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Oh, no - Pentagon loses \$2.3 trillion

By Uri Dowbenko, *Online Journal* Contributing Writer

February 17, 2002 -- The Pentagon is still the home of the highest grossing fraud on Planet Earth -- fraud so lucrative that even the September 11 Incident would not disturb the insider-criminals.

According to a CBS News story, the US Department of Defense cannot account for \$2.3 trillion of taxpayer money (see <http://www.cbsnews.com/stories/2002/01/29/eveningnews/printable325985.shtml>).

On September 10, 2001, Secretary of Defense Donald Rumsfeld promised change, but the next day the World Trade Center was destroyed. Shortly thereafter, the new phony war on terrorism was inaugurated. It was another great reason for more military fraud, which would exceed all previous projections and expectations. Rumsfeld's promises of "reform" were quickly forgotten.

Today, despite the fact that Congress has not declared war against any enemy, Bush Administration rhetoric has produced a new "war on terrorism," which has gobbled up more than \$1 billion to date. In fact, it could be said that the September 11 Incident was like the proverbial manna from heaven for beleaguered defense contractors.

George W. Bush has promoted this new war fraud by asking Congress for a fresh \$48 billion in new "defense" spending. And in the Pentagon, large-scale military fraud continues apace.

Rumsfeld himself has said that "according to some estimates, we cannot track \$2.3 trillion in transactions." This amount of \$2.3 trillion amounts to \$8,000 for every man, woman and child in America.

Instead of blaming Pentagon accountants, however, the American people should understand that privately held firms, which have federal contracts for so-called accounting and computer systems (which coincidentally never seem to work) are the real culprits. The liability for government fraud begins and ends with these private contractors. These "Beltway Bandits" with insider government connections are the most blatant unindicted white-collar criminals to date.

Public money is most likely siphoned out through companies like DynCorp, AMS, and Lockheed Martin, which control the bookkeeping for federal agencies, where fraud is rampant, unchecked and very lucrative for corporate and government insiders.

The fraud is so egregious, in fact, that the sovereignty of the nation itself can be questioned when bogus accounting systems can mask the revenue streams and expenditures of federal agencies to such an extent.

Government? What government? Like parasites which have overwhelmed the host, corrupt private contractors who control federal accounting and computer systems (as well as their bureaucratic cohorts in crime) have decimated US Government agencies into a state resembling bankruptcy.

The usual suspects are a literal handful of federal contracting firms with lucrative insider deals that have become outrageously brazen in their schemes of fraud.

The amount of taxpayer monies they have stolen is mind-boggling.

Consider these facts:

1. The Department of Defense (DoD) "lost" \$1.1 trillion in Fiscal Year 2000 and \$2.3 trillion in Fiscal Year 1999.
2. The racketeers in the Pentagon refuse to publish audited financial statements, yet are asking for more taxpayer money to fund fraudulent missile systems and other sweetheart deals for their pals in the infamous Military-Industrial-Medical Complex.
3. The Department of Housing and Urban Development (HUD) "lost" \$59 billion in Fiscal Year 1999 and refuses to disclose what it "lost" in Fiscal Year 2000.
4. The Internal Revenue Service (IRS) has arranged contract kickbacks to its commissioner Charles O. Rossotti through so-called "ethical waivers" on his stock held in American Management Services (AMS), a federal contracting firm he founded and which currently holds contracts with many federal agencies including the IRS.
5. Former Pentagon insider Herbert S. "Pug" Winokur is a kingpin in failed energy giant Enron (he's on the board of directors), as well as Harvard University, whose Highfields Capital shorted Enron stock while it was a major shareholder, as well as the notorious DynCorp, which rakes in asset forfeiture funds in the US, has lucrative mercenary contracts in Colombia in the bogus War on Drugs, and whose other mercenary personnel are alleged to participate in the prostitution of teenage girls as part of its "peacekeeping" mission in Bosnia.

Yikes. So what are we going to do?

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