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OVERSIGHT

## The Navy Wants to Throw Its Internal Auditor Overboard

And it's planning a shipbuilding spending spree

BY JASON PALADINO

The Navy is about to embark on one of the largest and riskiest spending sprees in its history. It's also gutting the office responsible for mitigating that risk, queueing up a 70% budget cut for its internal auditor amid agency-wide cuts to help pay for the Navy's massive shipbuilding plan.

Records obtained by the Project On Government Oversight (POGO), as well as accounts from current and former

Naval Audit Service employees, show the Navy is already starting to push sizeable cuts to the office and its workforce even though Congress hasn't yet approved them—and the cuts could make it impossible for the audit service to do its job.

POGO has also learned that the Navy is considering shutting down its audit service entirely, and that leadership recently told the office not to start new audits.

The Trump appointee pushing the cuts, who formerly performed the

duties of Department of Defense comptroller, had previously looked at making drastic budget cuts to the Army and Air Force auditors, according to internal documents POGO obtained.

The Naval Audit Service, like its counterparts in the Air Force and Army, is tasked with independently assessing the agency's operations, finding and reducing risk, and advising the secretary of the Navy of better ways to save and spend money. In the past five years, the audit service, which has an average budget of about \$45 million,

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found nearly \$70 million in potential fraud and assisted law enforcement in 43 cases, according to the Naval Audit Service's annual report.

The cuts—which would represent the largest downsizing in the audit service's nearly 70-year history—are concerning to experts in Pentagon oversight and accounting.

"This is really unprecedented at the level it's being proposed. I've been around or watching defense for 50 years, and I know of no parallel," said Richard Chambers, who served for decades in Pentagon oversight roles, including as the Army's director of internal review. "When you cut those resources, that's when fraud, waste, misuse, and mismanagement becomes rampant. There is a deterrent effect of a strong audit. You keep them because they keep you out of trouble and they pay their way."

It appears the audit service does indeed pay for itself. According to its most recent annual report, in the past five years the audit service's reports have led to \$2.3 billion in potential sav-

In a September 2020 letter obtained by POGO, the head of the Naval Audit Service, Auditor General Debra Pettitt, pleaded with Navy leadership to reconsider the massive cut.

"The budget cut to the Naval Audit Service will destroy the Naval Audit Service's ability to fulfill its mission," she wrote.

The cuts, first reported earlier this year by the Navy Times, are a project of acting Secretary of the Navy Thomas Harker, two Navy officials who feared retaliation if named told POGO. Harker had been appointed Navy comptroller by then-President Donald Trump and later performed the duties of comptroller of the Department of Defense.

The plan to shrink the audit service's budget comes as part of the "Stem-to-Stern Review," an effort to cut "low priority, redundant, or legacy capabilities" across the Navy to generate \$40 billion to be used toward the goal of a 355-plus-ship Navy by 2030. The Navy-wide cost-cutting initiative was spearheaded by then-acting Secretary of the Navy Thomas

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RICHARD CHAMBERS, who served for decades in Pentagon oversight roles, including as the Army's Director of Internal Review

ings for the Navy. In 2018, an audit service report led to the Marine Corps saving \$1.9 billion by avoiding an unnecessary purchase of "war reserve materiel," ammunition and other equipment strategically placed in case of war. Over the past five years, the audit service says it found savings worth over 1.5 times its operating costs.

Modly. After his well-publicized resignation, his three successors have continued his efforts.

In an internal memo last October, the auditor general warned her staff that there was an effort by senior Navy officials to propose legislation to completely disband the audit service.

Harker did not respond to a detailed

list of questions from POGO about the rationale for the drastic cuts, and a Navy spokesperson “would not comment on future budgetary decisions until the budget request is submitted to Congress later this year.”

### THE FLOOD GATES WILL BE OPEN

An internal Navy video provided to POGO reveals, in stark terms, Harker’s reasoning for the planned cuts, and the Navy’s awareness of their potential effects. In a virtual meeting for the secretary of the Navy’s office earlier this year, Harker was asked about the cuts. He explained that “we can accept risk by decreasing some of the level of support that was provided by the Naval Audit Service, and that there’s a higher priority for us to invest in building additional ships.”

Dov Zakheim, who served as then-President George W. Bush’s Pentagon comptroller, sees the cuts as misguided. “It’s in the Navy’s interest to demonstrate that it is in control of costs, which of course, having an audit capability helps them to do,” he said. “But by cutting back on the auditors it certainly doesn’t look like it’s controlling costs. I doubt it is the uniformed Navy that’s pushing this.”

The alleged savings from reducing the audit service’s budget, less than half the cost of each of the Navy’s F-35 aircraft, pale in comparison to the projected costs of the current shipbuilding plan. Reaching the 355-ship goal would be enormously expensive, and the plan carries the risk for explosive cost growth.

Navy officials testifying on the fiscal year 2021 budget submission estimated that the current plan would cost between \$120 billion and \$130 billion over the next 10 years. But the total cost could be much greater if one or

more of the new ships ends up being more expensive than anticipated—something almost guaranteed to happen if history is any guide. The Congressional Budget Office estimated the shipbuilding effort’s total cost will be 31% higher than the Navy’s estimate, which would require a doubling of past Navy spending.

It is difficult to find a recent shipbuilding effort that was not massively over budget, poorly conceived, or years behind schedule.

The Navy’s new aircraft carrier, expected to be delivered in 2014,

*The alleged savings from reducing the audit service’s budget, less than half the cost of each of the Navy’s F-35 aircraft, pale in comparison to the projected costs of the current shipbuilding plan.*

is still not finished and was nearly 25% over budget, at \$12.9 billion as of 2017. The Littoral Combat Ship, designed to be fast, light, and to fight in contested waters, is widely considered a failure, after numerous breakdowns, a sticker price that skyrocketed from \$220 million to \$940 million per ship, and a flawed multi-mission modules concept that was shelved after costing taxpayers \$7.6 billion.

