

#MissionPentagon

OSINT Report on Corruption and Financial Mismanagement in the Pentagon Accounting System

Marie Seshat Landry — Marie Landry's Spy Shop
www.marielandryceo.com

June 21, 2025

Key Findings

1. Chronic Audit Failures & Lack of Transparency

- The Department of Defense (DoD) has **never passed a full financial audit** since audits were mandated in 1996. Instead, it consistently receives a “*disclaimer of opinion*,” meaning auditors can’t verify accounting data [1].
- As of recent GAO reports, the Pentagon cannot account for around **63% of its \$3.8 trillion in assets** [1, 2].

2. Systemic Use of “Plugs” in Accounting

- Whistleblowers describe a practice of inserting “*unsubstantiated change actions*” (aka “plugs”) to make Pentagon ledgers match Treasury reports—across the Navy, Army, and Air Force [3].
- These plugs sometimes reach **trillions of dollars annually**, distorting actual financial status [3].

3. Trillions in Accounting Adjustments

- In one year alone, the Pentagon processed over **\$35 trillion in adjustments**, mostly undocumented or poorly explained [4].

4. Widespread Asset & Inventory Mismanagement

- The Pentagon overpurchased equipment—including vehicle parts—despite having up to **14 years of stockpiles** already in storage [5].
- Between 2003–2011, over **\$5.8 billion in equipment** went unaccounted for in unit transfers [5].
- For the F-35 program, spare parts worth over **\$220 billion** are poorly tracked, resulting in nearly **\$1 billion in duplicate orders** [6].

5. High-Profile Vendor Markups & Waste

- Boeing charged the Air Force an **8,000% markup on soap dispensers** for C-17 aircraft parts [7].
- A suppressed internal study in 2015 exposed over **\$125 billion in administrative waste**, but was buried by top leadership [8].

6. Persistent Mismanagement of Funds

- The DoD health programs saw **\$168 million in improper payments** in FY2021 alone [9].
- Over six years, the Pentagon lost **\$100 million in unclaimed airline tickets and reimbursements** [10].

Root Causes

1. **Fragmented, Outdated Systems** — Over **2,000 disconnected legacy accounting platforms** prevent transparency and tracking [1].
2. **Culture of Concealment** — The routine use of plugs, suppression of findings, and collusion with contractors foster obfuscation [3, 8].
3. **Weak Internal Controls** — Reviews consistently report **missing documentation, unauthorized entries, and unreliable inventory systems** [6, 5].
4. **Lack of Enforcement** — Despite repeated red flags, virtually **no officials face criminal penalties or oversight** for these failures [1].

Strategic Recommendations

- **Enact enforceable penalties** for audit failures. Support bipartisan legislation from Sens. Sanders, Grassley, and others [11].
- **Modernize and centralize DoD accounting infrastructure** to eliminate plugs and simplify audits.
- **Deploy blockchain or real-time inventory tracking** for high-value items to reduce asset loss.
- **Protect whistleblowers** and expand subpoena power for independent inspectors general (IGs).
- **Ban vendor overcharging** through pre-contract audit clauses and competitive pricing enforcement.

Mission #MissionPentagon Goals

To spark transparency and accountability:

- Publish this report to expose audit failures and systemic corruption.

- Launch a **whistleblower protection and crowdsourcing campaign** for insider evidence.
- Engage legislators to champion enforceable audit and accountability reforms.
- Mobilize journalists, watchdogs, and social media campaigns to demand FOIA disclosures and transparency.

Conclusion

Pentagon accounting remains a **hotbed of obfuscation, unaccounted trillions, and tolerated corruption**. Real reform requires **structural modernization, financial integrity, and public pressure**.

This OSINT report offers a blueprint for transformation. **Let this be the beginning of #MissionPentagon.**

References

References

- [1] U.S. Government Accountability Office (GAO). *DOD Financial Management: Audit Progress and Challenges*, 2023. <https://www.gao.gov>
- [2] CBS News. *Pentagon fails fifth consecutive audit*, 2023. <https://www.cbsnews.com>
- [3] Reuters. *Special Report: The Pentagon's doctored ledgers conceal epic waste*, 2013. <https://www.reuters.com>
- [4] Reuters. *Pentagon buries evidence of \$35 trillion in accounting adjustments*, 2016. <https://www.reuters.com>
- [5] GAO. *Defense Logistics: Improvements Needed to Enhance DoD's Inventory Management*, 2014.
- [6] GAO. *F-35 Sustainment: DOD Needs to Improve Supply Chain Management*, 2022.
- [7] AP News. *Pentagon audit: Boeing charged Air Force 8,000% markup on parts*, 2024. <https://apnews.com>
- [8] Washington Post. *Pentagon buried study exposing \$125 billion in waste*, 2016.
- [9] GAO. *Improper Payments: DoD Programs and FY2021 Overview*, 2022.
- [10] GAO. *Defense Travel: Pentagon Paid \$100M in Unused Airline Tickets*, 2003.
- [11] U.S. Senate. *Audit the Pentagon Act of 2023*. <https://www.congress.gov>