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Department of Justice

U.S. Attorney's Office

Southern District of California

FOR IMMEDIATE RELEASE

Friday, October 14, 2016

Former NCIS Supervisory Special Agent Sentenced to 12 Years in Prison for Taking Bribes from Foreign Defense Contractor in Massive Fraud and Corruption Scandal

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NEWS RELEASE SUMMARY – October 14, 2016

SAN DIEGO – Former Naval Criminal Investigative Service supervisory special agent John Beliveau II was sentenced in federal court today to 12 years in prison for disclosing sensitive law enforcement reports to a foreign defense contractor who was the target of a criminal fraud investigation in exchange for cash, luxury travel and the services of prostitutes.

Beliveau, 47, of York, Pennsylvania, was sentenced by U.S. District Judge Janis L. Sammartino, who also ordered Beliveau to pay \$20 million in restitution to the Navy. Beliveau pleaded guilty on December 17, of 2013 to conspiracy to commit bribery and bribery. Beliveau was immediately taken into custody at his own request.

According to admissions made in his plea agreement, Beliveau helped former Glenn Defense Marine Asia (GDMA) CEO Leonard Glenn Francis perpetrate a massive fraud scheme on the U.S. Navy by providing information that allowed Francis to evade and thwart criminal investigations into misconduct by GDMA.

During the sentencing hearing, Judge Sammartino said Beliveau's position of trust as a law enforcement agent, plus the immeasurable impact of his betrayal on NCIS and the Navy, warranted a strong sentence. "A great deal of harm occurred as a result of your conduct," she told the defendant.

“John Beliveau’s reprehensible decision to provide sensitive information to the targets of ongoing fraud investigations in exchange for bribes tragically tarnished his badge and the reputation of NCIS,” said Andrew Traver, director of the Naval Criminal Investigative Service (NCIS). “It is impossible to quantify the extent or duration of the harm done by Beliveau, but holding him accountable will further signal that NCIS is committed to rebuilding the trust he damaged.”

“John Beliveau’s deceit was a devastating blow to the U.S. Navy and ultimately the nation that he was sworn to protect,” said U.S. Attorney Laura Duffy. “While this disgraced agent serves what may be the longest prison sentence ever handed down to a federal agent in a corruption case, his colleagues are left to rebuild the trust and credibility that he singlehandedly destroyed.”

“Beliveau tarnished his NCIS badge and sold sensitive law enforcement information for envelopes of cash, luxury travel and tawdry entertainment,” said Assistant Attorney General Leslie R. Caldwell of the Justice Department’s Criminal Division. “His actions risked an important criminal investigation and the safety of witnesses who agreed to cooperate with law enforcement under the belief that their identities would be protected. Today’s sentence reflects the gravity of those crimes [if multiple counts] and makes clear that we will not tolerate law enforcement corruption.”

“Today’s sentencing sends a resounding message that justice will be served regardless of rank or position.” Said Dermot O’Reilly, director of the Department of Defense’s Defense Criminal Investigative Service. “The conduct of former NCIS Supervisory Special Agent Beliveau is reprehensible. The foundation of our criminal justice system relies on the public’s trust in the law enforcement community. Whenever a law enforcement member breaches that trust, it leaves an indelible stain on those who serve to enforce our nation’s laws. The Defense Criminal Investigative Service and its law enforcement partners will relentlessly pursue any individual who places at risk the safety and security of our armed forces personnel.”

“We are proud to be part of the team that has been investigating the criminal allegations in the Glenn Defense Marine Asia case. It is especially troubling that someone in his role is on the wrong side of the investigation,” said Anita Bales, Director, Defense Contract Audit Agency.

According to his plea agreement, Beliveau acknowledged that he regularly searched confidential NCIS databases for reports of investigations related to Francis and GDMA. Over the course of years, he helped Francis avoid multiple criminal investigations by providing copies of these reports. These reports not only tipped off Francis that he was the target of a criminal investigation, but provided sensitive law enforcement information about the ongoing investigation, including 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 reports to prosecutors and their interactions with the investigations; and planned future investigative activities.

Beliveau regularly demanded money and prostitutes from Francis. “I will always be your friend, but you will get nothing else...until I get what you promise,” he said in an email to Francis in April 2012. “You give whores more money than you give me...I can be your best friend or your worst enemy. I am not an amateur.”

Beliveau admitted that he attempted to cover up his involvement by asking Francis to delete incriminating emails and deactivate an email account, and warned Francis about indictments and a warrant on his email account.

Beliveau also admitted that he counseled Francis on how to perpetuate his fraud scheme and evade detection. In July 2011, Beliveau advised Francis to respond to the pending NCIS investigation into GDMA's submission of a fraudulent claim to the U.S. Navy for dockage and wharfage fees for certain U.S. Navy ship visits to Thailand.

In return for providing him with information, Francis provided Beliveau with envelopes containing cash, luxury travel from Virginia to Singapore, the Philippines and Thailand. On many occasions, beginning in 2008 and continuing through 2012, while Beliveau was posted in Singapore, Francis provided him 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.

So far, a total of 16 individuals have been charged in connection with the GDMA corruption and fraud investigation. Including Beliveau, 11 of those are current or former U.S. Navy officials, including Admiral Robert Gilbeau, Captain (ret.) Michael Brooks, Lt. Commander Gentry Debord, Commander Bobby Pitts, Captain Daniel Dusek, Commander Michael Misiewicz, Lt. Commander Todd Malaki, Commander Jose Luis Sanchez, Petty Officer First Class Daniel Layug, Naval Criminal Investigative Service Supervisory Special Agent John Beliveau and Paul Simpkins, a former DoD civilian employee who oversaw contracting in Singapore.

Gilbeau, Debord, Dusek, Misiewicz, Malaki, Beliveau, Sanchez, Layug and Simpkins have pleaded guilty. On Jan. 21, 2016, Layug was sentenced to 27 months in prison and a \$15,000 fine; on Jan. 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. Gilbeau, Sanchez and Simpkins also await sentencing. Brooks and Pitts were charged in May 2016 and their cases are pending.

Also charged are five GDMA executives: Francis, Alex Wisidagama, Ed Aruffo, Neil Peterson and Linda Raja. Wisidagama has pleaded guilty and was sentenced on March 18, 2016, to 63 months in prison and \$34.8 million in restitution to the Navy. Francis and Aruffo have pleaded guilty and await sentencing; Peterson's and Raja's cases are pending.

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

Anyone with information relating to fraud or corruption should contact the NCIS anonymous tip line at www.ncis.navy.mil or the DOD hotline at www.dodig.mil/hotline, or call (800) 424-9098.

DEFENDANT

Case Number: 13cr3781

John Bertrand Beliveau II

44 Woodbridge, Virginia

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

Defense Contract Audit Agency

CAS16-1014-Beliveau

USAO - California, Southern

Topic:

Public Corruption

Updated October 14, 2016