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CLERK US DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA
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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

January 2016 Grand Jury

11 UNITED STATES OF AMERICA,
12 Plaintiff,
13 v.
14 BOBBY PITTS,
15 Defendant.

Case No. 16CR1207 JLS

I N D I C T M E N T

Title 18, U.S.C., Sec. 371 -
Conspiracy To Defraud the United
States; Title 18, U.S.C.,
Sec. 1505 - Obstruction of
Proceedings; Title 18, U.S.C.,
Sec. 981(a)(1)(c) and
Title 28, U.S.C., Sec. 2461(c) -
Criminal Forfeiture

18 The grand jury charges that at all time material:

19 Factual Background

20 1. From in our about November 2004 through at least July 2013,
21 defendant BOBBY PITTS was a Commander in the U.S. Navy. From August
22 2009 to May 2011, PITTS was the Officer in Charge of the U.S. Navy's
23 Fleet Industrial Supply Command ("FISC") in Singapore. In that role,
24 PITTS was responsible for overseeing the negotiation and execution of
25 the husbanding contracts supporting the U.S. Navy's Seventh Fleet.
26 "Husbanding" included the coordinating, scheduling, and direct and
27 indirect procurement of items and services required by ships and
28 submarines when they arrive at port.

1 2. Leonard Glenn Francis (charged elsewhere) was a citizen of
2 Malaysia, residing in Singapore. Francis was the owner, Chief
3 Executive Officer, and President of Glenn Defense Marine (Asia)
4 ("GDMA"), a multi-national corporation headquartered in Singapore. As
5 of September 2013, GDMA had operating locations in many countries,
6 including Japan, Thailand, Malaysia, Korea, Hong Kong, Indonesia,
7 Australia, Philippines, and the United States. GDMA provided
8 husbanding services to the U.S. Navy under a variety of husbanding
9 contracts for over 25 years.

10 3. The conspiracy and obstruction offenses described herein
11 began and were committed out of the jurisdiction of any particular
12 district, and the last known residence of one or more joint offenders
13 therein is within the Southern District of California.

14 4. The Naval Criminal Investigative Service ("NCIS") was, per
15 SECNAV Instruction 5430.107, a federal law enforcement agency within
16 the Department of the Navy charged with defending the Department of
17 the Navy against terrorism and foreign intelligence threats;
18 investigating criminal offenses involving the U.S. Navy, including
19 fraud upon U.S. Navy contracts; identifying waste, fraud, and abuse in
20 U.S. Navy programs; and assisting U.S. Navy commands in maintaining
21 good order and discipline. The Inspector General Act of 1978 allowed
22 NCIS, acting through the Department of Defense Office of Inspector
23 General, to issue subpoenas duces tecum. NCIS frequently worked on
24 behalf of and shared the results of its investigative activity with
25 FISC officials who used the information in their oversight and
26 administration of U.S. Navy contracts.

27 5. At least as early as 2009, NCIS opened an investigation to
28 assist FISC in determining whether GDMA and Francis had defrauded the

1 U.S. Navy on husbanding contracts supporting the Seventh Fleet ("the
2 GDMA Investigation"). The GDMA Investigation was part of an ongoing
3 NCIS effort to enhance FISC's oversight of husbanding contracts
4 awarded to GDMA. NCIS recorded its investigative activities as part
5 of the GDMA Investigation in a multi-page written document called a
6 Report of Investigation, the cover page of which identified the
7 document as property of NCIS. The cover page further stated that the
8 document was "for official use only" and admonished that "[n]o part of
9 this document may be further disseminated, including to subject or
10 counsel, without prior specific authorization of the [NCIS]."

11 6. As part of his duties as the Officer in Charge of FISC,
12 PITTS received briefings and internal NCIS documentation relating to
13 the status of NCIS's investigations into husbanding contractors,
14 including the GDMA Investigation. It was a violation of PITTS's
15 lawful duties to share NCIS reports with anyone outside the U.S. Navy,
16 specifically including the subject of an investigation.

