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25 UNITED STATES OF AMERICA,

Case No. 13cr3781
13cr3782
13cr4287

26 v.

27 LEONARD GLENN FRANCIS,

PLEA AGREEMENT

28 Defendant.

29
30
31
32 IT IS HEREBY AGREED between the UNITED STATES OF
33 AMERICA, through its counsel, Laura E. Duffy, United
34 States Attorney, Mark W. Pletcher and Robert S. Huie,
35 Assistant United States Attorneys, William J. Stellmach,
36 Acting Chief, Fraud Section, Catherine Votaw, Director,
37 Procurement Fraud, and Brian Young, Trial Attorney, Fraud
38

1 Section, Criminal Division (collectively referred to as
2 "the United States"), and defendant LEONARD GLENN
3 FRANCIS, the President and Chief Executive Officer of
4 Glenn Defense Marine (Asia) Pte. Ltd. ("GDMA"), with the
5 advice and consent of Ethan M. Posner, Esq., and Sara J.
6 O'Connell, Esq., counsel for the defendant, as follows:
7

8
9 I.

10 **THE PLEA**

11 A. The Charges

12
13 The defendant agrees to plead guilty to a three-
14 count Information charging the defendant with:

15
16 Count 1 - Conspiracy To Commit Bribery

17 Beginning in or about 2004, and continuing until
18 in or about September 2013, on the high seas and
19 outside of the jurisdiction of any particular
20 district, FRANCIS, GDMA, GDMA employees, and
21 others (1) knowingly and unlawfully combined,
22 conspired, and agreed with U.S. Navy officers and
23 employees and other federal employees, who were
24 public officials, to commit bribery, that is,
25 FRANCIS, GDMA, GDMA employees, these public
26 officials, and others knowingly agreed that, in
27 return for these U.S. Navy officers and employees
28 and other federal employees being influenced in
the performance of official acts and being induced
to do and omit to do acts in violation of their
official and lawful duties, including providing to
FRANCIS and GDMA classified and other proprietary,
internal U.S. Navy information and using their

1 positions and influence within the U.S. Navy and
2 other federal agencies or entities to benefit
3 FRANCIS and GDMA, (a) FRANCIS, GDMA, and GMDA
4 employees would, directly and indirectly,
5 corruptly give, offer, and promise things of value
6 to the U.S. Navy officers and employees and other
7 federal employees; and (b) the U.S. Navy officers
8 and employees and other federal employees would
9 directly and indirectly, corruptly demand, seek,
10 receive, accept, and agree to receive and accept
11 these things of value, all in violation of Title
12 18, United States Code, Sections 201(b)(1)(A) and
13 (C), and 201(b)(2)(A) and (C); and (2) FRANCIS and
14 his co-conspirators took overt acts in furtherance
15 of this conspiracy and to effect its unlawful
16 objects, all in violation of Title 18, United
17 States Code, Section 371.

18 Count 2 - Bribery

19 Beginning in or about January 2011, and continuing
20 until in or about September 2013, on the high seas
21 and outside the jurisdiction of any particular
22 district, FRANCIS knowingly engaged in a course of
23 conduct whereby he directly and indirectly, corruptly
24 gave, offered, and promised things of value,
25 including cash, travel, entertainment expenses, the
26 services of prostitutes, and other things of value to
27 Naval Criminal Investigative Service ("NCIS")
28 Supervisory Special Agent John Bertrand Beliveau,
Jr., a public official, with the intent to influence
Beliveau in the performance of official acts, as
opportunities arose, and with the intent to induce
Beliveau to do and omit to do acts in violation of
his lawful duties, as opportunities arose, including
providing to FRANCIS law enforcement sensitive
information and advice and counsel about ongoing NCIS
criminal investigations into the activities of
FRANCIS and GDMA, all in violation of Title 18,
United States Code, Section 201(b)(1)(A) and (C).

Count 3 - Conspiracy To Defraud the United States

Beginning in or about July 2009, and continuing to in or about September 2013, on the high seas and outside the jurisdiction of any particular district, FRANCIS knowingly and intentionally combined, conspired, and agreed with GDMA, GDMA employees, and others to defraud the United States by obstructing the lawful functions of the United States Department of the Navy through deceitful and dishonest means, namely, by submitting fraudulently inflated claims for payment, and false and fraudulent documentation in support of those claims for payment related to GDMA's ship husbanding contracts with the U.S. Navy; and FRANCIS and his co-conspirators took overt acts in furtherance of this conspiracy and to effect its unlawful objects, all in violation of Title 18, United States Code, Section 371.

Defendant further consents to the forfeiture allegations of the Information and agrees that this plea agreement and the attached Forfeiture Addendum shall govern forfeiture in this case.

B. Prosecution Of Additional Counts

In exchange for the defendant's guilty pleas, the United States agrees not to initiate or prosecute any additional criminal charges against the defendant relating to fraud involving U.S. Navy husbanding contracts, or bribery of U.S. Navy officers or employees or other federal employees, committed prior to September 17, 2013.

Nothing in this agreement shields defendant from

1 prosecution for other crimes. The United States is also
2 free to prosecute the defendant for perjury or the giving
3 of a material false statement to a federal agent in the
4 event that the defendant commits such an offense after the
5 defendant signs this plea agreement. Should defendant
6 commit perjury or give a material false statement, the
7 United States, at its sole discretion, will be free to
8 prosecute the defendant for that offense, move to set
9 aside this plea agreement, and/or be relieved of its
10 obligations under this agreement.

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12
13
14 C. Package Disposition -- GDMA

15 This plea agreement is part of a "package"
16 disposition. For the defendant to receive the benefits
17 of this agreement, GDMA must plead guilty at the same
18 time pursuant to a separately executed plea agreement.

19
20 **II.**

21
22 **NATURE OF THE OFFENSES**

23
24 A. Elements Explained

25 The offenses to which the defendant is pleading
26 guilty have the following elements:
27
28

1 Count 1 - Conspiracy To Commit Bribery

2 1. There was an agreement between two or more
3 persons to commit bribery;

4 2. The defendant became a member of the
5 conspiracy knowing of at least one of its objects and
6 intending to help accomplish it; and
7

8 3. One of the members of the conspiracy
9 performed at least one overt act in furtherance of the
10 conspiracy and to effect its unlawful objects.
11

12 Count 2 -- Bribery

13 1. The defendant gave, offered, and promised
14 things of value to a public official; and
15

16 2. The defendant acted corruptly, that is, with
17 the intent to influence an official act by the public
18 official, or with the intent to induce the public
19 official to do or to omit to do an act in violation of
20 his lawful duty.
21
22

23 Count 3 - Conspiracy To Defraud the United States

24 1. There was an agreement between two or more
25 persons to defraud the United States by obstructing the
26
27
28

1 lawful functions of the United States Department of the
2 Navy through deceitful or dishonest means;

3 2. The defendant became a member of the
4 conspiracy knowing of at least one of its objects and
5 intending to help accomplish it; and
6

7 3. One of the members of the conspiracy
8 performed at least one overt act in furtherance of the
9 conspiracy and to effect its unlawful objects.
10

11 Forfeiture

12 The defendant understands that the Government would
13 have to prove by a preponderance of the evidence that the
14 property subject to forfeiture are property(ies) which
15 constitute or are derived from proceeds traceable to the
16 defendant's violations of 18 U.S.C. § 371, conspiracy to
17 commit bribery; 18 U.S.C. § 201(b), bribery; and 18
18 U.S.C. § 371, conspiracy to defraud the United States.
19
20
21

22 B. Elements Understood And Admitted - Factual Basis

23 The defendant has fully discussed the facts of this
24 case with defense counsel. The defendant has committed
25 each of the elements of the charged crimes and admits
26 that there is a factual basis for his guilty pleas. The
27

1 facts set forth in Attachment A (Stipulated Statement of
2 Facts) are true and undisputed.

3
4 **III.**

5 **PENALTIES**

6 The defendant understands that the crimes to which he
7 is pleading guilty carry the following penalties:

8 Count 1 - Conspiracy To Commit Bribery
9

- 10 A. a maximum of 5 years in prison;
- 11 B. a maximum fine of \$250,000, or twice the gross
12 pecuniary gain or gross pecuniary loss from the
13 offense, whichever is greater;
- 14 C. a mandatory special assessment of \$100;
- 15 D. a term of supervised release of three years; the
16 defendant understands that failure to comply with
17 any of the conditions of supervised release may
18 result in revocation of supervised release,
19 requiring the defendant to serve in prison all or
20 part of the term of supervised release;
- 21 E. an order from the Court pursuant to 18 U.S.C. §
22 3663A that the defendant make mandatory
23 restitution to the victim of the offense of
24
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1 conviction, in this case, the United States Navy.

