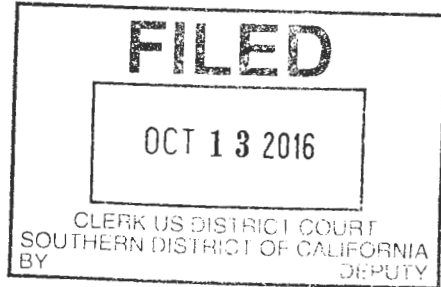


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14 UNITED STATES DISTRICT COURT
15 SOUTHERN DISTRICT OF CALIFORNIA

16 UNITED STATES OF AMERICA) Case No. 16-CR-1457-JLS
17)
18) PLEA AGREEMENT
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IT IS HEREBY AGREED between the UNITED STATES OF AMERICA,
through its counsel, Laura E. Duffy, United States Attorney, Mark W.
Pletcher and Patrick Hovakimian, Assistant United States Attorneys,
Andrew Weissmann, Chief, Fraud Section, and Brian R. Young, Assistant
Chief, Fraud Section, Criminal Division ("the United States"), and
defendant GENTRY DEBORD, with the advice and consent of Robert C.
Schlein, Esq., counsel for defendant, as follows:

1 I.

2 THE PLEA

3 A. The Charge

4 Defendant agrees to plead guilty to the Information filed
5 June 23, 2016, charging him with conspiracy to commit bribery:

6 Count 1 - Conspiracy To Commit Bribery

7 From in or about November 2007 to at least January 2013, on
8 the high seas and out of the jurisdiction of any particular
9 district, defendant GENTRY DEBORD, a public official,
10 Leonard Glenn Francis, and others (1) knowingly and
11 unlawfully combined, conspired, and agreed to commit
12 bribery, that is, DEBORD, Francis, and others, knowingly
13 agreed that, in return for DEBORD being influenced in the
14 performance of official acts, being influenced to commit and
15 aid in committing and to collude in and allow any fraud, and
16 make opportunity for the commission of any fraud on the
17 United States, and being induced to do and omit to do acts
18 in violation of his official duties, all as opportunities
19 arose, (a) Francis and others would directly and indirectly,
20 corruptly give, offer, and promise things of value to
21 DEBORD, including but not limited to cash, travel and
22 entertainment expenses, and the services of prostitutes, and
23 (b) DEBORD would directly and indirectly, corruptly demand,
24 seek, receive, accept, and agree to receive and accept these
25 things of value; and (2) DEBORD and Francis took overt acts
26 in furtherance of this conspiracy and to effect its unlawful
27 object, in violation of Title 18, United States Code,
28 Sections 201(b)(1)(A), (B), (C) and 201(b)(2)(A), (B), (C).

21 B. Prosecution Of Additional Counts

22 In exchange for the defendant's guilty plea, the United States
23 agrees not to prosecute any additional criminal charges against the
24 defendant based on information now known to the United States
25 relating to or arising out of a conspiracy to commit bribery or
26 bribery involving Leonard Francis, Glenn Defense Marine Asia (GDMA),
27 or other GDMA employees. Nothing in this agreement, however, shields
28 the defendant from prosecution for any act or omission not now known

1 to the United States or committed after the date of this
2 agreement. The United States also remains free to prosecute the
3 defendant for perjury or giving a material false statement to a
4 federal agent in the event that the defendant commits such an offense
5 after the defendant signs this plea agreement. Should the defendant
6 commit perjury or give a material false statement to a federal agent,
7 the United States, at its sole discretion, will be free to prosecute
8 the defendant for that offense, move to set aside this plea agreement,
9 and/or be relieved of its obligations under this agreement.

10 II.

11 NATURE OF THE OFFENSE

12 A. Elements Explained

13 The defendant understands that the offense to which the
14 defendant is pleading guilty has the following elements:

15 Count 1 - Conspiracy To Commit Bribery

16 1. There was an agreement between two or more persons to
17 commit bribery;

18 2. The defendant became a member of the conspiracy
19 knowing of at least one of its objects and intending to help
20 accomplish it; and

21 3. One of the members of the conspiracy performed at
22 least one overt act for the purpose of carrying out the conspiracy
23 and effecting its unlawful objects.

