

**Paul Solomon**  
**3307 Meadow Oak Drive**  
**Westlake Village, CA 91361**  
Paul.solomon@pb-ev.com

March 1, 2025

The Honorable Steven J. Morani  
Performing the Duties of the OUSD(A&S)  
1010 Defense Pentagon  
Washington, DC 20301-1010

Subj: Non-Essential Consulting Contracts for Fraud-Enabling Earned Value Management Scheme

Dear Hon. Performing OUSD(A&S) Morani:

All consulting service contracts related to the DFARS Earned Value Management System (EVMS) clause should be terminated. They are non-essential.

Your letter targeted DoD GSA and non-GSA contracts. However, most EVM consultants are employed by contractors. Save \$Millions by classifying contractor consulting costs as unallowable. Next terminate all EVM software contracts within DoD and disallow contractor EVM costs related to EVM reporting and compliance reviews, if EVM is based on NDIA EVMS Standard EIA-748 guidelines.

Justification to terminate those contracts and to disallow contractor costs is in my letter to Sec. Def. Hegseth, Subj: Avoid Future F-35 Disasters and DOD Contractors' Fraud, Waste, and Abuse, dated February 4, 2025, and in my white paper, "*Common Sense Project Management: "When you come to a fork in the road."*" These actions will Save \$Tens of millions.

That sum is chump change. Eliminate EVMS compliance reviews and refocus program managers and real engineers from administering a sham project management and accounting process to developing and testing a product that works. Save \$Billions by identifying and terminating failing contracts. EVM status reports may contain manipulated numbers (see cartoon and PBBE Report), prevent situational awareness of cost, schedule, and technical performance and avoid Nunn-McCurdy reviews.

EVMS consultants teach how to correctly implement EVM in compliance with EIA-748 guidelines. However, their training has not deterred crafty contractors from using ambiguities and omissions in those guidelines to survive ineffective compliance reviews and cook the books.

**EVM: "...easily Manipulated and Inadequate to the Task" (a)**



**EIA-748 Enables Easy Manipulation:**

**4 legs of the stool to fool:**

1. Measure work (SOW), not technical performance (Product)
2. % Complete Earned Value Technique with "90% Rule"
3. Rework not planned (Budget from MR)
4. Deferred Functionality not Accounted For

(a) Commission on PLANNING, PROGRAMMING, BUDGETING AND EXECUTION  
Report finding: "EVM systems have long been criticized as..."

The status quo enables contractors to “earn” undeserved award and incentive fees. In 2014, Hon. Ash Carter, warned about award fees on the F-35 program in a speech at the Harvard Kennedy School, entitled, “Why Does Government Not Work? Winning Back the Trust.” He said,

“When I inherited the F-35 program, it was ...way over cost...This is an embarrassment. Let me see your award fee history. He brought it and I look at the award fee history over ten years. it's eighty-five percent a year. I said this is a disaster. You're giving eighty-five percent of your award fee every year. What's going on? And he looked me in the eye and said, well I like the program manager on the Lockheed Martin side that I work with and he tells me if he gets less than eighty five percent of award fee, he's gonna get fired.”

My whistleblower lawsuit against Lockheed Martin and Northrop Grumman included allegations of fraud, including undeserved award fees related to EVMS reports and understated Estimates at Completion. Let's not pay consultants to support DoD and contractors when those contractors may rig the system, manage the numbers, and perpetuate a Ponzi scheme to keep funds and profits flowing.

Yours truly,



Paul Solomon

CC:

- |                              |                                  |
|------------------------------|----------------------------------|
| Hon. Pete Hegseth, USD       | Hon. Tammy Duckworth, SASC       |
| Hon. Glen Grothman, HOAC     | Hon. Adam Smith, HASC            |
| Hon. Ken Calvert, HAC        | Hon. Mike Rogers, HASC           |
| Hon. Robert J. Wittman, HASC | Hon. Donald Norcross, HASC       |
| Hon. Ro Khana, HASC          | Hon. Jim Jordan, HCOA            |
| Hon. Roger Wicker, SASC      | Hon. Joni Ernst, SASC            |
| Hon. Elizabeth Warren, SASC  | DOGE                             |
| Jon Sindreu, WSJ             | Anthony Capaccio, Bloomberg News |