

The October 18, 2010, edition of Aviation Week & Space Technology magazine carried an unsigned editorial entitled, “ [Put More Rigor Into Defense Audits](#) ”. Look, it’s one thing when [POGO](#) or a similar gadfly watchdog organization complains about lack of contract oversight. It’s an entirely different thing when the leading aerospace/defense industry magazine calls for the same thing. It means that things are getting serious.

The AW&ST editorial started out with a bang, saying “Lost in the debate about U.S. defense spending ... is the glaring fact that no one knows precisely where the money is being spent or even how much is being spent.” The editorial explains the root cause for this lack of knowledge: “One reason such calculations involve so much guesswork is because defense audits—whether for the whole department or one program—are *often incomplete, error-laden or biased*. ” [Emphasis added.] Amen brother!

The editorial explores the well-known (to our readership, at least) criticisms of DCAA by “congressional auditors” and Senator Claire McCaskill. The editorial explains—

Congressional aides and auditors say changes are being made, but ... doubts remain about the government’s own agencies that monitor program management. Just recently, the Congressional Research Service renewed a warning about Navy accounting in pursuing its 30-year, 313-ship plan. The Navy estimates the plan will require an average of \$15.9 billion per year in today’s dollars to implement, but the Congressional Budget Office—which has a better track record—says it is more like \$19 billion per year. How can two sets of professionals using accepted accounting principles be off by a whopping 19%?

But DCAA and the Navy are not the only targets of AW&ST’s wrath. The magazine also had some choice words for Lockheed Martin and its EVM System. Readers may recall our [previous article](#) , which discussed the Government’s disapproval of LockMart’s EVM System. The AW&ST editorial asserted that the decertification of LockMart’s EVM System is “the latest example of insufficient discipline” and rigor. The editorial asked, “When contractors cannot even implement the tool correctly, is it any wonder that so many lawmakers, lobbyists and others believe they can challenge the Pentagon’s programmatic decisions?”

## Aviation Week Editorial Calls for “More Rigor” in Defense Audits

Written by Nick Sanders

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As the editorial noted, by decertifying the F-35’s EVM System, “In a nutshell, the Pentagon is publicly questioning the internal cost and schedule management at its largest contractor in managing its largest program ... as well as its own seriousness in responding to government oversight.”

The AW&ST editorial concluded—

It would be easy to chide the Defense Department and its contractors to get their numbers straight. Such calls have been issued for years. The Lockheed EVM rebuke, however, is concrete evidence of officials holding contractors accountable for shared work. Lockheed should take it seriously and get its house in order. Moreover, the Pentagon should not hesitate to call other contractors into question publicly when it finds hazy or lax management controls elsewhere.

One recurring theme on this website is the call for corporate leadership to invest in appropriate internal controls and internal oversight, to get its own house in order before DCAA and/or DCMA level criticisms, and before the Department of Justice demands serious cash for criminal wrongdoing by “rogue” employees. It’s one thing to read rants at this site. It’s one thing to read rants at POGO. But it’s quite another thing entirely to read near-rants from Aviation Week & Space Technology, calling-out one of its largest advertisers, and demanding enhanced oversight and public branding of miscreants.

We’ve been warning you for years. Here’s another warning, courtesy of Aviation Week & Space Technology magazine. How many times do you have to read the same rants from different sources before you start to take them seriously?