“Navy ships cost billions more and take years longer to build than planned while often falling short of quality and performance expectations,” a Government Accountability Office report on the topic concluded. The report found that shipbuilding, especially when building multiple ships, comes with a significant amount of risk.

The audit service is one tool the Navy’s leadership can use to navigate and address this same risk.

In a recent letter to Secretary of

Defense Lloyd Austin, Chambers, the former Pentagon oversight official, wrote: “History tells us that such ambitious construction agendas are ripe for fraud, waste, and abuse. The U.S. Naval Audit Service has a proven record of effectively identifying such waste.”

In the internal video of the all-hands meeting, Harker argued the Navy can accept increased risk, and that the Navy is sufficiently audited by the Pentagon’s inspector general offices and the Government Accountability Office. He pointed out that of the Cabinet-level agencies, the

Department of Defense is the only one with internal audit services for individual components.

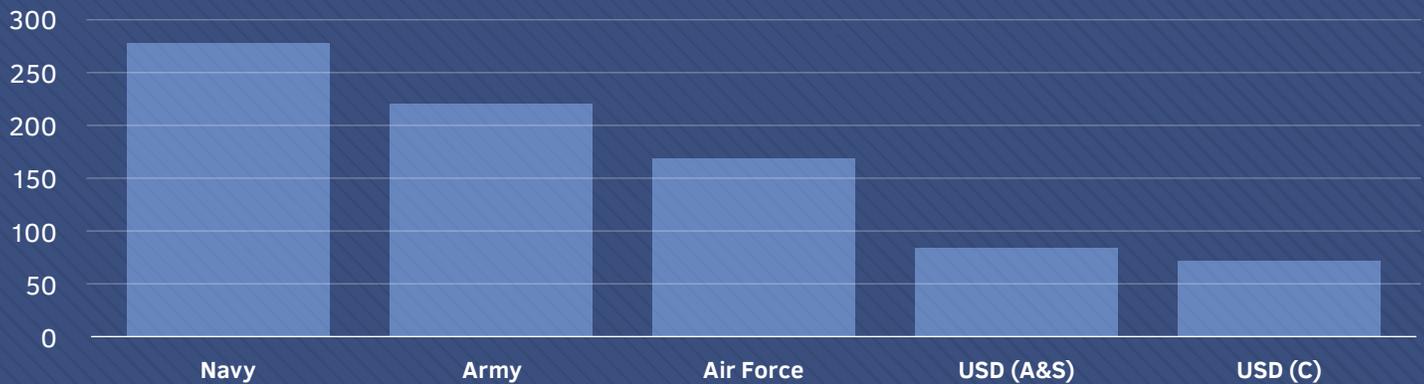
However, in her September 2020 letter to Navy leadership, auditor general Pettitt wrote, “Department of Defense Office of Inspector General officials have stated that they cannot absorb our oversight coverage,” and that “risks for fraud, waste and abuse within DON [Department of the Navy] programs will escalate exponentially.”

An audit service official told POGO that at minimal staffing levels, some crucial work would not happen, such as “sexual assault complaint reviews, shipyard time and attendance, requests from local commands ... to help them get compiled with Financial Improvements and Readiness guidance to get DON’s financial statements in order.”

At least one former Pentagon inspector general agrees. “Without a

## DEPARTMENT OF DEFENSE COMPONENTS WITH THE MOST OPEN RECOMMENDATIONS

*As of March 31, 2020*



SOURCE: POGO; Department of Defense Office of Inspector General data.

well-staffed and adequately resourced Naval Audit Service the flood gates will be open to abuses and misdeeds that will lower our Nation's security and undermine effectiveness," said Gordon Heddell, who served as the Defense Department's inspector general under then-President Barack Obama. "The intellectual and analytical factors that go into complicated acquisition decisions will be dramatically compromised and billions of dollars will be lost."

Without waiting for the approval of Congress or the Biden administration, the Navy has already taken actions to implement the cuts. Decisions to reduce accountability and weaken internal controls typically are not made without lawmakers' approval.

According to a senior audit service official who was not authorized to speak on the record, the Navy has ordered the service to shrink from its current 290 employees to 120 by this October, regardless of whether the cuts make it into the final budget. And in a move that alarmed Naval

Audit Service officials, Harker, in a verbal communication in February, instructed the auditor general "not to begin any new audits this year."

The proposed cuts to the Naval Audit Service apparently caught the attention of Representative Elaine Luria (D-VA), a former Navy commander. Luria represents the Virginia Beach area, which includes a regional office of the audit service. If the cuts go forward, the office in her district would likely shut down.

In a February letter to Navy leadership, Luria, who also sits on the House Armed Services Committee, asked for evidence of the analysis done as the basis for the cuts, and expressed concern that the cuts "come at a critical time when the Navy must focus on being an efficient steward of taxpayer dollars." In her letter she also expressed concern that the Navy did not notify Congress before ordering the downsizing.

Officials at the audit service expect the cuts will move forward unless "serious concern" is raised by Con-

gress, a permanent Navy secretary who opposes the cuts is appointed by President Joe Biden, or a direction from higher levels in the Pentagon is given to preserve the service.

According to the Government Accountability Office, if any branch of the military needs an increase in accountability, it is the Navy and Marine Corps. Last year, the Navy led the Department of Defense inspector general's ranking of components with the most "open recommendations," covering topics including contractor oversight, finance and accounting, and acquisition. Defense Department financial management has been on the Government Accountability Office's "High Risk List" for nearly three decades. Taken as a whole, this paints a picture of an organization in need of more, not less, oversight.

### **A SHOT ACROSS THE BOW FOR MILITARY'S INTERNAL AUDITORS**

Documents obtained by POGO reveal a desire to go beyond cutting the Navy's internal auditor. In 2019, a work order

signed by Harker, then the Pentagon’s comptroller, asked the Institute for Defense Analyses to “assess and analyze the potential of reducing or eliminating functions from the DoD and service audit agencies by 50–75 percent of their current resources to determine whether doing so would create significant gaps or deficiencies and provide an assessment of the cost savings versus the risk associated with any gaps.”

