

THE UNITED STATES ATTORNEY'S OFFICE  
SOUTHERN DISTRICT *of* CALIFORNIA

**Department of Justice**  
U.S. Attorney's Office  
Southern District of California

FOR IMMEDIATE RELEASE

Thursday, June 9, 2016

**U.S. Navy Admiral Pleads Guilty to Lying to Feds about his Relationship with Foreign Defense Contractor in Massive Navy Bribery and Fraud Investigation**

***Assistant U.S. Attorneys Mark W. Pletcher (619) 546-9714 and Patrick Hovakimian (619) 546-9718***

**NEWS RELEASE SUMMARY** – June 9, 2016

SAN DIEGO - U.S. Navy Rear Admiral Robert Gilbeau pleaded guilty today in federal court to felony charges that he lied to federal investigators to conceal his illicit years-long relationship with Leonard Glenn Francis, the foreign defense contractor at the center of a massive bribery and fraud scandal.

Admiral Gilbeau is the highest-ranking U.S. Navy officer charged in the investigation so far, and is believed to be the first active-duty Naval flag officer ever charged in federal criminal court.

In his plea agreement, Admiral Gilbeau admitted that he lied when he told agents from Defense Criminal Investigative Service and Naval Criminal Investigative Service that he had never received any gifts from Leonard Glenn Francis, owner of Singapore-based Glenn Defense Marine Asia. Francis has pleaded guilty to plying scores of other U.S. Navy officials with gifts such as luxury travel and meals, cash and electronics and parties and prostitutes.

According to his plea agreement, Admiral Gilbeau lied when he told investigators that he “always paid for half of the dinner” when he and Francis met about three times a year. When Gilbeau became aware that Francis and others had been arrested in connection with the fraud and bribery offenses in September 2013, he destroyed documents and deleted computer files.

Admiral Gilbeau is scheduled to be sentenced on Aug. 26 at 9 a.m. before U.S. District Judge Janis L. Sammartino. At today's hearing, U.S. Magistrate Judge William V. Gallo set bond at \$75,000 secured by real property.

Most of the other Navy officials charged in this case so far have faced allegations that in return for cash, lavish entertainment and travel expenses, the services of prostitutes and other illicit gifts, they brazenly used their public offices to heap benefit after benefit upon Francis and GDMA, including passing on classified U.S. Navy information to advance GDMA's business interests and advocating for GDMA at every turn.

Gilbeau was charged via information with deliberately and knowingly making false statements, from November 2012 to October 2013, about the nature of his relationship with Francis and his receipt of things of value over the course of years from Francis.

According to charging documents, in 2003 and 2004, Gilbeau was the supply officer on the USS Nimitz, where he was responsible for procuring all goods and services necessary for operation of the ship. He later served as head of the Tsunami Relief Crisis Action Team in Singapore, heading the Navy's logistics response to the Southeast Asia tsunami in December 2004. In June 2005, Gilbeau was assigned to the office of the Chief of Naval Operations as the head of aviation material support, establishing policies and requirements for budgeting and acquisitions for the Navy's air forces.

After he was promoted to admiral, Gilbeau assumed command in August 2010 of the Defense Contract Management Agency International, where he was responsible for the global administration of the Defense Department's most critical contracts performed outside the United States.

"Of those who wear our nation's uniform in the service of our country, only a select few have been honored to hold the rank of Admiral – and not a single one is above the law," said U.S. Attorney Laura Duffy. "Admiral Gilbeau lied to federal agents investigating corruption and fraud, and then tried to cover up his deception by destroying documents and files. Whether the evidence leads us to a civilian, to an enlisted service member or to an admiral, as this investigation expands we will continue to hold responsible all those who lied or who corruptly betrayed their public duties for personal gain."

"As a flag level officer in the U.S. Navy, Admiral Gilbeau understood his duty to be honest with the federal agents investigating this sprawling bribery scheme," said Assistant Attorney General Leslie R. Caldwell of the Justice Department's Criminal Division. "By destroying documents and lying about the gifts that he received, Admiral Gilbeau broke the law and dishonored his uniform."

