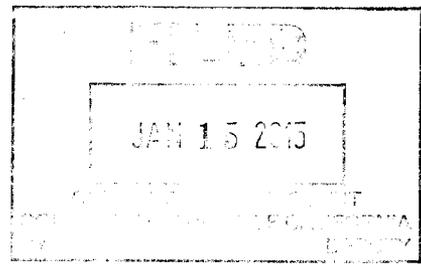


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13
14 **UNITED STATES DISTRICT COURT**
15 **SOUTHERN DISTRICT OF CALIFORNIA**

16 UNITED STATES OF AMERICA,
17 v.
18 GLENN DEFENSE MARINE
ASIA PTE. LTD. ("GDMA")
19
20 Defendant.

Case No.
PLEA AGREEMENT

21 IT IS HEREBY AGREED between the UNITED STATES OF AMERICA,
22 through its counsel, Laura E. Duffy, United States Attorney, Mark W.
23 Pletcher and Robert S. Huie, Assistant United States Attorneys,
24 William J. Stellmach, Acting Chief, Fraud Section, Catherine Votaw,
25 Director, Procurement Fraud, and Brian Young, Trial Attorney, Fraud
26 Section, Criminal Division (collectively referred to as "the United
27 States"), and defendant GDMA, by and through LEONARD GLENN FRANCIS,
28

Plea Agreement Def. Initials *g*

1 the Owner, President, and Chief Executive Officer of GDMA, with the
2 advice and consent of Ethan M. Posner, Esq., and Sara J. O'Connell,
3 Esq., counsel for the defendant, as follows:

4 **I**

5 **THE PLEA**

6 **A. The Charges**

7 The defendant agrees to plead guilty to a three-count
8 Information charging the defendant with:

9 **Count 1 - Conspiracy To Commit Bribery**

10 Beginning in or about 2004, and continuing to in or about
11 September 2013, on the high seas and outside of the
12 jurisdiction of any particular district, GDMA, Francis,
13 GDMA employees, and others (1) knowingly and unlawfully
14 combined, conspired, and agreed with U.S. Navy officers and
15 employees, who were public officials, to commit bribery,
16 that is, GDMA, Francis, GDMA employees, and these public
17 officials knowingly agreed that, in return for these U.S.
18 Navy officers and employees being influenced in the
19 performance of official acts and being induced to do and
20 omit to do acts in violation of their official and lawful
21 duties, including providing to GDMA and Francis classified
22 and other proprietary, internal U.S. Navy information and
23 using their positions and influence within the U.S. Navy to
24 benefit GDMA and Francis, (a) GDMA, Francis, and GDMA
25 employees would, directly and indirectly, corruptly give,
26 offer, and promise things of value to the U.S. Navy
27 officers and employees; and (b) the U.S. Navy officers and
28 employees would directly and indirectly, corruptly demand,
seek, receive, accept, and agree to receive and accept
these things of value, all in violation of Title 18, United
States Code, Sections 201(b)(1)(A) and (C), and
201(b)(2)(A) and (C); and (2) GDMA, Francis and their 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.

25 **Count 2 - Bribery**

26 Beginning in or about January 2011, and continuing to in or
27 about September 2013, on the high seas and outside the
28 jurisdiction of any particular district, GDMA and Francis

1 knowingly engaged in a course of conduct whereby they
2 directly and indirectly, corruptly gave, offered, and
3 promised things of value, including cash, travel,
4 entertainment expenses, the services of prostitutes, and
5 other things of value to Naval Criminal Investigative
6 Service ("NCIS") Supervisory Special Agent John Bertrand
7 Beliveau, Jr., a public official, with the intent to
8 influence Beliveau in the performance of official acts, as
9 opportunities arose, and with the intent to induce Beliveau
10 to do and omit to do acts in violation of his lawful
11 duties, as opportunities arose, including providing to
12 Francis NCIS law enforcement sensitive information and
13 advice and counsel about ongoing NCIS criminal
14 investigations into the activities of GDMA and Francis, all
15 in violation of Title 18, United States Code, Section
16 201(b)(1)(A) and (C).