The ongoing \$775,000 study has been interpreted by auditors as a warning that cuts and even elimination are on the horizon. An official at the Department of Defense inspector general’s office, speaking on condition of anonymity, told POGO that there is no way their office could fill the accountability gap left by removing the service audit agencies, something implied in the work order for the study.

Heddell, the former Pentagon inspector general, confirmed this, noting that the inspector general’s office is complemented by the work of the service’s dedicated auditors.

Representatives from the Air Force Audit Agency and Army Audit Agency did not respond to requests for comment. The auditor general of the Naval Audit Service declined to comment.

Over the years, the Naval Audit Service has seen cuts that have shrunk

the organization from a workforce of over 500 in the 1980s, to 290 today. If the new round of cuts is approved, its ranks would be reduced to 85 in 2022.

“That would amount to barely one internal auditor per naval base and essentially end any effective assurance over the massive agency, whose budget was nearly \$206 billion in 2020,” Chambers wrote in his February letter to Secretary of Defense Austin.

By comparison, the Army Audit Agency has a workforce of over 500, responsible for auditing a budget of \$191 billion, and the Air Force Audit Agency has a workforce of nearly 640 responsible for a budget of \$205 billion.

Even if the 70% cuts to the audit service aren’t finalized, damage has already been done, according to auditors in various offices of the service.

POGO reviewed departure emails of staff looking for other jobs in an uncertain climate. Remaining employees fear deep institutional knowledge and expertise are being lost at the service as dozens abandon ship. According to one auditor, it can take over five years to fully train an employee of the service.

The Navy has faced many high-profile scandals in recent memory, some of which could potentially have been prevented by more robust internal audit capability.

The “Fat Leonard” scandal that came to light in 2013 revealed a web of corruption among uniformed Navy officials. Dozens of Navy officials pleaded guilty. The *Washington Post* called it “perhaps the worst national-security breach of its kind to hit the Navy since the end of the Cold War.” The scandal involved lucrative “ship husbanding” contracts—private companies resupplying Navy ships, removing waste, and other harborside tasks.

Leonard Glenn Francis, the head of a large Singaporean defense contractor, pleaded guilty to bribing dozens of Navy officials with prostitutes, large sums of cash, concert tickets, and fancy hotel stays. The officials pleaded guilty to giving preferential treatment to Francis’s company in exchange for bribes, including leaking him classified information on Navy ship schedules. Not including prosecution, the scandal has cost the Navy at least \$35 million in overbilled contracts, according to the Department of Justice.

Naval Audit Service officials pointed to the case as an example of the type of fraud that a strong audit service may have spotted and even prevented. The Naval Criminal Investigative Service, which relies on the audit service for forensic accounting

**\$207**

**B I L L I O N**

**Navy and Marine Corps  
Budget (FY 2021)**

290 Naval Audit  
Service Personnel

**\$178**

**B I L L I O N**

**Army Budget  
(FY 2021)**

500 Army Audit  
Agency Personnel

**\$169**

**B I L L I O N**

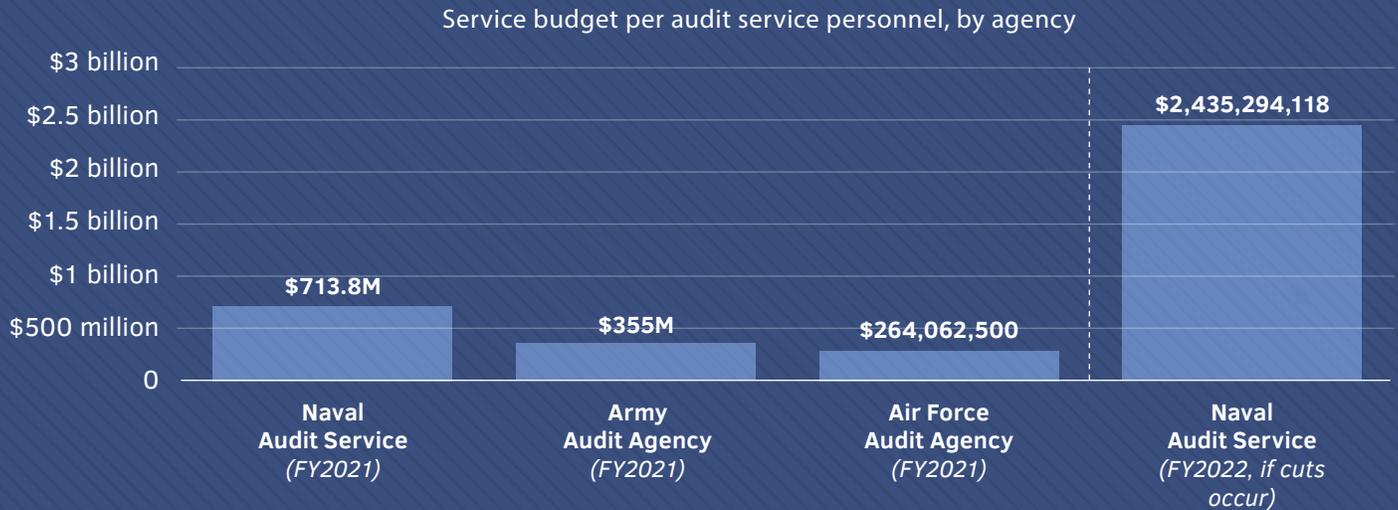
**Air Force Budget  
(FY 2021)**

640 Air Force Audit  
Agency Personnel

*In the print issue of the Defense Monitor, this chart designated service agency budgets as the audit agency budgets. CDI regrets the error, which has since been corrected in this version.*

## GUTTING THE NAVY'S INTERNAL AUDITING SERVICE

Proposed cuts to the Naval Audit Service would drastically cut personnel. Relative to the other service audit agencies, each Navy auditor would be responsible for a much greater share of the budget.