24 B. Elements Understood and Admitted - Factual Basis

25 The defendant has fully discussed the facts of this case with
26 defense counsel. The defendant has committed each of the elements
27 of the crimes, and admits that there is a factual basis for his
28 guilty plea. The following facts are true and undisputed:

1 1. From in or about November 2007 to May 2010, defendant
2 GENTRY DEBORD ("DEBORD") was a Lieutenant in the U.S. Navy serving
3 as a Logistics Officer and a Stock Control Officer aboard the U.S.S.
4 Essex, an amphibious assault ship deployed in the Western Pacific.
5 In these positions, DEBORD was responsible for procuring goods and
6 services to meet the ship's logistical and supply needs and for
7 verifying that the U.S. Navy's contractors provided these services.
8 From in or about May 2010 until December 2011, DEBORD was a student
9 at the Naval Postgraduate School in Monterey, CA. From in our about
10 December 2011 to in or about August 2013, DEBORD was a Lieutenant
11 Commander serving in Singapore as a Replenishment Officer with the
12 Logistics Group Western Pacific, Task Force 73, a U.S. Navy command
13 that served as the logistics agent for U.S. Navy assets in the Western
14 Pacific. As a Replenishment Officer, DEBORD was responsible for
15 coordinating the movement of U.S. Navy supply ships to ensure that
16 they resupplied U.S. Navy combatant ships operating throughout the
17 Western Pacific region.

18 2. As an Officer in the United States Navy, DEBORD was a
19 "public official" within the definition of Title 18, United States
20 Code, Section 201(a)(1).

21 3. Leonard Glenn Francis ("Francis"), was a citizen of
22 Malaysia, residing in Singapore. Francis was the owner, Chief
23 Executive Officer, and President of Glenn Defense Marine (Asia)
24 ("GDMA"), a multi-national corporation with headquarters in
25 Singapore. As of September 2013, GDMA had operating locations in
26 many countries, including Japan, Thailand, Malaysia, Korea, Hong
27 Kong, Indonesia, Australia, Philippines, and the United States.
28 "Husbanding" involved the coordinating, scheduling, and direct and

1 indirect procurement of items and services required by ships when
2 they arrived at port. On January 15, 2015, Francis pled guilty to
3 conspiracy to commit bribery, in violation of 18 U.S.C. § 371,
4 bribery, in violation of 18 U.S.C. § 201, and conspiracy to defraud
5 the United States, in violation of 18 U.S.C. § 371.

6 4. Alex Wisidagama ("Wisidagama"), a citizen of Singapore,
7 was GDMA's Global Manager for Government Contracts. On March 18,
8 2014, Wisidagama pled guilty to conspiring to defraud the United
9 States with respect to claims in violation of 18 U.S.C. § 286.

10 5. Neil Peterson ("Peterson") (charged elsewhere) was GDMA's
11 Vice President of Global Operations.

12 6. From in or about November 2007 to at least January 2013,
13 on the high seas and out of the jurisdiction of any particular
14 district, DEBORD, Francis, Peterson, and others knowingly conspired
15 and agreed to commit bribery; namely, in return for things of value
16 provided by Francis, Peterson, and others, including cash,
17 entertainment expenses, and the services of prostitutes, DEBORD was
18 corruptly influenced in the performance of his official acts and
19 aided in committing fraud on the United States, by, among other
20 things, providing Francis and others with internal, proprietary U.S.
21 Navy information; directing Francis and GDMA to inflate invoices to
22 reflect services not rendered; advocating for the U.S. Navy to
23 procure items from GDMA under its husbanding contracts; and otherwise
24 using his position and influence in the U.S. Navy to advocate for
25 and advance GDMA's interests, as opportunities arose.

26 7. As part of this conspiracy, DEBORD, Francis, Peterson, and
27 others attempted to conceal the nature and extent of their
28 relationship, by, among other things, using fictitious email accounts

1 to communicate; and using coded language and other means designed to
2 obfuscate the true nature of their corrupt relationship, including
3 referring to prostitutes as "cheesecakes" and "bodyguards".

4 8. On or about February 26, 2008, DEBORD emailed Peterson to
5 ask that Peterson provide him with the services of prostitutes during
6 the U.S.S. Essex's upcoming port visit to Manila, Philippines:
7 "[D]ouble checking to see if I will have my security for the 2nd and
8 the 4th. I however do not want anyone to know I have a bodyguard."
9 Peterson responded: "Bodyguards are standing by."

10 9. On or about June 8, 2008, DEBORD was booked a deluxe room
11 at the Siam Bayshore Hotel in Pattaya, Thailand at GDMA's expense,
12 in conjunction with an upcoming port visit by the U.S.S. Essex to
13 Laem Chabang, Thailand.

