

Report Accuses Pentagon of Running Multi-Billion Dollar Slush Fund for Military Operations

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Global Research, May 23, 2017

[World Socialist Web Site](#) 22 May 2017

Region: [Middle East & North Africa, USA](#)

Theme: [Militarization and WMD](#), [Terrorism](#),
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A report in Sunday's edition of the Washington Post accuses the Pentagon of operating a multi-billion dollar slush fund which it has accrued over the past seven years by overcharging the armed forces for the cost of fuel purchases. The \$5.9 billion it has built up since 2010 has been used to fund military operations in Syria and Afghanistan, effectively avoiding any of the budgetary oversight requirements necessary to obtain additional funding from Congress.

The most significant expenditures from the fund identified by the *Post* were a total of \$1.4 billion used in 2016 to maintain the United States' brutal occupation of Afghanistan and the use of \$80 million to train Islamist militias in Syria in 2015 with the aim of toppling the government of Bashar al-Assad in Damascus.

The explosion in spending on the Afghan war illustrates the deepening crisis of the more than 15-year-old US occupation of the impoverished, war-torn country.



Billions of dollars have been spent on waging a ruthless counter-insurgency war against the resistance of the local population to the US presence, led by the Islamist Taliban. This has included the expenditure of vast sums of money to establish and prop up a corrupt puppet regime in Kabul, which is struggling to exercise authority over more than a few major cities, is deeply reviled by wide sections of the population, and is losing ground to the Taliban. Just last month, Taliban fighters carried out their bloodiest attack on the Afghan army since 2001, killing upwards of 200 soldiers.

The \$80 million redirected by the Pentagon to Syria helped continue to fund a US training program to create a Sunni militia capable of fighting ISIS and ousting Assad. The program proved to be an unmitigated disaster, managing to train only 150 of the original target of 5,000 fighters. Most of these fighters were captured by al-Qaida or other groups when they were sent into Syria, or deserted.

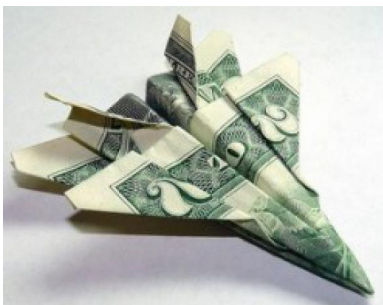
This setback only caused Washington to intervene even more aggressively, first by funneling aid through its Gulf allies and the CIA to Jihadi proxy forces to wage war in Syria, and later by bolstering the presence of US ground forces. Under President Trump, the number of US ground forces in Syria has more than doubled and he has relaxed restrictions on airstrikes, leading to a dramatic spike in civilian casualties.

The sharpest criticism of the Pentagon's slush fund came from Navy officials, who described the surplus built up by the Pentagon as a "bishop's fund."

The *Post* noted that the Defense Logistics Agency, the body responsible for selling fuel, sets a fixed price which is often substantially higher than the commercial rate and is intended to remain in place for a year. Before 2009, no major discrepancies arose, but from 2010 onwards, the DLA began setting prices at levels sometimes \$1 per barrel above the commercial rate.

A review of Pentagon purchasing data found that the branches of the armed forces had been charged \$23 billion more for fuel between 2010 and 2016 than commercial airlines would have paid.

While Pentagon officials acknowledged that around three-quarters of this covered additional costs, such as specialized fuel requirements and overheads, this still left a \$5.9 billion surplus. The only time Congress appears to have directly intervened was in 2015, when it requested the Pentagon to return \$1 billion to reflect reduced fuel prices.



The Defense Department's use of such a fund to meet the costs of military operations is only the latest example of the increasing ability of the military-intelligence apparatus to act outside of any accountability to Congress. Despite the US gargantuan defense budget, which dwarfs those of all of its nearest competitors, the Pentagon has over recent years taken advantage of accounting methods to allocate tens of billions more in funding to military operations beyond the funds approved by Congress.

Under the Obama administration, Democrats and Republicans included a so-called parity regulation as part of their 2011 budget deal which stipulated that any increase in defense spending had to be accompanied by a corresponding rise in domestic budgets. To avoid this requirement, the Pentagon increasingly relied on Overseas Contingency Operations (OCO) funding, which is designed to cover the costs of foreign wars. Reports suggest that the Pentagon now uses \$30 billion of OCO annually to supplement its base budget.

Such developments could only take place under conditions where there is a bipartisan consensus to retain the US military as a force capable of waging war around the globe. Both the Democrats and Republicans, speaking on behalf of the super-rich oligarchy in the United States, are fully committed to the increasing resort to military violence in a desperate bid to offset Washington's economic decline and retain its hegemonic position against its geopolitical rivals in every region of the world. Under conditions in which Washington has

been waging virtually uninterrupted war for a quarter-century, the maintenance of even a semblance of democratic control over the military's operations is increasingly impossible.

President Obama initiated the US intervention in Syria, expanded the US presence in Iraq and Afghanistan, launched air and drone strikes on at least eight countries across the Middle East and North Africa, and facilitated the bloody Saudi onslaught on Yemen, where tens of thousands of civilians have died.

In a revealing finding that shows how routine the waging of war has become for the US military, the Government Accountability Office (GAO) reported that the Pentagon's accounting systems do not recognize a difference between wartime operations and routine expenditure, which was traditionally covered by the base defense budget.

The GAO wrote that the Defense Department internally reallocated \$146 billion in operations and maintenance (O&M) funding between 2009 and 2015, but added,

"[T]he effects of such realignments on base obligations were not readily apparent because DOD did not report its O&M base obligations to Congress separately from its O&M overseas contingency operations (OCO) obligations used to support war-related programs and activities."

Even greater sums of money are to be allocated to the military under Trump's budget proposal, to which the Democrats have offered virtually no opposition, of an annual defense spending increase of \$54 billion, equivalent to almost 10 percent of the existing budget. Such additional funds will pay for the escalation of the conflict in the Middle East, where the US is seeking to maintain its dominance over one of the most energy-rich regions of the



world against its chief rivals, Russia and China.

On Friday, Defense Secretary James Mattis put forward a plan for the waging of war by the US across a region stretching from Central Asia to West Africa.

Presented as a fight against Jihadi "terrorism," it is in reality only one step in the global military strategy of US imperialism, which carries the increasing risk of triggering a catastrophic world war between the major powers.

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