

## the Pentagon's Secret money: "MacDill-Gate"

*"No money shall be drawn from the treasury, but in consequence of appropriations made by law; and a regular statement and account of receipts and expenditures of all public money shall be published from time to time."*

*-U.S. Constitution, Article 1, Section 9-*

## \$87-Billion Supplemental Appropriations Hearing Raises Questions

*By Jean LaSona and Lorelei Jackson*

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TAMPA - Not so long ago we had to deal with Iran-Contra where the Pentagon secretly funneled money to fund the war in Nicaragua. Now, Sen. Bill Nelson has requested two investigations into how the U.S. Special Operations Command at MacDill Air Force Base inflated budget numbers at the Pentagon's request to hide \$20-million from Congress. This could very well turn into "MacDill-Gate", following all the other infamous "gates" that permeate our government.

"It raises serious questions of the proper use of taxpayers' money," Nelson, a Florida Democrat who serves on the Senate Armed Services Committee, said in an interview Monday. "This is of considerable interest to me and to the Congress."

Voice of Freedom (VOF) discovered through anonymous sources that, a high ranking civilian official (GS13 or 14) reported the misappropriation of funds to the Fraud and Abuse Hotline sometime last year yet, no action was taken. This civilian is doing his patriotic duty at great risk to him/her self to report this as the Bush Administration has weakened the Whistle Blower Act. Civilian federal employees are less willing to come forward to report "any" malfeasance because their jobs and careers are at great risk.



The complaint was directed at SOCom comptroller Elaine Kingston, who has had many internal investigations regarding her conduct and misuse of her position. Yet she is still employed by the Pentagon. Why would you keep someone on payroll who has a track record of misuse of office? Is this the standard that the Pentagon uses? The more you hide, or the more you keep secret from Congress the more secure your position is? Kingston is such a bad egg, she even filed a complaint against her superior officers so she could get a promotion. As it turned out the allegations proved to be false. But, the Pentagon still kept her on the payroll and she continues in her traditional style of being underhanded, remaining as Comptroller in SOCom.

Ms. Elaine S. Kingston has been the Comptroller of the United States Operations Command (USSOCOM), MacDill AFB, Florida since January 1998. She serves as the principle advisor to CDR, USSOCOM on MFP 11 budget and execution and is the command's chief spokesperson on these issues with Office of the Secretary of Defense, Office of Management and Budget and the Congressional Staffs and committees.

Prior to this assignment, she held a number of varied positions throughout DoD and the private sector as she proudly followed her husband in his 23 year Air Force career. She was able to break into DoD Financial Management as a Budget Analyst for the Naval Air Facility, Lajes Field, Azores, Portugal from 1983-90, Mrs. Kingston held positions as Budget Analyst, Deputy Budget Officer and Wing Budget Officer at England AFB, Louisiana. She transferred to HQ Tactical Air Command, Langley AFB, VA in 1990 as a budget analyst.

In January 1992, Mrs. Kingston was selected as the Division Chief to develop and stand up the Operations Resource Management Division working directly for the Director of Operations, HQ Air Combat Command. She was responsible for programming, budgeting and executing over \$9 billion tied to Operations programs. She held this position until January 1997 to USSOCOM as the Deputy Comptroller. One year later, she was promoted to the position of Comptroller.

VOF has also learned that an Army Colonel, Thomas Spellissy, the Program Executive Officer for Special Programs in the Acquisition Center of SOCOM, was originally approached by Kingston and her staff to hide the \$20-mil, but he "flatly refused." The funding was eventually and successfully hidden elsewhere in SOCOM's 2003 budget, until an anonymous civilian employee went public with the information and caused the current furor.

Most likely this same person was also involved in the filing of an official complaint against Kingston with the Pentagon's Office of Inspector General in the July/August timeframe. This complaint initiated an independent, but subdued investigation into Kingston by the Pentagon for the "parking of funds," an investigation that was ongoing when this story broke.

*Not previously reported elsewhere*, though, is a second component to the same complaint that alleges Kingston abused her power as supervisor. Allegedly, she repeatedly gave and/or attempted to give Army officers under her direct command less than favorable annual performance reports for questioning and/or challenging her decision making, effectively ending their otherwise promising careers. It remains to be seen whether this personnel aspect of Kingston's management style will factor into the current investigation of her way of conducting financial business within the Department of Defense and with the Congress.



Nelson said he asked the Senate Armed Services Committee and the General Accounting Office, the investigative arm of Congress, to examine the way Special Operations adjusted its budget proposal last year.

Nelson said he planned to meet with Sen. John Warner, R-Va., chairman of the Armed Services Committee, and Sen. Carl Levin of Michigan, the ranking Democrat on the committee, on Monday night to discuss his request.

Senator Nelson, the Junior Senator of Florida, has taken a active role in Washington most recently in fighting to bring home the Florida National Guard who has been in Iraq longer than any other guard in the US.

The senator calls for a probe into the way the Special Operations Command adjusted its budget proposal last year. "I think we've got to get to the bottom of it," he said.

