



Written by [Alex Newman](#) on April 11, 2013

## Defying Congress, Obama Sends U.S. Taxes to Russian State Arms Firm

Despite a [bipartisan federal law](#) prohibiting financial contracts with the Russian government-owned arms giant Rosoboronexport, the Obama administration announced that it would be purchasing another \$680 million worth of military helicopters from the state company for the Afghan regime of Hamid Karzai. The contract comes after the Pentagon already spent \$411 million with the supplier since May of 2011, bringing the [estimated amount](#) of U.S. taxpayer funds funneled to the state-owned behemoth to about \$1 billion in recent years.



The latest deal, however, drew furious outrage from across the political spectrum. Critics and lawmakers complained that the controversial scheme would boost Russia's military-industrial complex even as millions of Americans remain out of work. Other opponents highlighted national security concerns. Members of Congress on both sides of the aisle and human rights groups also expressed opposition to the plan, citing a [congressional ban](#) on deals with Rosoboronexport and the fact that the Russian military supplier has been arming rogue regimes around the world.

Under an amendment to the National Defense Authorization Act (NDAA) signed into law by President Obama, the U.S. government is prohibited from sending funds to or entering into contracts with Rosoboronexport, lawmakers [noted](#). The only exception to that prohibition is if the Secretary of Defense deems it to be in the "interest of national security." Now, a bipartisan coalition of members of Congress led by Rep. Rosa DeLauro (D-Conn.) is demanding that [Defense Secretary Chuck Hagel](#) explain what possible excuse there could be to purchase more military helicopters from the government-owned Russian arms dealer.

"Despite this new law, we learned that the Army intends to enter into a new contract with Rosoboronexport in the coming weeks to procure 20 additional helicopters for the Afghan National Security Forces," the 10 lawmakers said in a [strongly worded March 25 letter](#) sent to Hagel urging him to kill the contract. "This plan runs in direct contravention to both the spirit of the FY13 NDAA and the clear legislative intent of Congress — to ban further business dealings with Rosoboronexport. In our view, any attempt by DoD to utilize prior-year funds would constitute a direct subversion of existing law."

In the letter, the bipartisan group of U.S. representatives also asked Hagel to prepare a detailed briefing explaining the decision. "What is the national security justification of continuing business with Rosoboronexport?" the lawmakers asked, outraged because the state-owned company has been supplying weapons to the Syrian regime amid a war against [Western-backed Islamists](#). "Relatedly, last year, DoD notified Congress of plans to purchase 33 Mi-17s from Rosoboronexport for the Afghan National Security Forces. What is the national security justification for the additional 20 helicopters this



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year? ... What steps is DoD taking to ensure that it does not support — financially or otherwise — enablers of mass atrocities?”

Hagel has received the letter and intends to respond, Pentagon spokesman James Gregory was [quoted as saying in an e-mail to Russia’s state-run RIA Novosti](#) news agency. “The Department of Defense (DOD) has notified Congress of its intent to contract with Rosoboronexport for 30 additional Mi-17 rotary-wing aircraft to support the Afghanistan National Security Forces (ANSF) Special Mission Wing,” he said. “Given current timelines, the department has determined that Rosoboronexport is the only viable means of meeting ANSF requirements.”

In the Senate, lawmakers are furious as well. Among other concerns expressed by senators was the fact that the Pentagon did not solicit bids from any other company for the helicopters, according to news reports. Speaking to *Businessweek*, GOP Senator John Cornyn of Texas [said](#) that “seems just plain stupid.” Sen. Cornyn is one of 17 senators thus far, including eight Democrats and eight other Republicans, urging the Defense Department to cancel the contract. Experts say there are plenty of helicopter suppliers that could fill the order.

Critics, however, lambasted the decision from all angles. “Aside from throwing almost \$700 million to a company owned by the Russian government at a time when Obama has taken a chainsaw to the United States military, subsidizing the Russian defense industry helps it develop more weapons that will be sold to America’s enemies,” [noted](#) analyst Daniel Greenfield in a piece for *FrontPage* magazine. “That money will help fund R&D for the next generation of weapons that an American military dismantled by Obama will be facing on the battlefield.”