17 Count 3 - Conspiracy To Defraud the United States

18 Beginning in or about July 2009, and continuing to in or
19 about September 2013, on the high seas and outside the
20 jurisdiction of any particular district, GDMA, Francis,
21 GDMA employees, and others knowingly and intentionally
22 combined, conspired, and agreed to defraud the United
23 States by obstructing the lawful functions of the United
24 States Department of the Navy through deceitful and
25 dishonest means, namely, by submitting fraudulently
26 inflated claims for payment, and false and fraudulent
27 documentation in support of those claims for payment
28 related to GDMA's ship husbanding contracts with the U.S.
Navy; and GDMA and Francis and their 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

1 or other federal employees, committed prior to September 17, 2013.
2 Nothing in this agreement shields defendant from prosecution for
3 other crimes.

4 C. Package Disposition - Leonard Glenn Francis

5 This plea agreement is part of a "package" disposition. For
6 defendant GDMA to receive the benefits of this agreement, Leonard
7 Glenn Francis must plead guilty at the same time pursuant to a
8 separately executed plea agreement.

9 II

10 NATURE OF THE OFFENSE

11 A. Elements Explained

12 The offenses to which the defendant is pleading guilty have the
13 following elements:

14 Count 1 - Conspiracy To Commit Bribery

15 1. There was an agreement between two or more persons to
16 commit bribery;

17 2. The defendant became a member of the conspiracy
18 knowing of at least one of its objects and intending to help
19 accomplish it; and

20 3. One of the members of the conspiracy performed at
21 least one overt act in furtherance of the conspiracy and to effect
22 its unlawful objects.

23 Count 2 - Bribery

24 1. The defendant gave, offered, and promised things of
25 value to a public official; and

26 2. The defendant acted corruptly, that is, with the
27 intent to influence an official act by the public official, or with
28

1 the intent to induce the public official to do or to omit to do an
2 act in violation of his lawful duty.

3 Count 3 - Conspiracy To Defraud the United States

4 1. There was an agreement between two or more persons to
5 defraud the United States by obstructing the lawful functions of the
6 United States Department of the Navy through deceitful or dishonest
7 means;

8 2. The defendant became a member of the conspiracy
9 knowing of at least one of its objects and intending to help
10 accomplish it; and

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

14 Corporate Criminal Liability

15 The defendant acknowledges that a corporation is responsible for
16 the acts of its agents or employees, done within the scope of their
17 authority. The defendant further acknowledges that the acts of a
18 corporation's agent or employee are within the scope of his or her
19 authority if those acts are done on the corporation's behalf or for
20 its benefit in the performance of the agent's general duties. The
21 defendant agrees that it is responsible for the acts of Leonard Glenn
22 Francis, and of other GDMA officers, employees and agents, which form
23 the factual basis for the charges to which the defendant is agreeing
24 to plead guilty.

25 Forfeiture

26 The defendant understands that the United States would have to
27 prove by a preponderance of the evidence that the property subject to
28 forfeiture are property(ies) which constitute or are derived from

1 proceeds traceable to the defendant's violations of 18 U.S.C. § 371,
2 conspiracy to commit bribery; 18 U.S.C. § 201(b), bribery; and 18
3 U.S.C. § 371, conspiracy to defraud the United States.

4 B. Elements Understood And Admitted - Factual Basis

5 The defendant has fully discussed the facts of this case with
6 defense counsel. The defendant has committed each of the elements of
7 the charged crimes and admits that there is a factual basis for its
8 guilty pleas. The facts set forth in Attachment A (Stipulated
9 Statement of Facts) are true and undisputed.

10 **III**

11 **PENALTIES**

12 Defendant understands that the crimes to which defendant is
13 pleading guilty carry the following penalties:

14 Count 1 - Conspiracy To Commit Bribery

15 A. a maximum of 5 years of probation for a corporation, with a
16 minimum penalty of one year of probation;

17 B. a maximum fine of \$500,000, or twice the gross pecuniary
18 gain or gross pecuniary loss from the offense, whichever is greater;

19 C. a mandatory special assessment of \$400;

20 D. an order from the Court pursuant to 18 U.S.C. § 3663A that
21 the defendant make mandatory restitution to the victim of the offense
22 of conviction, in this case, the United States Navy. The defendant
23 understands that the Court shall also order, if agreed to by the
24 parties, restitution to persons other than the victim of the offense
25 of conviction; and

26 E. forfeiture of any property, real or personal, which
27 constitutes or is derived from proceeds traceable to the offense.

