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The Honorable Elizabeth Warren
311 Hart Senate Office Building
Washington, DC 20510-2604

Subject: Lowering Defense Costs and Initiating Acquisition Reforms

Dear Sen. Warren:

I watched the nomination hearing for Deputy Secretary of Defense Hicks. You asked the right question: “Do you believe that we can find way to lower the top-line budget number and then spend that money more effectively without sacrificing our security?”

As you often say, “I have a plan for that!”

My detailed plan also addresses related issues that have been raised by your current colleagues and predecessors:

- Rep. Henry Waxman
- HASC Chair Ike Skelton
- Sen. John McCain
- Sen. Kamala Harris
- HASC Chair Adam Smith
- Sen. Ernst
- Sen. Sanders
- Sen. Tester
- Rep. Norcross

In the past, I supported Chairmen Skelton and McCain in drafting NDAA provisions which became law and in oversight activities. I also submitted recommendations to the other senators and representatives above as well as Pres. Elect Trump. Some of my recommendations to DOD were incorporated into acquisition policy and guides.

Now I seek your help to complete acquisition reforms regarding Program/Project Management (P/PM) and a management tool used within P/PM called earned value management (EVM). My plan will not only address your question to Ms. Hicks but will also cover the following issues:

- Unjustified Award Fees
- Contractors “manage data” in order to “make the number”
- Contractors “keep Earned Value Management (EVM) metrics favorable and problems hidden.”

- Replace NDIA-owned EVM standard EIA-748 with ANSI-accredited Project Management Institute Program/Project Management (P/PM) standard and PMBOK® Guide
- Fraud, waste, and abuse
- Status quo is barrier to entry to potential contractors not in the military/industrial complex

The following table includes some of my letters, articles, and tutorials since 2004. Unfortunately, the only NDAA provisions that were passed were only seminal and did not yet result in effective reforms. I believe that the NDIA has consistently obstructed meaningful reform, including Chairman Smith’s P/PM provision in the last NDAA. Since there is a lot to read, I recommend starting with the items that are **highlighted**.

Reform Issue/Objective	Sen./Rep./ Exec. Ofc.	Letter(L)/Document(D) Subject	Date
Note: Download PDF letters from www.pb-ev.com , “Acquisition Reform” tab and documents from “Articles and Tutorial” tab			
All issues below	NA	(D) Article in Defense AT&L Magazine, “Integrating Systems Engineering with Earned Value Management (EVM)”	May 2004
Unjustified Award Fees	Waxman	(L) Award Fees and Contract Oversight	6/22/07
Unjustified Award Fees	NA	(D) Article in Defense AT&L Magazine, “Systems Engineering (SE) and EVM Support for Performance-Based Awards”	Jan. 2007
Contractors “manage data” in order to “make the number”	Waxman	(L) Award Fees, Contract Oversight and Lockheed Martin	3/10/08
Contractors “keep Earned Value Management (EVM) metrics favorable and problems hidden.”	Zients	(L) Section 302 of the Weapon System Acquisition Reform Act (EVM)	12/13/09
Contractors “keep EVM metrics favorable and problems hidden.”	Skelton	(L) Panel on Defense Acquisition Reform Recommendation Regarding Earned Value	3/28/10
Replace NDIA-owned EVM standard EIA-748 with ANSI-accredited Program/Project Management (P/PM) standard and PMBOK® Guide	Levine/Hunter (SASC/HASC) staffers	Email: Acquisition Reform Provision in NDAA	11/5/10
Contractors “keep EVM metrics favorable and problems hidden.”	McCain	(L) Proposed Amendment to NDAA for 2012 for EVM Acquisition Reform	12/20/11
Contractors “keep EVM metrics favorable and problems hidden.”	Trump	(L) DoD Acquisition Reform - Under Budget and Ahead of Schedule	11/13/16
Fraud, waste, and abuse	McCain	(L) Fraud on the F-35 Program and Need for Acquisition Reform	1/4/18

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Replace NDIA-owned EVM standard EIA-748 with ANSI-accredited Program/Project Management (P/PM) standard and PMBOK® Guide	Ernst	(L) DoD Acquisition Reform; From Earned Value Management System (EVMS) to a Project Management Standard	6/4/2018
Unjustified Award Fees and Fraud, waste, and abuse	Harris	(L) Support of Bogus Bonus Ban Act and Related Acquisition Reforms	9/22/19
All of the above plus <i>status quo</i> is barrier to entry to potential contractors not in the military/industrial complex	Naval Postgraduate School	(D) Lecture, "Integrate Systems Engineering with EVM and Program Management, Contractually and Practically"	3/11/20
All of the above	Smith	(L) NDAA for FY 2021 and Unfinished Oversight and Legislation	12/20/20
Contractors "keep EVM metrics favorable and problems hidden."	Tester	(L) Lack of "Good Information" About Defense Programs	2/27/21
All of the above	Smith	(L) Your Rejected NDAA Provision for Program and Project Management	4/15/21
Fraud, waste, and abuse	Norcross	(L) More on Deceptive Performance Metrics and Ponzi Schemes	4/25/21
All the above	Sanders	(L) Your Hearing, "Waste, Fraud, Cost Overruns, and Auditing at the Pentagon"	5/13/21
Contractors "keep EVM metrics favorable and problems hidden."	Bassett (DCMA)	(L) Amended Recommendation to Address HASC Chairman Smith's Issues with attached white paper (next row)	5/15/21
All of the above	NA	(D) white paper, "DOD Acquisition Reform: EVMS-lite to Program/Project Management (P/PM)," Rev. 22	5/15/21

Implementation of my recommendations will lead to lower defense costs by:

- Providing earlier detection of cost overruns and identification of feasible corrective actions.
- Providing earlier detection and reporting of Nunn-McCurdy breaches and higher Estimates at Completion (EAC). Enable earlier termination of "rathole" (per Chairman Smith) programs to curtail needless spending
- Program managers manage development and testing of the *product* instead of "managing the numbers," wasting time on analyzing Management Reserve (MR)

burndown, preparing false variance analysis reports, and false rationale for low EACs. .

- Developing realistic performance measurement baselines, execution plans, and valid cost/schedule performance reports; again providing earlier detection and reporting of real variances and faster corrective actions
 - Plan for rework
 - Reduce use of management reserve as a slush fund to mask cost overruns

Please consider supporting my recommendations to Chairman Smith and co-sponsoring bipartisan legislation with Senators Ernst (SASC) and Sanders (Budget). GAO should also be requested to investigate my allegations. I would be glad to furnish more background and clarification. This letter is also posted to www.pb-ev.com .



Paul J. Solomon

CC:

Sen. Joni Ernst

Sen. Bernie Sanders

Rep. Norcross

HASC Chairman Adam Smith

Deputy Secretary of Defense Kathleen Hicks

Acting Undersecretary of Defense Stacy Cummings

DCMA Director LTG Bassett

Andrew Hunter, Biden-Harris Transition Team

Anthony Capaccio, Bloomberg News

Michael LaForgia, NYT