

Department of Justice
U.S. Attorney's Office
Southern District of California

FOR IMMEDIATE RELEASE

Friday, January 29, 2016

**U.S. Navy Officer Sentenced to 40 Months in Prison for
Selling Classified Ship and Submarine Schedules as Part of
Navy Bribery Probe**

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NEWS RELEASE SUMMARY – January 29, 2016

SAN DIEGO – U.S. Navy Lieutenant Commander Todd Dale Malaki was sentenced in federal court today to 40 months in prison for accepting cash, hotel expenses and the services of a prostitute in return for providing classified U.S. Navy ship and submarine schedules and other internal Navy information to a foreign defense contractor.

Malaki, 44, of Oxnard, California, pleaded guilty in April to one count of conspiracy to commit bribery. As part of his guilty plea, Malaki admitted that in 2006, while he was working as a supply officer for the U.S. Navy's Seventh Fleet, he began a corrupt relationship with Leonard Glenn Francis, the former president and chief executive officer of Glenn Defense Marine Asia (GDMA), a company that provided services to the U.S. Navy.

During today's sentencing hearing, U.S. District Judge Janis L. Sammartino noted that a more significant sentence was warranted in this case in part because Malaki's conduct was not a momentary lapse in judgment but long-term corruption that spanned more than seven years. She described Malaki's case as "one of the most serious offenses the court has seen in its tenure in the Southern District of California."

In addition to his prison sentence, Judge Sammartino ordered Malaki to pay a \$15,000 fine and \$15,000 in restitution to the Navy. He was ordered to report to the U.S. Bureau of Prisons on May 2, 2016.

As part of the scheme, Malaki provided Francis with classified U.S. Navy ship and submarine schedules and proprietary invoicing information about GDMA's competitors. In exchange, Malaki admitted, Francis provided him with luxury hotel nights on at least a dozen occasions in Singapore, Hong Kong and the island of Tonga, as well as envelopes of cash, entertainment expenses and the services of a prostitute.

Malaki is the second defendant to be sentenced in the investigation of corruption and fraud in the U.S. Navy. Last week, U.S. Navy Petty Officer First Class Daniel Layug was sentenced to 27 months in prison for conspiracy to commit bribery

To date, 10 individuals have been charged in connection with this scheme; of those, nine have pleaded guilty, including Malaki, Commander Michael Vannak Khem Misiewicz, Captain Daniel Dusek, NCIS Special Agent John Beliveau, Commander Jose Luis Sanchez and Layug as well as GDMA executives Francis, Alex Wisidagama and Edmond Aruffo. Former Department of Defense civilian employee Paul Simpkins awaits trial. GDMA the corporate entity has also pleaded guilty.

“Malaki sold out the U.S. Navy which had provided him escape from his impoverished upbringing,” said U.S. Attorney Laura Duffy. “He put fellow sailors and warships at risk of exploitation, attack, or worse, and tarnished the reputations of those who had selected him from among the enlisted ranks and sponsored him to become a commissioned officer. Those who fail to uphold the public’s trust will pay the consequences for their crimes.”

“Today's sentencing of Lt. Commander Malaki is part of an ongoing joint effort by the Defense Criminal Investigative Service, the Naval Criminal Investigative Service and the Department of Justice to identify, investigate and bring to justice those seeking to enrich themselves at the expense of U.S. taxpayers,” said James B. Burch, Director, DCIS. “While the conduct of the vast majority of those in the U.S. Navy is beyond reproach, we will vigorously pursue those individuals who put the safety and security of U.S. Navy personnel at risk. The conduct of Lt. Commander Malaki is reprehensible and today's sentencing demonstrates the Defense Criminal Investigative Service and its law enforcement partners will continue to pursue allegations of fraud and corruption that puts the Warfighter at risk.”

“Lieutenant Commander Malaki betrayed his oath of office, failed to uphold the standards of selfless service, and threatened the security of Sailors when he sold U.S. Navy ship schedules for cash, hotel expenses, and the services of a prostitute,” said NCIS Director Andrew Traver. “NCIS, in collaboration with Defense Criminal Investigative Service and the Department of Justice, will continue to aggressively pursue this investigation.”

The ongoing investigation is being conducted by NCIS, DCIS and the Defense Contract Audit Agency. The case is being prosecuted by Assistant U.S. Attorney Mark W. Pletcher of the Southern District of California and Trial Attorneys Brian R. Young and Lawrence Atkinson 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 or the DOD Hotline at www.dodig.mil/hotline, or call (800) 424-9098.

DEFENDANT

Case Number: 15cr967

Todd Dale Malaki

Age: 44

Oxnard, California

SUMMARY OF CHARGES

Conspiracy to Commit Bribery, in violation of 18 U.S.C. § 371. Maximum penalty five years in prison, \$250,000 fine or twice the gross pecuniary gain or loss from the offense, whichever is greater;

INVESTIGATING AGENCIES

Defense Criminal Investigative Service

Naval Criminal Investigative Service

Defense Contract Audit Agency