

# ***NEWS RELEASE***

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## ***OFFICE OF THE UNITED STATES ATTORNEY SOUTHERN DISTRICT OF CALIFORNIA***

*San Diego, California*

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*For Immediate Release*

### **SINGAPORE EXECUTIVE IS SECOND TO PLEAD GUILTY IN INTERNATIONAL NAVY CORRUPTION SCANDAL; ADMITS BILKING U.S. NAVY OF MORE THAN \$20 MILLION**

#### **NEWS RELEASE SUMMARY – March 18, 2014**

SAN DIEGO - Alex Wisidagama, a former executive with Glenn Defense Marine Asia (GDMA), pleaded guilty today to participating in a scheme to defraud the United States, admitting that he and others duped the U.S. Navy into overpaying by at least \$20 million for supplies and services to American ships in Asian ports.

Wisidagama's plea is the second in an extensive international fraud and bribery scandal that has ensnared GDMA employees and several U.S. Navy officials. The government has alleged that Wisidagama's cousin and owner of GDMA, Leonard Glenn Francis, bribed Navy officials with luxury travel and prostitutes in exchange for confidential information and other assistance in winning and retaining hundreds of millions of dollars in Navy contracts.

In his plea agreement, Wisidagama, 40, of Singapore, admitted that he and others used numerous methods to trick the Navy into overpaying for things like fuel and port fees. According to his plea agreement, Wisidagama and others submitted fraudulent or inflated invoices to the Navy; offered up phony competitive bids from non-existent companies so GDMA could win every time; and created fictitious port authorities with significantly inflated port tariff rates.

For example, the plea agreement describes details of the USS Mustin's visit to Laem Chabang, Thailand, in the fall of 2011. GDMA billed the Navy \$2.3 million for fuel that really cost \$900,000 and \$133,232 for "port dues" that really cost \$6,849. The overcharges totaled \$1.5 million.

"Wisidagama and others were creative, deceitful and audacious in their efforts to manipulate the Navy and steal millions of dollars from U.S. taxpayers," said U.S. Attorney Laura Duffy. "This plea is an important development in our ongoing case, and we will continue to pursue all avenues."

"Today's guilty plea of former Glenn Defense Marine Asia Vice President Alex Wisidagama is part of a far reaching corruption investigation by the Defense Criminal Investigative Service, the Naval Criminal Investigative Service and the Defense Contract Audit Agency," said James B. Burch, Deputy Inspector General for Investigations, Office of the Inspector General, Department of Defense. "Corrupt contracting practices damage the public trust and ultimately undermine the efforts of the Department of Defense to support our men and women in uniform. Along with our law enforcement partners, we make the investigation of such offenses a top priority. Cases such as these are not motivated by need or other difficult personal circumstances; they are the product of simple greed."

NCIS Director Andrew L. Traver said: "Special Agents from the Naval Criminal Investigative Service and the Defense Criminal Investigative Service have worked diligently with support from the Defense Criminal Audit Agency, our foreign law enforcement partners, and the Department of Justice to uncover the fraud committed by Alex Wisidagama and his co-conspirators. Today's guilty plea highlights the strength of the evidence, and our investigative team continues to aggressively pursue all leads related to GDMA."

The plea was accepted by U.S. Magistrate Judge Jan M. Adler and is subject to acceptance by U.S. District Judge Janis L. Sammartino. Sentencing was set for June 13, 2014 at 9 a.m. before Judge Sammartino.

Wisidagama, who was arrested in San Diego, California, on September 16, 2013, served as the general manager of Global Government Contracts for GDMA. GDMA was 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 provided hundreds of millions of dollars in husbanding services to the U.S. Navy, such as the coordinating, scheduling and procurement of items and services required by ships and submarines when they arrive at port. These services included providing tugboats; paying port authority and customs fees; furnishing security and transportation; supplying provisions, fuel and water; removing trash and collecting liquid waste.

Wisidagama is the second defendant to plead guilty as part of this investigation. On December 17, 2013, former NCIS Supervisory Special Agent John Bertrand Beliveau Jr. pleaded guilty to conspiracy to commit bribery and bribery charges after admitting to providing Francis with sensitive law enforcement information in exchange for things of value such as cash, luxury travel accommodations, lavish dinners

and prostitutes. In addition to Beliveau and Wisidagama, Francis and U.S. Navy Commanders Michael Vannak Khem Misiewicz and Jose Luis Sanchez have been charged as part of the bribery scheme.

The ongoing investigation is being conducted by the Naval Criminal Investigative Service, the Defense Criminal Investigative Service and the Defense Contract Audit Agency. The 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 Attorneys Brian Young and Wade Weems of the Criminal Division's Fraud Section.

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: 13cr4043-JLS**

Alex Wisidagama

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**Singapore**

**SUMMARY OF CHARGES**

Conspiracy to Defraud the United States in violation of 18 USC 286  
Maximum of 10 years in prison; a maximum \$250,000 fine, or twice the gross gain or loss from the offense, whichever is greater

**INVESTIGATING AGENCIES**

Defense Criminal Investigative Service  
Naval Criminal Investigative Service  
Defense Contract Audit Agency

