F-35 MAY NEVER BE READY FOR COMBAT
Testing Report Contradicts Leadership’s Rosy Pronouncements

BY DAN GRAZIER AND MANDY SMITHBERGER

The F-35 Joint Strike Fighter program is the most expensive procurement program in Pentagon history. It’s been plagued by schedule delays, gross cost overruns, and a slew of underwhelming performance reviews. Last month the Air Force declared its variant “ready for combat,” and most press reports lauded this as a signal that the program had turned a corner. But a memo issued from the Pentagon’s top testing official, based largely upon the Air Force’s own test data, showed that the Air Force’s declaration was wildly premature.

Dr. Michael Gilmore’s latest memorandum is damning. The F-35 program has derailed to the point where it “is actually not on a path toward success, but instead on a path toward failing to deliver the full Block 3F capabilities for which the Department is paying almost $400 billion.” The 16-page memo details just how troubled this program is: years behind schedule and failing to deliver even the most basic capabilities taxpayers—and the men and women who will entrust their lives to it—have been told to expect.

The Pentagon’s top testing office warns that the F-35 is in no way ready for combat since it is “not effective and not suitable across the required mission areas and against currently fielded threats.” (Emphasis added) As it stands now, the F-35 would need to run away from combat and have other planes come to its rescue, since it “will need support to locate and avoid modern threats, acquire targets, and engage formations of enemy

CONTINUED ON PAGE 3
Inspector General Finds Army Unable to Account for Trillions in Taxpayer Dollars

BY MANDY SMITHBERGER

The Department of Defense is the only federal agency unable to get a clean audit opinion. A recent Department of Defense Inspector General (DoD IG) report provides another example of the profound financial management problems at the Pentagon.

The IG found the Army “did not adequately support” $2.8 trillion in adjustments in one quarter and $6.5 trillion for the year (yes, that’s trillion with a “T”). The number is so high because the same financial accounts could be corrected, reclassified, and reconciled multiple times. Each time such an adjustment was made, it was calculated as a separate transaction, and those adjustments added up. In one example that DoD IG spokeswoman Bridget Ann Serchak provided AMI Newswire, unsupported adjustments totaled to $99.8 billion for a $.2 billion balance.

The IG’s findings echo a 2013 Reuters investigation into the Navy by Scot Paltrow, which found that Defense Finance and Accounting Service supervisors pressured accountants to plug in false numbers to make the Navy’s totals match the Treasury Department’s accounts. “The accountants continued to seek accurate information to correct the entries” after they met initial deadlines, Reuters reported. “In some instances, they succeeded. In others, they didn’t, and the unresolved numbers stood on the books.”

Jack Armstrong, a former DoD IG official who audited the Army General Fund, told Reuters the Army numbers were likely similarly fudged in this instance. “They don’t know what the heck the balances should be,” he said.

Congress required the entire Pentagon to pass a complete financial audit by September 30, 2017, and both the Democratic and Republican platforms called for auditing the Pentagon. Mike McCord, DoD’s Comptroller, anticipated last winter that “it will take a couple more years.”

Meaningful progress on auditing the Pentagon would require budgetary consequences for this kind of behavior.

2 Department of Defense Inspector General, Army General Fund Adjustments Not Adequately Documented or Supported, July 26, 2016. (Hereinafter DoD IG Report)
3 DoD IG Report, p. 5.
F-35 MAY NEVER BE READY
CONTINUED FROM PAGE 1

fighter aircraft due to outstanding performance deficiencies and limited weapons carriage available (i.e., two bombs and two air-to-air missiles). In several instances, the memo rated the F-35A less capable than the aircraft we already have.

The memo from the Director, Operational Test & Evaluation makes very clear that the constant stream of positive pronouncements made by the Joint Program Office and Air Force generals have been false. Statements that General Hawk Carlisle, the Air Force's Air Combat Commander, recently made to the press are directly contradicted by the facts reported in the memorandum. "The F-35A will be the most dominant aircraft in our inventory because it can go where our legacy aircraft cannot and provide the capabilities our commanders need on the modern battlefield," General Carlisle said during the IOC announcement. According to Dr. Gilmore, however, this is not the case and there is evidence that the Air Force knew this already. Before declaring its variant ready for combat, the Air Force conducted and presumably read its own evaluation. The DOT&E memo clearly states that the findings contained within are "fully consistent" with the official report of the Air Force's own internal Initial Operational Capability (IOC) Readiness Assessment Team report.

