuters**

<http://www.cnbc.com/2016/08/19/reuters-america-us-army-fudged-its-accounts...>

The United States Army's finances are so jumbled it had to make trillions of dollars of improper accounting adjustments to create an illusion that its books are balanced. **The Defense Department's Inspector General ... said the Army made \$2.8 trillion in wrongful adjustments to accounting entries in one quarter alone in 2015, and \$6.5 trillion for the year.** The amounts dwarf the Defense Department's entire budget. The "forced" adjustments rendered the statements useless because "DoD and Army managers could not rely on the data in their accounting systems when making management and resource decisions." **[This] is the latest example of the severe accounting problems plaguing the Defense Department for decades.** As a result, there has been no way to know how the Defense Department <sup>3</sup> far and away the biggest chunk of Congress' annual budget <sup>3</sup> spends the public's money. "Where is the money going? Nobody knows," said Franklin Spinney, a retired military analyst for the Pentagon. For years, the Inspector General - the

Defense Department's official auditor - has inserted a disclaimer on all military annual reports. The accounting is so unreliable that "the basic financial statements may have undetected misstatements that are both material and pervasive." DFAS [Defense Finance and Accounting Services] also could not make accurate year-end Army financial statements because more than 16,000 financial data files had vanished from its computer system.

**Note:** \$6.5 trillion is the equivalent of \$20,000 for every citizen of the US. If any business or other branch of government had balance sheets like this, it would be all over the news with people demanding reform. Why does the military get away with this year after year? See the actual [Department of Defense report](#) for more.

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### US 'fails to account' for Iraq reconstruction billions

July 27, 2010, CBS News

<http://www.bbc.co.uk/news/world-south-asia-10774002>

A US federal watchdog has criticised the US military for failing to account properly for billions of dollars it received to help rebuild Iraq. **The Special Inspector General for Iraq Reconstruction says the US Department of Defence is unable to account properly for 96% of the money. Out of just over \$9bn, \$8.7bn is unaccounted for, the inspector says. Much of the money came from the sale of Iraqi oil and gas,** and some frozen Saddam Hussein-era assets were also sold off. The money was in a special fund administered by the US Department of Defense, the Development Fund for Iraq (DFI), and was earmarked for reconstruction projects. But the report says that a lack of proper accounting and poor oversight makes it impossible to say exactly what happened to most of it. "The breakdown in controls left the funds vulnerable to inappropriate uses and undetected loss," the report said. This is not the first time that allegations of missing billions have surfaced in relation to the US-led invasion of Iraq and its aftermath. In 2005, the inspector general criticised the Coalition Provisional Authority, the US-led occupation administration, for its management of an \$8.8bn fund that belonged to the Iraqi government. A criminal investigation conducted led to the conviction of eight US officials on bribery, fraud and money-laundering charges.

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### Why the Pentagon's accounting fixes end up broken

December 23, 2013, CNBC/Reuters

<http://www.cnbc.com/id/101293095>

<http://www.reuters.com/investigates/pentagon/#article/part3>

The Defense Department has launched 20 or more projects to build modern business-management systems since the late 1990s. At least five were subsequently killed as complete failures after billions of dollars were spent on them. With each failure, a pattern emerges: **An off-the-shelf product with a proven track record in the private sector is chosen and then modified to the point where it doesn't work properly.** The Pentagon is unable to account for itself, and thus for roughly half of all congressionally approved annual federal spending. Interviews with scores of current and former defense officials, contractors and Pentagon watchers, as well as a review of dozens of reports by oversight agencies, show that the Pentagon is continually thwarted by a lack of accountability for failures ... and an incentive to spend. **All other federal agencies are audited annually ... and with rare exceptions, they pass every year. The Pentagon alone has never been audited, leaving roughly \$8.5 trillion in taxpayer dollars unaccounted for since 1996. The Pentagon has for years kept lousy books with impunity.** The 2009 law requiring the Defense Department to be audit-ready by 2017 provides for no penalties if it misses the deadline. From 1995 through 2002, Senator Charles Grassley pushed through an amendment to the annual defense appropriations bill requiring the Pentagon to account for its expenditures by following one seemingly simple procedure: match each payment to the expense it covered. The order was ignored,

and Grassley gave up. There is no doubt that bad bookkeeping conceals movements of money that in some instances are illegal. But because the Pentagon has never been audited, it is impossible to determine the frequency or extent of violations.

**Note:** This article sadly fails to state the obvious: Many military officers illegally rake in tons of money with false contracts which benefit those officers and contracting companies. They obviously don't want their accounts to be properly audited. For a revealing essay by a top U.S. general exposing major war manipulations, [click here](#).