SOURCE: POGO; Department of Defense data. FY2022 proposed cuts are calculated at the FY2021 Navy Budget level.

assistance, told the *Washington Post* that the “biggest factor” that led to the fraud was a reduced emphasis on preventing fraud and corruption after 9/11. In the years after the attacks, the Naval Criminal Investigative Service office that investigates financial crimes had been cut from 140 agents to just nine, according to a *Rolling Stone* report.

According to two current and one former Naval Audit Service officials, a minimally staffed operation would not be able to work on white-collar crime cases or assist the criminal investigative agencies in their prosecutions.

Even before the “Fat Leonard” scandal became public, the Naval Audit Service, in three reports, had warned the Navy of potential weaknesses in the internal controls related to husbanding and port services contracts. The audit service had issued

dozens of recommendations to Navy leadership and had found fraud and weak or nonexistent internal controls in the contracts.

From 2012 to 2013, auditors visited 239 ports to examine \$50.1 million worth of husbanding contracts, and found a system with minimal accountability, relying on self-reporting and an environment “vulnerable to misuse, fraud, waste, and abuse.” This type of access and boots-on-the-ground work sets the Naval Audit Service apart from other accountability organizations at the Pentagon.

As recently as March 2021, the audit service reported to Congress that “significant controls weaknesses with the Navy [Husbanding and Port Services] program remain.” The service made 25 recommendations to address those weaknesses to Navy leadership, according to a semiannual

report by Congress obtained by POGO.

Heddell, the former Pentagon inspector general, pointed out that since January 2017, there have been eight secretaries of the Navy, leading to a chaotic and disorganized Navy. “These facts alone should tell us that more, certainly not less, audit oversight is critically necessary to ensuring that our Navy and Marine Corps regain, and maintain, their world class footing.”

Without congressional action, the Naval Audit Service may not be long for this world, and its Army and Air Force counterparts could be next. ■

*This piece was first published in March 2021. The original and its sources can be found at [pogo.org/internal-auditor-overboard](https://pogo.org/internal-auditor-overboard)*

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# Joe Biden's Nuclear Triad

Looming choices on doomsday weapons

**B**elieve it or not, we're currently amid a triad of nuclear triads. How President Joe Biden juggles them will make clear if the atomic status quo continues on autopilot, as it has for 70 years, or if he's willing to put his hand on the tiller and lighten the nuclear shadow that most of us have lived under our entire lives.

The U.S. nuclear triad is a Cold War construct, consisting of three "legs"—bombers, submarines, and land-based intercontinental ballistic missiles (ICBM). It is capable of delivering nuclear weapons pretty much anywhere in the world at any time. Now there's a second triad consisting of the world's big-league nuclear players. Originally limited to the U.S. and the Soviet Union (now Russia), the Trump administration pushed hard to incorporate China into the superpower arms control club. But with only an estimated 320 warheads, compared to the 5,800 held by the U.S. and 6,375 held by Russia, China wasn't interested. Nonetheless, China's push for a more capable nuclear force makes it a major nuclear player.

Finally, there's Biden's nuclear triad, which consists of three major upcoming choices that could act as a brake on nuclear business-as-usual—or speed up the arms race among Washington, Moscow, and Beijing.

Unfortunately, the Pentagon's triad seems frozen in place. Its backers assert that each leg is vital to deter-

three legs of the nuclear triad simultaneously. It plans on spending up to \$140 billion for a new crop of ICBMs, nearly \$100 billion for B-21 bombers, and \$128 billion for new submarines. The cost of buying and operating these weapons: Nearly \$1.7 trillion through 2046, according to the independent Arms Control Association.

*The Pentagon plans on spending \$140 billion for a new crop of ICBMs, another \$100 billion for B-21 bombers, and \$128 billion for new submarines.*

rence. Scrapping any leg reduces deterrence, they say, and therefore makes nuclear war more likely. No. What makes the horror of nuclear war more likely are arsenals of nuclear weapons crammed into missiles and bombs, linked by good, but not perfect, command-and-control systems, operated by humans as fallible as you or me.

Unfortunately, the nation has treated its nuclear force the same way it has treated its infrastructure: Both are falling apart. So, after decades of kicking the warheads down the road, the Pentagon wants to rebuild all

Biden could take a step back from the abyss by scrapping one leg of the nuclear triad. There is consensus that the land-based ICBMs are the weakest leg of the triad, and one that can safely be lopped off. (Even former Defense Secretary William Perry says so.) But ICBM boosters, sensitive to that domestic threat, have launched a campaign to make sure that the 400 Minuteman III ICBMs now sprinkled across Montana, North Dakota, and Wyoming are replaced with 400 Ground Based Strategic Deterrent missiles. Northrop Grumman landed

a \$13.3 billion contract in September to begin developing the new ICBM. They are supposed to start replacing the 1970s-era LGM-30G Minuteman III ICBMs in 2029. That award has raised eyebrows among the too-many-eggs-in-one-basket crowd, seeing as Northrop is also building the new bomber leg of the triad and the solid-rocket motors that power the Navy's nuclear-tipped missiles.

The new ICBM's biggest supporters are those who build it and their Capitol Hill chorus. In fact, Northrop has assembled a nifty list of its backers, including the Senate ICBM Coalition. "You're going to get a lot of pressure ... to delay the Ground Based Strategic Deterrent and maybe even shrink it," Senator Kevin Cramer, a North Dakota Republican, told now-Secretary of Defense Lloyd Austin at his January 19 confirmation hearing. "Do you think we can extend the life of the Minutemen III even if that means unilaterally decreasing our nuclear deterrent?"

Austin was non-committal. "I really need to sit down," he responded, "and take a look at where we are in that modernization effort."

