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Navy captain admits providing classified information as part of bribery scheme

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Navy Capt. Daniel Dusek pleaded guilty in federal court to trading classified information for hotel stays and the services of prostitutes. (U.S. Navy)

By **TONY PERRY**
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A Navy captain on Thursday became the highest-ranking officer

to plead guilty in the \$20-million bribery scandal in which classified information was sold in exchange for cash, Cuban cigars, Lady Gaga tickets, hotel and travel expenses and the services of prostitutes.

The guilty plea of Navy Capt. Daniel Dusek came on the same day that the central figure in the scandal, Leonard Glenn Francis, chief executive of a Singapore-based naval services firm, pleaded guilty in San Diego federal court.

Dusek, 47, who has served 26 years in the Navy, pleaded guilty to conspiracy to commit bribery and faces a maximum five years in prison when sentenced April 3.

Francis, 50, pleaded guilty to bribery, fraud, and conspiracy and faces a maximum 25 years when sentenced, also on April 3. His company will forfeit \$35 million to the U.S. federal government, as part of his plea bargain.

With classified information about which Asia-Pacific ports U.S. ships would be visiting, Francis company was able to position his company to get lucrative contracts to provide a variety of "husbanding" services.

Francis admitted providing more than \$500,000 in cash to the co-defendants, as well as spending hundreds of thousands of dollars on first-class airfare and hotel reservations, concert tickets and the services of prostitutes.

He also provided designer handbags and leather goods, watches, fountain pens, fine wine, champagne, Scotch, designer furniture, Cuban cigars, consumer electronics, ornamental swords and hand-made ship models.



Retired officer pleads guilty in Navy bribery scheme

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A Navy commander, a retired lieutenant commander and an enlisted sailor have pleaded guilty. An ex-Naval Criminal Investigative Service agent and a cousin of Francis have also pleaded guilty. The cousin worked at Francis' firm Glenn Defense Marine Asia Ltd., as did the retired lieutenant commander.

“It is astounding that Leonard Francis was able to purchase the integrity of Navy officials by offering them meaningless material possessions and the satisfaction of selfish indulgences,” said U.S. Attorney Laura Duffy.

As part of the Francis guilty plea, the U.S. attorney's office announced there are two "yet-to-be-charged" individuals: a contract specialist and a lieutenant commander. Francis has told prosecutors that he bribed the two, according to court documents.

Dusek admitted that he provided classified information about the movement of ships in the Asia-Pacific region.

Among the bribes, according to court documents, was a free hotel stay for Dusek and his family in Waikiki and then free hotel rooms for Dusek in several locations. Dusek was provided with the services of prostitutes in Manila, Hong Kong and elsewhere. Francis emailed an associate that Dusek "is a golden asset to drive the big decks (carriers and amphibious assault ships) into

our fat revenue GDMA ports."

After receiving bribes, Dusek arranged for the carrier Abraham Lincoln and the amphibious assault ship Peleliu to stop at ports where Francis' firm was dominant and could get the bid to provide services to the ships.

For more than two decades, Francis' firm supplied water, fuel, food, garbage and waste removal, tugboats, fenders and other items for Navy ships. Amid the scandal, the Navy has canceled all contracts with the firm.

In 2010, Navy officials became suspicious that some of the bills submitted by Francis' firm from Thailand were padded. Prosecutors said the bribery scheme cost taxpayers \$20 million for bills that were padded and, in some cases, included payment for services not provided. The cost of lavish parties thrown by Francis for Navy officers was often hidden in the bills, prosecutors said.

Until his guilty plea, it had not been disclosed publicly that Dusek was charged in the case.

Dusek had key assignments on several ships and was commanding officer of the amphibious assault ship Bonhomme Richard. He also served on the command staff of the 7th Fleet in Japan, which gave him access to classified information about the movement of ships and submarines.

Now that Francis has pleaded guilty, the only defendant still pleading not guilty and awaiting trial is a Navy commander.