

Lt Col Ryan Crowley
Final Paper for Global Basing Elective

Corruption and Global Basing

Corruption is the most important issue facing global basing today because it creates tension between U.S. and host nation governments. The United States (U.S.) maintains an overseas presence for “the security of U.S. interests” and for “the flexible and timely response to contingencies.”¹ In other words, its overseas presence is meant to provide stability around the world and not exacerbate instability. However, U.S. international basing leads to Calder’s concern about “base politics” and the dynamics between the U.S., the host nation, and the many variables between them.² Vine quotes an Italian military analyst statement that US bases actually “strengthen the political and economic power of criminal organizations” and uses the Italian mob as an example of corruption that heavily-funded U.S. military bases can bring to areas around the world.³ Camp Humphrey’s construction in South Korea, Navy logistical port services in Southeast Asia, and uncompleted contractual obligations in Iraq and Afghanistan are additional examples of illegal activities surrounding U.S. global operations. Despite this seemingly rampant and worldwide corruption associated with U.S. global basing, there is no doubt that U.S. politicians and military leaders have nothing but good intentions with a heavily-focused overseas force posture. However, these same leaders must recognize the “base politics” they create with large military occupations and their subsequent contracts, understand the dynamics of the countries with U.S. military presence, and aim to mitigate negative repercussions of corruption might bring at global bases whenever possible. This paper explains why corruption is the most important issue facing global basing by explaining the need for global basing, providing examples of corruption, describing the variety of host nation conditions that allow corruption and can lead to instability, and offering solutions for U.S. leadership to root out corruption around its bases.

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Global basing is a critical component to the U.S. National Security Strategy and protecting its values, liberties, and way of life.⁴ Specifically, global basing allows the U.S. and the Department of Defense (DoD) to “improve operational responsiveness to contingencies, deter adversaries and assure allies, and facilitate security cooperation with partner militaries”.⁵ RAND summarizes the numerous categories of fiscal costs that overseas basing generates for the U.S. and its allies, such as training, personnel, installations, construction, and logistics.⁶ As just one example, DoD requested a staggering \$173 billion for Overseas Contingency Operations in Fiscal Year 2020.⁷ Alternatively, Vine argues overseas basing creates additional costs that the U.S. government does not adequately consider during its global basing process, to include: corruption, toxic environments, displaced populations, criminal activity, support to dictators.⁸ Combined with the sheer amount of money DoD uses to operate overseas and support requirements from host nation contractors for overseas bases, corruption rises as a significant issue the DoD must address. Specifically, mitigating corruption maximizes U.S. fiscal spending and lessens the negative effects of large U.S. budgets on overseas local communities, making it an important issue for U.S. leaders.

David Vine, author of *Base Nation*, illustrates the history of corruption with the U.S. military using examples from the Italian mafia dating back to the Allied landing during World War II.⁹ He goes on to describe contractual obligations supporting the U.S. Navy’s installation in Naples during the last couple decades of the twentieth century: a “lease-construction” contract to build a large housing area, service contracts to maintain the base, and illegal dumping of non-hazardous and hazardous waste.¹⁰ Vine connects American leadership, including an ambassador, for looking the other way of mafia involvement due the advantages the connections bring: cheaper contracts, added security, and quick action with limited obstacles.¹¹ In short, Vine uses

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examples of the U.S. military in Italy as just another example of the negative aspects of American global basing policies.

There are many other examples that support Vine's thesis that the U.S. military attracts corruption around its U.S. overseas basing infrastructure. For instance, South Korea's culture and government has history of corruption with two recent Presidents being jailed due to corruptive practices.¹² This combined with U.S. military operations that spend billions of dollars in South Korea led to two Korean companies paying \$127 million for their involvement in bid rigging on American military fuel contracts and two Korean businessmen convicted for bribing officials to win construction contracts associated with the \$11 billion project to relocate Camp Humphrey's.¹³ Another corruption scandal surrounding U.S. military operations involves U.S. Navy husbanding services at hundreds of ports throughout Southeast Asia that included "gifts, dinners, prostitutes, and cash bribes," and involved over 200 people and at least \$35 million in fraud.¹⁴ Lastly, the U.S. continues to spend trillions of dollars in support of its ongoing Iraq and Afghanistan operations.¹⁵ Unfortunately, this large amount of spending in countries with weak governments and poor U.S. oversight created conditions ripe for corruption like a \$40 million prison that was never completed and a \$108 million wastewater treatment plant that was completed 8 years late and only services a third of the intended population.¹⁶ These corruption significantly undermine America's desire to spread democratic values worldwide, support Vine's case to "reexamine the tenants of U.S. military strategy," and demonstrate why corruption is the most issue facing American overseas posture.¹⁷

U.S. government leaders can grasp the impact corruption can have on host nation communities using studies connecting increased defense expenditures and corruption. A study by Goel and Saunoris reported increased spending from the defense sector is more likely to lead to

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corruption than non-defense spending, even more so in high-income nations. Conversely, lower corruption result from institutional quality improvements, better government, urbanization, democracy, and greater prosperity all lower corruption.¹⁸ Though centered around host nation spending, these results can be used to understand corruption challenges around U.S. overseas bases and applied by working with host nation authorities to help implement anti-corruption solutions.