"The guilty plea of Rear Admiral Robert Gilbeau is an unfortunate example of a dishonorable naval flag officer who has betrayed his shipmates, the U.S. Navy and his country," said Dermot F. O'Reilly,

Acting Director, Defense Criminal Investigative Service. “Admiral Gilbeau's guilty plea should be a resounding message that DCIS, Naval Criminal Investigative Service, and the Department of Justice will continue to investigate and seek to prosecute any individual, regardless of position or rank, who would put our mission of 'Protecting America's Warfighters' at risk.”

“This investigation demonstrates that corruption, conspiracy, and the release of sensitive information puts Department of the Navy personnel and resources at risk,” said Special Agent Andrew Traver, Director of the Naval Criminal Investigative Service, “and in concert with our partner agencies, NCIS remains resolved to follow the evidence, to help hold accountable those who make personal reward a higher priority than professional responsibility.”

Anita Bales, director of Defense Contract Audit Agency, said, “DCAA is proud to stand in partnership with our law enforcement allies and make a meaningful contribution to the outcome in this egregious case. It is very disappointing that this high-ranking individual lost sight of his responsibility as a government official. We look forward to continuing our support of this significant investigation.”

So far, a total of 14 people have been charged in connection with the case.

Of those, 11 are current or former U.S. Navy officials, including Admiral Gilbeau; Captain (ret) Michael Brooks; Commander Bobby Pitts; Lt. Commander Gentry Debord; Captain Daniel Dusek; Captain (select) Michael Misiewicz; Lt. Commander Todd Malaki; NCIS Special Agent John Beliveau; Commander Jose Luis Sanchez; Petty Officer First Class Daniel Layug; and Paul Simpkins, a former DoD civilian employee.

Gilbeau, Dusek, Misiewicz, Malaki, Beliveau, Sanchez and Layug have pleaded guilty. On January 21, 2016, Layug was sentenced to 27 months in prison and a \$15,000 fine; on January 29, 2016, Malaki was sentenced to 40 months in prison and to pay \$15,000 in restitution to the Navy and a \$15,000 fine. On March 25, 2016, Dusek was sentenced to 46 months in prison and to pay \$30,000 in restitution to the Navy and a \$70,000 fine; and on April 29, 2016, Misiewicz was sentenced to 78 months in prison and to pay a fine of \$100,000 and to pay \$95,000 in restitution to the Navy.

Brooks, Pitts and Debord were charged last week and their cases are pending; Simpkins awaits trial.

Also charged are three GDMA executives – Francis, Alex Wisidagama and Ed Aruffo. All three have pleaded guilty; Wisidagama was sentenced on March 18, 2016 to 63 months and \$34.8 million in restitution to the Navy. Francis and Aruffo await sentencing.

GDMA, the corporate entity, was also charged and has pleaded guilty.

NCIS, DCIS and DCAA are conducting the investigation. Assistant U.S. Attorneys Mark W. Pletcher and Patrick Hovakimian of the Southern District of California and Assistant Chief Brian R. Young of the Criminal Division's Fraud Section are prosecuting the case.

Those with information relating to fraud, corruption or waste in government contracting should contact the NCIS anonymous tip line at [www.ncis.navy.mil](http://www.ncis.navy.mil) or the DOD Hotline at [www.dodig.mil/hotline](http://www.dodig.mil/hotline), or call (800) 424-9098.

**DEFENDANT**

**Case Number: 16cr1313-JLS**

U.S. Navy Rear Admiral Robert Gilbeau

Age 55

Burke, Virginia

**SUMMARY OF CHARGES**

False Statements, in violation of 18 U.S.C. § 1001

Maximum Penalty: 5 years in prison

**INVESTIGATING AGENCIES**

Defense Criminal Investigative Service

Naval Criminal Investigative Service

Defense Contract Audit Agency