28 //



1 Count 2 - Bribery

2 A. a maximum of 5 years of probation for a corporation, with a
3 minimum penalty of one year of probation;

4 B. a maximum fine of \$500,000, twice the gross pecuniary gain
5 or gross pecuniary loss from the offense, or three times the monetary
6 equivalent of the thing of value, whichever is greater;

7 C. a mandatory special assessment of \$400;

8 D. an order from the Court pursuant to 18 U.S.C. § 3663A that
9 the defendant make mandatory restitution to the victim of the offense
10 of conviction, in this case, the United States Navy. The defendant
11 understands that the Court shall also order, if agreed to by the
12 parties, restitution to persons other than the victim of the offense
13 of conviction; and

14 E. forfeiture of any property, real or personal, which
15 constitutes or is derived from proceeds traceable to the offense.

16 Count 3 - Conspiracy To Defraud The United States

17 A. a maximum of 5 years of probation for a corporation, with a
18 minimum penalty of one year of probation;

19 B. a maximum fine of \$500,000, or twice the gross pecuniary
20 gain or gross pecuniary loss from the offense, whichever is greater;

21 C. a mandatory special assessment of \$400;

22 D. an order from the Court pursuant to 18 U.S.C. § 3663A that
23 the defendant make mandatory restitution to the victim of the offense
24 of conviction, in this case, the United States Navy. The defendant
25 understands that the Court shall also order, if agreed to by the
26 parties, restitution to persons other than the victim of the offense
27 of conviction; and

1 E. forfeiture of any property, real or personal, which
2 constitutes or is derived from proceeds traceable to the offense.

3 IV

4 DEFENDANT'S WAIVER OF TRIAL RIGHTS

5 Defendant understands that this guilty plea waives any and all
6 rights to:

- 7 A. Continue to plead not guilty and require the Government to
8 prove the elements of the crime beyond a reasonable doubt;
- 9 B. A speedy and public trial by jury;
- 10 C. The assistance of counsel at all stages of trial;
- 11 D. Confront and cross-examine adverse witnesses;
- 12 E. Present evidence and to have witnesses testify on behalf of
13 defendant;
- 14 F. Assert any rights and defenses defendant may have under the
15 Excessive Fines Clause of the Eighth Amendment to the
16 United States Constitution to the forfeiture of property in
17 this proceeding or any related civil or administrative
18 forfeiture proceeding; and
- 19 G. Assert any legal, constitutional, statutory, regulatory,
20 and procedural rights and defenses that it may have under
21 any source of federal law, including among others
22 challenges to personal jurisdiction, extra-territoriality,
23 statute of limitations, venue, and the form and substance
24 of the Information, including any claim of multiplicity or
25 duplicity.

26 //

27 //

28 //



V

DEFENDANT ACKNOWLEDGES NO PRETRIAL RIGHT TO BE PROVIDED WITH IMPEACHMENT AND AFFIRMATIVE DEFENSE INFORMATION

The Government represents that any information establishing the factual innocence of defendant known to the undersigned prosecutor in this case has been turned over to defendant. The Government will continue to provide such information establishing the factual innocence of defendant.

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 defendant raised an affirmative defense, the Government would be required to provide information in its possession that supports such a defense. Defendant acknowledges, however, that by pleading guilty defendant will not be provided this information, if any, and defendant also waives the right to this information. Finally, defendant agrees not to attempt to withdraw the guilty plea or to file a collateral attack based on the existence of this information.