Limited Combat Ability
The Air Force stated to Congress that its Initial Operational Capability ("combat ready") declaration would be based on the ability of the current F-35A (Block 3i) to perform three basic missions: close air support, interdiction, and limited attacks on enemy air defenses.

The services are taking delivery of new F-35s in succeeding "block" versions, with each block adding increments to the previous block's incomplete combat capabilities. The version equipping the Air Force's IOC squadron, the Block 3i, is an interim version in which the earlier Block 2B's obsolete computer has been replaced with a new one. Meanwhile, schedule slippage continues on the F-35 program's Block 3F development effort, intended to incorporate all the contractually mandated combat capabilities.

The Air Force's current configuration can only carry two long range air-to-air missiles (but no dogfighting short-range heat-seeking missiles) and two bombs to attack targets on the ground. This very limited weapons load-out is the result of ongoing software deficiencies, not of any potential (though untested) ability of the plane to carry more types of weapons. Larger numbers of weapons would have to be carried externally, however, which compromises the aircraft's range and stealth.

The next software version, Block 3F, which is currently suffering major development problems, should eventually allow the F-35 to employ the larger variety of weapons originally specified in 2001, but these planes are still years away from being operationally tested, much less actually reaching the fleet. So for the time being, even if the current F-35 could perform in combat (which DOT&E's memorandum makes clear it can't), the small and non-diverse ammo load means any fight the F-35 finds itself in had better be a short one.

Another of the F-35's basic short-comings is the lack of a usable cannon. The Block 3i aircraft lacks the ability to employ the cannon because the software needed for it is a Block 3F development and has yet to be completed. This issue has been reported many times before. Now we learn there are doubts that the most recent version of the plane's complicated software, which is the only way to aim the cannon, will be accurate enough to reliably hit air-to-air or ground targets.

This latest DOT&E report also makes public another problem with the cannon on the Air Force's variant of the plane, the F-35A. This is the only variant that includes an internal cannon. The variants for the Marine Corps and Navy both use an external belly-mounted gun pod. In order to keep the F-35A stealthy, the internal cannon sits behind a small door that opens when the cannon is fired. Now we know that the simple action of opening the small door causes the plane to turn slightly because of the door's drag, possibly enough to cause the cannon to miss. The DOT&E memo reports that these door-induced aiming errors "exceed accuracy specifications" which will make it quite difficult for pilots to hit targets. And since the Air Force's F-35 only holds 181 rounds—as opposed to 511 for the F-16 and 1,100 for the A-10—every bullet will count.

F-35 Close Air Support Threatens Troops on the Ground
As the debate continues about the future of the close air support mission, one thing is certain: the F-35 simply is not ready to support ground troops, and there are plenty of reasons to doubt it ever will be. The F-35's ability to perform any CAS right now is extremely limited. As the DOT&E memorandum clearly states, "The F-35A in the Block 3i configuration has numerous limitations which make it less effective overall at CAS than most currently-
fielded fighter aircraft like the F-15E, F-16, F-18 and A-10.”16 As mentioned earlier, the F-35A, now declared “Initially Operationally Capable,” can only carry two bombs, both of which are too big to be safely used near friendly troops. And even if these bombs could be used in CAS, this means that enemies closing with our troops will have plenty of room—150 meters or more—to maneuver free of fire from above. An effective cannon on the plane closes that gap. The F-35 is supposed to eventually use a 25-millimeter cannon. The risk-estimate factor for that weapon is 100 meters. Of course the safe distance depends on how accurately the aircraft platform and aiming system is. As noted in the DOT&E memo, the simple act of opening the cannon door on the Air Force’s variant pulls the plane to one side—which could shift the bullet impacts either closer towards friendly troops or away from the enemy’s, thereby rendering the attack dangerous or useless.

But that presupposes the F-35 will actually be able to stay over the battlefield long enough to be on hand to drop its bombs or fire its cannon when needed. The F-35 is a notorious gas-guzzler that relies heavily on aerial tankers to stay on station for any length of time. According to the memorandum, “the F-35 has high fuel burn rates and slow air refueling rates that extend air refueling times and decreases overall on-station time.” Unfortunately, the troops on the ground can’t call a time-out when their air support has to leave the battle to re-fuel or reload.

