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## Third Navy officer arrested in bribery scheme involving prostitutes, luxury travel

**By Associated Press, Updated: Wednesday, November 6, 5:10 PM**

SAN DIEGO — Federal authorities arrested a third senior U.S. Navy official Wednesday in connection with a massive bribery scheme in Asia involving prostitutes and luxury travel.

U.S. Navy Cmdr. Jose Luis Sanchez was arrested in Tampa, Fla. His lawyer could not be immediately reached for comment.

In a criminal complaint, Sanchez is accused of accepting prostitutes, \$100,000 cash and other bribes from Leonard Glenn Francis, the CEO of Singapore-based Glenn Defense Marine Asia Ltd., or GDMA.

Prosecutors say in exchange, Sanchez passed on classified U.S. Navy information to the Malaysian contractor, whose company has serviced Navy ships in the Pacific for 25 years and is accused of overbilling the Pentagon by millions.

Wednesday's arrest marks the latest development in the case rocking the Navy. The accusations signal serious national security breaches and corruption and has set off high-level meetings at the Pentagon with the threat that more people, including those of higher ranks, could be swept up as the investigation continues. A hearing Nov. 8 could set a trial date.

“According to the allegations in this case, a number of officials were willing to sacrifice their integrity

and millions of taxpayer dollars for personal gratification,” U.S. Attorney Laura Duffy said after Wednesday’s arrest.

The two other senior officials arrested in recent weeks in the case are Navy Cmdr. Michael Vannak Khem Misiewicz — who like Sanchez, is accused of giving Francis’ company confidential information about Navy ship routes — and a senior Navy investigator, John Beliveau II.

Prosecutors allege in a criminal complaint that Beliveau, 44, kept Francis abreast of the bribery probe and advised him on how to respond in exchange for such things as prostitution services.

Federal authorities said Wednesday they will seek to have Sanchez, 41, sent to San Diego to face the charges.

GDMA overcharged the Navy millions of dollars for fuel, food and other services it provided, and invented tariffs by using phony port authorities, prosecutors say.

Misiewicz and Francis moved Navy vessels like chess pieces, diverting aircraft carriers, destroyers and other ships to Asian ports with lax oversight where Francis could inflate costs, the criminal complaint alleges.

Francis, 49, was arrested in San Diego in September. A few weeks later, authorities arrested his company’s general manager of global government contracts, Alex Wisidagama, 40.

Misiewicz, Beliveau, Francis and Wisidagama have pleaded not guilty. Their defense attorneys declined to comment.

Court records allege that Sanchez regularly emailed Francis internal Navy discussions about GDMA, including legal opinions, and made recommendations in GDMA’s favor about port visits and Navy personnel assignments.

The conspiracy began in January 2009, when Sanchez was the deputy logistics officer for the commander of the Navy’s 7th Fleet in Yokosuka, Japan, according to charging documents.

Francis, who is known in Navy circles as “Fat Leonard,” hired prostitutes for Sanchez and friends on multiple occasions, according to the investigation.

In one 2009 email exchange, Sanchez and Francis discussed a trip Sanchez planned to take to Kuala Lumpur and Singapore with Navy friends he called his “Wolf Pack,” according to the complaint. They discussed the number of rooms the “Wolf Pack” needed, and Sanchez asked Francis for pictures of prostitutes for “motivation.” Francis replied that he would take care of it.

A few days later, Sanchez sent a Facebook message to Francis saying, “Yummy ... daddy like,” according to charging documents.

Shortly after that, Francis sent an email asking Sanchez to help “swing” business his way regarding a U.S. Navy ship’s need to refuel in Thailand.

As a result, the USS Mustin paid more than \$1 million for fuel from GDMA at the Thai port — more than twice what the fuel should have cost, prosecutors allege.

Acting Assistant Attorney General Raman said the GDMA executives “boasted” about their unlawful dealings.

“Day by day, this massive Navy fraud and bribery investigation continues to widen, and as the charges announced today show, we will follow the evidence wherever it takes us,” he said.

The defendants could face up to five years in prison if convicted of conspiracy to commit bribery.

The federal government has suspended its contracts with Francis.

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