VI

DEFENDANT'S REPRESENTATION THAT GUILTY PLEA IS KNOWING AND VOLUNTARY

Defendant represents that:

- A. Defendant has had a full opportunity to discuss all the facts and circumstances of this case with defense counsel and has a clear understanding of the charges and the consequences of this plea. Defendant understands that, by pleading guilty, defendant may be giving up, and rendered ineligible to receive, valuable government benefits. Defendant further understands that the conviction in this case may subject defendant to various collateral consequences, including but not limited to debarment from government contracting, and suspension or revocation of a professional license, none of which will serve as grounds to withdraw defendant's guilty plea.

- 1 B. No one has made any promises or offered any rewards in
2 return for this guilty plea, other than those contained in
3 this agreement or otherwise disclosed to the Court.
- 4 C. No one has threatened defendant or defendant's employees,
5 officers or agents to induce this guilty plea.
- 6 D. Defendant is pleading guilty because in truth and in fact
7 defendant is guilty and for no other reason.
- 8 E. Package Disposition. Defendant understands that the
9 disposition contemplated by this agreement is part of a
10 "package" disposition with Leonard Glenn Francis, whereby
11 the obligations of the United States under this agreement
12 are conditioned on the performance by defendant GDMA and
13 Leonard Glenn Francis of their obligations under their
14 respective plea agreements.

11 **VII**

12 **AGREEMENT LIMITED TO U.S. ATTORNEY'S OFFICE**
13 **SOUTHERN DISTRICT OF CALIFORNIA AND THE FRAUD SECTION,**
14 **CRIMINAL DIVISION, U.S. DEPARTMENT OF JUSTICE**

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

21 **VIII**

22 **APPLICABILITY OF SENTENCING GUIDELINES**

23 Defendant understands the sentence imposed will be based on the
24 factors set forth in 18 U.S.C. § 3553(a). Defendant understands
25 further that in imposing the sentence, the sentencing judge must
26 consult the United States Sentencing Guidelines (Guidelines) and take
27 them into account. Defendant has discussed the Guidelines with
28 defense counsel and understands that the Guidelines are only

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

11 **IX**

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

13 This plea agreement is made pursuant to Federal Rule of Criminal
14 Procedure 11(c)(1)(B). Defendant understands that the sentence is
15 within the sole discretion of the sentencing judge. The Government
16 has not made and will not make any representation as to what sentence
17 defendant will receive. Defendant understands that the sentencing
18 judge may impose the maximum sentence provided by statute, and is
19 also aware that any estimate of the probable sentence by defense
20 counsel is a prediction, not a promise, and **is not binding on the**
21 **Court**. Likewise, the recommendation made by the United States is not
22 binding on the Court, and it is uncertain at this time what
23 defendant's sentence will be. Defendant also has been advised and
24 understands that if the sentencing judge does not follow any of the
25 parties' sentencing recommendations, defendant nevertheless has no
26 right to withdraw the plea.

2 PARTIES' SENTENCING RECOMMENDATIONS

3 A. SENTENCING GUIDELINES

4 Although the parties understand that the Guidelines are only
5 advisory and just one of the factors that the Court will consider
6 under 18 U.S.C. § 3553(a) in imposing a sentence, the parties agree
7 to jointly recommend to the Court the Guideline calculations set
8 forth below.

9 B. "FACTUAL BASIS" AND "RELEVANT CONDUCT" INFORMATION

10 The parties agree that the facts in the "factual basis"
11 paragraph of this agreement and Attachment A are true, and may be
12 considered as "relevant conduct" under USSG §1B1.3 and as the nature
13 and circumstances of the offense under 18 U.S.C. § 3553(a)(1).

14 C. PARTIES' RECOMMENDATIONS REGARDING SENTENCE

15 The parties agree to recommend that the defendant be sentenced
16 to a five-year term of probation. The parties agree that, if the
17 fine, restitution, forfeiture, and special assessment obligations
18 have been paid in full, the defendant may move to terminate probation
19 after two years from the date of sentencing.