14 10. On or about June 13, 2008, a GDMA employee forwarded
15 Wisidagama and Peterson the confirmation in DEBORD's name at a
16 serviced apartment in Pattaya, Thailand, which noted as well the
17 receipt of a pre-payment by GDMA of 3,742 Thai baht.

18 11. On or about October 30, 2008 DEBORD emailed Peterson and
19 Wisidagama advising them that the U.S. Navy's ship husbanding
20 contract in the Philippines was "coming up for renew[al]," and asking
21 that GDMA provide him with an apartment in conjunction with an
22 upcoming port visit by the U.S.S. Essex to Hong Kong. DEBORD noted
23 that he and another GDMA employee "had fun up [near Clark Air Force
24 Base,] ate lots of cheesecake, even ate some in a group session."

25 12. On or about November 12, 2008, DEBORD sent Peterson an
26 email discussing the after action report regarding the service
27 received by the U.S.S. Essex from GDMA during its recent port visit
28 to Hong Kong. In the same email of November 12, 2008, DEBORD asked

1 Peterson to provide him with a stay at a furnished apartment in Hong
2 Kong: "What about my apartment [Peterson]. I need a 3BDR one if you
3 can. Away from sailors but near bars/clubs/cheesecakes."

4 13. On or about November 17, 2008, a GDMA employee sent
5 Peterson and Wisidagama an email confirming reservations for DEBORD
6 and two others to stay in two furnished apartments for four nights
7 (November 22-26, 2008) in Tsimshatsui, Hong Kong at a total cost to
8 GDMA of \$4090 Hong Kong dollars per night.

9 14. On or about February 8, 2009, DEBORD sent an email to
10 Peterson and another GDMA employee inquiring about the cost of
11 procuring a trash barge to service the U.S.S. Essex while in port at
12 Laem Chabang, Thailand. When the GDMA employee quoted a price of
13 \$3,000, DEBORD responded, "We want the barge!!!! You owe me
14 [Peterson], had to beg to make them pull the trigger."

15 15. On or about February 15, 2009, a GDMA employee forwarded
16 to Wisidagama via email a reservation confirmation in DEBORD's name
17 for a three-night stay (February 16-19, 2009) at the Siam Bay Shore
18 Hotel in Pattaya, Thailand, noting, "this will be on our account
19 together with his laundry and minibar."

20 16. On or about February 21, 2009, DEBORD forwarded to Peterson
21 and Wisidagama via email proprietary, internal U.S. Navy
22 correspondence in which a U.S. Navy logistics officer advised DEBORD
23 that the logistics officer was investigating certain suspicious
24 charges for force protection that GDMA submitted in connection with
25 the husbanding services rendered to the U.S.S. Harper's Ferry and
26 U.S.S. Essex in Laem Chabang, Thailand.

27 17. On or about July 31, 2009, in an email entitled
28 "cheesecake," DEBORD forwarded to Peterson an email that contained

1 cost information for a port visit by the U.S.S. Essex to Brisbane,
2 Australia, that was serviced by one of GDMA's competitors. Peterson,
3 in turn, forwarded the information to Francis: "[S]ir, intel from
4 our contact on the [E]ssex in [B]risbane."

5 18. On or about August 18, 2009, a GDMA employee forwarded to
6 Peterson and Francis via email airline and room reservations for
7 DEBORD and his family to fly from Manila to Boracay, Philippines and
8 stay five nights (October 5-10, 2009) at Friday's Boracay Beach
9 Resort at a total cost to GDMA of 78,500 Philippine pesos.

10 19. On or about February 22, 2010, DEBORD asked Peterson to
11 provide him with three hotel rooms, two cell phones, a van and \$2,000
12 Singapore dollars and instructed Peterson to recover the value of
13 these items by inflating the amount that GDMA would invoice the U.S.
14 Navy for potable water and trash removal service for the U.S.S. Essex
15 port visit to Singapore from February 22-25, 2009. In an email to
16 Francis and Wisidagama that same day, Peterson described his
17 conversation with DEBORD: "Gentry called me up today and spoke to me
18 about the bills and his (hotel rooms, 2 cell. phns and van). He told
19 me that you can up the potable water and trash for the invoices to
20 make back for this stuff. Break. Sir, he's asking for \$2k
21 [S]ing[apore] dollars as well. This to be included into the
22 water/trash bills. Can get finance to prepare and [a GDMA employee]
23 to hand to him. Please advise."