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The high fuel burn rate and high drag of the F-35 creates a plane that has “short legs” and inadequate on-station times. All variants and versions of the F-35 share this problem. Current short-legged fighters mitigate this deficiency by rotating flights of planes back to the tanker while another remains over the battlefield. But with the well-documented problems the services’ maintainers have keeping the F-35 flightworthy,20 it is doubtful there will be enough flyable planes to make such a rotation practical any time soon. Actual current F-35 sortie rates reveal the severity of the problem: today’s F-35s are flying one sortie every 5 days. In other words, a squadron deployment of 12 F-35s to Afghanistan or Syria—such as is typical for F-16s or A-10s—would only be able to put up slightly more than one two-ship mission a day to cover the whole country.

Future Development in Jeopardy

The program is supposed to have truly combat-capable F-35s—Block 3F—ready for operational testing at the end of the System Development and Demonstration process, which is now scheduled to be at the end of 2018. Dr. Gilmore reports that while some progress is being made in the simpler developmental flight-testing process, the pace has fallen far behind that which is necessary to complete the Block 3F testing within the remaining schedule and budget. And this is the point in the developmental flight-test plan where the most complex capabilities are added to the plane. He estimates developmental flight testing will need to continue at full capacity for at least another year to “complete the planned testing of the new capabilities and attempted fixes for the hundreds of remaining deficiencies.”21 It will simply be impossible to complete operational testing by the 2018 deadline.

Dr. Gilmore pointed out that how “the program will be able to complete the volume of work remaining at the integrated test centers while the staffing begins to ramp down is not known.”22
This is all further evidence of program mismanagement. There is still a long way to go to complete the development phase of the JSF program, but rather than budgeting to resource that adequately, program officials seem to be focused more on expanding future procurement budgets.\textsuperscript{23} JSF Program officials both inside the government\textsuperscript{24} and at Lockheed Martin\textsuperscript{25} have repeatedly expressed their desire to ramp up from low rate initial production. They want Congress to authorize a block buy of 465 planes—with commensurate large pre-payments—for the United States and foreign military partners beginning in 2018. But not one official has expressed the need for funding the extra people and extra flight hours essential to keeping the development program from sliding further behind.

Ramping up production means we will be buying more airplanes that will require ever more fixes in order to be deployable. The GAO has already estimated it will cost $1.7 billion to upgrade planes bought early in the program just to fix the deficiencies so far identified in development testing.\textsuperscript{26} These fix-costs will certainly rise as the services continue buying new F-35s and as the more stressful operational testing gets started in the next few years.\textsuperscript{27}

As new problems are identified, the schedule and cost will be affected. And most certainly no funds have been programmed for fixing the far larger number of deficiencies that will be uncovered in the growing backlog of remaining developmental tests—not to mention the additional deficiencies sure to be uncovered in the subsequent operational tests. Ramping up production instead of funding adequate development and testing may stick the services and the taxpayers with hundreds of unusable F-35s because the DoD budget can’t afford the fixes necessary to make them combat capable.\textsuperscript{28} These planes would then become little more than very expensive sources of spare parts on the flight line.

**Future Testing on Shaky Ground**

The most worrisome news in this report is that officials in the Air Force and the Joint Program Office seem to be ramping up production and simultaneously slow-rolling future testing of the F-35. Dr. Gilmore reports that “plans and support for preparing for adequate IOT&E have stagnated.”

As evidence, he reports that the Joint Program Office has not created a realistic plan to provide production-representative aircraft for combat testing. Dr. Gilmore says the program will not be able to produce enough F-35s in the necessary final configuration to proceed with operational testing. “Due to the lengthy program delays and discoveries during developmental testing, extensive modifications are required to bring the OT aircraft, which were wired during assembly to accommodate flight test instrumentation,...into the production representative configuration required,” the report states.\textsuperscript{29} It goes on to say that more than 155 modifications have to made to the 23 planes needed for the upcoming combat ("operational") testing and that some of these have not even been contracted yet, meaning that the start of IOT&E will be further delayed.

Not only has the Joint Program Office failed to create an adequate operational testing plan, it has failed to fund and test the equipment essential to conduct the tests. This includes no funding for flight-testing the Data Acquisition Recording and Telemetry pod, an instrument mounted to the F-35 that is used to simulate the aircraft’s weapons. This is essential for reporting and analyzing the results of each simulated weapons firing. There can be no such tests until the pod is cleared for function and safety in conditions that the plane will fly during the engagement and weapons testing.

