



SECRETARY OF DEFENSE
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WASHINGTON, DC 20301-1000

MAR 20 2025

MEMORANDUM FOR SENIOR PENTAGON LEADERSHIP
COMMANDERS OF THE COMBATANT COMMANDS
DEFENSE AGENCY AND DOD FIELD ACTIVITY DIRECTORS

SUBJECT: Continuing Elimination of Wasteful Spending at the Department of Defense

Pursuant to my commitment to strategically rebuild our military, restore accountability to the Department of Defense (DoD), cut wasteful spending, and implement the President's orders, effective immediately I direct the termination of the following programs, contracts, and grants:

- The Defense Civilian Human Resources Management System (DCHRMS) software development program and associated active contracts at the Defense Human Resources Activity (DHRA), which is currently 6 years behind schedule and more than \$280 million (780%) over budget — with at least 2 more years of development and testing estimated before initial operating capability. This program was intended to streamline a significant portion of the Department's legacy Human Resources (HR) information technology stack — an important mission we still need to achieve — but further investment in the DCHRMS project would be throwing more good taxpayer money after bad. Therefore, I also direct the DoD Performance Improvement Officer to work with the director of DHRA, DoD Chief Information Officer, Military Departments, and HR service providers to develop a new plan within 60 days for achieving this mission.
- We identified over \$360 million in additional grants across the Department which fund research efforts and other activities — in areas of Diversity, Equity, and Inclusion and related social programs, climate change, social science, Covid-19 pandemic response, and other areas — that are not aligned with DoD priorities.
- There is \$30 million in contracts with external consulting firms for analysis products which are not mission-critical to executing my priorities for the Department. This first batch of cancellations is part of a broader effort that my Department leadership is undertaking to eliminate wasteful spending on non-essential consulting services, with more to follow in the weeks ahead.

Collectively, these terminations represent over \$580 million in wasteful spending that is inconsistent with the priorities of the DoD, and nearly \$170 million in estimated savings which we can reallocate to mission-critical priorities.

I commend Department leadership for identifying these opportunities to cut wasteful spending, and I encourage other leaders across the enterprise to follow this example and identify more opportunities for savings which we can re-invest in critical mission needs.

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