Before addressing corruption though, the U.S. must also understand the impact of host nation government type when making basing decisions to maintain stability. Specifically, as Cooley points out, globalization increases communication flow worldwide which opens more scrutiny to U.S. relationships and basing decisions that could lead to legitimacy questions.¹⁹ In general, the U.S. has had success basing in countries with dictators, while new democracies have created challenges. In today's world however, the U.S. must carefully consider its relationships with authoritarian governments. As examples, past authoritarian leaders have taken advantage of the U.S. to "distribute private benefits to political clients such as military supporters, bureaucrats, and companies controlled by their ruling families".²⁰ While these "private political benefits" might be acceptable and lead to stability in one country, it might be considered corruption and lead to instability in another country. Authoritarian regimes also have been known to use U.S. basing relationships "to acquire prestige and international legitimacy," or "justify their harsh repression of internal political opponents".²¹ All of these reasons should raise concern for U.S. leadership because they have the potential to create instability in today's globalized world due to leverage and power politics. As an example, if a dictator uses a U.S. relationship to gain personal power, the U.S. could be aggravating the issue by supporting corrupt behaviors. If those behaviors are considered acceptable at the country-level, the same

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behaviors are likely to filter to lower levels of government and businesses, and ultimately into U.S. contracts supporting overseas bases. This type of environment can make it difficult for U.S. military forces to achieve its missions within a U.S. legal framework. Furthermore, an influx of U.S. resources can aggravate corruption issues if proper steps are not taken. In short, U.S. must be cautious of corruption in bases of authoritarian-led countries.

Basing in democratic governments should be looked at differently with respect to corruption. Generally, democracies are founded on the values of liberty and freedom that make corruption less likely. However, countries going through the democratic process might be instable due to political volatility and contractual credibility associated with U.S. basing.²² This could lead to infighting and tensions among the parties vowing for representation in young democracies and could create an environment ripe for corruption. Consolidated democracies on the other hand are typically considered safer for legal and legit business between U.S. bases and local contractors. However, based on many examples, corruption is more widespread in consolidated democracies than might be anticipated. For example, and as discussed earlier, South Korea is a solidly democratic country but has dealt with corruption challenges at the highest levels of government. Corruption challenges around U.S. global basing within all democracies can cause legitimacy concerns and must be mitigated early. Due to this, U.S. military leaders and planners must lean forward to understand the conditions surrounding their host nation and local area and proactively work with appropriate host nation and U.S. officials to address corruption.

American military leaders can mitigate the effects of corruption once they understand how host nation authorities operate within their societies. In fact, Calder's host nation tactics for understanding and addressing base politics can be a useful starting point for U.S. recommendations to deal with corruption: 1) contact matters, 2) build common equities,

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especially at the grassroots, 3) emphasize the local level, and build “incentives to agreement” there, and 4) “one size does not fit all”.²³ First, the DoD should improve cultural-awareness training to base leaders and base personnel involved in contracts with host nation personnel. This training should include descriptions of and processes for the host nation federal and local governments, influential businesses and businessman, common business practices, history of illicit business activity, and key contractors supporting the installation. Using Calder’s host nation tactics, this data will give key American leaders the information they need for U.S. military forces to make decisions on successfully operating and to fairly conducting business in a specific host nation environment. Second, DoD and each service should improve the reporting of the corruption in and around overseas bases. The DoD Inspector General already provides detailed reports on various forms of fraud, waste, and abuse on its website. However, these reports are often very specific and typically aren’t shared with the stakeholders that need the information. Regional and country specific summaries should be shared with personnel at each U.S. overseas bases, to include base leadership, finance offices, contracting offices, and criminal investigation offices. Lastly, Calder’s idea of “contact matters” supports the need for host nation local leaders and base leaders to meet at least annually to discuss fair business practices and corruption mitigation ideas. These meetings should include host nation and U.S. law enforcement and criminal investigations personnel to focus on solutions relevant to that community. These meetings will not only mitigate corruption, but they will help create a healthy and competitive market for local businesses to take advantage of U.S. military contracts worth millions of dollars. These recommendations will go a long way in proactively attacking the corruption practices that U.S. military global bases often attract and help avoid the delegitimizing effects that corruption could easily bring to a base.

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In closing, though the question remains of the full extent that U.S. global basing strengthens the power of criminal organizations in host nations, there is no question that corruption is extremely harmful to the legitimacy of U.S. global basing and its relationships with the host nation. Vine argues that American leaders must consider the negative effects on host nations caused by corruption around U.S. bases when making decisions on overseas force posture. At the country and base level, this can be done by improving cultural awareness training, implementing better corruption reporting, and creating avenues for base leadership to discuss potential issues with host nation authorities. These steps will allow U.S. politicians and military leaders to better understand “base politics” to mitigate corruption due to global basing and improve relations with host nation officials and populaces. In short, U.S. leaders must recognize the “base politics” their physical and fiscal presence creates in local communities, understand the dynamics of the countries with U.S. military presence, and aim to mitigate negative repercussions of corruption on global basing whenever possible. In conclusion, corruption is the most important issue facing global basing today because it delegitimizes U.S. presence and creates instability in host nations.