2 The defendant understands that the Court shall
3 also order, if agreed to by the parties,
4 restitution to persons other than the victim of
5 the offense of conviction; and
6

- 7 F. forfeiture of any property, real or personal,
8 which constitutes or is derived from proceeds
9 traceable to the offense.
10

11 Count 2 - Bribery

- 12 A. a maximum of 15 years in prison;
13
14 B. a maximum fine of \$250,000, twice the gross
15 pecuniary gain or gross pecuniary loss from the
16 offense, or three times the monetary equivalent
17 of the thing of value, whichever is greater;
18
19 C. a mandatory special assessment of \$100;
20
21 D. a term of supervised release of three years; the
22 defendant understands that failure to comply with
23 any of the conditions of supervised release may
24 result in revocation of supervised release,
25 requiring the defendant to serve in prison all or
26 part of the term of supervised release;
27
28

1 E. an order from the Court pursuant to 18 U.S.C. §
2 3663A that the defendant make mandatory
3 restitution to the victim of the offense of
4 conviction, in this case, the United States Navy.
5 The defendant understands that the Court shall
6 also order, if agreed to by the parties,
7 restitution to persons other than the victim(s)
8 of the offense of conviction; and
9
10 F. forfeiture of any property, real or personal,
11 which constitutes or is derived from proceeds
12 traceable to the offense.
13
14

15 Count 3 - Conspiracy To Defraud The United States

- 16 A. a maximum of 5 years in prison;
17
18 B. a maximum fine of \$250,000, or twice the gross
19 pecuniary gain or gross pecuniary loss from the
20 offense, whichever is greater;
21
22 C. a mandatory special assessment of \$100;
23
24 D. a term of supervised release of three years; the
25 defendant understands that failure to comply with
26 any of the conditions of supervised release may
27 result in revocation of supervised release,
28

1 requiring the defendant to serve in prison all or
2 part of the term of supervised release;

3 E. an order from the Court pursuant to 18 U.S.C. §
4 3663A that the defendant make mandatory
5 restitution to the victim(s) of the offense of
6 conviction, in this case, the United States Navy.
7 The defendant understands that the Court shall
8 also order, if agreed to by the parties,
9 restitution to persons other than the victim(s)
10 of the offense of conviction; and

11 F. forfeiture of any property, real or personal,
12 which constitutes or is derived from proceeds
13 traceable to the offense.

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18 **IV.**

19 **DEFENDANT'S WAIVER OF TRIAL RIGHTS**

20 The defendant understands that, by entering into this
21 guilty plea agreement, he knowingly and voluntarily
22 waives the right to:
23

- 24 A. Continue to plead not guilty and require the
25 government to prove the elements of the crimes
26 beyond a reasonable doubt;
27 B. A speedy and public trial by jury;
28 C. The assistance of counsel at all stages of trial;
D. Confront and cross-examine adverse witnesses;

- 1 E. Present evidence and have witnesses testify on
2 behalf of the defendant;
- 3 F. Not testify or have any adverse inferences drawn
4 from the failure to testify;
- 5 G. Assert any rights and defenses defendant may have
6 under the Excessive Fines Clause of the Eighth
7 Amendment to the United States Constitution to
8 the forfeiture of property in this proceeding or
9 any related civil or administrative forfeiture
10 proceeding; and
- 11 H. Assert any legal, constitutional, statutory,
12 regulatory, and procedural rights and defenses
13 that he may have under any source of federal law,
14 including among others challenges to personal
15 jurisdiction, extra-territoriality, statute of
16 limitations, venue, and the form and substance of
17 the Information, including any claim of
18 multiplicity or duplicity.

19 V.

20 **DEFENDANT ACKNOWLEDGES NO PRETRIAL RIGHT TO BE**
21 **PROVIDED WITH IMPEACHMENT AND AFFIRMATIVE DEFENSE**
22 **INFORMATION**

23 The United States represents that any information
24 establishing the factual innocence of the defendant known
25 to the undersigned prosecutors in this case has been
26 turned over to the defendant. The United States will
27 continue to provide any such information establishing the
28 factual innocence of the defendant.

The defendant understands that if this case proceeded
to trial, the government would be required to provide
impeachment information relating to any informants or
other witnesses. In addition, if the defendant raised an
affirmative defense, the government would be required to

1 provide information in its possession that supports such
2 a defense. The defendant acknowledges, however, that by
3 pleading guilty he will not be provided this information,
4 if any, and the defendant also waives the right to this
5 information. Finally, the defendant agrees not to attempt
6 to withdraw the guilty plea or to file a collateral
7 attack based on the existence of this information.
8
9

10 **VI.**

11 **DEFENDANT'S REPRESENTATION THAT GUILTY**
12 **PLEA IS KNOWING AND VOLUNTARY**

13 The defendant represents that:

14 A. The defendant has had a full opportunity to
15 discuss all the facts and circumstances of this case with
16 defense counsel and has a clear understanding of the
17 charges and the consequences of this plea. The defendant
18 understands that, by pleading guilty, he may be giving up
19 and rendered ineligible to receive valuable government
20 benefits and civic rights, such as the right to vote, the
21 right to possess a firearm, the right to hold any office
22 of honor, trust, or profit under the United States, and
23 the right to serve on a jury. The defendant further
24 understands that the conviction in this case may subject
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1 him to various collateral consequences, including but not
2 limited to deportation, removal or other adverse
3 immigration consequences; revocation of probation,
4 parole, or supervised release in another case; and
5 suspension or revocation of a professional license, none
6 of which will serve as grounds to withdraw the
7 defendant's guilty plea.
8
9

10 B. No one has made any promises or offered any
11 rewards in return for this guilty plea, other than those
12 contained in this agreement or otherwise disclosed to the
13 Court;
14

15 C. No one has threatened the defendant or the
16 defendant's family to induce this guilty plea; and
17

18 D. The defendant is pleading guilty because in
19 truth and in fact the defendant is guilty, and for no
20 other reason.
21

22 E. Package Disposition. Defendant expressly
23 acknowledges his understanding that the disposition
24 contemplated by this agreement is part of a "package"
25 disposition with GDMA, whereby the obligations of the
26 United States under this agreement are conditioned on the
27
28

1 performance by the defendant and GDMA of their
2 obligations under their respective plea agreements.

3
4 **VII.**

5 **AGREEMENT LIMITED TO U.S. ATTORNEY'S OFFICE**
6 **SOUTHERN DISTRICT OF CALIFORNIA AND THE FRAUD SECTION,**
7 **CRIMINAL DIVISION, UNITED STATES DEPARTMENT OF JUSTICE**

8 This plea agreement is limited to the United States
9 Attorney's Office for the Southern District of California
10 and the Fraud Section, Criminal Division, U.S. Department
11 of Justice, and cannot bind any other federal, state or
12 local prosecuting, civil, administrative, or regulatory
13 authority, although the United States will bring this
14 plea agreement to the attention of any other authority if
15 requested by the defendant.
16

17
18 **VIII.**

19 **APPLICABILITY OF SENTENCING GUIDELINES**

20 The defendant understands that the sentence imposed
21 will be based on the factors in 18 U.S.C. § 3553(a). The
22 defendant understands that in imposing the sentence, the
23 Court must consult the United States Sentencing
24 Guidelines ("Guidelines") and take them into account.
25

26
27 The defendant has discussed the Guidelines with defense
28

1 counsel and understands that the Guidelines are only
2 advisory, not mandatory, and the Court may impose a
3 sentence more severe or less severe than otherwise
4 applicable under the Guidelines, up to the maximum in the
5 statutes of conviction. The defendant understands
6 further that the sentence cannot be determined until a
7 presentence report has been prepared by the U.S.
8 Probation Office and defense counsel and the United
9 States have had an opportunity to review and challenge
10 the presentence report. Nothing in this plea agreement
11 shall be construed as limiting the duty of the United
12 States to provide complete and accurate facts to the
13 district court and the U.S. Probation Office.

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18 **IX.**

19 **SENTENCE IS WITHIN SOLE DISCRETION OF JUDGE**

20 This plea agreement is made pursuant to Federal Rule of
21 Criminal Procedure 11(c)(1)(B). The defendant
22 understands that the sentence is within the sole
23 discretion of the sentencing judge. The United States
24 has not made and will not make any representation as to
25 what sentence the defendant will receive. The defendant
26
27
28

1 understands that the sentencing judge may impose the
2 maximum sentence provided by statute, and is also aware
3 that any estimate of the probable sentence by defense
4 counsel is a prediction, not a promise, and is **not**
5 **binding on the Court**. Likewise, the recommendation made
6 by the United States is not binding on the Court, and it
7 is uncertain at this time what the defendant's sentence
8 will be. The defendant also has been advised and
9 understands that if the sentencing judge does not follow
10 any of the parties' sentencing recommendations, the
11 defendant nevertheless has no right to withdraw the plea.