20 D. SPECIAL ASSESSMENT/FINE/RESTITUTION

21 1. Special Assessment

22 The parties will jointly recommend that defendant pay a special
23 assessment in the amount of \$400.00 per felony count of conviction to
24 be paid forthwith at time of sentencing. The special assessment
25 shall be paid through the office of the Clerk of the District Court
26 by bank or cashier's check or money order made payable to the "Clerk,
27 United States District Court."
28

1 2. Fine

2 To calculate the criminal fine directed by the Sentencing
3 Guidelines, the parties agree to recommend the following calculation:

4 (a) The November 1, 2014 edition of the Guidelines applies;

5 (b) Pursuant to USSG § 2C1.1, the adjusted offense level
6 applicable to defendant's bribery conduct is 38:

7 (i) Pursuant to USSG § 2C1.1(a)(2), the base offense level
8 for the defendant's bribery conduct is 12;

9 (ii) Pursuant to USSG § 2C1.1(b)(1), there is a 2-level
10 increase for more than one bribe;

11 (iii) Pursuant to USSG § 2C1.1(b)(2), there is a 20-level
12 increase for the value of the benefit received, exceeding \$7,000,000;

13 (iv) Pursuant to USSG § 2C1.1(b)(3), there is a 4-level
14 increase because the offense involves a public official in a high-
15 level decision-making and sensitive position;

16 (c) Pursuant to USSG § 2B1.1, the adjusted offense level
17 applicable to defendant's fraud conduct is 30:

18 (i) Pursuant to USSG § 2B1.1(a)(2), the base offense level
19 for the defendant's fraud conduct is 6;

20 (ii) Pursuant to USSG § 2B1.1(b)(1)(L), there is a 22-level
21 increase for the loss to the government, exceeding \$20,000,000;

22 (iii) Pursuant to USSG § 2B1.1(b)(10), there is a 2-level
23 increase based on a substantial part of the scheme occurring
24 overseas, and the use of sophisticated means;

25 (d) Pursuant to USSG § 3D1.4, the combined offense level based
26 on defendant's fraud and bribery conduct is 39;

27 (e) Pursuant to USSG § 8C2.5(a), (b)(5), (e), and (g)(3),
28 defendant has a culpability score of 8, calculated by a baseline of 5

1 points; plus 1 point for an organization with 10 or more employees
2 where an individual within substantial authority personnel
3 participated in the offense; plus 3 points for willful obstruction of
4 justice; minus 1 point for acceptance of responsibility;

5 (f) Defendant's criminal fine is subject to calculation
6 pursuant to USSG § 8C2.4(d) (base fine), § 8C2.6 (multipliers) and §
7 8C2.7 (fine range), and § 8C2.8 (determination of fine within the
8 range);

9 (g) The parties acknowledge that the fine calculated under the
10 Guidelines may be subject to limitations based on the organization's
11 ability to pay restitution pursuant to USSG § 8C2.2 and § 8C3.3. The
12 parties are free to make any arguments based on these sections,
13 provided that defendant agrees to recommend the imposition of a fine
14 in the amount of at least \$1,500,000, which the defendant agrees is
15 within the statutory maximum for the offenses of conviction.

16 Any fine shall be paid through the Office of the Clerk of the
17 District Court by bank or cashier's check or money order made payable
18 to the "Clerk, United States District Court."

19 3. Restitution

20 The defendant agrees to the entry of an order of restitution
21 in the full amount of the victim(s)' losses as determined by the
22 Court pursuant to 18 U.S.C. §§ 3556, 3663A(c)(1)(A)(ii), and
23 3664(f)(1)(A). As of the date of the execution of this plea
24 agreement, the parties agree that the loss to the United States Navy
25 occasioned by defendant's criminal conduct was more than \$20,000,000.
26 The parties agree to jointly move that the Court hold a restitution
27 hearing and enter an order of restitution within 15 months of the
28

1 execution of this agreement. The defendant agrees that restitution
2 shall be ordered payable as directed by the Court. The parties agree
3 that amounts paid prior to sentencing pursuant to defendant's
4 forfeiture obligations as set forth in the attached and incorporated
5 Forfeiture Addendum shall be applied to offset any of defendant's
6 restitution obligation ordered by the Court. Any remaining
7 restitution obligation must be paid, as directed by the Court.
8

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

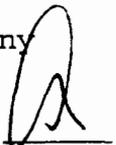
18 The United States retains its rights at all times to take all
19 actions and take all remedies available to collect the full amount of
20 the restitution. The defendant agrees that the restitution,
21 restitution judgment, payment provisions, and collection actions of
22 this plea agreement are intended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

26 The restitution shall be paid through the Office of the Clerk of
27 the District Court by bank or cashier's check or money order made
28 payable to the "Clerk, United States District Court."