24 20. In reply to Peterson's inquiries, Francis approved the
25 payment to DEBORD, and as instructed by DEBORD, GDMA, in fact,
26 fraudulently inflated its invoice to the U.S. Navy to account for
27 the things of value given to DEBORD.

28

1 21. From about May 2010 until December 2011, DEBORD was a
2 student at the Naval Postgraduate School in Monterey, California.

3 22. On or about May 26, 2012, after recognizing DEBORD's name
4 on an email chain regarding fuel issues, Peterson emailed another
5 GDMA employee and said, "Look at who's the replenishment officer for
6 ctf73, you remember sex crazy LT Debord from Essex!" Peterson
7 subsequently emailed DEBORD on May 28, 2012 and invited him out for
8 "cheesecake...just like the good ol days."

9 23. On or about December 31, 2012, according to internal GDMA
10 email, Peterson emailed Francis to advise: "[W]e need to sponsor the
11 room charges" for DEBORD's stay at the Hard Rock Hotel in Bali,
12 Indonesia from January 5-11, 2013. On or about June 4, 2013, Francis
13 directed Peterson to go to Bali and take care of DEBORD because
14 DEBORD "can slide ships to higher revenue ports."

15 24. Upon DEBORD's return from Bali, Indonesia, on or about
16 January 21, 2013, Francis paid for DEBORD and others to dine at the
17 Nadaman Restaurant in Singapore at a cost to Francis of approximately
18 \$1,651.90 Singapore dollars. Following the meal, Francis purchased
19 \$70,000 Singapore dollars-worth of gaming chips from the Marina Bay
20 Sands Casino, which Francis split between himself and his guests,
21 though DEBORD did not gamble. During the evening's festivities,
22 Francis sent Peterson an instant message which exclaimed, "[G]entry
23 [DEBORD] over the moon." Peterson responded via instant message:
24 "Hook, line and sinker."

25 25. In return for DEBORD providing GDMA with internal,
26 proprietary U.S. Navy information and using his position and
27 influence within the U.S. Navy to benefit GDMA, Francis, Wisidagama,
28 Peterson and others frequently provided DEBORD with lavish things of

1 value throughout Asia, including cash, travel and entertainment
2 expenses, and the services of prostitutes.

3 26. During the course of their bribery relationship, DEBORD
4 received more than one bribe from GDMA.

5 27. The value of the items DEBORD received from GDMA pursuant
6 to this relationship was at least more than \$15,000.

7 28. As an Officer in the U.S. Navy, entrusted with sensitive,
8 proprietary information, DEBORD was a public official in a high-
9 ranking decision-making and sensitive position.

10
11 **III.**

12 **PENALTIES**

13 The defendant understands that the crime to which he is pleading
14 guilty carries the following penalties:

15 Count 1 - Conspiracy To Commit Bribery

- 16 A. a maximum of 5 years in prison;
17 B. a maximum fine of \$250,000, or twice the gross gain or loss
18 from the offense, whichever is greater;
19 C. a mandatory special assessment of \$100;
20 D. a term of supervised release of three years; the defendant
21 understands that failure to comply with any of the
22 conditions of supervised release may result in revocation
23 of supervised release, requiring the defendant to serve in
24 prison all or part of the term of supervised release;
25 E. an order from the Court pursuant to 18 U.S.C. § 3663A that
26 the defendant make mandatory restitution to the victim(s)
27 of the offense of conviction, in this case the United
28

1 States Navy. The defendant understands that the Court
2 shall also order, if agreed to by the parties, restitution
3 to persons other than the victim(s) of the offense of
4 conviction; and

5 F. forfeiture of any property, real or personal, which
6 constitutes or is derived from proceeds traceable to the
7 offense.

