

September 2, 2025

The Honorable Pete Hegseth Secretary of Defense Department of Defense 1000 Defense Pentagon Washington, DC 20301

Dear Secretary Hegseth:

As the end of the fiscal year approaches, I am writing to urge you to seize a historic opportunity to end the Department of Defense's longstanding and wasteful year-end "use-it-or-lose-it" spending spree.

As you know, "use-it-or-lose-it" funding rules encourage federal agencies to exhaust their budget by any means necessary at the end of the fiscal year. Agency heads fear they risk receiving less funding from Congress the following year if funds remain unspent.

Open the Books has been tracking federal spending for over a decade. We have watched this practice persist regardless of which party occupies the White House. President George W. Bush's DOD spent an astonishing \$85.4 billion on grants and contracts in September 2008, the most expensive month we have on record. During President Donald Trump's first term, the DOD's two most expensive months for grant and contract spending came in September 2018 (\$63.3 billion) and September 2019 (\$59.4 billion).

Near the end of President Joe Biden's term, September spending once again approached the highs of the Bush administration. In September 2024, DOD spent \$79 billion – more than the annual defense of all but seven countries. In just the last five working days of September 2024, DOD spent \$33.1 billion – 7% of its contract and grant spending for the whole fiscal year and more than Israel's entire defense budget (\$27.5 billion) in 2023. Only 15 other countries spent more on their military in an *entire year* than what the Biden administration spent in *five days*.

Here are some purchases we found in the DOD checkbook last September:

- \$6.1 million of lobster tail
- \$16.6 million of ribeye steak
- \$211.7 million of furniture

- \$36,000 for footrests
- \$16.3 million on cartons, crates, and toolboxes

Our auditors recently released a list of <u>20 areas of fiscal concern</u> within the Pentagon. Eliminating end-of-year spending sprees may be the easiest problem to correct. Mr. Secretary, you have the power to end this practice today. We urge you to do so as you pursue your goal of reorientating DOD around its central warfighting and lethality mission.

A responsible September is particularly important given the Pentagon's 2026 budget request, which asks Congress for the largest budget in the history of the military. It is imperative that any increased funding is spent on purchases that bolster our national security and warfighting capabilities, not on lavish expenditures that do not serve our men and women in uniform.

In my April 2025 testimony before the House DOGE Subcommittee, I argued that every dollar saved in Washington is a dream realized somewhere in America. When it comes to our national security, not just aspirations but human lives are at stake.

I urge you to use the power of your office to end this wasteful practice once and for all. American taxpayers, and our potential adversaries, are watching.

Sincerely,

John Hart

CEO, Open the Books

CC:

Russell Vought, Director, Office of Management and Budget

Rep. Mike Rogers, Chair, House Committee on Armed Services

Rep. Adam Smith, Ranking Member, House Committee on Armed Services

Sen. Roger Wicker, Chair, Senate Committee on Armed Services

Sen. Jack Reed, Ranking Member, Senate Committee on Armed Services