12
13
14
15 **X.**

16 **PARTIES' SENTENCING RECOMMENDATIONS**

17 **A. Sentencing Guideline Calculations**

18 Although the parties understand that the Guidelines
19 are only advisory and just one of the factors that the
20 Court will consider under 18 U.S.C. § 3553(a) in imposing
21 a sentence, the parties agree to jointly recommend the
22 following Guideline calculation to the Court using the
23 Guidelines, effective November 1, 2014.
24
25
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1 The parties agree that, pursuant to USSG § 3D1.2,
2 Counts One and Two described in this plea agreement
3 combine to form a single group (the "Bribery Group"), and
4 the Guideline calculation for the Bribery Group is:
5

6	Base Offense Level [USSG § 2C1.1(a)(2)]	12
7	Special Offense Characteristics -	
8	More than One Bribe	
9	[USSG § 2C1.1(b)(1)]	+ 2
10	Value of Benefit Received (more	
11	than \$7,000,000 but less than \$20,000,000)	
12	[USSG §§ 2C1.1(b)(2) and	
13	2B1.1(b)(1)(K)]	+20
14	Offense Involved Public Officials	
15	In High-Level Decision-Making and	
16	Sensitive Positions	
17	[USSG § 2C1.1(b)(3)]	+ 4
18	Total (Bribery Group)	38

19 The parties further agree that pursuant to USSG § 3D1.2,
20 Count 3 forms a separate group (the "Fraud Group") and
21 the Guideline calculation for the Fraud Group is:
22

23	Base Offense Level	
24	[USSG § 2B1.1(a)(2)]	6
25	Special Offense Characteristics -	
26	Loss in excess of \$20,000,000	
27	[USSG § 2B1.1(b)(1)(L)]	+22
28	Substantial part of the scheme	
	committed overseas, and use of	
	sophisticated means	
	[USSG § 2B1.1(b)(10)(B) and (C)]	+ 2

1	Organizer/Leader [USSG § 3B1.1(a)]	+ 4
2		
3	Obstruction of the Administration of Justice	
4	[USSG § 3C1.1]	+ 2
5	Total (Fraud Group)	36

6 The parties further agree that pursuant to USSG § 3D1.4
7 the combined offense level is determined as follows:

9	Highest Offense Level Group [Bribery Group]	38
10		
11	Addition of Fraud Group	+2
12	Total Combined Offense Level	40


13 The parties further agree to the application of the
14 following Guideline provisions, subject to Paragraph X.B.

16	Acceptance of Responsibility [USSG § 3E1.1]	-3
17		
18	Combination of Circumstances [USSG § 5K2.0]	-1
19		
20	Total Combined Adjusted Offense Level	36

22 B. Acceptance Of Responsibility

23 Notwithstanding Paragraph X.A, the United States will
24 not be obligated to recommend any adjustment for
25 acceptance of responsibility if the defendant engages in
26

28

Def. Initials 

1 conduct inconsistent with acceptance of responsibility
2 including, but not limited to, the following:

- 3 1. Failing to truthfully admit a complete
4 factual basis as stated in Attachment A to
5 this plea agreement at the time the plea is
6 entered, or falsely denying or making a
7 statement inconsistent with, the factual
8 basis set forth in Attachment A;
- 9 2. Falsely denying prior criminal conduct or
10 convictions;
- 11 3. Being untruthful with the government, the
12 Court or the Probation Office;
- 13 4. Materially breaching this plea agreement in
14 any way;
- 15 5. Contesting or assisting any third party in
16 contesting the forfeiture of money,
17 property, or assets, which the defendant has
18 agreed to forfeit as set forth in the
19 attached Forfeiture Addendum, or
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26 6. Concealing, transferring, encumbering or
27 otherwise making unavailable any assets or
28

1 assisting any person therewith, excluding
2 reasonable family expenses to be agreed upon
3 by the parties, and attorneys' fees and
4 costs, which would otherwise be available to
5 the United States through exercise of legal
6 processes, domestic or foreign, including
7 but not limited to MLAT requests, writs of
8 execution, motions to substitute property,
9 turnover orders, and writs of garnishment,
10 to satisfy any financial obligation imposed
11 by the Court including, but not limited to,
12 the forfeiture judgment, money judgment, and
13 restitution judgment.
14
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16
17

18 C. Further Adjustments and Sentence Reductions
19 Including Those Under 18 U.S.C. § 3553

20 The parties agree that defendant will not request or
21 recommend additional downward adjustments and departures,
22 including criminal history departures under USSG § 4A1.3,
23 pursuant to the United States Sentencing Guidelines. The
24 defendant may, however, request or recommend a sentencing
25 variance pursuant to 18 U.S.C. § 3553, and the United
26 States may oppose any such request or recommendation.
27
28

1 D. No Agreement As To Criminal History Category

2 The parties have no agreement as to the defendant's
3 Criminal History Category.

4 E. Factual Basis And Relevant Conduct Information

5
6 The parties agree that the facts in Attachment A are
7 true, and may be considered as "relevant conduct" under
8 USSG § 1B1.3, and as the nature and circumstances of the
9 offense under 18 U.S.C. § 3553(a)(1).
10

11 F. Parties' Recommendations Regarding Custody

12 The parties agree that the United States will
13 recommend that the defendant be sentenced within the
14 advisory guideline range as calculated by the United
15 States pursuant to this agreement.
16

17 G. Special Assessment/Fine/Restitution

18 1. Special Assessment

19
20 The parties agree that defendant will pay a special
21 assessment in the amount of \$100.00 per felony count of
22 conviction to be paid forthwith at time of sentencing,
23 for a total of \$300.00. The special assessment shall be
24 paid through the office of the Clerk of the District
25
26
27
28

1 Court by bank or cashier's check or money order made
2 payable to the "Clerk, United States District Court."

3 2. Fine

4 The parties have no agreement as to a recommended
5 fine, if any, the Court may order the defendant pay.
6

7 3. Restitution

8 The defendant agrees to the entry of an order of
9 restitution in the full amount of the victim(s)' losses
10 as determined by the Court pursuant to 18 U.S.C. §§ 3556,
11 3663A(c)(1)(A)(ii), and 3664(f)(1)(A). As of the date of
12 the execution of this plea agreement, the parties agree
13 that the loss to the United States Navy occasioned by
14 defendant's criminal conduct was at least more than
15 \$20,000,000. The parties agree to jointly move that the
16 Court hold a restitution hearing and enter an order of
17 restitution within 15 months of the execution of this
18 agreement. The defendant agrees that restitution shall
19 be ordered payable as directed by the Court. The parties
20 agree that amounts paid prior to sentencing pursuant to
21 defendant's forfeiture obligations as set forth in the
22 attached and incorporated Forfeiture Addendum shall be
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1 applied to offset any of defendant's restitution
2 obligation ordered by the Court. Any remaining
3 restitution obligation must be paid, as directed by the
4 Court.
5

6 The parties will further recommend that the Court
7 order defendant's liability for restitution to be joint
8 and several with that of GDMA and that any amounts paid
9 by GDMA prior to sentencing pursuant to GDMA's forfeiture
10 obligations shall be applied to offset any of defendant's
11 restitution obligation ordered by the Court. After the
12 application of any amounts paid by GDMA, any remaining
13 restitution obligation must be paid by the defendant, as
14 directed by the Court.
15
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17

18 The United States retains its rights at all times
19 to take all actions and take all remedies available to
20 collect the full amount of the restitution. The
21 defendant agrees that the restitution, restitution
22 judgment, payment provisions, and collection actions of
23 this plea agreement are intended to, and will, survive
24 the defendant, notwithstanding the abatement of any
25 underlying criminal conviction after the execution of
26
27
28

1 this agreement. The defendant further agrees that any
2 restitution collected and/or distributed will survive
3 him, notwithstanding the abatement of any underlying
4 criminal conviction after execution of this agreement.
5

6 The restitution shall be paid through the Office of
7 the Clerk of the District Court by bank or cashier's
8 check or money order made payable to the "Clerk, United
9 States District Court."
10

11 The defendant agrees that he will provide to the
12 United States within 90 days of the signing of this plea
13 agreement, under penalty of perjury, a full and complete
14 financial disclosure listing all of the defendant's
15 assets and financial interests valued at more than
16 \$5,000, including all assets and financial interests,
17 tangible and intangible, real and personal, in which the
18 defendant has an interest, direct or indirect, whether
19 held in the defendant's own name, in trust, in
20 partnership, the name of GDMA, in the name of any other
21 business which defendant owned, operated, controlled or
22 in which he had an interest, direct or indirect, as of
23
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1 the date of the execution of this plea agreement, or in
2 the name of any other person, real or fictitious.

3 The defendant also agrees to identify, to the best
4 of his ability, all assets valued at more than \$5,000
5 which have been transferred to third parties since
6 January 1, 2013, including the location of the assets and
7 the identity of the third party(ies). The defendant
8 further understands that any false statements made in
9 connection with these financial disclosures shall
10 constitute a breach of this agreement.
11
12
13

14 The defendant agrees that, other than reasonable
15 family expenses to be agreed upon by the parties, and
16 attorneys' fees and costs, prior to the date of his
17 completion of his custodial sentence he will not, nor
18 assist any third person to, transfer, encumber, conceal
19 or make unavailable, any asset or financial interest,
20 tangible or intangible, real or personal, with a value
21 over \$5,000 in which the defendant has an interest,
22 direct or indirect, whether held in the defendant's own
23 name, in trust, in partnership, in the name of GDMA, in
24 the name of any other business which defendant owned,
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1 operated, controlled or in which he had an interest,
2 direct or indirect, as of the date of the execution of
3 this plea agreement, or in the name of any other person,
4 real or fictitious, without the prior, express, written
5 consent of the United States.
6

7 The parties will jointly recommend that, as a
8 condition of probation or supervised release, the
9 defendant will notify the Collections Unit, United States
10 Attorney's Office, of any interest in property valued at
11 over \$5,000 obtained, directly or indirectly, including
12 any interest obtained under any other name, or entity,
13 including a trust, partnership, business or corporation
14 after the execution of this plea agreement until any fine
15 and restitution obligations are paid in full and
16 discharged.
17

