

# How To Fake An Invoice (But Tell Your Lover, Too)

**T**he story of US defense since the end of the Cold War has been one of increasing torrents of money pouring into the pockets of major defense contractors, with less and less in the form of actual weapons being delivered in return. Meanwhile the defense industry itself has become increasingly monopolistic, with Lockheed-Martin and Boeing between them absorbing almost all their major rivals.

The thought of Norm Augustine, boss of Lockheed, trousering all those billions is indeed galling, but a little noticed trend in defense fraud introduces a cheering note: the little guy can get his turn at the trough.

Take the case of James E. McGill, who collected \$3,025,670.99 for non-existent supplies and services to the Military Sealift Command. A retired Petty Officer, his years in the service had taught him how the system works — which is not at all. With the simple tools of a rented mailbox, rubber stamps and a few forged

signatures he would be still in business, save for an unfortunate bit of bad luck that could have happened to anyone. A clerk in the act of writing a check to McGill happened to look out the window and notice that a ship for which McGill was claiming to have supplied numerous parts was moored in front of him—mothballed and definitively out of service.

James Lugas, a retired air force captain working as an accountant at Reese Air Force Base in Texas, set up a dummy company purporting to supply metal shelving and meat to the stock fund and commissary at the base. He got away with \$2,094,318.50, much of which he spent on cars—at least 20. He was caught only because his girlfriend, cognizant of his healthy cash position but ignorant of the true source of his income, denounced him to the authorities as a drug dealer.

These two entrepreneurs were apprehended in the early days of the Clinton administration. They had to go

to the trouble, admittedly minimal, of fabricating the necessary paperwork. Things have changed in the intervening years. Thanks to “streamlining government”, one of Al Gore’s more cherished initiatives, the task of requesting and receiving money from the Pentagon has been vastly simplified.

All that is basically necessary is to set up a bogus company, formulate an invoice in the correct form — a task simplified by the provision of relevant software on the internet, thanks to Gore’s infatuation with cyberspace, and send in the bill. Traditionally, payment would be withheld until the bill could be matched up with a receiving order, indicating that goods had actually been delivered. But now the requirement for the receiving order is being dropped under a new policy dubbed by Pentagon wags “pay and chase”—pay first and then chase the guy who ripped off the government.

The message is clear. Clinton, Gore and the rest of the reinvented government are not just trying to make life easier for big trough feeders. With a little attention to detail, anyone can play. ■

# The Incredible Flying Cocktail Shaker

**A**s we go to press, pork dealers on Capitol Hill are locked in a titanic struggle over the future apportionment of \$27 billion. That is the estimated lifetime cost of the nine B-2 bombers that Stealth partisans want the Congress to commit to in next year’s spending bills with an initial tranche of \$331 million.

This is a difficult moment for proponents of what is assuredly the greatest boondoggle of all time to be dipping their hands in the till. The normally spineless GAO recently sat up in bed and reported that the B-2 (\$2 billion a copy) can’t fly through a rainstorm without the fancy plastics that make up the stealth coating on the plane “degrading”.

However, Norm Dicks, the Washington Democrat, and other partisans should not lose hope. **CounterPunch** can reveal that the B-2 has a secret attribute that makes it unique in the annals of aerial warfare: it can actually manufacture its own ordnance (bombs) in flight.

This capability, unanticipated by the designers and now classified far above Top Secret by the Air Force, came to light after a long range test flight over the Pacific last year. Post-flight checks revealed an enormous block of ice weighing 500 lbs had formed inside the aircraft during its journey.

The possibilities are awesome. Not only can the bomber re-arm itself without having to touch the ground, but the ice bombs it drops on the enemy will, at least in warm weather operations, inevitably melt into the ground once they have completed their destructive mission. A Stealth bomb!

Close examination of any modern aircraft will reveal the fuselage to be pitted with tiny holes, known in the trade as “weeper holes”. These are necessary because planes inevitably absorb moisture as they go up and down in flight. The holes are to allow the water to drain out again and not accumulate inside the hull. The essence of a stealth aircraft skin however is that it

be absolutely smooth, with no breaks in the surface — i.e., no weeper holes. Thus water goes in, but has no way out. The plane ascends to high altitude. The water freezes.

There is, unfortunately, one obstacle to be overcome before the stealth bomb can be made fully operational: there is as yet no way of ensuring precisely where the ice will form. Thus, when the plane landed after the above-mentioned Pacific flight, the ice had already begun to melt. The water was dripping directly into the hundreds of millions of dollars worth of avionics (electrical systems) stuffed into the plane, with predictable results.

Discussing the issue, a senior Pentagon official and Friend of **CounterPunch** supplies the only word applicable to the entire B-2 program: “Fiasco”, a word grossly overused in relation to the Air Force’s stealth program given the mid-air disintegration of a Lockheed-built F-117A at an east coast air show on Sept. 14. ■

# Gore Girl's Motown Taint

**T**his summer, in early July, Karennia Gore, daughter of the Vice-president and Tipper, married Dr. Andrew Schiff. We've all been involved in Karennia's upbringing: It was for her sake that Al and Tipper asked the rest of us to sacrifice the First Amendment, just so she wouldn't find out that Prince had a dirty mind.

