

**Department of Justice****Office of Public Affairs****FOR IMMEDIATE RELEASE****February 3, 2015****Former Supervisory Contracting Officer Arrested in Navy Bribery Scandal**

A former senior federal contracting officer was arrested this morning for conspiracy to commit bribery in connection with his alleged role in a scheme to steer contracts and benefits to Glenn Defense Marine Asia (GDMA), a defense contracting firm headquartered in Singapore.

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, Director Andrew L. Traver of the Naval Criminal Investigative Service (NCIS) and Deputy Inspector General of Investigations James B. Burch of the Department of Defense (DCIS) made the announcement.

"Today's arrest in this ongoing investigation demonstrates our continued resolve to root out all of the corrupt officials involved in this bribery scheme," said Assistant Attorney General Caldwell. "As alleged, Paul Simpkins misused his position as a contracting officer at the U.S. Navy to obtain bribes of cash, air travel, hotel rooms, and prostitutes, and his actions tarnish the reputation earned by the vast majority of U.S. Navy officers and enlisted and civilian personnel."

"With the arrest of Paul Simpkins, who was recently among the Defense Department's high ranking civilians we have uncovered yet another tentacle of this pervasive bribery scheme," said U.S. Attorney Duffy. "The more we learn about the extent of the greed and corruption, the more determined we are to eviscerate it."

"As we've mentioned previously, the GDMA investigation is far from over," said Director Traver. "NCIS will follow the evidence wherever it leads, to bring to justice those who were involved in perpetrating this massive fraud on the Department of the Navy and the American taxpayer. Active leads remain and NCIS will stay on the case until our work is done."

"As the filing of today's Criminal Complaint and subsequent arrest of Paul Simpkins shows, the Defense Criminal Investigative Service and its law enforcement partners will continue to identify and investigate those individuals who seek to defraud the U.S. taxpayer," said Deputy Inspector General of Investigations Burch. "Any individual, regardless of position, who allowed Glenn Defense Marine Asia Ltd. to prosper at the expense of the American taxpayer, will be brought to justice."

Paul Simpkins, 60, of Haymarket, Virginia, is the latest individual to be arrested in connection with a corruption probe involving the U.S. Navy, GDMA, and its owner, Leonard Glenn Francis. At this morning's hearing, United States Magistrate Judge Jones of the Eastern District of Virginia ordered Simpkins to be detained pending a bond hearing set for Feb. 4, 2015. To date, seven individuals, including Francis, and GDMA have entered guilty pleas as part of the investigation.

According to a criminal complaint unsealed today, Simpkins held several manager-level contracting positions throughout the federal government, including Supervisory Contract Specialist at the U.S. Navy Regional Contracting Center in Singapore from April 2005 through June 2007, and manager in the Department of Defense's Office of Small Business Programs from December 2007 to August 2012. The complaint alleges that between May 2006 and September 2012, Simpkins accepted several hundred thousand dollars in cash and wire transfers, travel and entertainment expenses, hotel rooms and the services of prostitutes. In return, Simpkins allegedly helped steer lucrative U.S. Navy contracts to Francis and GDMA, advocated for and advanced the interests of GDMA in contract disputes, and assisted in preventing GDMA's competitors from receiving U.S. Navy business.

The complaint specifically alleges that, beginning in early 2006, Simpkins and Francis held a series of meetings at a hotel in Singapore in which Francis agreed to provide Simpkins with things of value in return for help in steering lucrative ship husbanding contracts to GDMA. Specifically, the complaint alleges that Francis paid Simpkins by hand-delivering over \$150,000 in cash and by making several wire transfers to a bank account held in the name of Simpkins's wife at the time. To conceal the true nature of the wire transfers, Simpkins allegedly used an email account belonging to his mistress to advise Francis of the routing and account information of the bank account belonging to his wife.

In return for the things of value, Simpkins allegedly used his influence within the U.S. Navy to benefit GDMA, including by helping GDMA to secure lucrative ship husbanding contracts to service U.S. Navy vessels in Thailand and the Philippines. In addition, Simpkins allegedly interceded on GDMA's behalf in contract disputes with the U.S. Navy. The complaint specifically alleges that in 2006, Simpkins's subordinate recommended that GDMA's husbanding contract in Thailand not be extended due to "many exceedingly high cost" items. Simpkins allegedly overruled his subordinate and extended GDMA's contract.

In another example, Simpkins allegedly instructed U.S. Navy officials in Hong Kong to discontinue the use of meters that monitored the volume of liquid waste that GDMA removed from U.S. Navy ships under its husbanding contracts. The use of these meters would have ensured proper accounting of the actual amount of waste removed to ensure that no overbilling occurred. Simpkins also allegedly instructed a U.S. Navy official not to review invoices that GDMA submitted in connection to a recent port call in Hong Kong after Francis complained that U.S. Navy personnel were asking questions.

The charges contained in a complaint are merely accusations, and a defendant is presumed innocent unless and until proven guilty.

The ongoing investigation is being conducted by NCIS and DCIS. The case is being prosecuted by Director of Procurement Fraud Catherine Votaw and Senior Trial Attorney Brian R. Young of the Criminal Division's Fraud Section and Assistant U.S. Attorneys Mark W. Pletcher and Robert S. Huie of the Southern District of California.

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.