18 The parties will also jointly recommend that as a
19 condition of probation or supervised release, the
20 defendant will notify the Collections Unit, United States
21 Attorney's Office, before the defendant transfers any
22 interest in property owned directly or indirectly by the
23 defendant, including any interest held or owned under any
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1 other name or entity, including trusts, partnerships,
2 businesses, and/or corporations, valued at more than
3 \$5,000, excluding reasonable family expenses to be agreed
4 upon by the parties, and attorneys' fees and costs.
5

6 **XI.**

7 **DEFENDANT WAIVES APPEAL AND COLLATERAL ATTACK**
8

9 In exchange for the concessions made by the United
10 States in this plea agreement, the defendant knowingly
11 and voluntarily waives, to the full extent of the law,
12 any right to appeal or to collaterally attack the
13 conviction and any lawful restitution order, except a
14 post-conviction collateral attack based on a claim of
15 ineffective assistance of counsel. The defendant also
16 knowingly and voluntarily waives, to the full extent of
17 the law, any right to appeal or to collaterally attack
18 his sentence, except a post-conviction collateral attack
19 based on a claim of ineffective assistance of counsel,
20 unless the Court imposes a custodial sentence above the
21 total statutory maximum for the offenses of conviction.
22 If the custodial sentence is greater than the total
23 statutory maximum, the defendant may appeal, but the
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1 United States will be free to support on appeal the
2 sentence actually imposed on any available grounds. If
3 at any time the defendant files a notice of appeal,
4 appeals or collaterally attacks the conviction or
5 sentence in violation of this plea agreement, this
6 violation will be a material breach of this agreement.
7

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9 **XII.**
10 **BREACH OF THE PLEA AGREEMENT**

11 The defendant acknowledges, understands and agrees
12 that if defendant violates or fails to perform any of
13 defendant's obligations under this agreement or the
14 attached Addenda, such violation or failure to perform
15 may constitute a material breach of this agreement.
16

17
18 The defendant acknowledges, understands and agrees
19 further that the following non-exhaustive list of conduct
20 by the defendant unquestionably constitutes a material
21 breach of this plea agreement:
22

- 23 1. Failing to plead guilty pursuant to this
24 agreement,
25
26 2. Failing to fully accept responsibility as
27 established in Section X.B,
28

3. Failing to appear in court,
4. Attempting to withdraw the plea,
5. Failing to abide by any lawful court order related to this case,
6. Failing to make forfeiture payments as set forth in the Forfeiture Addendum,
7. Failing to make restitution payments as ordered by the Court,
8. Appealing or collaterally attacking the sentence or conviction in violation of Section XI of this plea agreement,
9. Engaging in additional criminal conduct from the time of arrest until the time of sentencing,
10. Providing false information or making material false omissions to the United States in any financial disclosure or otherwise, or
11. Attempting to hide, hiding, or transferring, encumbering, or otherwise making unavailable for collection of the forfeiture and



1 restitution judgments or from the Court, or
2 assisting any person in doing so, any asset,
3 real or personal, tangible or intangible,
4 which defendant owns or has an interest in,
5 directly or indirectly, whether in his name
6 or the name of any other person or entity.
7

8
9 In the event of the defendant's material breach of
10 this plea agreement, the defendant will not be able to
11 enforce any of its provisions, and the United States will
12 be relieved of all its obligations under this plea
13 agreement. For example, the United States may pursue any
14 charges including those that were dismissed, promised to
15 be dismissed, or not filed as a result of this agreement.
16
17 The defendant agrees that any statute of limitations
18 relating to such charges is tolled as of the date of this
19 agreement. The defendant also waives any double jeopardy
20 defense to such charges, in the event that charges are
21 brought following a breach of this agreement by the
22 defendant. The United States may move to set aside the
23 defendant's guilty plea. The defendant may not withdraw
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1 the guilty plea based on the government's pursuit of
2 remedies for the defendant's breach.

3 Additionally, the defendant agrees that in the event
4 of the defendant's material breach of this plea
5 agreement: (i) any statements made by the defendant,
6 under oath, at the change of plea hearing (before either
7 a Magistrate Judge or a District Judge); (ii) the
8 stipulated factual basis contained in Attachment A; and
9 (iii) any evidence derived from such statements, are
10 admissible against the defendant in any prosecution of or
11 action against the defendant. This includes the
12 prosecution of the charges that are the subject of this
13 plea agreement or any charges that the United States
14 agreed to dismiss or not file as part of this agreement,
15 but later pursues because of a material breach by the
16 defendant. Additionally, the defendant knowingly and
17 voluntarily waives any argument under the United States
18 Constitution, any statute, Rule 410 of the Federal Rules
19 of Evidence, Rule 11(f) of the Federal Rules of Criminal
20 Procedure, and/or any other federal rule, that the
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1 statements or any evidence derived from any statements
2 should be suppressed or are inadmissible.
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5 **XIII.**

6 **ENTIRE AGREEMENT**

7 This plea agreement, with its addenda, embodies the
8 entire agreement between the parties and supersedes any
9 other agreement, written or oral.
10

11 **XIV.**

12 **MODIFICATION OF AGREEMENT MUST BE IN WRITING**

13
14 No modification of this plea agreement shall be
15 effective unless in writing signed by all parties.
16

17 **XV.**

18 **DEFENDANT AND COUNSEL FULLY UNDERSTAND AGREEMENT**

19
20 By signing this agreement, the defendant certifies
21 that the defendant has read it (or that it has been read
22 to him in defendant's native language). The defendant
23 has discussed the terms of this agreement with defense
24 counsel and fully understands its meaning and effect.
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XVI.

DEFENDANT SATISFIED WITH COUNSEL

The defendant has consulted with counsel and is satisfied with counsel's representation. This is the defendant's independent opinion, and his counsel did not advise him about what to say in this regard.

LAURA E. DUFFY
United States Attorney

MARK W. PLETCHER
ROBERT S. HUIE
Assistant U.S. Attorneys

WILLIAM J. STELLMACH
Acting Chief, Fraud Section

CATHERINE VOTAW
Director, Procurement Fraud
BRIAN YOUNG
Trial Attorney
Fraud Section

ETHAN M. POSNER, ESQ.
SARA J. O'CONNELL, ESQ.
Covington & Burling LLP
Counsel for Defendant

DATED 1/13/15

DATED 1/13/15

DATED 1-8-15

IN ADDITION TO THE FOREGOING PROVISIONS, WHICH I UNDERSTAND AND TO WHICH I AGREE, I SWEAR UNDER PENALTY OF PERJURY THAT THE FACTS IN THE "FACTUAL BASIS" SECTION ABOVE, AND ATTACHED STATEMENT OF FACTS, ARE TRUE.

DATED 1-8-15

LEONARD GLENN FRANCIS
Defendant

ATTACHMENT A
STIPULATED STATEMENT OF FACTS

The United States and defendant Leonard Glenn Francis hereby stipulate to the following statement of facts. These facts are true and correct, and provide a sufficient factual basis to support the entry of the guilty pleas in this case.

BACKGROUND

1. The U.S. Navy is a branch of the U.S. Department of Defense, whose mission is to maintain, train, and equip combat-ready naval forces capable of winning wars, deterring aggression, and maintaining freedom of the seas. The U.S. Navy's 7th Fleet is its largest numbered fleet, with 60-70 ships, 200-300 aircraft and approximately 40,000 Sailors and Marines. The 7th Fleet is responsible for U.S. Navy ships and subordinate Commands which operate in the Western Pacific Ocean throughout Southeast Asia, Pacific Islands, Australia, and Russia as well as the Indian Ocean territories, as well ships and personnel from other U.S. Navy Fleets that enter the 7th Fleet's area of responsibility. The USS Blue Ridge is the command and control ship of the 7th Fleet and houses at-sea facilities for 7th Fleet senior officials. The U.S. Navy Military Sealift Command ("MSC") is responsible for the large scale, bulk replenishment of supplies, fuel, munitions, and

other required items to U.S. Navy vessels while they are at sea or at port in locations abroad. Elements of the MSC directly replenish U.S. Navy ships that are underway at sea, enabling those ships to deploy for long periods of time without having to come to port. The MSC ships are made up of a core fleet of ships owned by the U.S. Navy and other transport ships under long term contracts to the U.S. Navy. The MSC has five geographic area commands including MSC Far East, based out of Singapore, which operates in the 7th Fleet area of responsibility.

2. The U.S. Naval Supply Systems Command ("NAVSUP") is a command within the U.S. Navy responsible for the global supply and delivery of goods and services to U.S. Navy personnel and warfighting assets. The U.S. Navy Fleet Logistics Centers ("FLCs") are subordinate commands of NAVSUP. The FLCs are located in various domestic and foreign locations and provide logistics support for naval installations and vessels operating in their areas of responsibility. NAVSUP FLC commands are responsible for soliciting, awarding, and overseeing contracts for goods and services, including contracts for ship husbanding. NAVSUP FLC in Yokosuka, Japan ("FLC Yokosuka") directly supports naval installations and vessels operating in Japan, Hong Kong, and Russia. FLC Yokosuka also oversees the

operations of an FLC detachment in Singapore ("FLC Singapore"), which directly supports naval installations and vessels in Singapore, Indonesia, the Philippines, Thailand, Cambodia, Vietnam, Australia, and elsewhere.

