

Welfare fraud is nothing compared to Pentagon waste and abuse

Mary Ann McGivern | Apr. 1, 2014 NCR Today

A lot gets written about waste, fraud and abuse, particularly regarding food stamps and other forms of aid to the poor. Here's Jon Stewart mocking some reporting of food stamp abuse:

The Daily Show

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The more complicated facts don't get reported often. For example, if a mom transposes two digits of her child's Social Security number and it shows up as an error, it gets listed as fraud, the food stamps are cut off and the mom's EBT card is debited for payments to that child. So the mom goes in and tries to figure out what happened with her caseworker. Maybe she gets a credit; maybe not.

This same mom might take a friend grocery shopping and get cash from said friend to buy diapers or laundry soap, items not covered by food stamps. Or she might receive unreported cash payments for baby-sitting or house cleaning. That's petty fraud, but it is true that if 400,000 people each cheat by, say, \$300 in a year, the fraud total is \$120 million, not a number that is petty in my accounting system.

But it is not easy to pull off real fraud in the welfare system, say by inventing a few extra children or receiving the checks of dead people. The welfare queens made famous by President Ronald Reagan turn out to be one criminal woman, Linda Taylor, who may have committed murder and did use several identities to receive welfare checks. [The Department of Labor estimates](#) [3] fraud in 2.67 percent of cases. That includes petty fraud.

Not much gets said about waste, fraud and abuse in the Pentagon. In his book *Breach of Trust*, Andrew Bacevich writes: "In 2011, government investigators determined that 'war planners have wasted as much as \$60 billion on contract fraud and abuse in Iraq and Afghanistan, about \$1 for every \$3.50 spent on contractors in those countries over the last decade.'" That's a 30 percent rate of fraud. Additionally, Bacevich writes that the U.S. Commission on Wartime Contracting in Iraq and Afghanistan admitted that the "backlog of unaudited incurred costs" was on track to exceed \$1 trillion by 2016. The value of the billions and trillion reported here are way beyond the capacities of my imagination, much less my own accounting system.

But wait, there's more. [According to ProgressiveSecretary.org](#) [4], "The Defense Department has a backlog of more than 500 billion dollars in unaudited contracts with outside vendors. We don't know whether that money paid for actual goods and services. In fact, the Pentagon has not accounted for the 8.5 trillion dollars it has spent since 1996."

It's discouraging data. I just can't get worked up over the fraud of that poor woman cleaning houses for cash payment.

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