

6.5 Trillion Reasons Why The Pentagon Needs To Get Its Act Together Before It Asks Taxpayers For More Money

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The United States is a military and financial superpower and defending her is serious business that is also necessarily expensive. But before lawmakers can look taxpayers in the eye and ask them for more money – like Sen. John McCain, R-Ariz., just did – the Pentagon and the Army need to figure out how to keep their books. In fact, there are 6.5 *trillion* reasons why that needs to happen first before one more dime is added to the defense budget.

As reported by *AMI Newswire*, the United States Army cannot adequately account for \$6.5 trillion in adjustments made to its year-end 2015 financial statements, according to a Department of Defense's Inspector General's report released July 26.

The inspector general says the adjustments, made through “journal vouchers,” lacked essential documentation, or were inaccurate or incomplete.

The result, the report says, is that Defense Department and army managers “could not rely on the data in their accounting systems when making management and resource decisions”

The inspector general warned that until the army and the Defense Finance Accounting Service (DFAS) got control over their accounting problems, “there is considerable risk that [Army General Fund] financial statements will be materially misstated and the Army will not achieve audit readiness by the congressionally mandated deadline of September 30, 2017.”

Nothing in the inspector general's report says the trillions of dollars in question were lost or stolen.

Instead, the report illustrates a decades-long problem with military accounting practices that make keeping track of how and why the Pentagon spends taxpayer dollars so difficult.

Mandy Smithberger, director of the Straus Military Reform Project at the Center for Defense Information (CDI), told *AMI Newswire* the problems with military accounting are “enduring.”

One of the biggest, Smithberger said, is complexity.

The “initial gathering of this information is so decentralized by offices with varying documentation quality that DFAS accountants do end up scrambling at the last minute to

document what they can and allow the remaining ‘mystery’ numbers to stay in so that they can meet their deadline,” she said.

“As far as the quantity goes,” Smithberger added, “it is gobsmacking.”

The Cato Institute’s Benjamin Friedman, a research fellow in defense and homeland security studies, told AMI Newswire that while the dollar amounts in the report are staggering, they aren’t the real problem.

“Being audit-ready is a mostly symbolic issue for people worried about Pentagon waste,” Friedman said.

“But there are more important and pressing issues with the Defense budget than having audit-ready financial statements we have to address” he added, saying the real issue is a persistent lack of fiscal discipline and budgetary honesty within both Congress, which appropriates the money, and the DOD, which spends it.

He’s exactly right. What’s more, the lack of accountability here is, frankly, criminal.

Most Americans would agree that defending our country is a priority that should never be taken lightly. But at the same time it is imminently appropriate for taxpayers to *demand* that the Defense Department and its various armed services get their act together when it comes to fully accounting for how they are spending hundreds of billions of dollars a year before asking us to cough up more money.