For such reasons our friend Dave Marsh, the mighty editor of *Rock 'n Roll Confidential*, tells us how he can't help regarding Karennia and her sister (the one arrested with a beer can in her hand on the lawn of her high school a couple of years back) and brother (who got run over by a car because his father didn't have a tight grip on his hand as they left a baseball stadium) with the feelings one reserves for a god-child. So it seemed altogether fitting that Dave has looked into Dr. Schiff and his family, just to make certain that Karennia has made a solid match.

Dr. Schiff's father, David T. Schiff, is managing partner of Kuhn, Loeb, a major Wall Street firm. More on him in our next issue. Dr. Schiff's mother, Lisa, once sat upon the board of directors of Georgetown University, sometimes known as CIA State. Good match, especially if you're an aspiring presidential candidate.

Dr. Schiff's mother, Lisa, is currently a managing director of Touchwood Records in New York. The other managing director of this company is Dr. Schiff's brother, Scott. According to the Touchwood website, when Scott worked at Atlantic Records "scouring retail pockets across the country to spot trends, Scott and his co-workers were among the first to recognize the potential of a small bar band and brought them to the attention of Atlantic. The band was Hootie and the Blowfish." According to Tim Sommer, the Atlantic executive who signed Hootie, "Scott told Danny Goldberg about this sales spike...Danny sent me to see the band. I signed them (literally) on the spot, and far more important methinks, midwived the album and the band's developing relationship with the label." Sommer says Scott Schiff was "a pretty-no, very-nice kid until Doug Morris

started using him to stake his own claim in signing/developing Hootie... [Scott] never met or saw the band prior to their signing, and I'm not entirely sure he had even heard them prior to forwarding the local sales info...Scott reads numbers, local sales numbers; it wasn't his job to listen to music or make any comment on music."

Out of this, the family started a record label—well, not entirely out of this, since Lisa Schiff is the daughter of T. Newman Lawler, a "musical

---

**Did Tipper realize she was practically related to "a porn queen in heat"?**

---

copyright specialist whose clients ranged from Irving Berlin to Van Cliburn, and for many years invested in landmark musicals," according to the website. Such capital, though undoubtedly wrested from the creative efforts of others, is in fact precisely the kind of intellectual property that Al Gore made all those fundraising calls to protest. No harm to our Karennia seems likely from such a source. However...

Having perhaps greater capital than credentials, the Schiffs needed a "record man" to run the show and found one in Director of Distribution Irv Biegel. Biegel has an extensive background among those who Al and Tipper think should be ashamed for promoting music that corrupts youths. He was once vice president of sales and marketing at Motown and though Marsh says he's never believed the stories about Motown's sales operations having a Mafia taint, Al Gore and his wife have been known to credit stories far more peculiar. Later, Biegel became associated with Neil Bogart, a man who signed Joan Jett, Kiss, Donna Summer, Bob Segar and Question Mark and the Mysterians. Bogart helped invent both bubblegum pop and disco, and lost a fortune on a three-record set of highlights from the

*Tonight Show*. Although the Cores apparently have no problem associating themselves with cocaine addict musicians—Marsh remembers Madison Square Garden in 1992 when they danced to Fleetwood Mac at the convention—it is undeniable that Bogart was no stranger to dope culture.

Donna Summer began her career by imitating an orgasm on "I Feel Love." She was a "porn queen in heat" long before Tipper's PMRC invented that epithet for Madonna. Joan Jett is both a genius rock 'n roller and someone who recorded the Rolling Stones' "Starfucker". KISS, of course, violates almost every one of Tipper's strictures: They are associated with violence, explicit sex (bassist Gene Simmons used to carry around a catalog of Polaroid spread shots of his groupie conquests) and, of course, many of the sources Tipper cites in her book, *Raising PG Kids in an X-Rated Society*, insist that the band's very name is an occult acronym for Kids In Satan's Service.

Perhaps Al and Tipper will contact Joe Kennedy to find out about the possibility of annulling this ill-conceived pairing. ■

## SUBSCRIPTION INFO

**Enter/renew subscription here:**

One year individual, \$40  
 One year institution, \$100  
 One year student/low-income, \$25  
 Please send back issue(s) \_\_\_\_\_ (\$3/issue)

I am enclosing a separate sheet for gift subscriptions"

Name \_\_\_\_\_

Address \_\_\_\_\_

City/State/Zip \_\_\_\_\_

Payment must accompany order.  
 Add \$10 for foreign subscriptions.  
 Make checks payable to: **CounterPunch**.  
 Return to: **CounterPunch**.  
 P.O. Box 18675  
 Washington, DC 20036