The report also states that the simulation facility needed for the most complex and combat-realistic of the operational test scenarios is still not on track to be delivered on time, despite 15 years of Joint Program Office promises that it would
This is the Verification Simulator, which is supposed to provide multiple ultra-realistic, thoroughly test-validated pilot cockpit simulators operating together to enable operational testing of multi-ship tactical scenarios with large numbers of advanced threats. It’s the only way to test many of the F-35’s capabilities because the test ranges cannot realistically replicate the full spectrum and quantity of targets and threats the F-35 combat formations would confront. Beginning in 2001 Lockheed Martin engineers were under contract to create this complex simulator facility, but the project fell so far behind that DOT&E questioned whether it would be ready in time for operational testing. Rather than reinvigorating that project, the JPO moved the entire simulator development to a Navy lab. That lab is now in the throes of trying to take over this monumental design, fabrication, and verification-testing task. According to the DOT&E memorandum, the Verification Simulator will not be ready for the currently planned IOT&E start date in 2018—and perhaps not until two or more years later.

The Last Honest Assessment of the F-35 Program?

This DOT&E memo clearly exposes the Air Force's F-35 IOC announcement as nothing more than a publicity stunt.

Unfortunately, Dr. Gilmore’s memo may prove to be one of the last honest assessments of the F-35 program the Congress, White House, DoD, or American people receive. Dr. Gilmore’s position as Director, Operational Test & Evaluation is an appointed one, made by the President. He has proven himself to be an independent, principled actor. He has resisted the temptation that several, though certainly not all, of his predecessors failed to resist: to act on behalf of their future employers in the defense industry by signing off on ineffective operational test plans or watering down reports of operational test failures to make it appear as though all is well for continued program funding.

And so it may be again in a few months. With a new Administration, there may well be a new head of operational testing. Unless a competent and courageous operational tester, one not beholden to industry, occupies that office, the men and women who have to take these weapons into combat will be in danger of receiving flawed tools that could cost them victory and their lives. With all the evident foot-dragging that has taken place so far, a skeptical observer could be forgiven for believing that those in charge of the F-35 program may be attempting to run out the clock on Dr. Gilmore’s tenure.
The Senate Armed Services Committee issued a severe blow to transparency and fiscal responsibility this summer. In a closed-door vote, they eliminated a requirement to disclose the development cost of the Air Force’s new B-21 stealth bomber. The Committee voted 19 to 7 to prevent the American people from knowing how much of their money will be sunk into this latest questionable weapons project.

Price estimates released for the program are cause for concern. Last year the Air Force told Congress the program would cost $33.1 billion. This year they updated their estimate to $58.4 billion—an increase of more than $25 billion, or 76 percent. The significant difference in the estimates has been attributed to “human error” by the Air Force Secretary, and we can’t help but worry that similar mistakes will flourish in the dark. And an estimate is not the same as the actual contract value. The figures may vary significantly in this case because the Air Force is purchasing the B-21 with a cost-plus contract in which Northrop Grumman will be reimbursed for expenses it incurs during what is expected to be a long development process. This is the information the Senators voted to withhold from taxpayers.

Sen. McCaskill fought this secrecy. He had included language in the 2017 National Defense Authorization Act requiring the Air Force to release the dollar amount of the B-21’s Engineering and Manufacturing Development contract which Northrop Grumman will be reimbursed for expenses it incurs during what is expected to be a long development process. This is the information the Senators voted to withhold from taxpayers.

Senate Armed Services Committee Chairman John McCain (R-AZ) fought this secrecy. He had included language in the 2017 National Defense Authorization Act requiring the Air Force to release the dollar amount of the B-21’s Engineering and Manufacturing Development or Congress would withhold funds

B-21: THE POLITICAL ENGINEERING BEGINS
By spreading contacts across the country in key congressional districts, the defense industry can keep Congress in its pocket for the B-21 bomber program.