In an [analysis](#) offered by the Capitalism Institute, an organization dedicated to advancing free markets and limited government, multiple problems with what it called the “corrupt” deal were highlighted. Among the examples cited in the piece about what was wrong with the contract: giving taxpayer money to Russia, sending more military hardware to the Afghan government, using no-bid contracts, and bypassing Congress.

“That’s right, this foreign aid is even worse than the aid being given to Egypt, because at least Egypt was buying U.S. hardware,” the institute [noted](#), referring to Obama’s controversial decision to send fighter jets and tanks to the Muslim Brotherhood regime. “In the end, like almost all of our foreign policy, this was about power. It’s not about liberty, or security, or the economy. It’s about power brokering. We simply can’t afford this any longer.... People need to know that there’s bipartisan anger over Obama taxing us to give to the Russians.”

The John Birch Society, a conservative organization and an affiliate of this magazine, has been sounding the alarm about the Russian government for decades. It also expressed opposition to the latest scheme — not to mention the fact that foreign aid, including arming foreign governments, is not authorized by the Constitution. In a [weekly video address](#), CEO Art Thompson criticized the deal. “Isn’t that nice?” he wondered sarcastically. “I guess they didn’t inform the generals at the Pentagon who the enemy is.”

Thompson also highlighted the fact that the Obama administration was [sending](#) advanced military weaponry to the Islamist regime now ruling Egypt after the U.S. government-backed “Arab Spring” overthrew the previous government. Adding insult to injury, the new Muslim Brotherhood-dominated Egyptian government recently [announced an “integration” deal](#) with the mass-murdering genocidal regime ruling Sudan, which the U.S. State Department has listed as a state sponsor of terrorism for over two decades.



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Other critics of the Rosoboronexport contract pointed to [documents released by WikiLeaks suggesting that the Obama campaign had received Russian money](#). The controversial deal with Russia's military-industrial complex, however, is not the first time the Pentagon has been embroiled in scandal surrounding its procurement decisions to arm the Afghan regime. The U.S. Air Force, for example, [decided to purchase fighter planes from the Brazilian government-controlled company Embraer](#) for the Karzai regime even though the American company Beechcraft said it was willing and able to provide more cost-effective alternatives.

Russia and Brazil, of course, are both members of the so-called "BRICS" — an alliance of [socialist and communist-minded regimes](#) that also includes the Communist Party dictatorship ruling mainland China, the African National Congress (ANC)-South African Communist Party (SACP) regime ruling South Africa, and the socialist-oriented Indian government. The BRICS group [recently released its latest manifesto calling for a global currency](#) that would eventually displace the increasingly unstable U.S. dollar as the global reserve currency.

The Rosoboronexport contract is also not the first time that the Obama administration has been under fire for cooperating with the Russian military. As *The New American* [reported](#) last year, the administration invited airborne terror troops from Russia to train with U.S. forces on American soil for the first time in history, fueling suspicion and outrage among critics.

"The Russian soldiers are here as invited guests of the U.S. government; this is part of a formal bilateral exchange program between the U.S. and Russia that seeks to develop transparency and promote defense reform," Cmdr. Wendy L. Snyder, U.S. Defense Press Officer for policy, [told](#) *The New American* in an e-mail. "Aside from typical military training, the exchange will include discussions on the rule of land warfare, developing appropriate rules of engagement, and employing cultural literacy and competency in the tactical environment."

Analysts are not hopeful, but whether or not the massive public and congressional outcry will end up killing the potentially unlawful contract with Rosoboronexport remains unclear. As Obama told then-Russian President Dmitry Medvedev over an open microphone last year before his reelection, "[I'll have more flexibility](#)" after winning another term. It appears to critics as though, unless Congress takes serious action, the increased "flexibility" will mean further problems for the United States — at least for the next four years.

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