THE DEFENDANTS: GDMA AND LEONARD GLENN FRANCIS


3. Defendant GLENN DEFENSE MARINE ASIA PTE. LTD. ("GDMA") is a multi-national corporation with headquarters in Singapore and operating locations in other countries, including Japan, Singapore, Thailand, Malaysia, Korea, India, Hong Kong, Indonesia, Australia, Philippines, Sri Lanka, and the United States. GDMA is owned and controlled by defendant LEONARD GLENN FRANCIS, who is the Group Executive Chairman and President, and who oversees the daily business and operations of the company. FRANCIS was assisted by a core management team, consisting of persons identified here by initials: HP, Vice President Worldwide Contracts; NP, Vice President Global Operations; AW, General Manager Global Government Contracts; LR, General Manager, Singapore, Australia and Pacific Islands; EA, Japan Country Manager; and PS, Country Manager for Thailand, Cambodia, and Vietnam.

4. Defendant FRANCIS is a Malaysian citizen, residing in Singapore.

A handwritten signature in black ink, appearing to be the initials 'LF' or similar, written over a horizontal line.

5. GDMA is a commercial and government contractor whose main business involves the "husbanding" of marine vessels, and as such, GDMA is known as a "husbanding service provider" ("HSP"). "Husbanding" involves the coordinating, scheduling, and direct and indirect procurement of items and services required by ships and submarines when they arrive at port. Examples of items and services required by ships and submarines when in port include tugboats, fenders, port authority/custom fees, security, provisions (food), fuel, water, trash removal, collection, holding and transfer of liquid waste ("CHT"), transportation, and many others.

6. GDMA has been husbanding vessels for the U.S. Navy for over 25 years under contracts and purchase orders issued by the U.S. Navy Supply Command ("NAVSUP") and its predecessor organization. Between 2006 and 2013, NAVSUP awarded GDMA multiple contracts to provide husbanding services to U.S. ships and submarines at ports throughout Singapore, Japan, Philippine Islands, Malaysia, Pacific Island, South Asia and Islands in the Indian Ocean, and in particular, in June 2011, NAVSUP awarded GDMA three regional contracts to provide husbanding services to U.S. Navy ships and submarines at ports throughout

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Southeast Asia (Region 2), Australia and Pacific Isles (Region 3), and East Asia (Region 4).

COUNT ONE - CONSPIRACY TO COMMIT BRIBERY

7. From in or about 2004 through in or about September 2013, on the high seas and outside the jurisdiction of any particular district, defendant GDMA, defendant LEONARD GLENN FRANCIS, other GDMA employees, and various U.S. Navy officers and employees and other federal employees, all public officials, and others known and unknown (1) knowingly and unlawfully combined, conspired, and agreed to commit bribery, that is, GDMA, FRANCIS, and their co-conspirators knowingly agreed that, in return for their public official co-conspirators being influenced in the performance of official acts and being induced to do and omit to do acts in violation of their official and lawful duties, all as opportunities arose, (a) GDMA, FRANCIS, and other GDMA employees would directly and indirectly, corruptly give, offer, and promise things of value to their public official co-conspirators, including cash, gifts, travel expenses, entertainment, and the services of prostitutes, and (b) their public official co-conspirators would directly and indirectly, corruptly demand, seek, receive, accept, and agree to receive and accept these things of value; and (2) GDMA, FRANCIS,

and their co-conspirators took overt acts in furtherance of this conspiracy.

8. As part of this conspiracy, GDMA, FRANCIS, other GDMA employees regularly sought and their public official co-conspirators provided classified information about the U.S. Navy's scheduling of ship and submarine port visits in the 7th Fleet's area of responsibility. Classified ship schedules could not be lawfully released by U.S. Navy officials to GDMA, Francis, or other GDMA employees.

9. Armed with this classified information about ship and submarine port visits, GDMA, FRANCIS, and other GDMA employees sought to influence their public official co-conspirators in the scheduling and selection of U.S. Navy port visits, particularly for the strategically important and lucrative aircraft carriers, away from certain low revenue ports, such as Singapore, and into "fat revenue GDMA ports" such as "Phuket, [Laem Chabang, Thailand], [Port Klang, Malaysia] PKCC, and now Kota Kinabalu".

10. As part of this conspiracy, GDMA, FRANCIS, and other GDMA employees regularly sought and received from their public official co-conspirators other internal, proprietary U.S. Navy information, including

information about competitors' pricing and performance, information about competitors' bids for U.S. Navy contracts, information about the U.S. Navy's internal deliberations about ship husbanding issues generally, about GDMA's performance and potential billing improprieties specifically, and information about NCIS and U.S. Navy investigations into GDMA's practices.

11. As part of this conspiracy, GDMA and FRANCIS regularly sought and received from their public official co-conspirators favorable evaluations and recommendations to others within the U.S. Navy.

12. As part of this conspiracy, GDMA, FRANCIS, and other GDMA employees regularly sought and received from their public official co-conspirators the exercise of the public official co-conspirators' position and influence within the U.S. Navy or the federal government to benefit GDMA, as opportunities arose, including: by the award of U.S. Navy contracts to GDMA, by the scheduling and movement of U.S. Navy ships to various ports favored by GDMA; and by the advocating for and advancing GDMA's interests with the U.S. Navy with respect to various ship husbanding issues.

13. In return for the performance of these official acts and in return for these public official co-

conspirators being induced to do and omit to do acts in violation of their lawful duties, GDMA and FRANCIS would give, offer, and promise public official co-conspirators various things of value, including cash, gifts, travel expenses, entertainment, and the services of prostitutes.

14. The public official co-conspirators occupied high-level, decision-making and sensitive positions. Their actions of providing classified U.S. Navy ship schedules, and other proprietary, internal U.S. Navy information to GDMA and FRANCIS and using their positions and influence within the U.S. Navy to benefit GDMA and FRANCIS, as opportunities arose, violated the lawful duties of these public official co-conspirators.

15. By way of representative examples of aspects of the conspiracy described in Count One, and without limitation, GDMA, FRANCIS, and other GDMA employees engaged in corrupt relationships with the following U.S. Navy officers and employees, among others:

A. CAPTAIN-SELECT MICHAEL VANNAK KHEM MISIEWICZ

16. From in or about December 2012 until in or about September 2013, defendant MICHAEL VANNAK KHEM MISIEWICZ was a Captain-select in the U.S. Navy stationed in Colorado Springs, Colorado. From in or

about January 2011 to in or about December 2012, MISIEWICZ served as the Deputy Director of Operations for the Commander of the 7th Fleet aboard the USS Blue Ridge, home-ported in Yokosuka, Japan. From in or about June 2009 to in or about January 2011, MISIEWICZ served at the rank of Commander as the Commanding Officer for the USS Mustin, a forward-deployed Destroyer class vessel in the U.S. Navy's 7th Fleet, home-ported in Yokosuka, Japan.

17. As early as June 2010, while in command of the USS Mustin, Misiewicz first met GDMA representatives.

18. As a non-exhaustive sample of this particular aspect of the conspiracy, on or about the dates set forth in Column "A," MISIEWICZ, a public official, directly and indirectly, corruptly demanded, sought received, accepted, and agreed to receive and accept from GDMA and FRANCIS the things of value or performed the official acts, as set forth in Column "B," in return for being influenced in the performance of official acts and in return for being induced to do or omit to do things in violation of his official duties, as opportunities arose, including providing classified and other internal, proprietary U.S. Navy information to FRANCIS and GDMA on dozens of occasions, and using his position and influence within the U.S. Navy to

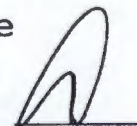
benefit GDMA and FRANCIS by influencing the scheduling and movement of U.S. Navy ships to various ports favored by GDMA and by advocating for and advancing GDMA's interests with the U.S. Navy with respect to various other ship husbanding issues.

"A" - DATE	"B" - QUID or QUO
Feb. 14, 2011	Hotel expenses in Manila
June 24, 2011	Travel expenses for travel to Kuala Lumpur, Malaysia and Cambodia and approximately \$1500 cash.
Aug. 27, 2011	Misiewicz emailed FRANCIS advising that the USS John C. Stennis was adding a day to its port visit to Port Klang, Malaysia, and stating: "See, you ask -- I deliver! LoL!".
Nov. 25, 2011	Travel expenses for Misiewicz's travel from Japan to Cambodia and Singapore, and for his mother from Texas to Cambodia and back.
Dec. 2011 - June 2012	Misiewicz provided classified ship schedules

	to FRANCIS on at least a half dozen occasions
Apr. 27, 2012	Travel expenses for Misiewicz's brother to travel from the U.S. to Cambodia and back.
May 17, 2012	Hotel expenses at a luxury hotel in Singapore
July 2, 2012	Travel expenses for Misiewicz and three family members to travel from Japan to Cambodia, Singapore, and Malaysia.
Sept. 5, 2012	Hotel expenses at a luxury hotel in Singapore.
Nov. 19, 2012	Travel expenses for Misiewicz's travel from Japan to Malaysia, Cambodia, Singapore, and back to Japan.