CONTRACTOR: BAE Systems
NEW HAMPSHIRE: Sen. Kelly Ayotte (armed services cmte)
Sen. Jeanne Shaheen (armed services cmte)

CONTRACTOR: Pratt & Whitney
CONNECTICUT: Sen. Richard Blumenthal (armed services cmte)
Sen. Chris Murphy (appropriations cmte)

CONTRACTOR: Northrop Grumman
VIRGINIA: Sen. Tim Kaine (armed services cmte)

CONTRACTOR: GKN Aerospace
MISSOURI: Sen. Claire McCaskill (armed services cmte)
Sen. Roy Blunt (defense appropriations subcmte)

CONTRACTOR: Janicki Industries
WASHINGTON: Sen. Patty Murray (defense appropriations subcmte)

CONTRACTOR: Orbital ATK
OHIO, DISTRICT OF: Rep. Mike Turner (house armed services cmte, tactical air and land subcmte)

CONTRACTOR: Janicki Industries
AND DISTRICT OF: Rep. Rick Larsen (house armed services cmte, strategic forces subcmte)

CONTRACTOR: Janicki Industries
KANSAS: Sen. Jerry Moran (defense appropriations subcmte)

CONTRACTOR: Spirit Aerosystems
IOWA: Sen. Joni Ernst (armed services cmte)

CONTRACTOR: Rokwell Collins
OHIO, DISTRICT OF: Rep. Mike Turner (house armed services cmte, tactical air and land subcmte)

CONTRACTOR: Janicki Industries
AND DISTRICT OF: Rep. Rick Larsen (house armed services cmte, strategic forces subcmte)

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CONTRACTOR: Janicki Industries
AND DISTRICT OF: Rep. Rick Larsen (house armed services cmte, strategic forces subcmte)

CONTRACTOR: Janicki Industries
KANSAS: Sen. Jerry Moran (defense appropriations subcmte)
from the program. “[T]he American people deserve to know how many of their hard earned tax dollars will be spent in these initial phases as we embark on a major defense program expected to exceed $100 billion in total,” the Arizona Senator wrote in a letter to Secretary of the Air Force Deborah Lee James on March 10. He stood firm in his position and was one of the seven to vote against the secrecy provision.

But the Air Force has resisted releasing the figure by claiming the contract price would allow potential adversaries to divine some of the new plane’s capabilities, like its range and how many weapons it can carry. Randall Walden, head of the Air Force’s Rapid Capabilities Office, responded to Senator McCain’s language with a letter saying there is a “strong correlation between the cost of an air vehicle and its total weight.”

As the Project On Government Oversight wrote previously, the Air Force’s argument against releasing the contract price is dubious at best. Officials apparently felt no qualms about releasing an artist’s rendition of the proposed design. They were also eager to announce where some of the plane’s subsystems will be built to begin the process of lining up political support to ensure its survival in future budget battles. Any potential adversary sophisticated enough to figure out the plane’s weight based on the price would certainly be able to learn much more about the plane’s capabilities and how it might perform based on the contractor information the Air Force has chosen to release.

I learned a great deal about how the plane will come together after only an hour of Googling.

The American people need to know the contract price to hold those in charge accountable. We applauded Senators McCain, Kelly Ayotte (R-NH), Tom Cotton (R-AR), Joni Ernst (R-IA), Dan Sullivan (R-AK), Lindsey Graham (R-SC), and Ted Cruz (R-TX) for opposing the effort to keep this information from the public. Unfortunately, Senator Bill Nelson (D-FL) was successful in keeping this information secret, garnering the support of Senators James Inhofe (R-OK), Jeff Sessions (R-AL), Roger Wicker (R-MS), Deb Fischer (R-NE), Mike Rounds (R-SD), Thom Tillis (R-NC), Mike Lee (R-UT), Jack Reed (D-CT), Bill Nelson (D-FL), Claire McCaskill (D-MO), Joe Manchin (D-WV), Jeanne Shaheen (D-NH), Kirsten Gillibrand (D-NY), Richard Blumenthal (D-CT), Joe Donnelly (D-IN), Mazie Hirono (D-HI), Tim Kaine (D-VA), Angus King (I-ME), and Martin Heinrich (D-NM).

Defense contractors have a long history of underbidding in order to win contracts. United Technologies Corporation was caught doing so, for instance, when, in the 1980s, the company deliberately low-balled its bid to build F-15 and F-16 engines to win the contract over rival General Electric. A federal judge in Ohio ordered that company to pay $473 million under the False Claims Act in 2013 for misleading the Air Force. This practice of underbidding creates problems later when costs inevitably rise once reality asserts itself and it becomes clear the contractors can’t deliver on their promises.

Moreover, there are a number of large programs putting pressure on the Pentagon’s budget, and lawmakers make long-term budgeting decisions with the best information available. When Congress budgets using deliberately understated figures, they end up approving more new programs than we can afford and creating severe problems down the road. Later Congresses are then left to deal with busted budgets, all so a defense contractor could edge out the competition.

