

JUSTICE NEWS

Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

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Navy Officer Pleads Guilty in Massive Fraud and Corruption Scandal

A retired Navy Captain pleaded guilty today for his role in a massive bribery and fraud scheme involving a foreign defense contractor for the U.S. Navy.

Assistant Attorney General Leslie R. Caldwell of the Justice Department's Criminal Division, U.S. Attorney Laura E. Duffy of the Southern District of California, Acting Director Dermot O'Reilly of the Department of Defense's Defense Criminal Investigative Service (DCIS), Director Andrew Traver of the Naval Criminal Investigative Service (NCIS) and Director Anita Bales of Defense Contract Audit Agency (DCAA) made the announcement.

Michael Brooks, 57, of Fairfax Station, Virginia, pleaded guilty to one count of conspiracy to commit bribery before U.S. Magistrate Judge Karen Crawford of the Southern District of California. In May 2016, Brooks was charged in connection with his interactions with Leonard Glenn Francis, the former CEO of Glenn Defense Marine Asia (GDMA), a defense contracting firm based in Singapore. Brooks is scheduled to be sentenced on Feb. 17, 2017.

According to admissions made in connection with the plea agreement, from June 2006 to July 2008, Brooks served as the U.S. Naval Attaché at the U.S. Embassy in Manila, Philippines. In exchange for travel and entertainment expenses, hotel rooms and the services of prostitutes, Brooks used his office to benefit GDMA and Francis, including by securing quarterly diplomatic clearances for GDMA vessels, which allowed GDMA vessels to transit into and out of the Philippines under the diplomatic clearance of the U.S. Embassy. Brooks also allowed Francis to ghostwrite official U.S. Navy documents and correspondence, which Brooks submitted as his own. In addition, Brooks provided Francis with sensitive, internal U.S. Navy information, including billing information belonging to a GDMA competitor and U.S. Navy ship schedules.

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

Gilbeau, Debord, Dusek, Misiewicz, Malaki, Beliveau, Sanchez, Layug and Simpkins have also 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; 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; and on Oct. 14, 2015, Beliveau was sentenced to serve 144 months in prison and ordered to pay \$20 million in restitution to the

Navy. Gilbeau, Sanchez and Simpkins await sentencing. Pitts was charged in May 2016 and his case remains 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.

The NCIS, DCIS and DCAA are conducting the ongoing investigation. 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.

Those with information relating to fraud, corruption or waste in government contracting 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.

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Criminal Division

Criminal Fraud

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