8 IV.

9 DEFENDANT'S WAIVER OF TRIAL RIGHTS

10 The defendant understands that, by entering into this guilty
11 plea agreement, he knowingly and voluntarily waives the right to:

- 12 A. Continue to plead not guilty and require the government to
13 prove the elements of the crime beyond a reasonable doubt;
- 14 B. A speedy and public trial by jury;
- 15 C. The assistance of counsel at all stages of trial;
- 16 D. Confront and cross-examine adverse witnesses;
- 17 E. Present evidence and have witnesses testify on behalf of
18 the defendant;
- 19 F. Not testify or have any adverse inferences drawn from the
20 failure to testify;
- 21 G. Assert any rights and defenses defendant may have under
22 the Excessive Fines Clause of the Eighth Amendment to the
23 United States Constitution to any forfeiture of property
24 in this proceeding or any related civil or administrative
25 proceeding; and
- 26 H. Assert any legal, constitutional, statutory, regulatory,
27 and procedural rights and defenses that he may have under
28 any source of federal law, including among others
challenges to personal jurisdiction, extraterritoriality,
statute of limitations, venue, and the form and substance
of the Information, including any claim of multiplicity or
duplicity.

V.

**DEFENDANT ACKNOWLEDGES NO PRETRIAL RIGHT TO BE
PROVIDED WITH IMPEACHMENT AND AFFIRMATIVE DEFENSE INFORMATION**

The United States represents that any information establishing the factual innocence of the defendant known to the undersigned prosecutors in this case has been turned over to the defendant. The United States will continue to provide any such information establishing the factual innocence of the defendant.

The defendant understands that if this case proceeded to trial, the government would be required to provide impeachment information relating to any informants or other witnesses. In addition, if the defendant raised an affirmative defense, the government would be required to provide information in its possession that supports such a defense. The defendant acknowledges, however, that by pleading guilty he will not be provided this information, if any, and the defendant also waives the right to this information. Finally, the defendant agrees not to attempt to withdraw the guilty plea or to file a collateral attack based on the existence of this information.

VI.

**DEFENDANT'S REPRESENTATION THAT GUILTY
PLEA IS KNOWING AND VOLUNTARY**

The defendant represents that:

A. The defendant has had a full opportunity to discuss all the facts and circumstances of this case with defense counsel and has a clear understanding of the charges and the consequences of this plea. The defendant understands that, by pleading guilty, he may be giving up and rendered ineligible to receive valuable government

Plea Agreement

12

Def. Initials

16-CR-1457-JLS

1 benefits and civic rights, such as the right to vote, the right to
2 possess a firearm, the right to hold any office of honor, trust, or
3 profit under the United States, and the right to serve on a jury.
4 The defendant further understands that the conviction in this case
5 may subject him to various collateral consequences, including but
6 not limited to deportation, removal or other adverse immigration
7 consequences; revocation of probation, parole, or supervised release
8 in another case; and suspension or revocation of a professional
9 license, none of which will serve as grounds to withdraw the
10 defendant's guilty plea;
11

12 B. No one has made any promises or offered any rewards in
13 return for this guilty plea, other than those contained in this
14 agreement or otherwise disclosed to the Court;

15 C. No one has threatened the defendant or the defendant's
16 family to induce this guilty plea; and

17 D. The defendant is pleading guilty because in truth and in
18 fact the defendant is guilty, and for no other reason.
19

20 VII.

21 **AGREEMENT LIMITED TO U.S. ATTORNEY'S OFFICE**
22 **SOUTHERN DISTRICT OF CALIFORNIA AND THE FRAUD SECTION, CRIMINAL**
23 **DIVISION, UNITED STATES DEPARTMENT OF JUSTICE**

24 This plea agreement is limited to the United States Attorney's
25 Office for the Southern District of California and the Fraud Section,
26 Criminal Division, U.S. Department of Justice, and cannot bind any
27 other federal, state or local prosecuting, civil, administrative, or
28 regulatory authorities, although the United States will bring this

1 plea agreement to the attention of other authorities if requested by
2 the defendant.

3 **VIII.**

4 **APPLICABILITY OF SENTENCING GUIDELINES**

5 The defendant understands that the sentence imposed will be based
6 on the factors set forth in 18 U.S.C. § 3553(a). The defendant
7 understands further that in imposing the sentence, the sentencing
8 judge must consult the United States Sentencing Guidelines
9 ("Guidelines") and take them into account. The defendant has
10 discussed the Guidelines with defense counsel and understands that
11 the Guidelines are only advisory, not mandatory, and the Court may
12 impose a sentence more severe or less severe than otherwise
13 applicable under the Guidelines, up to the maximum in the statutes
14 of conviction. The defendant understands further that the sentence
15 cannot be determined until a presentence report has been prepared by
16 the U.S. Probation Office and defense counsel and the United States
17 have had an opportunity to review and challenge the presentence
18 report. Nothing in this plea agreement shall be construed as limiting
19 the United States's duty to provide complete and accurate facts to
20 Court and the U.S. Probation Office.