We are disappointed with the outcome of this vote, as much by the fact that there wasn’t bipartisan support for disclosure as by the effort to block transparency. National security and open government issues should not be political.
Nukes in Turkey Raise Concerns About Weapons Throughout Europe

BY LYDIA DENNETT

After the recent military coup attempt in Turkey, multiple organizations have raised appropriate concerns about the 50 U.S. nuclear bombs stored at a Turkish Air Base less than 70 miles from the Syrian border.

While this new interest is warranted, the security vulnerabilities of the 131 American B61 nuclear bombs currently deployed at military bases in Belgium, Italy, Germany, and the Netherlands have been a growing concern for almost a decade.

These nuclear bombs are relics of Cold War perceptions of reassurance, and are now more of a liability than a legitimate international security strategy. Given how uncertain the security situation is in Europe, particularly in Belgium and Turkey, it’s time to consider just how useful—or not—these weapons actually are.

In 2012, and again in 2013, the Project On Government Oversight wrote to the Secretary of Defense questioning the military efficacy of keeping these bombs in Europe when faced with mounting costs and troubling security concerns. Although these weapons are protected by U.S. military personnel, the overall security of the sites where they’re stored is the responsibility of the host nation. This can be dangerous if, as almost happened in Turkey, there is an abrupt change in national leadership. And Dan Lamothe of The Washington Post reported that one of the Turkish officers detained after the coup attempt was the commander of the base where the nukes are kept.

In addition to the security vulnerabilities posed by the nuclear bombs being stored in Turkey, they aren’t even a credible deterrent. The Incirlik Air Base is the only European base with B61 bombs that does not have nuclear-capable aircraft to deliver the bombs. Meaning, if NATO did make the devastating decision to use the weapons, they couldn’t without first deploying a nuclear-capable fighter-bomber to Incirlik to pick them up.

Even absent turmoil within a host nation’s government, there can be security problems. A 2008 U.S. Air Force Blue Ribbon review found that security at the European sites varied widely, and most did not meet U.S. nuclear weapons protection standards. Some security requirements—including armored vehicles and perimeter fencing—were underfunded, leading the review to conclude: “the [United States Air Force] must continue to emphasize to its host nation counterparts their requirement to honor security commitments.” Just two years later, a group of peace activists jumped the fence around the Kleine Brogel Airbase in Belgium. They wandered around the base for an hour, near buildings...
containing nuclear weapons vaults, before they were finally stopped by a soldier carrying an unloaded rifle and without readily available ammo. They posted a video of their break-in on YouTube.6

Then, in the wake of the terrorist attacks in Belgium earlier this year, Belgian authorities discovered video surveillance footage of a nuclear power facility, indicating the Islamic State’s possible interest in nuclear materials. The New York Times reported, “This is especially worrying in a country with a history of security lapses at its nuclear facilities, a weak intelligence apparatus and a deeply rooted terrorist network.”7

All of these incidents should have set off major alarm bells given how catastrophic the results would be if nuclear material ended up in the wrong hands.

POGO has found that the U.S. considers three main potential terrorism scenarios when assessing security:

1. The creation of an improvised nuclear device on site by suicidal terrorists.
2. The use of conventional explosives on site to create a radiological dispersal device, also known as a dirty bomb.
3. The theft of nuclear materials in order to create a crude nuclear weapon off-site.8

The vulnerabilities at the European bases outlined in the 2008 report could prevent security forces from protecting nuclear material in at least one, if not all, of these scenarios. As Eric Schlosser in The New Yorker points out, while the nuclear weapons stored in Europe contain coded switches to prevent the unauthorized use of the bombs, these codes can by bypassed with time and the right training.9 And if someone with know-how and malicious intent were able to break into one of these sites, it would take very little time to use conventional explosives to create a dirty bomb.

Since the 2008 Air Force report, NATO allies have been working on improvements to the security of these European bases, and NATO has contributed over $300 million in upgrades to B61 storage facility infrastructure. Last year, satellite images analyzed in a Federation of American Scientists piece by Hans Kristensen showed that upgrades to the security perimeters at the bases in Turkey and Italy were underway.10

But POGO has found that other problems identified in the 2008 report still have not been addressed. Security experts told POGO that the storage of weapons within certain facilities designed to improve protection may actually provide an attacking force with a fortified “castle.” An attacker could then use the reinforced shelter to buy time—an extremely dangerous prospect in a terrorist situation.