U.S. ICBM silos are sitting ducks for enemy attack. But that's their purpose: They serve as a "nuclear sponge" designed to force the enemy (Russia or China) to destroy them in the opening volley of a nuclear war. That would prevent their use against the attacking state (China or Russia). It also would force the attacking state (Russia or China) to waste precious warheads across the vast expanse of the American High Plains instead of raining them down on more critical military targets or on heavily populated cities. The ICBMs are also on high alert, ratcheting up the pressure to "use or lose them" if an alert

of incoming enemy missiles, false or otherwise, is detected.

This is the strange calculus of nuclear deterrence, which is rooted in a bizarre war game no one hopes ever plays out. Yes, it is as stupid as it sounds. And the U.S. public agrees. A recent poll by the Federation of American Scientists showed that most of

*There is a consensus that the land-based ICBMs are the weakest leg of the triad, and one that can safely be lopped off.*

those surveyed support alternatives to replacing the ICBMs: 30% supported upgrading the current ICBMs, 20% wanted to do away with the ICBMs entirely, and 10% called for the elimination of all nuclear weapons. Barely one in four, 26%, backed replacing the existing ICBMs with new missiles. Unfortunately, those who want to scale back the U.S. nuclear arsenal don't seem to care as much about the issue as those who have vested interests in it and are dedicated to seeing it continue.

The military-industrial-congressional-think-tank complex asserts that any decision not to replace the Minutemen would hurt U.S. nuclear deterrence (that's why "Deterrent" is in its name, although that's sure to be replaced with a friendlier official nickname before long). Like the boy who cried wolf, triad backers have been saying for decades that an enemy might be able to hunt down and destroy the U.S. Navy's "boomers," those mammoth subs that silently carry their nuclear weapons beneath the waves. Yet the subs remain hidden, and there is no threat to them on the horizon. And the bombers remain flexible. Unlike the ICBMs, they can be dispatched worldwide amid global

tensions—and recalled after launch.

That's why there's a growing realization that the triad is a relic that can safely be trimmed to a sub-and-bomber dyad. If that's deemed too radical, the existing Minuteman force can be upgraded. That's what has been done in the past and is currently being done now at one of the three

bases where the ICBMs stand alert. But the Pentagon is not interested. "You cannot extend the life of the Minuteman III," Admiral Charles Richard, the Pentagon's top nuclear warfighter, flatly said January 5.

All the more reason, then, to amputate this leg.

Although the fate of the ICBMs is center stage, there are two smaller recent nuclear decisions that Biden could reverse. In 2019, the Navy deployed a new low-yield nuclear warhead aboard its sub fleet (the USS Tennessee was the first submarine to carry it, according to the Federation of American Scientists). This new W76-2 warhead has an explosive yield of about five kilotons, a third of the power that destroyed Hiroshima, and is deployed atop Trident missiles, whose other warhead options are 90 or 455 kilotons. "This supplemental capability strengthens deterrence and provides the United States a prompt, more survivable low-yield strategic weapon," a top Pentagon civilian said a year ago.

That language suggests the United States seeks a nuanced nuclear war-fighting capability, where adversaries can lob warheads of various sizes at one another. Backers maintain



Airmen ready a Minuteman III ICBM at Vandenberg Air Force Base for test firing. (PHOTO: U.S. DEPARTMENT OF DEFENSE / AIR FORCE STAFF SGT. JONATHAN SNYDER)

it deters war by showing the Russians they can't "escalate to de-escalate"—use small nuclear weapons to end a war on terms favorable to them, confident that the U.S. wouldn't respond with big nuclear warheads. "Fielding the W76-2 is designed to close a capability gap that threatened to give Vladimir Putin an opportunity to back the United States into a corner where capitulation or full-scale nuclear war would be a president's only options," a nuclear expert argued last March.

Finally, the Air Force is developing a Long Range Stand Off (LRSO) nuclear missile in an effort to keep its B-52 bombers in the nuclear fight (they are far too big, slow, and un-stealthy to actually drop bombs on enemy targets without being shot down). This long range missile, slated to start replacing the AGM-86B cruise missile in about a decade, is expected to have a range of more than 1,500 miles. It is supposed to do a better job at reaching targets because of its radar-eluding stealthiness, and to find the targets even if GPS signals are jammed. Like the Navy's mini-nuke,

the long range missile's W80-4 warhead would be relatively puny. "We need the targeting flexibility and lower-yield options that the LRSO provides," a Pentagon official has said.

But the U.S. already has plenty of pint-sized nuclear weapons, beyond these two new additions to its arsenal. What the new additions really do is highlight the inanity of viewing a prospective nuclear war as a tit-for-tat deterrence exercise, where fakes and feints can be counted on to keep the big guns holstered forever. "We don't care about a fair fight. We're going to kick their ass if they take us on," said Representative Adam Smith (D-WA), chairman of the House Armed Services Committee. "So, why we're obsessing about a proportional response, I don't know."

The post-Cold War triad bolsters the notion that nuclear war is deterrable, or—failing that—winnable, so long as the nation continues to pump hundreds of billions of dollars into it. But every day that delusion persists, the chances grow that our long-standing nuclear shadow could explode into

a war pitching the world into an even darker atomic eclipse.

Too dramatic? No more so than a handful of terrorists destroying a pair of the country's tallest skyscrapers. Or one of the world's richest nation's having one of the poorest showings in handling a global pandemic. Or U.S. citizens storming the Capitol seeking to overturn an election whose outcome they don't like.

That's hardly a reassuring track record. In fact, it should make one wonder how long can the world's A-bomb luck last. Candidate Biden declared that President Biden "will work to maintain a strong, credible deterrent while reducing our reliance and excessive expenditure on nuclear weapons."

Your move, Mr. President. ■

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*This piece was first published in March 2021. The original and its sources can be found at [pogo.org/nuclear-triad](https://pogo.org/nuclear-triad)*

**ABOUT THE AUTHOR:** The Military-Industrial Circus is a regular column by Pulitzer prize-winning National Security Analyst Mark Thompson for the Center for Defense Information at POGO.