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

14 The defendant also agrees to identify, to the best of its
15 ability, all assets valued at more than \$5,000 which have been
16 transferred to third parties since January 1, 2013, including the
17 location of the assets and the identity of the third party(ies). The
18 defendant further understands that any false statements made in
19 connection with these financial disclosures shall constitute a breach
20 of this agreement.
21

22 The defendant agrees that prior to the date of its sentencing it
23 will not, nor assist any third person to, transfer, encumber, conceal
24 or make unavailable, any asset or financial interest, tangible or
25 intangible, real or personal, with a value over \$5,000 in which the
26 defendant has an interest, direct or indirect, whether held in the
27 defendant's own name, in trust, in partnership, in the name of any
28



1 other business which defendant owned, operated, controlled or in
2 which it had an interest, direct or indirect, as of the date of the
3 execution of this plea agreement, or in the name of any other person,
4 real or fictitious, without the prior, express, written consent of
5 the United States.

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

14 The parties will also jointly recommend that as a condition of
15 probation or supervised release, the defendant will notify the
16 Collections Unit, United States Attorney's Office, before the
17 defendant transfers any interest in property owned directly or
18 indirectly by the defendant, including any interest held or owned
19 under any other name or entity, including trusts, partnerships,
20 businesses, and/or corporations, valued at more than \$5,000.
21
22
23

24 **XI**

25 **DEFENDANT WAIVES APPEAL AND COLLATERAL ATTACK**

26 In exchange for the Government's concessions in this plea
27 agreement, defendant waives, to the full extent of the law, any right
28 to appeal or to collaterally attack the conviction and any lawful

1 restitution order, except any right that the defendant may have under
2 the Constitution to bring a post-conviction collateral attack based
3 on a claim of ineffective assistance of counsel. The defendant also
4 waives, to the full extent of the law, any right to appeal or to
5 collaterally attack its sentence, except any right that the defendant
6 may have under the Constitution to bring a post-conviction collateral
7 attack based on a claim of ineffective assistance of counsel.

8 If at any time defendant files a notice of appeal, appeals or
9 collaterally attacks the conviction or sentence in violation of this
10 plea agreement, said violation shall be a material breach of this
11 agreement as further defined below.

12 **XII**

13 **BREACH OF THE PLEA AGREEMENT**

14 Defendant acknowledges, understands and agrees that if defendant
15 violates or fails to perform any of defendant's obligations under
16 this agreement, such violation or failure to perform may constitute a
17 material breach of this agreement.

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

- 21 1. Failing to plead guilty pursuant to this agreement;
- 22 2. Failing to appear in court or to cause its authorized
23 representative to appear in court;
- 24 3. Attempting to withdraw the plea;
- 25 4. Failing to abide by any lawful court order related to
26 this case;
- 27 5. Failing to make forfeiture payments as set forth in
28 the Forfeiture Addendum;

- 1 6. Failing to make restitution payments as ordered by the
- 2 Court;
- 3 7. Appealing or collaterally attacking the sentence or
- 4 conviction in violation of Section XI of this plea
- 5 agreement;
- 6 8. Engaging in additional criminal conduct from the time
- 7 of arraignment until the time of sentencing;
- 8 9. Providing false information or making material false
- 9 omissions to the United States in any financial
- 10 disclosure or otherwise; or
- 11 10. Attempting to hide, hiding, or transferring,
- 12 encumbering, or otherwise making unavailable for
- 13 collection of the forfeiture and restitution judgments
- 14 or from the Court, or assisting any person in doing
- 15 so, any asset, real or personal, tangible or
- 16 intangible, which defendant owns or in which it has an
- 17 interest, directly or indirectly, whether in its name
- 18 or the name of any other person or entity.