21 **IX.**

22 **SENTENCE IS WITHIN SOLE DISCRETION OF JUDGE**

23 This plea agreement is made pursuant to Federal Rule of Criminal
24 Procedure 11(c)(1)(B). The defendant understands that the sentence
25 is within the sole discretion of the sentencing judge. The United
26 States has not made and will not make any representation as to what
27 sentence the defendant will receive. The defendant understands that
28 the sentencing judge may impose the maximum sentence provided by

1 statute, and is also aware that any estimate of the probable sentence
2 by defense counsel is a prediction, not a promise, and is **not binding**
3 **on the Court**. Likewise, the recommendation made by the United States
4 is not binding on the Court, and it is uncertain at this time what
5 the defendant's sentence will be. The defendant also has been advised
6 and understands that if the sentencing judge does not follow any of
7 the parties' sentencing recommendations, the defendant nevertheless
8 has no right to withdraw the plea.

9 X.

10 **PARTIES' SENTENCING RECOMMENDATIONS**

11 A. Sentencing Guideline Calculations

12 Although the parties understand that the Guidelines are only
13 advisory and just one of the factors that the Court will consider
14 under 18 U.S.C. § 3553(a) in imposing a sentence, the parties will
15 jointly recommend the following Base Offense Level, Specific Offense
16 Characteristics, and Adjustments and Departures under the Guidelines,
17 effective November 1, 2015:

18	Base Offense Level [USSG § 2C1.1(a)(1)]	14
19	Special Offense Characteristics -	
20	More Than One Bribe [USSG § 2C1.1(b)(1)]	+ 2
21	Gain to Defendant (more than \$15,000) [USSG § 2C1.1(b)(2) and 2B1.1(b)(1)(C)]	+ 4
22	Sensitive Position [USSG § 2C1.1(b)(3)]	+ 4
23	Acceptance of Responsibility [USSG § 3E1.1]	- 3
24	Combination of Circumstances [USSG § 5K2.0]	- 2
25	Resulting Offense Level	19

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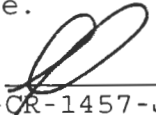
B. Acceptance of Responsibility

Notwithstanding paragraph A above, the United States will not be obligated to recommend any adjustment for acceptance of responsibility if the defendant engages in conduct inconsistent with acceptance of responsibility including, but not limited to, the following:

- 1. Failing to truthfully admit a complete factual basis as stated in the plea at the time the plea is entered, or falsely denying, or making a statement inconsistent with, the factual basis set forth in this agreement;
- 2. Falsely denying prior criminal conduct or convictions;
- 3. Being untruthful with the government, the Court or probation officer;
- 4. Materially breaching this plea agreement in any way; or
- 5. Concealing or assisting any person with the concealment of any assets that would otherwise be available to satisfy any financial obligation imposed by the Court.

C. Further Adjustments and Sentence Reductions Including Those Under 18 U.S.C. § 3553

The parties agree that defendant will not request or recommend additional downward adjustments and departures, including criminal history departures under USSG § 4A1.3, pursuant to the United States Sentencing Guidelines. The defendant may, however, request or recommend a sentencing variance pursuant to 18 U.S.C. § 3553(a), and the United States may oppose any such request for a variance.



1
2 D. No Agreement As To Criminal History Category

3 The parties have no agreement as to the defendant's Criminal
4 History Category.

5 E. "Factual Basis" And "Relevant Conduct" Information

6 The parties agree that the facts in the "factual basis"
7 paragraph of this agreement are true, and may be considered as
8 "relevant conduct" under USSG § 1B1.3, and as the nature and
9 circumstances of the offense under 18 U.S.C. § 3553(a)(1).
10

11 F. Parties' Recommendations Regarding Custody

12 The parties agree that the United States will recommend that
13 the defendant be sentenced within the advisory guideline range as
14 calculated by the parties in this agreement.

15 G. Special Assessment/Fine/Restitution

16
17 1. Special Assessment

18 The parties will jointly recommend that defendant pay a special
19 assessment in the amount of \$100.00 per felony count of conviction
20 to be paid forthwith at time of sentencing. The special assessment
21 shall be paid through the office of the Clerk of the District Court
22 by bank or cashier's check or money order made payable to the "Clerk,
23 United States District Court."