# The F-35 and Other Legacies of Failure

BY DAN GRAZIER

For 20 years, the Pentagon's program to develop the F-35 aircraft appeared invincible, even as the project hit repeated delays and went well over budget. And then, just within the span of a few weeks, official support for the F-35 has seemingly evaporated. It could not come soon enough.

At the end of the Trump administration, the acting secretary of defense called it a "piece of..." The Air Force chief admitted the F-35 would never be able to live up to its original purpose. And now, the chair of the House Armed Services Committee said we should stop throwing money down the F-35 "rathole."

This all comes as the program is rightfully on a list of programs facing a Pentagon review that could result in recommended cuts to the total number of aircraft to be purchased. It

signals a tectonic shift in support for a program that previously received near universal official support from the Pentagon and on Capitol Hill.

This shift is due to the sudden realization in Washington, despite years of warnings, that the F-35 is too challenging and costly to maintain.

And if there are to be major changes to the F-35 program, now is the time to do it. Otherwise, if the program does manage to squeak through operational testing, Congress could then authorize a bulk purchase of

a move would saddle the services with hundreds of flawed, high-maintenance aircraft, which will depress readiness rates, further strain the already harrowed maintenance crews, and require years of costly retrofits.

At the very least, further production should be halted until the program completes operational testing. Testing continues to reveal design flaws in the F-35 —at last count in January, there were 871 of them which is only two fewer than the year before. Until the testing process is complete and

*Pentagon leaders are right to review troubled programs, and they shouldn't allow a program to drag on for 20 years before doing so.*

F-35s, something the program office and the manufacturer have wanted for years. But even if the plane is technically deemed operational, such

engineers work through solutions to these problems, the F-35s purchased now will be built with these flaws, and then later require extensive and

expensive modifications later on to fix problems that have yet to be revealed in the testing process.

The usual suspects in the defense industry have responded forcefully to the threat to the program on which they have staked their future. They are arguing that the services need to purge themselves of older, so-called “legacy” systems—the typical argument made by defense contractors to make sure there is little choice but to purchase new weapons from them.

But there is nothing inherently wrong with older aircraft. As long as they are maintained properly, a well-designed aircraft can provide useful service for decades. The B-52 is an excellent example. There are even 172 DC-3 airliners that debuted in 1935 that are still flying and making money for their owners.

Pentagon leaders are right to review troubled programs, and they shouldn’t allow a program to drag on for 20 years before doing so. And if the Pentagon’s budgeteers want to make cuts, they shouldn’t start with weapons like the F-16 and A-10 that continue to prove their worth in combat. Air Force chief General Charles “CQ” Brown Jr. said recently that capabilities and not age should be the central

question of any review. “I really think about it from a capability perspective. Is that capability going to be relevant today, relevant tomorrow? And if it’s not going to be relevant tomorrow or it’s going to be, you know, overly expensive to make it relevant for tomorrow” it needs to be retired.

The F-35 is the poster child for programs that are too expensive to be made relevant for the future. It should have been canceled more than a decade ago with its 2009 Nunn-McCurdy breach when the development and procurement costs doubled. Cutting it off now could save about \$200 billion just in acquisition costs.

Along those same lines, the Pentagon would have saved billions by killing off the “legacy of failure” programs like the Littoral Combat Ship and Zumwalt-class destroyers when it first became apparent that they were falling far short of expectations. Taxpayers paid \$30 billion for a versatile class of small surface ships with the Littoral Combat Ship program. What they got was a fleet of fragile boats that can’t perform many of the roles for which they are intended, with four of them already on their way to being mothballed. The Navy is spending more than \$23 billion on the Zumwalt

program, a ship design that failed to perform its originally intended role.

Uniform and civilian military officials need to be reminded that it is not the end of the world to kill a new program. In 2011, the Marine Corps cancelled the troubled Expeditionary Fighting Vehicle after sinking \$3 billion into the program because of spiraling costs and technological failures. After a reset, the service developed the far simpler Amphibious Combat Vehicle for a fraction of the cost.

Spending our grandchildren into poverty pursuing unworkable technological boondoggles is not the right way to compete with our potential adversaries. In all matters military, the simplest possible tools are always the most effective. Decision makers in Congress and the Pentagon should be far more skeptical when defense contractors make lavish claims about technology they haven’t yet demonstrated and have the courage to stop programs when it becomes obvious they are failing. ■

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*This piece was first published in March 2021. The original and its sources can be found at [pogo.org/legacies-of-failure](http://pogo.org/legacies-of-failure)*

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# Why Are We Still Giving the Pentagon More Money?

Focusing on the Wrong Threats, including a New Cold War with China, is the Last Thing We Can Afford Now

*This piece originally appeared on TomDispatch.*

BY MANDY SMITHBERGER

**T**his country is in a crisis of the first order. More than half a million of us have died thanks to Covid-19. Food insecurity is on the rise, with nearly 24 million Americans going hungry, including 12 million children. Unemployment claims filed since the pandemic began have now reached 93 million. Given the level of damage to the less wealthy parts of this society, it's little wonder that most Americans chose pandemic recovery (including the quick distribution of vaccines) as their top priority issue.

Keep in mind that our democracy is suffering as well. After all, former president Donald Trump incited an insurrection when he wasn't able to win at the polls, an assault on the Capitol in which military veterans were overrepresented among those committed to reversing the election results (and endangering legislators as well). If you want a mood-of-the-moment fact, consider this: even after Joe Biden's election, QAnon followers continued to insist that Trump could still be inaugurated to his second term in office. Addressing economic

and political instability at home will take significant resources and focus, including calling to account those who so grossly mishandled the country's pandemic response and stoked the big lie of questioning the legitimacy of Biden's election victory.

If, however, you weren't out here in the real world, but in there where the national security elite exists, you'd find that the chatter would involve few of the problems just mentioned. And only in our world would such a stance seem remarkably disconnected from reality. In their world, the "crisis" part of the present financial crisis is a fear, based on widespread rumors and reports about the Biden budget to come, that the Pentagon's funding might actually get, if not a genuine haircut, then at least a trim — something largely unheard of in the twenty-first century.