19 In the event of defendant's material breach of this plea
20 agreement, defendant will not be able to enforce any of its
21 provisions, and the Government will be relieved of all its
22 obligations under this plea agreement. For example, the Government
23 may pursue any charges including those that were dismissed, promised
24 to be dismissed, or not filed as a result of this agreement
25 (defendant agrees that any statute of limitations relating to such
26 charges is tolled as of the date of this agreement; defendant also
27 waives any double jeopardy defense to such charges). In addition,

1 the Government may move to set aside defendant's guilty plea.
2 Defendant may not withdraw the guilty plea based on the Government's
3 pursuit of remedies for defendant's breach.

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

21 **XIII**

22 **ENTIRE AGREEMENT**

23 This plea agreement embodies the entire agreement between the
24 parties and supersedes any other agreement, written or oral.

25 **XIV**

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

27 No modification of this plea agreement shall be effective unless
28 in writing signed by all parties.

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XV

DEFENDANT AND COUNSEL FULLY UNDERSTAND AGREEMENT

By signing this agreement, defendant certifies that the Board of Directors of the corporation has read it, discussed the terms of this agreement with defense counsel and fully understands its meaning and effect. The Board of Directors has authorized its Owner, President and CEO Leonard Glenn Francis to appear on GDMA's behalf and enter a plea of guilty pursuant to the terms of this agreement.

XVI

COOPERATION

In consideration for the promises made in this plea agreement, the defendant will cooperate fully and truthfully with the United States in any investigations or prosecutions involving allegations of bribery or fraud, without limitation. The ongoing, full, and truthful cooperation of defendant shall include, but not be limited to:

a. producing to the United States at its own expense all non-privileged documents, information, and other materials, wherever located, as requested by the United States;

b. using its best efforts to secure the ongoing, full, and truthful cooperation of the current and former directors, officers, and employees of defendant, including making these persons available in the United States and at other locations, at defendant's expense, for interviews or testimony in grand jury, trial, and other judicial proceedings, as requested by the United States.

DEFENDANT SATISFIED WITH COUNSEL

The Board of Directors of the defendant corporation has consulted with counsel and is satisfied with counsel's representation. This is the independent opinion of the Board of Directors, and its counsel did not advise it about what to say in this regard. The Board of Directors further certifies that it has been advised of the possible consequences of any conflict of interest that might arise by the joint representation of the defendant corporation and Leonard Glenn Francis by Covington & Burling LLP and waives any such conflicts to the full extent of the law.

LAURA E. DUFFY
United States Attorney



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

WILLIAM J. STELLMACH
Acting Chief, Fraud Section

C Votaw/mwp

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

DATED 1/13/15

DATED 1/13/15



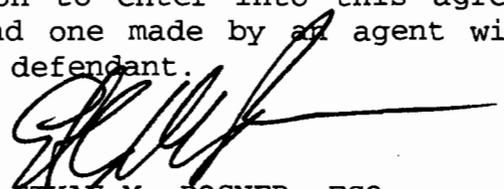
1 Defendant's Signature: As corporate representative for
2 defendant Glenn Defense Marine Asia Pte. Ltd., I have consulted with
3 counsel for the defendant and fully understand all rights of the
4 defendant with respect to this Plea Agreement. Further, I fully
5 understand all rights with respect to 18 U.S.C. § 3553 and the
6 provisions of the Sentencing Guidelines that may apply in this case.
7 I have read this Plea Agreement and carefully reviewed every part of
8 it with counsel for the defendant. I understand this agreement and
9 voluntarily accept it on behalf of the defendant. I have valid
10 authority to sign on behalf of the defendant.

11 DATED: 1-8-15.

12 
13 by: _____
14 Title: PRESIDENT / GROUP
15 EXECUTIVE CHAIRMAN.

