

Report: Pentagon Will Likely Fail Audits Through 2028

GAO says DOD still ‘faces significant fraud exposure’ and massive financial deficiencies

REPORTING | WASHINGTON POLITICS

Washington Politics Pentagon

AARON SOBCZAK

MAY 07, 2025



Listen to this article now

Powered by **Trinity Audio**

00:00



1.0x

03:08

The Defense Department has not taken adequate measures to address “significant fraud exposure,” and its timeline for fixing “pervasive weaknesses in its finances” is not likely to be met, according to a recently released government report.

The Government Accountability Office conducted the report to assist the Pentagon in meeting its timeline for a clean audit by 2028. DOD has failed every audit since it was legally required to submit to one each year beginning in 2018. In fact, the Pentagon is the only one of 24 federal agencies that has not been able to pass an unmodified financial audit since the Chief Financial Officers Act of 1990.

For more than two decades, the GAO has given over 100 recommendations on how the Pentagon can fix its financial weaknesses. Most cases are still open, with no progress satisfied other than a “leadership commitment.” Additionally, many of the thousands of identified deficiencies found in its 2018 audit remain outstanding.

Indeed, the GAO found that “to achieve a department-wide clean audit opinion by December 2028, the DOD needs to accelerate the pace at which it addresses its long-standing issues.”

GAO advises DOD to implement a fraud risk management system. From 2017 to

RESPONSIBLE STATECRAFT

Quincyinst.Org

confirmed fraud reflect only a small fraction of DOD’s potential fraud exposure,” the GAO says.

NEWSLETTER

Subscribe now to our weekly round-up and don’t miss a beat with your favorite RS contributors and reporters, as well as staff analysis, opinion, and news promoting a positive, non-partisan vision of U.S. foreign policy.

SUBSCRIBE

Examples of more egregious cases of fraud and abuse at the Pentagon — like the \$52,000 trash can or the \$7,600 coffee maker — have been well-documented over the years. But others are a bit more granular. The new GAO report noted that the Pentagon purchased a machine gun bipod component with subpar manufacturing standards because a vendor fraudulently edited paperwork to reflect a higher manufacturing score. Luckily, engineers caught the deficiency before the bipods entered the battlefield, but the incident could have placed soldiers in harm's way.

Defense Secretary Pete Hegseth promised to return a clean DOD audit by the end of Trump's administration, an outcome the GAO report and experts say is unlikely, barring significant changes.

Despite inadequate answers to these massive financial deficiencies, President Trump has ordered the Pentagon to increase its budget to over \$1 trillion, up from the around \$850 billion that the Biden administration requested for FY 2025.

"Congress set an ambitious deadline for the Pentagon to achieve an unmodified audit opinion in 2028, but there's little evidence to suggest the department can meet it," says Julia Gledhill, Research Associate at the Stimson Center.

"Lawmakers would be better off lowering Pentagon spending, which would help the department mitigate the risk of contractor fraud. With more limited resources, the Pentagon would have to tackle the issue head-on."

Aaron Sobczak

Aaron is a reporter for Responsible Statecraft and a contributor to the Mises Institute. He received both his undergraduate and masters degrees in international relations from Liberty University.

The views expressed by authors on Responsible Statecraft do not necessarily reflect those of the Quincy Institute or its associates.

Top photo: credit Shutterstock. A 5% hike in US military spending would be absolutely nuts |

Top image credit: A 5% hike in US military spending would be absolutely nuts

NEXT UP

- Hegseth orders 8% cut to Pentagon budget. Not so fast.
- Pentagon can't account for 63% of nearly \$4 trillion in assets
- DOGE wants to cut the Pentagon — by 0.07%

DISCOVER MORE

- Trump, Hegseth promise record \$1 trillion Pentagon budget ...

REPORTING | WASHINGTON POLITICS