B. COMMANDER JOSE LUIS SANCHEZ

19. From in or about April 2013 until in or about September 2013, Jose Luis SANCHEZ was a Commander in the U.S. Navy stationed at United States Central Command in Tampa, Florida. From in or about May 2012 until in or about April 2013, SANCHEZ served as the



Executive Officer for the Commanding Officer of FLC Yokosuka. From in or about July 2010 until in or about May 2012, SANCHEZ was the Director of Operations for FLC Yokosuka. From in or about May 2008 to in or about July 2010, SANCHEZ was the Deputy Logistics Officer for the Commander of the 7th Fleet in Yokosuka, Japan.

20. As early as May 2008, when he was posted to Yokosuka, Japan, SANCHEZ first met GDMA representatives.

21. As a non-exhaustive sample of this particular aspect of the conspiracy, on or about the dates set forth in Column "A," SANCHEZ, a public official, directly and indirectly, corruptly demanded, sought, received, accepted, and agreed to receive and accept from GDMA and FRANCIS the things of value or performed the official acts, as set forth in Column "B," in return for being influenced in the performance of official acts and in return for being induced to do or omit to do things in violation of his official duties, as opportunities arose, including providing classified and other internal, proprietary U.S. Navy information to FRANCIS and GDMA on dozens of occasions, and using his position and influence within the U.S. Navy to benefit GDMA and FRANCIS by influencing the purchase of various ship husbanding services from GDMA, and by

otherwise advocating for and advancing GDMA's interests with the U.S. Navy with respect to various other ship husbanding issues.

"A" - DATE	"B" - QUID or QUO
May 27, 2011	A stay at a luxury hotel in Hong Kong and various sums of money.
July 23, 2011	A stay at a luxury hotel in Singapore and the services of prostitutes.
May 14, 2012	A stay at a luxury hotel in Singapore.
July 12, 2012	Travel expenses for SANCHEZ and his daughter from Japan to Texas and back to Japan.
Oct. 24, 2012	A stay at a luxury hotel in Tokyo.
Jan. 4, 2013	A stay at a luxury hotel in Tokyo.

C. CAPTAIN DANIEL DUSEK

22. From on or about January 11, 2009 to on or about February 24, 2011, DUSEK was a Commander in the United States Navy serving as the Deputy Director of Operations for the 7th Fleet, aboard the USS Blue Ridge, the flagship for the 7th Fleet. In this position, DUSEK had input into the movement and schedule of port visits for all the ships in the 7th Fleet as well as ships from other Fleets transiting through the 7th Fleet's area of responsibility. After being succeeded by MISIEWICZ as Deputy Director of Operations, from May 12, 2011 to on or about March 15, 2012, DUSEK was a Captain and the Commanding Officer of the USS Essex, and from on or about March 15, 2012 to in or about September 2013, DUSEK was the Commanding Officer of the USS Bonhomme Richard.

23. Beginning in or around July 2010 in Asia, DUSEK and his co-conspirators entered into a relationship by which GDMA, FRANCIS, EA, and others, would give DUSEK things of value, including meals, alcohol, entertainment, dozens of nights and incidentals at luxury hotels, gifts, and the services of prostitutes, in return for DUSEK's providing to GDMA classified U.S. Navy ship schedules and other proprietary, internal U.S. Navy information, and as opportunities arose,

using his position and influence within the U.S. Navy to benefit GDMA.

24. On or about July 13, 2010, DUSEK delivered to GDMA Japan Country Manager EA classified U.S. Navy ship schedules, noting to EA that GDMA had provided him with significant things of value theretofore and that he "wasn't worried about the security one bit". Having received these schedules, EA sent Francis an email exclaiming: "[DUSEK] is an official GDMA card holder..."

25. On or about July 19, 2010, GDMA paid for a hotel room for DUSEK and his family at the Marriott Waikiki and on August 5, 2010, GDMA provided DUSEK with a hotel room at the Shangri-La in Makati, Philippines and the services of two prostitutes while there.

26. Upon providing DUSEK with the hotel room and entertainment in the Philippines, GDMA, Francis, and EA asked DUSEK to exercise his influence on GDMA's behalf in bringing the aircraft carrier, the USS Abraham Lincoln, and its associated strike group, to Port Klang, Malaysia ("PKCC"), a port owned by Francis. In furtherance of GDMA's interests in this regard, DUSEK emailed EA on August 21, 2010, reporting "good discussion with N00 [Admiral] today and convinced him

that PKCC is the better choice." On August 24, DUSEK reported to Francis that he had "everyone in agreement that the next CSG [Carrier Strike Group] through the AOR [area of responsibility] will stop at PKCC. Dates will be 08-12 Oct."

27. The USS Abraham Lincoln Carrier Strike Group did make a port visit at PKCC on October 8-12, 2010. The total GDMA invoice for this port visit was \$1,590,745.98.

28. On October 3, 2010, EA wrote to Francis, further explaining GDMA's preferences for ship visits at particular ports: "I will have [DUSEK] out this week, will take care of him, and try to funnel as much traffic out of Singapore as possible, understand the preference is PKCC and Thailand." Francis replied: "[DUSEK] is a golden asset to drive the big decks [aircraft carriers] into our fat revenue GDMA ports . . . Phuket, [Laem Chabang, Thailand], PKCC, and now Kota Kinabalu... Plug that in his ear." Immediately thereafter, on October 4, DUSEK wrote to Aruffo, using a rudimentary code, alerting him to the proposed port visits for the USS Peleliu Amphibious Readiness Group ("ARG"). Aruffo responded, instructing DUSEK to replace one ship's port visit to Singapore with a port visit in Phuket, Thailand, one of the "fat revenue GDMA ports."

DUSEK replied on October 5, "Got it. I will work on it."

29. Continuing throughout the duration of this aspect of the conspiracy, pursuant to their corrupt relationship, DUSEK provided GDMA, Francis, and EA with classified schedules of projected port visits by U.S. Navy vessels approximately dozens of times and whenever specifically requested to do so by EA. DUSEK would deliver these schedules in person to EA at the GDMA office in Japan or email them directly to EA, each time, taking steps to avoid detection by law enforcement or U.S. Navy personnel.

30. Also continuing throughout the duration of this conspiracy, pursuant to their corrupt relationship, DUSEK used his positions and influence within the U.S. Navy, first as Deputy Director of Operations for the 7th Fleet and later as Commanding Officer of the USS Essex and USS Bonhomme Richard, as opportunities arose, to benefit GDMA and FRANCIS, including particularly in the selection and scheduling of U.S Navy vessels' port visits into GDMA-identified "fat revenue GDMA ports."

D. LT COMMANDER [REDACTED]

31. [REDACTED] is a Lieutenant Commander in the U.S. Navy who has been assigned to NAVSUP in

Ventura, California since May 2014. Prior to that, he was the Supply Officer ("SUPPO") for Naval Mobile Construction Battalion in Oxnard, California, since about March 2013. From about October 2009 until his transfer in about March 2013, [REDACTED] was assigned to MSC in Singapore as a Combat Logistics Officer ("CLO"). As the CLO, [REDACTED] was responsible for providing logistics planning and support to the ships and personnel who operated in the 7th Fleet's area of responsibility. From about May 2007 to about October 2009, [REDACTED] was the SUPPO aboard the USS John McCain. As a SUPPO on the USS John McCain, [REDACTED] was responsible for the management and procurement of goods and services required by the ship and crew. From about January 2005 to about May 2007, [REDACTED] was a SUPPO and Operational Logistics Planner, aboard the USS Blue Ridge. There, [REDACTED]'s duties included planning, budgeting and executing the procurement of goods and services for 7th Fleet Forces to maintain readiness as well as logistical planning for these forces.

32. Beginning in or around 2006 in Asia, [REDACTED] and his co-conspirators entered into a relationship by which GDMA, FRANCIS, and others, would give [REDACTED] things of value, including cash, meals, alcohol, entertainment, dozens of nights and incidentals at luxury hotels, gifts, and the services of prostitutes,

in return for [REDACTED] providing to GDMA, classified U.S. Navy ship schedules and other proprietary, internal U.S. Navy information, and as opportunities arose, using his position and influence within the U.S. Navy to benefit GDMA.

33. As an additional part of this aspect of the conspiracy, upon his imminent departure from MSC, [REDACTED] attempted to recruit other U.S. Navy personnel to provide Francis with classified ship schedules and other internal, proprietary U.S. Navy information.

34. To this end, on about November 6, 2011, [REDACTED] and FRANCIS exchanged SMS text messages regarding PV, a U.S. Navy Lieutenant assigned to MSC Far East Singapore. FRANCIS stated, "I nde [need] to meet PV again to get him [o]nboard [sic]. [REDACTED] responded, "Ok, he is a pussy guy so maybe show him a good time." FRANCIS responded, "Yeah Puzzy n Gas." [REDACTED] replied, "PV n pussy has 5 kids. Set up some class pussy he will be a lock." FRANCIS responded, "Roger will do."

E. U.S. NAVY LEAD CONTRACT SPECIALIST [REDACTED]

35. [REDACTED] was a national and resident of Singapore, who was employed by the U.S. Navy as a lead contract specialist at the NAVSUP FLC Singapore, a position she had held in Singapore for over 20 years.

As a U.S. Navy contract specialist, [REDACTED] was responsible for the award and oversight of U.S. Navy contracts, including various ship husbanding contracts held by GDMA.

