

NEWS RELEASE



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For Immediate Release

U.S. NAVY OFFICER PLEADS GUILTY TO SELLING CLASSIFIED SHIP SCHEDULES AS PART OF EXPANDING NAVY BRIBERY PROBE

NEWS RELEASE SUMMARY – April 15, 2015

SAN DIEGO – U.S. Navy Lieutenant Commander Todd Dale Malaki pleaded guilty to bribery charges in federal court today, admitting that he accepted cash, hotel expenses and the services of a prostitute in return for providing classified U.S. Navy ship schedules and other internal Navy information to an executive of a defense contracting firm.

Malaki, 44, of San Diego, pleaded guilty before U.S. Magistrate Judge Mitchell D. Dembin of the Southern District of California to one count of conspiracy to commit bribery. A sentencing hearing is scheduled for July 6, 2015.

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. As part of the scheme, Malaki provided Francis with classified U.S. Navy ship schedules and proprietary invoicing information about GDMA's competitors. In exchange, Malaki admitted that Francis

provided him with luxury hotel stays in Singapore, Hong Kong and the island of Tonga, as well as envelopes of cash, entertainment expenses and the services of a prostitute. Malaki admitted that the total value of the benefits he received was approximately \$15,000.

“The receipt of envelopes of cash and lavish hotel stays by our public officials at whatever level erodes the public’s trust in our institutions and our government,” said U.S. Attorney Laura Duffy. “Today’s guilty plea reflects the next step in our ongoing effort to regain that public trust.”

“Another Navy officer has now pleaded guilty and admitted to taking bribes to reveal classified military information to a major supplier,” said Assistant Attorney General Leslie R. Caldwell. “It is both troubling and disappointing how many Navy officers we have exposed as willingly falling prey to GDMA’s corruption, and our investigation remains active and ongoing. Those who serve in our nation’s military must uphold the public’s trust or pay the consequences for their crimes.”

Malaki is the eighth individual to plead guilty in this expanding probe into corruption and fraud in the U.S. Navy. GDMA pleaded guilty in January. Two other individuals, Paul Simpkins, formerly a Department of Defense (DOD) contracting officer, and Michael Misiewicz, a Captain-select in the U.S. Navy, have been charged and entered pleas of not guilty.

The ongoing investigation is being conducted by Defense Criminal Investigative Service and Naval Criminal Investigative Service, with substantial assistance from the Defense Contract Audit Agency. The case is being prosecuted by Assistant U.S. Attorneys Mark W. Pletcher and Robert S. Huie of the Southern District of California and Senior Trial Attorney Brian R. Young 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

San Diego

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