



Department of Justice

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FORMER SUPERVISORY CONTRACTING OFFICER PLEADS GUILTY TO ACCEPTING BRIBES FROM FOREIGN DEFENSE CONTRACTOR

WASHINGTON – A former Department of Defense (DoD) supervisory contracting officer pleaded guilty today to charges that he accepted bribes from the owner of the foreign defense contractor at the center of a massive bribery and fraud scandal.

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 DoD's Defense Criminal Investigative Service (DCIS) and Director Andrew Traver of the Naval Criminal Investigative Service (NCIS) made the announcement.

Paul Simpkins, 61, of Haymarket, Virginia, was a senior DoD contracting official who supervised contracting officers responsible for awarding and administering U.S. Navy contracts. According to admissions made in connection with his plea, from approximately May 2006 until September 2012, Francis provided cash, travel expenses and the services of prostitutes in return for Simpkins's efforts to steer contracts to Glenn Defense Marine Asia (GDMA) and intervene on GDMA's behalf in contracting disputes with the U.S. Navy. Simpkins admitted that during the years-long scheme, Francis provided him with hundreds of thousands of dollars through wire transfers to a bank account controlled by Simpkins's former wife as well as travel and entertainment expenses, including hotel stays and the services of prostitutes.

According to his plea, Simpkins admitted that, in return, he used his influence within the U.S. Navy to benefit GDMA. Among other things, Simpkins admitted that he extended GDMA's contract after a subordinate recommended the contract not be extended due to high costs; instructed U.S. Navy officials in Hong Kong to discontinue using meters that ensured proper accounting of the amount of waste that GDMA removed from U.S. Navy ships to ensure that no overbilling occurred; and instructed a U.S. Navy official to ignore invoices that GDMA submitted after Francis complained that U.S. Navy personnel were asking questions.

Including Simpkins, 15 individuals have been charged in connection with this scheme; of those, 11 have pleaded guilty, including Rear Admiral Robert Gilbeau, U.S. Navy Captain (Select) Michael Misiewicz, U.S. Navy Capt. Daniel Dusek, Lieutenant Commander Todd Malaki, NCIS Special Agent John Beliveau, Commander Jose Luis Sanchez and U.S. Navy Petty Officer First Class Dan Layug. 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 18, 2016, Alex Wisidagama, a

former GDMA employee, was sentenced to 63 months in prison and to pay \$34.8 million in restitution to the Navy; 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 forfeit \$95,000 in proceeds for the scheme. Retired Navy Captain Michael Brooks, Commander Bobby Pitts and Lieutenant Commander Gentry Debord were charged by a federal grand jury on May 25, 2016, and their cases remain pending. All defendants are presumed innocent unless and until convicted beyond a reasonable doubt in a court of law. GDMA, the corporate entity, was also charged and has pleaded guilty. Francis and Ed Aruffo, a former GDMA employee, have both pleaded guilty and await sentencing.

The ongoing investigation is being conducted by NCIS, DCIS and DCAA. 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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