

Has Our Government Spent \$21 Trillion Of Our Money Without Telling Us?



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“No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law; and a regular Statement and Account of the Receipts and Expenditures of all public Money shall be published from time to time.” ~ Article I, Section 9, Clause 7, The US Constitution

On July 26, 2016, the Office of the Inspector General (OIG) issued a report “Army General Fund Adjustments Not Adequately Documented or Supported”. The report indicates that for fiscal year 2015 the Army failed to provide adequate support for \$6.5 trillion in journal voucher adjustments. [According](#) to the GAO's Comptroller General, "Journal vouchers are summary-level accounting adjustments made when balances between systems cannot be reconciled. Often these journal vouchers are unsupported, meaning they lack supporting documentation to justify the adjustment or are not tied to specific accounting transactions.... For an auditor, journal vouchers are a red flag for transactions not being captured, reported, or summarized correctly."

(Note, after Mark Skidmore began inquiring about OIG-reported unsubstantiated adjustments, the OIG's webpage, which documented, albeit in a highly incomplete manner, these unsupported "accounting adjustments," was mysteriously taken down. Fortunately, Mark copied the July 2016 report and all other relevant OIG-reports in advance and reposted them [here](#). Mark has repeatedly tried to contact Lorin Venable, Assistant Inspector General at the Office of the Inspector General. He has emailed, phoned, and used LinkedIn to ask Ms. Venable about OIG's disclosure of unsubstantiated adjustments, but she has not responded.)

Given that the entire Army budget in fiscal year 2015 was \$120 billion, unsupported adjustments were 54 times the level of spending authorized by Congress. The July 2016 report indicates that unsupported adjustments are the result of the Defense Department's "failure to correct system deficiencies." The result, according to the report, is that data used to prepare the year-end financial statements were unreliable and lacked an adequate audit trail. The report indicates that just 170 transactions accounted for \$2.1 trillion in year—end unsupported adjustments. No information is given about these 170 transactions. In addition many thousands of transactions with unsubstantiated adjustments were, according to the report, removed by the Army. There is no explanation concerning why they were removed nor their magnitude. The July 2016 report states, "In addition, DFAS (Defense Finance and Accounting Service) Indianapolis personnel did not document or support why DDRS (The Defense Department Reporting System) removed at least 16,513 of 1.3 million feeder file records during the Third Quarter."

An appendix to the July 2016 report shows \$2 trillion in changes to the Army General Fund balance sheet due to unsupported adjustments. On the asset side, there is \$794 billion increase in the Army's Fund Balance with the U.S. Treasury. There is also an increase of \$929 billion in the Army's Accounts Payable. This information raises additional major questions. First, what is the source of the additional \$794 billion in the Army's Fund Balance? This adjustment represents more than six times appropriated spending. Second, do these transfers represent a flow of funds to the Army beyond those authorized by Congress? Third, were these funds authorized and if so when and by whom? Fourth, what is the source of these funds? Finally, the \$929 billion in Accounts Payable appears to represent an amount owed for items or services purchased on credit. What entities have received or will receive payment?

