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Department of Justice

U.S. Attorney's Office

Southern District of California

FOR IMMEDIATE RELEASE

Thursday, October 13, 2016

Another Navy Officer Pleads Guilty in Expanding Bribery and Fraud Investigation

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NEWS RELEASE SUMMARY – October 13, 2016

SAN DIEGO – U.S. Navy Lieutenant Commander Gentry Debord pleaded guilty to a bribery charge in federal court today, admitting that he accepted cash, luxury hotels and prostitutes from foreign defense contractor Leonard Glenn Francis in exchange for proprietary Navy information that benefitted Francis' company, Glenn Defense Marine Asia.

Debord was so happy to receive lavish gifts that GDMA executives described him as "over the moon" and joked that Debord swallowed their bribes, "hook, line and sinker," according to instant messages quoted in the plea agreement.

Debord also admitted that he instructed GDMA executives to inflate their invoices to the Navy to cover the cost of various illicit gifts provided to him.

"This conduct is a disgrace to the U.S. Navy and an affront to U.S. taxpayers who were left to foot the bill for parties and prostitutes," said U.S. Attorney Laura Duffy. "We are pressing forward in this investigation until we are certain that all involved have been held accountable."

The guilty plea was entered before U.S. Magistrate Judge Bernard G. Skomal, who set sentencing for January 13, 2017 at 9 a.m. before U.S. District Judge Janis L. Sammartino.

According to his plea agreement, from November 2007 to January 2013, Debord provided Francis and others with internal, proprietary U.S. Navy information; directed Francis and GDMA to inflate invoices to reflect services not rendered; advocated for the U.S. Navy to procure items

from GDMA under its husbanding contracts; and otherwise used his position and influence in the U.S. Navy to advocate for and advance GDMA's interests, as opportunities arose.

As part of this conspiracy, Debord, Francis and others attempted to conceal the nature and extent of their relationship, by, among other things, using fictitious email accounts to communicate and using coded language and other means designed to obfuscate the true nature of their corrupt relationship, including referring to prostitutes as "cheesecakes" and "bodyguards."

For example, on or about February 26, 2008, Debord emailed a GDMA executive to ask him to provide the services of prostitutes during the U.S.S. Essex's upcoming port visit to Manila, Philippines: "[D]ouble checking to see if I will have my security for the 2nd and the 4th. I however do not want anyone to know I have a bodyguard." The executive responded: "Bodyguards are standing by."

About eight months later, around October 30, 2008, Debord emailed GDMA executives advising them that the U.S. Navy's ship husbanding contract in the Philippines was "coming up for renew [al]," and asking that GDMA provide him with an apartment in conjunction with an upcoming port visit by the U.S.S. Essex to Hong Kong. Debord noted that he and another GDMA employee "had fun up [near Clark Air Force Base,] ate lots of cheesecake, even ate some in a group session."

On or about February 22, 2010, Debord asked a GDMA executive to provide him with three hotel rooms, two cell phones, a van and \$2,000 Singapore dollars and instructed the executive to recover the value of these items by inflating the amount that GDMA would invoice the U.S. Navy for potable water and trash removal service for the U.S.S. Essex port visit to Singapore from February 22-25, 2009.

Francis approved the payment to Debord, and as instructed by Debord, GDMA fraudulently inflated its invoice to the U.S. Navy to account for the things of value given to Debord.

So far, a total of 16 named individual defendants have been charged in connection with the GDMA corruption and fraud investigation. Of those, 11 are current or former U.S. Navy officials, including Debord, Admiral Robert Gilbeau, believed to be the first active-duty U.S. Navy flag officer charged in a federal criminal case; Captain (ret.) Michael Brooks; Commander Bobby Pitts; Captain Daniel Dusek; Commander Michael Misiewicz; Lt. Commander Todd Malaki; Commander Jose Luis Sanchez; Petty Officer First Class Daniel Layug; Naval Criminal Investigative Service Supervisory Special Agent John Beliveau; and Paul Simpkins, a former DoD civilian employee, who oversaw contracting in Singapore.

Debord, Gilbeau, Dusek, Misiewicz, Malaki, Beliveau, Sanchez, Layug, and Simpkins have 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; and 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. Beliveau is scheduled to be sentenced tomorrow; Gilbeau, Sanchez, and Simpkins also await sentencing.

Brooks and Pitts were charged in May 2016 and their cases are pending.

Also charged are five GDMA executives – Francis, Alex Wisidagama, Ed Aruffo and Neil Peterson and Linda Raja. Three have pleaded guilty; Wisidagama was sentenced on March 18, 2016 to 63 months and \$34.8 million in restitution to the Navy. Francis and Aruffo await sentencing; Peterson’s and Raja’s cases are pending.

The Defense Criminal Investigative Service, Naval Criminal Investigative Service, and the Defense Contract Audit Agency are investigating. Assistant U.S. Attorneys Mark W. Pletcher and Patrick Hovakimian of the Southern District of California and Assistant Chief Brian R. Young of the Criminal Division’s Fraud Section are prosecuting the case.

Anyone with information relating to fraud or corruption 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.

DEFENDANT

Case Number:

16cr1457

Lieutenant Commander Gentry Debord

Age 41

San Diego

SUMMARY OF CHARGES

Conspiracy to Commit Bribery, in violation of 18 U.S.C. § 371

Maximum Penalty: 5 years in prison, a \$250,000 fine,

INVESTIGATING AGENCIES

Defense Criminal Investigative Service

Naval Criminal Investigative Service

Defense Contract Audit Agency

CAS16-1013-Debord

USAO - California, Southern

Topic:

Public Corruption

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