24 2. Fine

25 The parties have no agreement as to what fine, if any, the
26 defendant will be sentenced to pay.

27 3. Restitution

1 The defendant agrees to the entry of a restitution order in the
2 full amount of the victim(s)' losses, as determined by the Court at
3 the time of sentencing, pursuant to 18 U.S.C. §§ 3556,
4 3663A(c)(1)(A)(ii) and 3664(f)(1)(A). The defendant agrees to the
5 entry of a restitution order in the amount of \$37,000, payable to or
6 on behalf of the United States Department of the Navy. The defendant
7 agrees that the amount of restitution ordered by the Court shall
8 include the defendant's total offense conduct, and is not limited to
9 the count of conviction. The defendant agrees that any payment
10 schedule imposed by the Court is without prejudice to the United
11 States to take all actions and take all remedies available to it to
12 collect the full amount of the restitution.

13 The defendant agrees that the restitution, restitution judgment,
14 payment provisions, and collection actions of this plea agreement
15 are intended to, and will, survive the defendant, notwithstanding
16 the abatement of any underlying criminal conviction after the
17 execution of this agreement. The defendant further agrees that any
18 restitution collected and/or distributed will survive him,
19 notwithstanding the abatement of any underlying criminal conviction
20 after execution of this agreement.

21 The restitution shall be paid through the Office of the Clerk
22 of the District Court by bank or cashier's check or money order made
23 payable to the "Clerk, United States District Court."

24 Further, the restitution described above shall be paid to or on
25 behalf of the United States Department of the Navy.

26 The defendant agrees that, before sentencing, the defendant will
27 provide to the United States, under penalty of perjury, a financial
28 disclosure form listing all of the defendant's assets and financial

1 interests valued at more than \$1,000. The defendant understands that
2 these assets and financial interests include all assets and financial
3 interests in which the defendant has an interest, direct or indirect,
4 whether held in the defendant's own name or in the name of another,
5 in any property, real or personal. The defendant shall also identify
6 all assets valued at more than \$5,000 which have been transferred to
7 third parties since January 1, 2009, including the location of the
8 assets and the identity of the third party(ies).

9 The parties will jointly recommend that, as a condition of
10 probation or supervised release, the defendant will notify the
11 Collections Unit, United States Attorney's Office, of any interest
12 in property obtained, directly or indirectly, including any interest
13 obtained under any other name, or entity, including a trust,
14 partnership or corporation after the execution of this plea agreement
15 until the fine or restitution is paid in full.

16 The parties will also jointly recommend that as a condition of
17 probation or supervised release, the defendant will notify the
18 Collections Unit, United States Attorney's Office, before the
19 defendant transfers any interest in property owned directly or
20 indirectly by the defendant, including any interest held or owned
21 under any other name or entity, including trusts, partnerships and/or
22 corporations.

23 H. Supervised Release

24 If the Court imposes a term of supervised release, the defendant
25 agrees that he will not later seek to reduce or terminate early the
26 term of supervised release until he has served at least 2/3 of his
27 term of supervised release.
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XI.
DEFENDANT WAIVES APPEAL AND COLLATERAL ATTACK

In exchange for the United States' concessions in this plea agreement, the defendant knowingly and voluntarily waives, to the full extent of the law, any right to appeal or to collaterally attack the conviction and any lawful restitution order, except a post-conviction collateral attack based on a claim of ineffective assistance of counsel. The defendant also knowingly and voluntarily waives, to the full extent of the law, any right to appeal or to collaterally attack his sentence, except a post-conviction collateral attack based on a claim of ineffective assistance of counsel, unless the Court imposes a custodial sentence above the total statutory maximum for the offenses of conviction. If the custodial sentence is greater than the total statutory maximum, the defendant may appeal, but the United States will be free to support on appeal the sentence actually imposed on any available grounds. If at any time the defendant files a notice of appeal, appeals or collaterally attacks the conviction or sentence in violation of this plea agreement, this violation will be a material breach of this agreement as further defined below.

XII.

BREACH OF THE PLEA AGREEMENT

The defendant acknowledges, understands and agrees that if defendant violates or fails to perform any of defendant's obligations under this agreement, such violation or failure to perform may constitute a material breach of this agreement.