¹ David Vine, *Base Nation: How U.S. Military Bases Abroad Harm America and the World* (Skyhorse Publishing: New York, 2017), 31.

² Kent Calder, *Embattled Garrisons: Comparative Base Politics and American Globalism* (Princeton University Press: Princeton, 2007), 65.

³ David Vine, *Base Nation: How U.S. Military Bases Abroad Harm America and the World* (Skyhorse Publishing: New York, 2017), 131.

⁴ Donald J. Trump, *National Security Strategy*, December 2017, 27-28.

⁵ Michael Lostumbo, *Overseas Basing of U.S. Military Forces: An Assessment of Relative Costs and Strategic Benefits* (Santa Monica, RAND Corporation, 2013), xix.

⁶ Lostumbo, *Overseas Basing*, 167-232.

⁷ Office of the Under Secretary of Defense (Comptroller), *Operation and Maintenance Overview: Fiscal Year 2020 Budget Estimates*, March 2019, 318-320, https://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2020/fy2020_OM_Overview.pdf.

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- ⁸ David Vine, *Base Nation: How U.S. Military Bases Abroad Harm America and the World* (Skyhorse Publishing: New York, 2017).
- ⁹ David Vine, *Base Nation: How U.S. Military Bases Abroad Harm America and the World* (Skyhorse Publishing: New York, 2017), 120.
- ¹⁰ David Vine, *Base Nation: How U.S. Military Bases Abroad Harm America and the World* (Skyhorse Publishing: New York, 2017), 115-133.
- ¹¹ David Vine, *Base Nation: How U.S. Military Bases Abroad Harm America and the World* (Skyhorse Publishing: New York, 2017), 131.
- ¹² Simon Denyer and Min Joo Kim, "Another former South Korea president jailed for corruption," *Washington Post*, October 5 2018, https://www.washingtonpost.com/world/asia_pacific/another-former-south-korea-president-jailed-for-corruption/2018/10/05/7e216cc6-c866-11e8-9158-09630a6d8725_story.html.
- ¹³ Kim Gamel, "Two South Korean companies to pay \$127M in military fuel bid-rigging case," *Stars and Stripes*, March 21, 2019, <https://www.stripes.com/news/pacific/two-south-korean-companies-to-pay-127m-in-military-fuel-bid-rigging-case-1.573549>. Fabian Kretschmer and Wesley Rahn, "U.S. military base in South Korea mired in corruption scandal," *USA Today*, December 4, 2017, <https://www.usatoday.com/story/news/world/2017/12/04/u-s-military-base-south-korea-mired-corruption-scandal/919333001/>.
- ¹⁴ Craig Whitlock, "The man who seduced the 7th Fleet," May 27, 2016, https://www.washingtonpost.com/sf/investigative/2016/05/27/the-man-who-seduced-the-7th-fleet/?utm_term=.d483adf7fef5.
- ¹⁵ Associated Press, "Much of \$60B from U.S. to rebuild Iraq wasted, special auditor's final report to Congress shows," *CBS News*, March 6, 2013, <https://www.cbsnews.com/news/much-of-60b-from-us-to-rebuild-iraq-wasted-special-auditors-final-report-to-congress-shows/>.
- ¹⁶ Associated Press, "Much of \$60B from U.S. to rebuild Iraq wasted, special auditor's final report to Congress shows," *CBS News*, March 6, 2013, <https://www.cbsnews.com/news/much-of-60b-from-us-to-rebuild-iraq-wasted-special-auditors-final-report-to-congress-shows/>.
- ¹⁷ David Vine, *Base Nation: How U.S. Military Bases Abroad Harm America and the World* (Skyhorse Publishing: New York, 2017), back cover.
- ¹⁸ Rajeev K. Goel and James W. Saunoris, "Military Buildups, Economic Development and Corruption," *The Manchester School*, Vol 84 No 6, December 2016, 716.
- ¹⁹ Alexander Cooley, *Base Politics: Democratic Change and the U.S. Military Overseas* (Ithaca: Cornell, 2008), 271.
- ²⁰ Alexander Cooley, *Base Politics: Democratic Change and the U.S. Military Overseas* (Ithaca: Cornell, 2008), 250.
- ²¹ Alexander Cooley, *Base Politics: Democratic Change and the U.S. Military Overseas* (Ithaca: Cornell, 2008), 250.
- ²² Alexander Cooley, *Base Politics: Democratic Change and the U.S. Military Overseas* (Ithaca: Cornell, 2008), 250.
- ²³ Kent E. Calder, *Embattled Garrisons: Comparative Base Politics and American Globalism*, (Princeton: Princeton University Press, 2007), 242-250.

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