36. As a non-exhaustive sample of this particular aspect of the conspiracy, [REDACTED], a public official, directly and indirectly, corruptly demanded, sought received, accepted, and agreed to receive and accept things of value from GDMA and FRANCIS, including without limitation travel expenses and hotel stays, in return for being influenced in the performance of official acts and in return for being induced to do or omit to do things in violation of her official duties, as opportunities arose, including providing internal, proprietary U.S. Navy information to FRANCIS and GDMA on numerous occasions, and using her position and influence within the U.S. Navy to benefit GDMA and FRANCIS, and advocating for and advancing GDMA's interests with the U.S. Navy with respect to various ship husbanding issues.

37. Over the course of this aspect of the conspiracy, FRANCIS and GDMA provided [REDACTED] with luxury hotel stays in locations such as Bali, Bangkok, Dubai, Turkey, and Greece.

F. PETTY OFFICER 1ST CLASS DAN MARTIN TIMBOL LAYUG

38. April 2011 to April 2014, LAYUG was a Petty Officer First Class in the U.S. Navy assigned to the U.S. Navy's Fleet Logistics Center in Yokosuka, Japan. In this position, LAYUG was responsible for screening, processing, coordinating, tracking, and expediting logistics requirements in support of U.S. Navy vessels. Prior to this assignment, from March 2007 to March 2011, LAYUG was assigned to the USS Blue Ridge, the command flagship for the U.S. Navy's 7th Fleet, in several logistics roles, including shopkeeper and government purchase card program manager.

39. Beginning in or about November 2010, and continuing to in or about September 2013, LAYUG, GDMA, FRANCIS, and others entered into a relationship in which GDMA would give LAYUG things of value, including cash, consumer electronics, and payment by GDMA of LAYUG's travel expenses; and in return LAYUG would provide classified U.S. Navy ship schedules and other proprietary, internal U.S. Navy information to GDMA.

40. As part of this aspect of the conspiracy, FRANCIS, GDMA, and other GDMA employees arranged to give LAYUG a monthly "allowance" in cash. In return for this cash, LAYUG provided updated classified U.S. Navy ship schedules at the demand of GDMA employees, often

passing the classified information and receiving an envelope with his cash allowance in the parking lot of the GDMA facility in Japan.

ADDITIONAL ASPECTS OF THE BRIBERY CONSPIRACY

41. In addition to those representative examples discussed above, as additional aspects of this conspiracy, GDMA, FRANCIS, and other GDMA employees maintained corrupt relationships with scores of other U.S. Navy officers and employees and federal employees.

42. In the aggregate, over the course of the conspiracy described in Count One, GDMA and FRANCIS gave their public official co-conspirators millions of dollars in things of value including over \$500,000 in cash; hundreds of thousands of dollars in the services of prostitutes and associated expenses; hundreds of thousands of dollars in travel expenses, including airfare, often first of business class, luxurious hotel stays, incidentals, and spa treatments; hundreds of thousands of dollars in lavish meals, top-shelf alcohol and wine, and entertainment; and hundreds of thousands of dollars in luxury gifts, including designer handbags and leather goods, watches, fountain pens, fine wine, champagne, Scotch, Kobe beef, Spanish suckling pigs, designer furniture, Cuban cigars, consumer electronics, ornamental swords, and hand-made ship models.

43. In addition to being influenced in the performance of their official acts and being induced to do and omit to do acts in violation of their lawful duties, many of the public official co-conspirators recruited other U.S. Navy officers and employees to join the conspiracy by using their positions and influence within the U.S. Navy to benefit GDMA.

44. As an additional aspect of the conspiracy, the co-conspirators endeavored to keep their corrupt relationships secret and evade detection by law enforcement by, for example, using email accounts established for the sole purpose of communicating among members of the conspiracy, periodically deleting email and entire email accounts, using code to communicate, and using methods of communication thought difficult to detect or intercept by law enforcement, such as foreign-based email providers, Skype calls and chat, Whats App messenger, and Blackberry chat services.

45. As an additional part of the conspiracy, as set forth in Count Two below, GDMA and FRANCIS maintained a corrupt relationship with Naval Criminal Investigative Service Special Agent John Beliveau, who was given cash, travel expenses, the services of prostitutes and other things of value in return for providing to FRANCIS information about pending NCIS investigations

into GDMA and FRANCIS and advice and counsel about how to respond to, stall, and thwart those investigations.

COUNT TWO - BRIBERY

46. Beginning in or about January 2011, in order to promote and facilitate his business and personal interests, Francis sought, entered into and then maintained a corrupt relationship with John Beliveau, an NCIS Special Agent, who was then stationed in Singapore. Pursuant to this corrupt relationship, Francis would give Beliveau cash, travel and entertainment expenses, the services of prostitutes, and other things of value, and in return Beliveau would conduct regular searches of the NCIS database, which housed information about ongoing NCIS investigations, download NCIS reports involving investigations into the activities of GDMA and Francis, provide copies of these reports to Francis, and give Francis advice and counsel on how to respond to, stall, and thwart these NCIS investigations. This corrupt relationship continued until September 2013.

47. At all times, Beliveau was a "public official" within the meaning of 18 U.S.C. § 201(a), and as an NCIS Special Agent, occupied a high-level decision making and sensitive position. His actions providing law enforcement sensitive information, and advice about

how Francis should respond to ongoing NCIS investigations, violated his official and lawful duties.

48. Among the law enforcement sensitive information provided by Beliveau to Francis were the identities of the subjects of the investigations; the information provided by witnesses and documents, including identifying information about cooperating witnesses and their testimony; the particular aspects of GDMA's billings that were of concern to the investigations; the fact that the investigations had obtained numerous email accounts, and the identity of those accounts; the particulars about bank records and financial information sought by the investigations; the reports to prosecutors; and outlines of planned future investigative activities.

49. Francis and Beliveau took steps to conceal and prevent detection of their relationship, including deleting emails, changing email accounts, creating covert email accounts shared by Beliveau and Francis, not transferring funds through the normal banking channels, and using Skype calls and chat and text messages to transmit information and discuss the investigations.

50. The following events are non-exhaustive, representative examples of the corrupt briber-bribee relationship between Francis and Beliveau:

a. On or about March 4, 2011, Francis paid for Beliveau to travel to Bangkok, stay two nights in a luxury hotel, and receive the services of a prostitute. Francis also paid for that prostitute's round-trip from the Philippines.

b. On or about March 12, 2012, FRANCIS and Beliveau discussed by text message the ongoing investigations in Japan, including their evaluation of the assigned NCIS case agent and strategies for placing blame for any wrongdoing on the subcontractors. Beliveau counseled, "[N]ext make the subs look bad, divert attention so they look dirty."

c. On or about the following dates, Beliveau searched the NCIS database for reports related to ongoing criminal investigations into FRANCIS and GDMA in order to provide those reports to FRANCIS:

- 1) December 2011
- 2) March 2012
- 3) May 2012
- 4) June 2012
- 5) August 2012



- 6) September 2012
- 7) November 2012
- 8) January 2013
- 9) April 2013
- 10) July 2013
- 11) August 2013
- 12) September 9, 2013.

d. On or about August 17, 2012, Beliveau and FRANCIS discussed the ongoing investigations by text messages, including the fact that statements by co-conspirators were covertly recorded at the GDMA office in Thailand. Beliveau wrote, "I have 30 reports for u, not good, ur girl in [T]hailand f[']d up and got caught on tape." Later in the exchange Beliveau specified, "[Country Manager PS] to our source on tape." FRANCIS replied, "No way !." "What did she say." Beliveau answered "I warned you about this, [I']ll send, u read."

e. In or about late November 2012, FRANCIS paid for the airfare and hotel expenses for a three-week trip for Beliveau to travel from Virginia to Singapore, Thailand, the Philippines, and Indonesia, and then back to Singapore and Virginia. During this trip, Beliveau hand-delivered to FRANCIS, numerous law enforcement sensitive investigative reports and provided

FRANCIS with advice and counsel on how to respond to and thwart the investigations.

f. On or about December 22, 2012, the day before Beliveau returned to the United States, Francis gave Beliveau over \$9,500 in cash.

51. The bribery offenses embodied in Count One and Count Two involved more than one bribe.

52. The value of the benefit received by GDMA and FRANCIS as a result of the bribery offenses embodied in Count One and Count Two was at least more than \$7,000,000.00 but less than \$20,000,000.00.

COUNT THREE - CONSPIRACY TO DEFRAUD THE UNITED STATES

53. Beginning in or about July 2009, and continuing to in or about September 2013, FRANCIS knowingly and intentionally combined, conspired, and agreed with GDMA, GDMA employees, and others to defraud the United States by obstructing the lawful functions of the United States Department of the Navy through deceitful and dishonest means, namely, by submitting or causing to be submitted fraudulently inflated claims for payment, and false and fraudulent documentation in support of those claims for payment related to GDMA's ship husbanding contracts with the U.S. Navy; and GDMA, FRANCIS and their co-conspirators took overt acts in

furtherance of this conspiracy and to effect its unlawful objects.

A. SHIP HUSBANDING CONTRACTS AWARDED 2011

54. In 2011, NAVSUP awarded GDMA three contracts to provide ship husbanding services to U.S. Navy vessels at ports throughout Southeast Asia (Region 2), Australia and Pacific Isles (Region 3), and East Asia (Region 4).

