

# The Case of the Missing Military-Industrial-Complex Money

By [James Hall](#)

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Region: [USA](#)

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When Major General Smedley Butler made his case, "[War is a Racket](#)" he did not pull any punches...

*"The normal profits of a business concern in the United States are six, eight, ten, and sometimes twelve percent. But war-time profits – ah! That is another matter – twenty, sixty, one hundred, three hundred, and even eighteen hundred per cent – the sky is the limit. All that traffic will bear. Uncle Sam has the money. Let's get it."*

The business of military procurement has multiplied since his fateful revelations.

Not satisfied with fair profits or feasible competition, the practices of the defense corporatists illustrate one aspect of waste, graft and systemic bribery. William D. Hartung describes the consolidation and expanse of a select group of companies in the paper, [The Military-Industrial Complex Revisited: Shifting Patterns of Military Contracting in the Post-9/11 Period](#)

"Many of the same companies that benefited from increased Pentagon and war spending were top contractors for other security related agencies. For example, Lockheed Martin was not only the top contractor for the Pentagon, but it also ranked number one at the Department of Energy; number eight at the Department of Homeland Security (Boeing was number one); number two at the State Department; and number three at the National Aeronautics and Space Administration (NASA). Contracts let by these agencies were only a fraction of the levels awarded by the Pentagon, but they were significant nonetheless. For example, the Department of Homeland Security issued \$13.4 billion in contracts in FY2008, NASA \$15.9 billion, the State Department \$5.5 billion, and the Department of Energy \$24.6 billion."



**DONALD RUMSFELD:** On Sept 10, 2001, he admitted, 'There is a \$2 trillion hole in the Pentagon's accounting'.

This dramatic growth in budgets is even more significant, when viewed in the context of world expenditures of other countries. Leaving aside the relative merits of the dangers and risk of external threats, the gigantic enterprise of fostering the biggest military apparatus in history has made select factions rich at the expense of the many.

Jonathan Turley in [Pentagon Plugs](#): New Study Finds Pentagon Has Hidden Trillions In Missing Money And Equipment, references an example on how the overall avoidance of

financial accountability, outright fraud and intentional concealment operates.

“A new report has detailed how the military has cooked the books to hide trillions, that’s right trillions, in missing money and equipment. The military calls them “plugs,” a curious term for fraud. These are knowingly fake figures used to hide the fact that there is no accurate record of the money.

The plugs are generally the work of the office of the Defense Finance and Accounting Service, the Pentagon’s main accounting agency. Required to complete an audit, the staff simply faked the numbers.”

Reuter’s reports on a [Special Report](#): The Pentagon’s doctored ledgers conceal epic waste.

“Over the past 10 years, the Defense Department has signed contracts for the provision of more than \$3 trillion in goods and services. How much of that money is wasted in overpayments to contractors, or was never spent and never remitted to the Treasury, is a mystery. That’s because of a massive backlog of “closeouts” – audits meant to ensure that a contract was fulfilled and the money ended up in the right place.”

Now trillions are sums that are unimaginable The Department of the Treasury acknowledges that U.S. gold reserves (if you believe their figures) total \$11,041,059,958.16 as of their [Current Report](#): January 31, 2014.

An eleven billion dollars equivalent is a mere drop in the bucket to the monies allocated to the military and homeland security. Taxpayers are regularly deceived about the costs. Congress is kept in the dark about black programs. And the war racket keeps funneling and siphoning off unknown sums to accounts that only a super computer can track.

*Corporatocracy: How the Corporate Welfare State Divides and Conquers* is a video by journalist James Corbett (below) that provides an insightful analysis which establishes a surreal account how the oligarchy operates. The financial shenanigans of corporatists contribute to the interlocking directorates, which run the money pit that keeps the empire operating.

A rational reform of a depraved money laundering arrangement is impossible without a fundamental repudiation of the internationalist foreign policy doctrines that permeates the State Department. Funding advance technological warfare platforms that are unheard of to even congressional oversight is profoundly unconstitutional.

When such practices become routine, the economic incentives breed crooked abuses. The obligations for responsible public policy are methodically destroyed, when transparency is eliminated.

The Washington Blog provides several useful sources that document the extent of the problem in [“\\$8.5 TRILLION In Taxpayer Money Doled Out By Congress To The Pentagon Since 1996 ... Has NEVER Been Accounted For”](#) and sums up with a bleak assessment.

“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, the first year it was supposed to be audited, has never been accounted for. That sum exceeds the value of China’s economic output last year.”

Evidently, the elites that benefit from bilking appropriations and the board members that steer the defense contractors want the con to continue. For all the money directed towards maintaining the war machine, our actual security become less secure.

Banks laundry ill-gotten gain, as prevailing practice, in the normal course of business because the arm merchants are protected players in the trade. The reprehensible circle that the dogs of war unleash the cash flow from their illicit drug sales, through arms sales, allows for the smooth transfer of hidden blood money into number accounts.

Such an organized system of mutual payoffs greases the ever growing industry of fear and destruction. All the missing money is buried in the unknown cashes of subterranean tyranny. Creating false flag threats allows for imaginary scourges to be new enemies. Protection from such manufactured foes is the real business of the military-industrial-complex.

So, when more details surface about the lost and unaccounted military funding money, it is just part of the price of keeping you safe.

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Articles by: [James Hall](#)

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