

NEWS RELEASE



OFFICE OF THE UNITED STATES ATTORNEY SOUTHERN DISTRICT OF CALIFORNIA

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For Immediate Release

NCIS AGENT PLEADS GUILTY IN INTERNATIONAL NAVY BRIBERY SCANDAL; ADMITS ACTING AS MOLE FOR FOREIGN DEFENSE CONTRACTOR IN ASIA PACIFIC

NEWS RELEASE SUMMARY – December 17, 2013

SAN DIEGO, CA – A special agent with the Naval Criminal Investigative Service (NCIS) pleaded guilty today to participating in a massive international fraud and bribery scheme, admitting he shared with a foreign Navy contractor confidential information about ongoing criminal probes into the contractor's billing practices in exchange for prostitutes, cash and luxury travel.

U.S. Attorney Laura E. Duffy of the Southern District of California and Acting Assistant Attorney General Mythili Raman of the Justice Department's Criminal Division made the announcement after the plea was entered before U.S. Magistrate Judge Jan Adler. The plea is subject to acceptance by U.S. District Judge Janis Sammartino. Sentencing was set for March 7 at 9 a.m. before Judge Sammartino.

In his plea agreement, Supervisory Special Agent John Bertrand Beliveau Jr., 44, pleaded guilty to conspiracy to commit bribery, which carries a maximum penalty of five years in prison, and bribery, which carries a maximum penalty of 15 years in prison. In his plea agreement, Beliveau acknowledged that he regularly searched confidential NCIS databases for reports of investigations related to the contractor, Leonard Glenn Francis, chief executive of Singapore-based Glenn Defense Marine Asia (GDMA). Beliveau admitted that, over the course of years, he helped Francis dodge multiple criminal investigations by providing copies of these reports plus advice and counsel on how to respond to, stall, and thwart the NCIS probes.

Beliveau is one of five Navy officials and civilian contractors who are implicated so far in the widening corruption case involving hundreds of millions of dollars of Navy contracts. In addition to Beliveau and Francis, also charged are U.S. Navy Commanders Michael Vannak Khem Misiewicz and Jose Luis Sanchez and GDMA executive Alex Wisidagama. The charges against Francis, Misiewicz, Sanchez and Wisidagama are merely allegations, and the defendants are presumed innocent until and unless proven guilty.

“Instead of doing his job, John Beliveau was leaking confidential details of investigations to the target himself,” said U.S. Attorney Laura Duffy. “This is an audacious violation of law for a decorated federal agent who valued personal pleasure over loyalty to his colleagues, the U.S. Navy and ultimately his own country. His admissions are a troubling reminder that corruption may exist even among those entrusted with protecting our citizens and upholding our laws.”

U.S. Attorney Duffy praised law enforcement partners, and in particular she acknowledged Defense Criminal Investigative Service, NCIS and the Navy for taking extraordinary measures to weed out corruption from its ranks. “The Navy has extended enormous cooperation and assistance in this investigation, and we have worked closely to achieve justice, to protect national security and to safeguard American defense dollars.”

“Today, John Beliveau has admitted to accepting lavish gifts in exchange for revealing sensitive law enforcement information to a primary target of this massive bribery investigation,” said Acting Assistant Attorney General Raman. “For nearly two years, Beliveau deliberately leaked the names of cooperating witnesses, reports of witness interviews, and plans for future investigative steps. Through his corrupt conduct, Beliveau helped the target of the investigation evade the reach of law enforcement, and cost the U.S. Navy millions of dollars. Thanks to the Navy’s extensive cooperation and assistance, and the hard work of the NCIS and DCIS agents assigned to this ongoing investigation, we have now been able to hold him to account.”

“John Beliveau’s reprehensible actions, providing sensitive information to the targets of ongoing fraud investigations and accepting bribes, tragically tarnished his NCIS badge,” said NCIS Director Andrew Traver. “Nevertheless, the tireless and dedicated work of NCIS and DCIS effectively brought this to a halt, and these agencies continue to vigilantly protect Department of Navy personnel and resources.”