55. The Region 2 contract was structured with a first-year base value of \$25 million, with options to extend the contract for up to four additional years, for a total base value of over \$125 million. The Region 2 contract provided for pricing of different ship husbanding services as follows:

a. Fixed Price Items. For each port, GDMA and the U.S. Navy agreed to fixed prices for various specified services.

b. Incidentals. The contract also provided for "Incidentals," or items that fall within the general scope of ship husbanding services but were not enumerated as fixed price items. For these items, GDMA was generally required to obtain at least two competitive quotes for the service and provide those quotes to the U.S. Navy. GDMA was allowed to submit its own quote as one of the competitive market quotes, but

in its quote, GDMA was required to disclose any profit or markup. GDMA would also submit an Authorized Government Representative Form ("AGR Form") in which GDMA would recommend a particular source. After receiving the quotes and the AGR Form, the U.S. Navy would select which vendor to use for each Incidental.

c. Fuel. Fuel was a subtype of Incidentals. Under the Region 2 contract, if GDMA arranged for the acquisition of fuel, it was required to bill the U.S. Navy for the fuel's actual costs, without markup; GDMA received a separate fixed fee for its efforts in arranging for the acquisition of the fuel.

d. Port Tariff Items. Under the Region 2 contract, "Port Tariff Items" were ship husbanding services provided by a bona fide Port Authority and charged at "Port Tariff Rates" established and controlled by the Port Authority. For any of these services rendered to U.S. Navy vessels in port, GDMA was required to bill the U.S. Navy for the actual costs paid to the Port Authority, without markup.

56. In connection with the Region 2 contract, at the conclusion of each port visit, GDMA submitted to U.S. Navy personnel on the vessel a claim for payment - typically consisting of a series of invoices and supporting documentation -- for all the ship husbanding services rendered to the vessel during the port visit.

57. As part of this conspiracy, Francis and his co-conspirators submitted and caused to be submitted to the U.S. Navy fraudulent quotes for Incidentals, purporting to be from prospective subcontractors, for port visits in Thailand, Malaysia, Cambodia, Indonesia, Philippines, Australia, and other countries.

58. As a part of this conspiracy, Francis and his co-conspirators submitted and caused to be submitted to the U.S. Navy fraudulent representations related to the acquisition of fuel, including fraudulent representations about the unavailability of the type of fuel required by U.S. Navy vessels, as well as fraudulent representations about the source and actual cost of the fuel ultimately provided by GDMA to the U.S. Navy vessels.

59. As a part of this conspiracy, Francis and his co-conspirators submitted and caused to be submitted to the U.S. Navy fraudulent representations related to Port Tariff Items, including fraudulent representations about the availability and actual cost of Port Tariff Items at particular ports, fraudulent representations about the true identity of the bona fide port authority, and ultimately fraudulent invoices inflating

the costs of the Port Tariff Items rendered to each U.S. Navy vessel.

60. To this end, Francis and his co-conspirators created entirely sham companies and fraudulently represented them to the U.S. Navy to be bona fide Port Authorities, including Laem Thong East Services, Ltd., purporting to service the port of Laem Chabang, Thailand, and Phuket International Cruise Terminal, purporting to service the port of Phuket, Thailand. In other ports, Francis and his co-conspirators falsely represented to the U.S. Navy that certain GDMA subcontractors were, in fact, the bona fide Port Authority, including (1) Lumut, Malaysia: S.W. Maritime S/B Lumut Ports; and (2) Sepangar, Malaysia: MY. Maritime Network (Sabah Ports). Using these sham entities, Francis and his co-conspirators submitted fraudulent invoices to the U.S. Navy which inflated the actual costs of the Port Tariff Items rendered to each U.S. Navy vessel.

61. Further to this end, Francis and his co-conspirators submitted and caused to be submitted fraudulently inflated invoices purporting to be from legitimate Port Authorities, including (1) Langkawi, Malaysia: Star Cruises Langkawi Cruise Centre SND BHD; (2) Jakarta, Indonesia: PT. Pelabuhan Indonesia II; (3)

Bali, Indonesia: PT. Pelabuhan Indonesia III; (4) Ream, Cambodia: Royal Cambodian Navy; and (5) Sihanoukville, Cambodia: Kampuchea Shipping Agency & Brokers.

62. At the end of the port visit by a particular U.S. Navy vessel, GDMA, FRANCIS and their co-conspirators, submitted and caused to be submitted to the U.S. Navy fraudulently inflated claims for the purpose of obtaining payment for ship husbanding services rendered to U.S. Navy vessels during port visits, which claims included, depending on the port visited and U.S. Navy vessel, fraudulently inflated claims for payment related to Incidentals, Fuel, and Port Tariff Items.

63. By some combination of the manner and means described above in Paragraphs 57-61, GDMA, Francis, and their co-conspirators defrauded the U.S. Navy in connection with at least as many as hundreds of U.S. Navy vessels' port visits throughout Asia and the Pacific from at least September 2011 until September 2013.

B. SHIP HUSBANDING CONTRACT IN JAPAN 2009-2010

64. As an additional part of this conspiracy to defraud the United States, GDMA, EA, and their co-conspirators conspired to arrange kickbacks to GDMA

from GDMA's vendors in Japan (i.e. subcontractors for particular ship husbanding services). To implement this scheme, GDMA, EA and their co-conspirators obtained letterhead from several Japanese vendors and used that letterhead to prepare fraudulently inflated vendor invoices to the U.S. Navy. GDMA, EA and their co-conspirators inflated these invoices to bill the U.S. Navy for more money than the vendor would have charged to provide the good or service. After the U.S. Navy approved the invoices and paid the inflated amounts to the Japanese vendors, EA required the vendors to kick a portion of those inflated payments back to GDMA. To do so, the co-conspirators issued GDMA invoices to the vendors in the amount of the kickback, and the vendors then paid the invoiced kickback amount to GDMA. After FRANCIS learned about this scheme, he approved and continued to benefit from it.

65. By the manners and means described in Paragraph 64, GDMA, EA, and their co-conspirators defrauded the U.S. Navy in connection with a wide variety of husbanding services provided to nearly every U.S. Navy vessel that came to port in Japan from July 2009 until September 2010, including: USS Lake Erie, USS Blue Ridge, USCGC Jarvis, USS John McCain; USS Stethem; USS Cowpens; USS Pinckney; USS Rentz; USS Mount Rushmore; USS Mustin; USS Fitzgerald; USS Curtis Wilbur; USS

Guardian; USS Russell; USS Vandegrift; USS Denver; USS Defender; USS Shiloh; USS Momsen, and many others.

66. The total actual loss to the U.S. Navy from the conspiracy to defraud the United States described in Count Three and in Paragraphs 54-64 above was at least more than \$20 million.

67. A substantial part of the conspiracy to defraud the United States, as described in Count Three, was committed from outside the United States and otherwise involved sophisticated manners and means.

68. As to the conspiracy to defraud the United States, as described in Count Three, Francis was the organizer and leader of that criminal activity which involved more than five participants, and was otherwise extensive in its duration, reach, and magnitude.

69. Francis willfully obstructed and impeded, and attempted to obstruct and impede, the administration of justice with respect to the investigation and prosecution of the conspiracy to defraud the United States, as described in Count Three, and his obstructive conduct related to that offense, and relevant conduct.

Handwritten initials, possibly 'R', written in black ink.

FORFEITURE

70. The assets and substitute assets enumerated in the Forfeiture Addendum constitute or are derived from proceeds that defendant received as a result of the conspiracy to commit bribery, bribery, and conspiracy to defraud the United States, as described in the plea agreement and in this Stipulated Statement of Facts.

##

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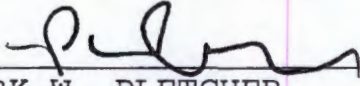
DEFENDANT SATISFIED WITH COUNSEL

65. The defendant has consulted with counsel and is satisfied with counsel's representation. This is the defendant's independent opinion, and his counsel did not advise him about what to say in this regard.

LAURA E. DUFFY
United States Attorney

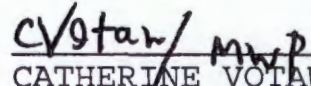
DATED

1/13/15


MARK W. PLETCHER
ROBERT S. HUIE
Assistant U.S. Attorneys
WILLIAM J. STELLMACH
Acting Chief, Fraud Section

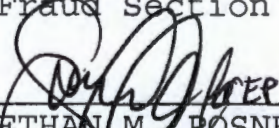
DATED

1/13/15


CATHERINE VOTAW
Director, Procurement Fraud
BRIAN YOUNG
Trial Attorney
Fraud Section

DATED

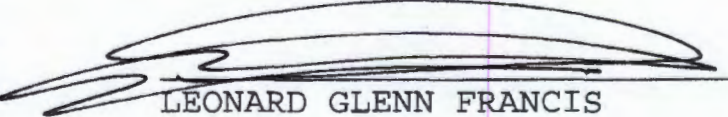
1-9-15


ETHAN M. ROSNER, ESQ.
SARA J. O'CONNELL, ESQ.
Covington & Burling LLP
Counsel for Defendant

I SWEAR UNDER PENALTY OF PERJURY THAT THE FACTS IN THIS STIPULATED STATEMENT OF FACTS ARE TRUE AND CORRECT.

DATED

1-9-15


LEONARD GLENN FRANCIS
Defendant