The Pentagon's boosters and their allies in the defense industry respond to such fears by insisting that no such trim could possibly be in order, that competition with China must be the prime focus of this moment and of the budget to come. Assuming that China's rise is, in fact, a genuine problem, it's not one that's likely to be solved either in the near future or in a military fashion (not, at least, without

disaster for the world), and it's certainly not one that should be prioritized during a catastrophic pandemic.

While there are genuine concerns about what China's rise might mean for the United States, it's important to recognize just how much harm those trying to distract us from the very real problems at hand are likely to inflict on our health and actual security. Since the beginning of the pandemic, in fact, those unwilling to accept our failures or respond adequately to the disease at hand have blamed outside forces, most notably China, for otherwise preventable havoc to American lives and the economy.

Trump and his allies tried to shirk accountability for their failure to respond to the pandemic by pushing xenophobic and false characterizations of Covid-19 as the "China virus" or the "kung flu." In a similar fashion, the national security elites hope that focusing on building up our military and building new nuclear weapons with China in mind will distract time and energy from making needed changes at home. But those urging us to increase Pentagon spending to compete with China in the middle of a pandemic are, in reality, only compounding the damage to our country's recovery.

## MILITARIZING THE FUTURE

Given the last two decades, you won't be surprised to know that this misplaced assessment of the real threat to the public has a firm grip on Washington right now. As my colleague Dan Graizer at the Project On Government Oversight pointed out recently, confirmation hearings for Secretary of Defense Lloyd Austin III and Deputy Secretary Kathleen Hicks included more than 70 (sometimes ominous) mentions of China.

So again, no surprise that only a few weeks after those hearings, Biden announced the creation of a new China task force at the Pentagon. As the press announcement made clear, that group is going to be a dream for the military-industrial complex since it will, above all, focus on developing advanced "defense" technologies to stare down the China "threat" and so further militarize the future. In other words, the Pentagon's projected threat assessments and their wonder-weapon solutions will be at the forefront of Washington thinking — and, therefore, funding, even during this pandemic.

That's why it's easy enough to predict where such a task force will lead. A similar panel in 2018, including lobbyists, board members, and contractors from the arms industry, warned that competition with China would require a long-term increase in funding for the Pentagon of 3% to 5%. That could mean an almost unimaginable future Department of Defense budget of \$971.9 billion in fiscal year 2024. To pay for it, they suggested, Congress should consider cutting social security and other kinds of safety-net spending.

Even before Covid-19 hit, the economic fragility of so many Americans

should have made that kind of recommendation irresponsible. In the midst of a pandemic, it's beyond dangerous. Still, it betrays a crucial truth about the military-industrial complex: its key figures see the U.S. economy as something that should serve their needs, not the other way around.

Of course, the giants of the weapons industry have long had a direct seat at the table in Washington. Despite being the first Black secretary of defense, for instance, Lloyd Austin III remains typical of the Pentagon establishment in the sense that he comes to the job directly from a seat on the board of directors of weapons giant Raytheon. And he's in good company. After all, many of the administration's recent appointees are drawn from key Washington think tanks supported by the weapons industry.

For instance, more than a dozen former staffers from, or people affiliated with, the Center for a New American Security (CNAS) have joined the Biden administration. A recent report by the Revolving Door Project found that CNAS had repeatedly accepted the sort of funding that went comfortably with recommendations it was making that "would directly benefit some of the think tank's donors, including military contractors and foreign governments." When it came to confronting China, for instance, CNAS figures urged the Department of Defense to "sustain and enhance" defense contractors so that they would become ever more "robust, flexible, and resilient" in a faceoff with that country.

Sadly, even as the Pentagon's budget remains largely unchallenged, there's been a sudden reawakening — especially in Republican ranks — to the version of fiscal conservatism

that looks askance at providing relief to communities and businesses suffering around the country. Recent debates in Washington about the latest pandemic relief bill suggest once again that the much-ballyhooed principles of "responsibility" and "fiscal conservatism" apply to everyone — except, of course, the Pentagon.

## PUTTING COVID-19 RELIEF SPENDING IN PERSPECTIVE

The price tag for the relief bill presently being debated in Congress, \$1.9 trillion, is certainly significant, but it's not far from the kind of taxpayer support national security agencies normally receive every year. In 2020, for instance, the real national security budget request surpassed \$1.2 trillion. That request included not only the Pentagon, but other costs of war, including care for veterans and military retirement benefits.

Over the years, such costs have proven monumental. The Department of Defense alone, for example, has received more than \$10.6 trillion over the past 20 years. That included \$2 trillion for its overseas contingency operations account, a war-fighting fund used by both the Pentagon and lawmakers to circumvent congressionally imposed spending caps. Reliance on that account, the nonpartisan Congressional Budget Office assured Congress, only made it likelier that taxpayers would fund more expensive and less optimal solutions to America's forever wars.

In the past, the justification for such excessive national-security spending rested on the idea that the Defense Department was the key to keeping Americans safe. As a result, the Pentagon's ever-escalating requests for money were approved by

Congress year after year without real opposition. Disproportionate funding for that institution has, however, come at a significant cost.

In 2020, for instance, the real national security budget request surpassed \$1.2 trillion.

Caps on non-defense spending under the Budget Control Act of 2011 meant that civilian agencies were already underfunded when the pandemic hit. As the Center on Budget and Policy Priorities pointed out, “Overall funding for programs outside veterans’ medical care remains below its level a decade ago.” The consequences of that underspending can also be seen in our crumbling roads and infrastructure, to which, in its last report in 2017, the American Society of Civil Engineers gave a D+ — and the situation has only grown worse since then.

Job protection is the other common refrain for those defending high funding levels for the Pentagon and, during a pandemic with such devastating employment consequences, such a concern can hardly be dismissed. But studies have consistently shown that military spending is a remarkably poor job creator compared to almost any other kind of spending. Some of us may still remember World War II’s Rosie the Riveter and mid-twentieth-century union support for defense budgets as engines for job creation. Those assumptions are, however, sorely out of date. Investing in health care, combating climate change, or rebuilding infrastructure are all significantly more effective job creators than yet more military spending.