The St. Petersburg Times reported Sunday that Special Operations officials at MacDill inflated budget proposals at the request of the Pentagon for fiscal year 2003, which ends today.

The money was divided among six projects so it would not attract attention, according to documents obtained by the Times.

Special Operations officials also instructed their own budget analysts not to mention the inflated figures during briefings with congressional aides, the documents show.

Col. Jay DeFrank, a Pentagon spokesman, declined to comment on Nelson's request for the congressional investigations.

"The Department of Defense wants to thoroughly look into this situation and understand what happened," DeFrank said, "because it's clearly not our policy to handle funds in any inappropriate manner." In VOF's opinion, "clearly" it **is** secret policy to use funds this way, because "clearly" if it was not Pentagon Policy, then it would have been looked into when it was reported last year by the civilian patriot! Clearly, If this had NOT been brought before the taxpayers, it would STILL be a secret misappropriation of taxpayer funds. How can you doubt that?

For what, and where would those funds have gone? That's the very question that Nita Lowey, D-NY, asked Dep. Sec. of State Richard Armitage in today's Supplemental Appropriations Hearing. She said the administration has put in a request for an additional \$87 billion "without input from key implementing agencies". She asked what the \$1.4 billion for foreign country reimbursements were for and to whom that money would go to, and Armitage couldn't or wouldn't give a direct answer. Again, this is the same pattern that continues to express itself since the beginning of the Bush Administration, not giving direct answers. A violation of the U.S. Constitution, Article 1, Section 9.

Lowey isn't alone in this questioning.

"Our job is to know where every dollar goes," said Rep. Ike Skelton (Mo.), the senior Democrat on the House Armed Services Committee. If there was indeed an effort by Defense officials to mislead Congress about planned expenditures, he said, "it won't play well at all." However, it has played and almost succeeded for "this" fiscal year, except for the vigilance of program analysts.

Finally, the Pentagon's inspector general has launched a preliminary inquiry, which the Pentagon said could take months to complete. What are they waiting for? For the Presidential election to be over?

House Appropriations Chairman C.W. Bill Young, Republican-Largo, said he will ask Defense Secretary Donald Rumsfeld during a September 30th hearing whether the Pentagon intentionally deceived Congress. It doesn't take a rocket scientist to see that it was intentional, just as in Iran-Contra.

The amount of money involved is tiny relative to the Pentagon's annual budget of nearly \$400 billion, the Washington Post quips. Exactly how "tiny" is \$20 million? How many school books would \$20 million buy? How many hungry mouths would \$20 million feed? How much healthcare would \$20 million provide? Thousands of U.S. troops invaded Iraq in March without the new body armor that can stop rifle bullets, and thousands more still lack the lifesaving protection. How much body armor would \$20 million buy? "Tiny" is relative. Just ask the families of the service men that have died, who may not have had that protective armor..

The allegation that the Pentagon sought to mislead Congress about any expenditures is explosive, especially because many legislators have complained that the Pentagon under Defense Secretary Donald H. Rumsfeld

has not been responsive to their concerns.

Like Young, Nelson said his big concern was that if all the services are hiding money from Congress, the amount could grow significantly. Well, DUH! If all of them "might" be, that would be a secret too!

The Pentagon investigation centers on an agreement between the Pentagon comptroller's office in Washington and the Special Operations Command comptroller at MacDill.

The plan, according to defense officials and base documents, called for Special Operations to pad its proposed budget by \$20-million so the money could be used later by the Pentagon for some other purpose. Do the taxpayers, who give their hard earned money have a right to know where and what this padded money will be spent on? "Some other purpose" seems so vague in this context. Just what do the "defense officials" need to spend misappropriated money on that cannot be disclosed to Congress? If in fact, it is a legitimate funding request, then why was money not already appropriated for the purpose?

It is unclear what the Pentagon intended to do with the \$20-million, or what became of the money. Young surmised that the money could have been used as a contingency fund, available to Rumsfeld to use at his discretion. For our government to NOT KNOW or to also be unclear as to where or what became of the money is inexcusable.

The agreement between the Pentagon officials in Washington and Special Operations officials in Tampa, who oversee the nation's secret commandos, is spelled out in an e-mail distributed by SOCom comptroller Elaine Kingston to colleagues on Feb. 11, 2002.

Young said he did not know if "parking" money as described in the Special Operations e-mail is common throughout the Department of Defense. Apparently Kingston knows better than Young as she began her e-mail by assuring colleagues that the request by the Pentagon comptroller was not unusual.

"It is common practice for OSD comptroller to keep small withholds of funds in "each" appropriation to cover pop up emergencies throughout the year of execution," she wrote. "So OSD goes out to all of the services and (defensewide) agencies to ask for help in justifying these dollars against existing programs in the budget."

The General Accounting Office said it was not familiar with the practice outlined by Kingston. So, Kingston, knows better than GAO also.

The Anti-Deficiency Act says money appropriated by Congress can only be used for the purpose authorized by Congress. There are other federal laws and regulations that prohibit submitting fraudulent budget documents to Congress.

*This story was contributed to by PAUL DE LA GARZA, Times Staff Writer, and others.*

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