The presence of U.S. nuclear weapons in Europe is often seen as an essential part of the NATO alliance, used to “assure allies, and deter adversaries.”11 But that can only work if these weapons are kept safe, secure, and credible. A quick glance at the most recent Pentagon budget shows that the U.S. is more committed to the NATO alliance than ever, setting aside $3.4 billion for the European Reassurance Initiative, a four-fold increase over last year—yet the Defense Department doesn’t once mention the nukes deployed in Europe in the documents justifying the program’s cost.12

With a new Administration coming this January, there is an opportunity to re-evaluate how the U.S. deploys its assets. Is the presence of U.S. nukes in Europe really a meaningful way to reassure our allies that we are committed to their security, or is it instead creating an expensive and unnecessary risk to the region? ■

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5 Air Force Blue Ribbon Review, p. 54.


PENTAGON ADMITS:
Half of War Spending Account Is Slush

By Mandy Smithberger

The Overseas Contingency Operations (OCO) account was designed to support unanticipated and difficult-to-plan costs for operations in Iraq and Afghanistan. But over time—particularly to circumvent spending caps established by the Budget Control Act and subsequent budget deals—it’s become a slush fund for programs with little connection to our current war efforts.1 A recent story at Inside Defense reveals we grossly underestimated just how squishy this fund has truly become.2

Even according to the Pentagon’s own accounting, $71 billion in OCO spending went to non-war programs from 2001 to 2014.3 The definition for OCO became increasingly squishy as Congress and the Pentagon sought opportunities to increase Pentagon spending despite the statutory spending caps. For example, in 2014 the definition of OCO expanded to include “readiness shortfalls.”4 Even under this expansive definition Pentagon officials couldn’t come up with enough war costs to hit their OCO spending goal, so this year’s OCO request included $5 billion for non-war related spending.5 Or so we thought. What Inside Defense reveals is that $30 billion—more than half of the total $58.8 billion request—is actually for “enduring requirements” that should be funded out of the base budget.

Enduring requirements are foreseeable and usually included in the base budget to enhance planning. As some programs became more predictable, DoD even moved them from OCO to the base budget as appropriate. For example, the DoD moved funding for the Joint Improvised Explosive Device (IED) Defeat Fund to the base budget in fiscal year 2010 “[d]ue to the enduring nature of the threat.”6 The DoD had determined for several programs “that certain elements of the associated military operations have become stable enough to be planned, financed, and executed within the DOD’s base budget.”7

Shifting enduring requirements to OCO seems to be a further break from budgetary discipline. A recent report by the Stimson Center revealed many enduring requirements had slipped into OCO. They estimated the FY 2017 OCO request included $22.7 billion for fully or partially enduring requirements that should be fully or partially funded through the base budget. They also highlighted how disconnected from war spending OCO spending has become: in FY 2008—when OCO spending was at its peak to date of $187 billion—the ratio of OCO to troop levels was about $1 million per troop; this year’s request breaks down to $4.9 million per troop—an increase of nearly 500 percent. The Pentagon’s admission that more than half of these costs are not for current overseas operations may help explain the discrepancy between troop levels and spending.8

The Government Accountability Office is reviewing the OCO account and whether funds have been used on enduring requirements.9 Meanwhile, the House has included an additional $18 billion for the Defense budget beyond the $582.7 billion requested. Even a modicum of accountability should compel Congress to remove that additional funding lest they reward the Pentagon’s misleading accounting. As House Budget Committee Ranking Member Chris Van Hollen (D-MD) asks, “Are they really saying we are going to be in indefinite war? OCO is designed to capture short-term costs as a result of overseas contingencies. The name says it. It’s not a contingency if it’s forever.”10

2 Tony Bertuca, “Pentagon will need to fund ‘enduring requirements,’ now in OCO account, once combat ends,” Inside Defense, September 30, 2016.
7 Ibid., p. 20.
**THE DEFENSE MONITOR**

*The Project On Government Oversight is a nonpartisan independent watchdog that champions good government reforms. POGO’s investigations into corruption, misconduct, and conflicts of interest achieve a more effective, accountable, open, and ethical federal government.*

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**INSIDE**

1. **F-35 May Never Be Ready for Combat: Testing Report Contradicts Leadership’s Rosy Pronouncements**
   BY DAN GRAZIER AND MANDY SMITHBERGER

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