16 Defense Counsel's Signature: I am counsel for defendant Glenn
17 Defense Marine Asia Pte. Ltd. in this matter. I have fully explained
18 to the defendant the defendant's rights with respect to this Plea
19 Agreement. Further, I have reviewed 18 U.S.C. § 3553 and the
20 Sentencing Guidelines, and I have fully explained to the defendant
21 the provisions that may apply in this case. I have carefully
22 reviewed every part of this Plea Agreement with the defendant. To my
23 knowledge, the defendant's decision to enter into this agreement is
24 an informed and voluntary one, and one made by an agent with valid
25 authority to sign on behalf of the defendant.

26 DATED

27 
28 ETHAN M. POSNER, ESQ.
SARA J. O'CONNELL, ESQ.
Counsel for Defendant GDMA

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.

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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

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

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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-

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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

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

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.

A handwritten signature or set of initials, possibly 'A', written in black ink. It is located at the bottom right of the page, below the text 'Def. initials'.

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.

##

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

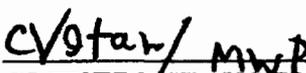
DATED

1/13/15


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

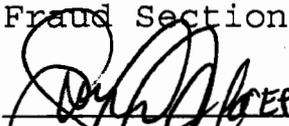
DATED

1/13/15


CATHERINE VOITAW
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



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ATTACHMENT B

CERTIFICATE OF CORPORATE RESOLUTIONS

WHEREAS, Glenn Defense Marine Asia Pte. Ltd. ("GDMA" or the "Company") has been engaged in discussions with the United States Attorney's Office for the Southern District of California and the U.S. Department of Justice, Criminal Division, Fraud Section (collectively, the "United States") regarding certain violations of criminal law; and

WHEREAS, in order to resolve such discussions, it is proposed that the Company enter into a certain agreement with the United States; and

WHEREAS, the Board of Directors of the Company has been advised by counsel of its rights, possible defenses, the Sentencing Guidelines' provisions, and the consequences of entering into such agreement with the United States;

Therefore, the Board of Directors has **RESOLVED** that:

1. The Company (a) consents to the filing of a three-count Information charging the Company with conspiracy to commit bribery, bribery, and conspiracy to defraud the United States; (b) waives indictment on such charges; and (c) enters into a Plea Agreement and Forfeiture Addendum with the United States;

2. The Company's Group Executive Chairman, Leonard Glenn Francis, is hereby authorized, empowered and directed, on behalf of the Company, to execute the Plea Agreement and Forfeiture Addendum substantially in such form as reviewed by this Board of Directors with such changes as the Group Executive Chairman, Leonard Glenn Francis, may approve;

3. The Company's Group Executive Chairman, Leonard Glenn Francis, is hereby authorized, empowered, and directed to take any and all actions as may be necessary or appropriate and to approve the forms, terms, or provisions of any agreement or other documents as may be necessary or appropriate, to carry out and effectuate the purpose and intent of the foregoing resolutions; and

//

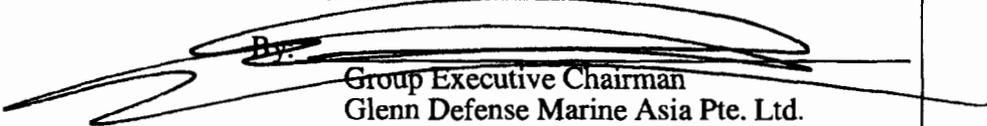
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4. All of the actions of the Company's Group Executive Chairman, Leonard Glenn Francis, which actions would have been authorized by the foregoing resolutions except that such actions were taken prior to the adoption of such resolutions, are hereby severally ratified, confirmed, approved, and adopted as actions on behalf of the Company.

5. The Board of Directors of the defendant corporation has consulted with counsel and is satisfied with counsel's representation. This is the independent opinion of the Board of Directors, and its counsel did not advise it about what to say in this regard. The Board of Directors further certifies that it has been advised of the possible consequences of any conflict of interest that might arise by the joint representation of the Company and Leonard Glenn Francis by Covington & Burling LLP and waives any such conflicts to the full extent of the law.

Date: 1-8, 2015

By: 
Group Executive Chairman
Glenn Defense Marine Asia Pte. Ltd.