“Today’s guilty plea of former NCIS Special Agent John Beliveau is part of an ongoing joint effort by the Defense Criminal Investigative Service, the Naval Criminal Investigative Service and our enforcement partners to identify, investigate and bring to justice those seeking to enrich themselves at the expense of U.S. taxpayers,” said James B. Burch, Deputy Inspector General for Investigations, Office of the Inspector General, Department of Defense. “While the conduct of a vast majority of those in the U.S. Navy and law enforcement community is beyond reproach, we will vigorously pursue those individuals who put the safety and security of U.S. Navy personnel at risk. The conduct of former Special Agent Beliveau is reprehensible and today’s guilty plea demonstrates the Defense Criminal Investigative Service will continue to pursue allegations of fraud and corruption that puts the Warfighter at risk.”

According to the plea agreement, Beliveau’s criminal conduct began in January of 2011 when he was stationed in Singapore, and continued for more than two years, even after Beliveau returned to the NCIS office in Quantico, Virginia, in April of 2012.

Among the law enforcement-sensitive information provided by Beliveau to Francis were the identities of the subjects of the investigations; information about witnesses, 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 identities of those accounts; the particulars about bank records and financial information sought by the investigations; the reports to prosecutors and their interactions with the investigations; and planned future investigative activities.

According to information provided in court, when authorities became aware of Beliveau's duplicity, they began planting bogus reports in the system, including one that falsely indicated the investigations of Francis were going to be closed. Soon after that, an emboldened Francis came to San Diego from Singapore for a meeting with Navy brass, and Francis was arrested. Beliveau was taken into custody the same day in Virginia.

All told, Beliveau leaked information to Francis about criminal investigations into GDMA's overbilling scheme that cost the Navy at least \$7 million in fraudulent overpayments for "husbanding" services such as food, fuel and other supplies and services to the ships, according to the plea agreement.

In return for leaks of internal NCIS information and advice from Beliveau, Francis allegedly provided the agent with envelopes containing cash on at least five occasions, along with luxury travel from Virginia to Singapore, the Philippines and Thailand, the plea agreement stated. On many occasions, beginning in 2008 and continuing through 2012 while Beliveau was posted in Singapore, Francis allegedly provided the NCIS agent with prostitutes, lavish dinners, entertainment and alcohol at high-end nightclubs. The tab for each of these outings routinely ran into the thousands of dollars.

According to court records, in April of 2012 Beliveau complained to Francis, saying, "You give whores more money than you give me," and, "I can be your best friend or worst enemy."

Beliveau admitted that he and Francis tried to hide their illicit activity by employing techniques that Beliveau had learned from his specialized training as a law enforcement agent. These steps included 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 chat and calls to transmit information.

This ongoing investigation is being conducted by NCIS, the Defense Criminal Investigative Service (DCIS) and the Defense Contract Audit Agency. Significant assistance was provided by the Drug Enforcement Administration, Homeland Security Investigations and the DOJ Criminal Division's Office of International Affairs, the Royal Thai Police and the Corrupt Practices Investigation Bureau Singapore. This case is being prosecuted by Assistant U.S. Attorneys Mark Pletcher and Robert Huie of the Southern District of California and Director of Procurement Fraud Catherine Votaw and Trial Attorney Brian Young of the Criminal Division's Fraud Section, as well as Special Trial Attorney Wade Weems on detail to the Fraud Section from the Special Inspector General for Afghan Reconstruction.

Those with information relating to fraud, corruption or waste in government contracting should contact the NCIS anonymous tipline at www.ncis.navy.mil, or the DoD Hotline at www.dodig.mil/hotline or should call (800) 424-9098.

DEFENDANT

Case Number: 13-MJ-3456

SUMMARY OF CHARGES

Conspiracy to Commit Bribery in violation of 18 U.S.C. § 371

Maximum of 5 years in prison; a maximum \$250,000 fine, or twice the gross gain or loss from the offense, whichever is greater

Bribery in violation of 18 U.S.C. § 201

Maximum of 15 years in prison; a maximum fine of \$250,000, twice the gross gain or loss from the offense, or three times the monetary equivalent of the thing of value, whichever is greater.

INVESTIGATING AGENCIES

Defense Criminal Investigative Service

Naval Criminal Investigative Service

Homeland Security Investigations