Of course, non-military stimulus spending has been far from perfect. Even measuring the effects of the first relief package passed by Congress

has proven difficult, especially since the Trump administration ignored the law when it came to reporting on just how many jobs that spending either preserved or created. Still, there’s no question that non-military stimulus efforts are more effective, by orders of magnitude, than defense spending when it comes to job creation.

### **NEEDED: A NEW FUNDING STRATEGY TO WEATHER FUTURE STORMS**

The uncomfortable truth (even for those who would like to see a trillion dollars in annual Pentagon spending) is that such funding won’t make us safer, possibly far less so. Recent studies of preventable military aviation crashes indicate that, disturbingly enough, given the way the Pentagon spends taxpayer funds, more money can actually make us less safe.

Somewhere along the line in this pandemic moment, Washington needs to redefine the meaning of both “national security” and “national interest.” In a world in which California burns and Texas freezes, in which more than half-a-million Americans have already been felled by Covid-19, it’s time to recognize how damaging the over-funding of the Pentagon and a myopic focus on an ever more militarized cold war with China are likely to be to this country. As the Quincy Institute for Responsible Statecraft’s Stephen Wertheim has argued, it’s increasingly clear that an American strategy focused on chasing global military supremacy into the distant future no longer serves any real definition of national interest.

Vanderbilt law professor Ganesh Sitaraman recently pointed out at Foreign Affairs that “the coming era will be one of health crises, climate shocks, cyberattacks, and geoeconomic

competition among great powers. What unites those seemingly disparate threats is that each is not so much a battle to be won as a challenge to be weathered.” While traditional defense threats still loom large in what passes for national debate in Washington, the most likely (and potentially most devastating) threats to public health and safety aren’t actually in the Pentagon’s wheelhouse.

Weathering those future crises will continue to require innovation and creativity, which means ensuring that we are investing adequately not in the hypersonic weaponry of some future imagined war but in education and public health now. Particularly in the near term, as we try to rebuild jobs and businesses lost to this pandemic, even the Pentagon must be forced to make better use of the staggering resources it already receives from increasingly embattled American taxpayers. Rushing to produce yet more useless (and sometimes poorly produced) weapons systems and technology will only increase the fragility of both the military and the civilian society it’s supposed to protect.

Make no mistake: the addiction to Pentagon spending is a bipartisan problem in Washington. Still, change is in order. The problems we face at home are too overwhelming to be ignored. We can’t continue to let the appetites of the military-industrial complex crowd out the needs of the rest of us. ■

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*This piece was first published in March 2021. The original and its sources can be found at [pogo.org/giving-more-money](https://pogo.org/giving-more-money)*

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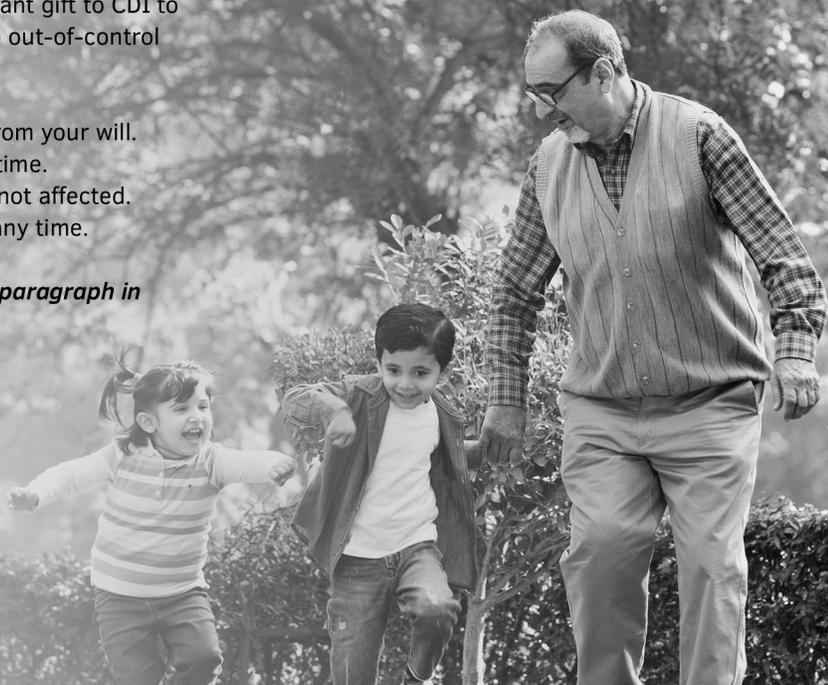
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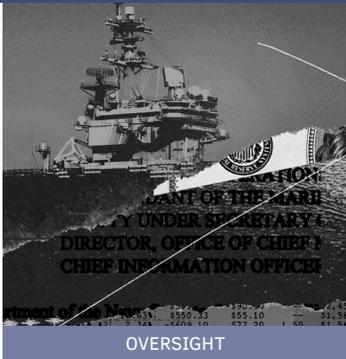
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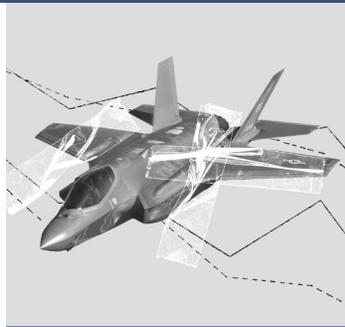
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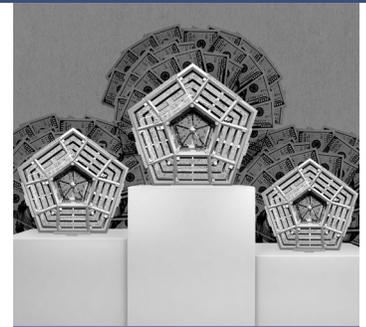
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