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### **Behind the Pentagon's doctored ledgers, a running tally of epic waste**

**November 18, 2013, CNBC/Reuters**

<http://www.cnbc.com/id/101206230>

Linda Woodford spent the last 15 years of her career inserting phony numbers in the U.S. Department of Defense's accounts. Woodford and her fellow [accountants] set about preparing monthly reports to square the Navy's books with the U.S. Treasury's. And every month ... numbers were missing. Numbers were clearly wrong. **Woodford and her colleagues were told by superiors to ... enter false numbers, commonly called "plugs," to make the Navy's totals match the Treasury's. Fudging the accounts with false entries is standard operating procedure. Former military service officials say record-keeping at the operational level throughout the services is rife with made-up numbers to cover lost or missing information.** Plugs also are symptomatic of one very large problem: the Pentagon's chronic failure to keep track of its money — how much it has, how much it pays out and how much is wasted or stolen. The Defense Department's 2012 budget totaled \$565.8 billion, more than the annual defense budgets of the 10 next largest military spenders combined, including Russia and China. How much of that money is spent as intended is impossible to determine. The Pentagon is largely incapable of keeping track of its vast stores of weapons, ammunition and other supplies. It has amassed a backlog of more than half a trillion dollars in unaudited contracts with outside vendors. [It] also has systematically ignored warnings about its accounting practices. The Pentagon is the only federal agency that has not complied with a law that requires annual audits of all government departments. That means that the \$8.5 trillion in taxpayer money doled out by Congress to the Pentagon since 1996 ... has never been accounted for. That sum exceeds the value of China's economic output last year. A single [military accounting] office in Columbus, Ohio, made at least \$1.59 trillion - yes, trillion - in errors, including \$538 billion in plugs.

**Note:** For more on military corruption, see the deeply revealing reports from reliable major media sources [available here](#).

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### **Defense Department drops \$100M on unused airline tickets**

**June 9, 2004, USA Today/New York Times/Associated Press**

[http://www.usatoday.com/travel/news/2004-06-09-pentagon-flights\\_x.htm](http://www.usatoday.com/travel/news/2004-06-09-pentagon-flights_x.htm)

The Defense Department spent an estimated \$100 million for airline tickets that were not used over a six-year period and failed to seek refunds even though the tickets were reimbursable. The GAO estimated that between 1997 and 2003, the Defense Department bought at least \$100 million in tickets that were not used or used only partially by a passenger who did not complete all legs of a flight. The waste went undetected because the department relied on individuals to report the unused tickets. They did not do so. **"The millions of dollars wasted on unused airline tickets provides another example of why DOD financial management is one of our high-risk areas, with DOD highly vulnerable to fraud, waste and abuse," the GAO said.** Two of the three lawmakers who asked for the study were Republicans, and both were highly critical of the Pentagon's lack of

financial control. Sen. Charles Grassley, R-Iowa, said, "It's outrageous that the Defense Department would be sending additional federal tax dollars to the airlines by way of unused passenger tickets." While one GAO report focused on the unused tickets, the second investigation found potential fraud. It said the department paid travelers for tickets the department already bought and reimbursed employees for tickets that had not been authorized. It is a crime for a government employee knowingly to request reimbursement for goods and services he or she did not buy. To demonstrate how easy it was to have the Pentagon pay for airline travel, the investigators posed as Defense employees, had the department generate a ticket and showed up at the ticket counter to pick up a boarding pass.

**Note:** Isn't it interesting how both the [New York Times](#) and the [Washington Post](#) omitted the above statement in bold from their reports of this Associated Press article?

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### **Military waste under fire: \$1 trillion missing**

**May 18, 2003, *San Francisco Chronicle*** (San Francisco's leading newspaper)

<http://www.sfgate.com/cgi-bin/article.cgi?file=/c/a/2003/05/18/MN251738.DTL>

The Department of Defense, already infamous for spending \$640 for a toilet seat ... couldn't account for more than a trillion dollars in financial transactions, not to mention dozens of tanks, missiles and planes. The nonpartisan General Accounting Office has raised the volume of its perennial complaints about the financial woes at Defense, which recently failed its seventh audit in as many years. "Overhauling DOD's financial management operations represent a challenge that goes far beyond financial accounting," GAO chief David Walker told lawmakers. Recent government reports suggest the Pentagon's money management woes have reached astronomical proportions. A GAO report found Defense inventory systems so lax that the U.S. Army lost track of 56 airplanes, 32 tanks, and 36 Javelin missile command launch-units. When military leaders were scrambling to find enough chemical and biological warfare suits to protect U.S. troops, the department was caught selling these suits as surplus on the Internet "for pennies on the dollar," a GAO official said. "We are overhauling our financial management system," said Dov Zakheim, the Pentagon's chief financial officer. "The Pentagon has failed to address financial problems that dwarf those of Enron," said Rep. Henry Waxman, D-Los Angeles. Gregory Kutz, director of GAO's financial management division [said] **"I've been to Wal-Mart. They were able to tell me how many tubes of toothpaste were in Fairfax, Va. And DOD can't find its chem-bio suits."** Opposition to defense spending is portrayed as unpatriotic. Legislators are often more concerned about winning Pentagon pork than controlling defense waste.

**Note:** For an intriguing Online Journal article exposing possible deep corruption on the part of the Pentagon's former CFO (Chief Financial Officer) Dov Zakheim, [click here](#). And for a couple striking examples of major corruption not adequately covered by the media from highly respected sources, see [this link](#).

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**In Conclusion:** Why didn't the above reports become major headline news? Why isn't anyone seriously investigating these continually unresolved issues and reporting to the public that the most powerful country in the world can't track its own finances? For an answer to these questions by award-winning journalists, see [this excellent webpage](#). And for the deeper reasons behind these issues, a top U.S. general's revealing explanation is [available here](#).