The defendant acknowledges, understands and agrees further that the following non-exhaustive list of conduct by the defendant unquestionably constitutes a material breach of this plea agreement:

1. Failing to plead guilty pursuant to this agreement,
2. Failing to fully accept responsibility as established in Section X, paragraph B, above,
3. Failing to appear in court,
4. Attempting to withdraw the plea,
5. Failing to abide by any lawful court order related to this case,
6. Appealing or collaterally attacking the sentence or conviction in violation of Section XI of this plea agreement, or
7. Engaging in additional criminal conduct from the time of arrest until the time of sentencing.

In the event of the defendant's material breach of this plea agreement, the defendant will not be able to enforce any of its provisions, and the United States will be relieved of all its obligations under this plea agreement. For example, the United States may pursue any charges including those that were dismissed, promised to be dismissed, or not filed as a result of this agreement. The defendant agrees that any statute of limitations relating to such

1 charges is tolled as of the date of this agreement. The defendant
2 also waives any double jeopardy defense to such charges, in the event
3 that charges are brought following a breach of this agreement by the
4 defendant. The United States may move to set aside the defendant's
5 guilty plea. The defendant may not withdraw the guilty plea based
6 on the government's pursuit of remedies for the defendant's breach.

7 Additionally, the defendant agrees that in the event of the
8 defendant's material breach of this plea agreement: (i) any
9 statements made by the defendant, under oath, at the guilty plea
10 hearing (before either a Magistrate Judge or a District Judge); (ii)
11 the stipulated factual basis statement in this agreement; and (iii)
12 any evidence derived from such statements, are admissible against
13 the defendant in any prosecution of or action against the defendant.
14 This includes the prosecution of the charges that are the subject of
15 this plea agreement or any charges that the United States agreed to
16 dismiss or not file as part of this agreement, but later pursues
17 because of a material breach by the defendant. Additionally, the
18 defendant knowingly and voluntarily waives any argument under the
19 United States Constitution, any statute, Rule 410 of the Federal
20 Rules of Evidence, Rule 11(f) of the Federal Rules of Criminal
21 Procedure, and/or any other federal rule, that the statements or any
22 evidence derived from any statements should be suppressed or are
23 inadmissible.

24 **XIII.**

25 **ENTIRE AGREEMENT**

26 This plea agreement, with its addendum, embodies the entire
27 agreement between the parties and supersedes any other agreement,
28 written or oral.

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XIV.

MODIFICATION OF AGREEMENT MUST BE IN WRITING

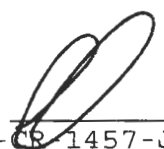
No modification of this plea agreement shall be effective unless in writing signed by all parties.

XV.

DEFENDANT AND COUNSEL FULLY UNDERSTAND AGREEMENT

By signing this agreement, the defendant certifies that the defendant has read it (or that it has been read to him in defendant's native language). The defendant has discussed the terms of this agreement with defense counsel and fully understands its meaning and effect.

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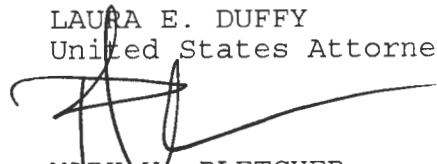
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XVI.

DEFENDANT SATISFIED WITH COUNSEL

The defendant has consulted with counsel and is satisfied with counsel's representation. This is the defendant's independent opinion, and his counsel did not advise him about what to say in this regard.

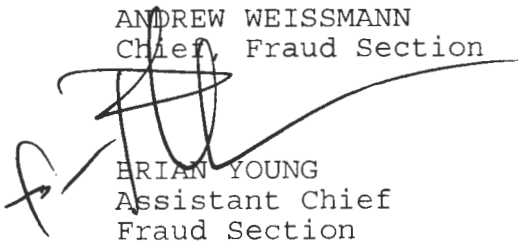
LAURA E. DUFFY
United States Attorney



MARK W. PLETCHER
PATRICK HOVAKIMIAN
Assistant U.S. Attorneys

DATED 10/13/16

ANDREW WEISSMANN
Chief, Fraud Section



BRIAN YOUNG
Assistant Chief
Fraud Section

DATED 10/13/16

ROBERT C. SCHLEIN, Esq.
Counsel for Defendant



DATED 10/13/16

IN ADDITION TO THE FOREGOING PROVISIONS, WHICH I UNDERSTAND AND TO WHICH I AGREE, I SWEAR UNDER PENALTY OF PERJURY THAT THE FACTS IN THE "FACTUAL BASIS" SECTION ABOVE ARE TRUE.

GENTRY DEBORD
Defendant



DATED 10/13/16

