

JUSTICE NEWS

Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

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Two Former Executives of Foreign Defense Contractor Charged in Expanding Fraud and Corruption Probe

Two former executives of a foreign defense contractor have been charged in an indictment unsealed today with participating in a conspiracy to submit fraudulent information, price quotes, claims and invoices to the U.S. Navy in an effort to steal millions of dollars as part of a years-long corruption and fraud scheme.

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

Neil Peterson, 38, and Linda Raja, 43, both of Singapore, were each charged with one count of conspiracy to defraud the United States with respect to claims; one count of conspiracy to commit wire fraud; and multiple counts of making false claims. Both defendants have been arrested by authorities in Singapore at the request of the U.S. government.

According to the indictment, Peterson and Raja worked for Singapore-based Glenn Defense Marine Asia (GDMA) and conspired with Leonard Glenn Francis, the owner of GDMA, in order to defraud the U.S. Navy for GDMA's financial benefit. The indictment alleges that Peterson served as the Vice President for Global Operations for GDMA and Raja served as GDMA's General Manager for Singapore, Australia and the Pacific Isles.

The indictment alleges that Peterson and Raja submitted more than \$5 million in false claims and invoices to the U.S. Navy. In addition, Peterson and Raja allegedly worked to perpetuate and cover up their fraud by consistently misrepresenting to the U.S. Navy the cost of providing services to its ships in Asia, even going so far as to submit false price quotes from non-existent companies on letterhead created from graphics cut and pasted from the internet.

Including Peterson and Raja, a total of 16 individuals have been charged in connection with the GDMA corruption and fraud investigation. Of those, 11 are current or former U.S. Navy officials, including Admiral Robert Gilbeau; Captain (ret.) Michael Brooks; Commander Bobby Pitts; Lt. Commander Gentry Debord; Captain Daniel Dusek; Commander Michael Misiewicz; Lt. Commander Todd Malaki; Commander Jose Luis Sanchez; Petty Officer First Class Daniel Layug; NCIS Supervisory Special Agent John Beliveau; and Paul Simpkins, a former DoD civilian employee who oversaw contracting in Singapore.

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 ordered 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 ordered 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 ordered to pay \$95,000 in restitution to the Navy and a \$100,000 fine. Gilbeau, Beliveau, Sanchez and Simpkins await sentencing.

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

Also charged are three additional GDMA executives: Francis, Alex Wisidagama and Ed Aruffo, and all three have pleaded guilty. Wisidagama was sentenced on March 18, 2016, to 63 months in prison and was ordered to pay \$34.8 million in restitution to the Navy. Francis and Aruffo await sentencing.

An indictment is merely an allegation and the defendants are presumed innocent unless and until proven guilty beyond a reasonable doubt in a court of law.

DCIS, NCIS and the Defense Contract Audit Agency are investigating. 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. The Justice Department's Office of International Affairs provided substantial assistance in this matter.

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.

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Criminal Division

Criminal Fraud

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