17 7. Apart from the GDMA Investigation, beginning at least as
18 late as November 2010, civilian employees of FISC Singapore began to
19 suspect that GDMA and Francis had been over-charging the U.S. Navy for
20 force protection services that GDMA claimed to have provided pursuant
21 to its husbanding contracts. Force protection involved the provision
22 of guards and physical implements to protect U.S. Navy personnel and
23 property while a ship was in port. FISC employees responsible for
24 administering GDMA's husbanding contracts copied PITTS on
25 correspondence discussing measures that FISC could take to determine
26 whether GDMA was over-charging the U.S. Navy for force protection
27 services. Because this email correspondence reflected internal,
28 proprietary U.S. Navy deliberations, it was a violation of PITTS's

1 lawful duties to share its substance with Francis, GDMA or any of its
2 other representatives.

3 Count 1

4 (Conspiracy - 18 U.S.C. § 371)

5 7. From in or about late 2009, and continuing until in or about
6 November 2010, on the high seas and out of the jurisdiction of any
7 particular district, defendant BOBBY PITTS, Leonard Francis, and
8 others knowingly and intentionally combined, conspired, and agreed to
9 defraud the United States of and concerning its governmental functions
10 and rights, by depriving it of its right to have the business and
11 affairs of the Department of the Navy conducted honestly and
12 impartially and free from corruption, fraud, improper and undue
13 influence, dishonesty, unlawful impairment and obstruction; and PITTS,
14 Francis, and others took overt acts in furtherance of this conspiracy
15 and to effect its unlawful object in violation of Title 18, United
16 States Code, Section 371.

17 OBJECT OF THE CONSPIRACY

18 8. It was the object of the conspiracy for PITTS and Francis, by
19 deceit, craft, trickery, and dishonest means to defraud the United
20 States by interfering with the lawful government functions of the
21 Department of the Navy by impeding and obstructing NCIS's GDMA
22 Investigation and FISC's administration and oversight of GDMA's U.S.
23 Navy husbanding contracts.

24 METHODS AND MEANS OF THE CONSPIRACY

25 9. In furtherance of this conspiracy, and to accomplish its
26 object, the following methods and means were used, among others:

27 a. PITTS would use his position within FISC to obtain
28 confidential and proprietary documents, information describing the

1 status of NCIS's GDMA Investigation, and the steps that FISC was
2 taking to administer and oversee GDMA's husbanding contracts.

3 b. PITTS would impede and obstruct NCIS's GDMA
4 Investigation by providing GDMA and Francis with confidential NCIS
5 information, including a Report of Investigation detailing NCIS's GDMA
6 Investigation and the investigative actions taken by NCIS agents as
7 part of the GDMA Investigation.

8 c. PITTS would impede and obstruct FISC's oversight of the
9 U.S. Navy's contracts with GDMA by providing GDMA and Francis with
10 internal and confidential U.S. Navy information, specifically
11 including correspondence in which FISC employees discussed
12 investigative measures aimed at determining whether GDMA was
13 defrauding the U.S. Navy by over-charging on husbanding contracts.

14 d. In return for PITTS's actions on their behalf, GDMA and
15 Francis would provide PITTS with meals, entertainment expenses, and,
16 on at least one occasion, the services of a prostitute.

17 OVERT ACTS

18 10. In furtherance of the conspiracy and to effect its object,
19 the following overt acts, among others, were committed:

20 a. In or about December 2009, PITTS provided Francis with
21 a hard copy of a multi-page NCIS Report of Investigation, marked "for
22 official use only," which described the allegations that NCIS was
23 investigating as part of the GDMA Investigation, detailed
24 investigative steps that NCIS had taken, and identified witnesses whom
25 NCIS had interviewed.

26 b. On or about November 23, 2010, PITTS forwarded to a
27 representative of GDMA an internal U.S. Navy email discussing FISC's
28 intention to contact Thai officials to determine whether GDMA had

1 billed the U.S. Navy for force protection services that the Royal Thai
 2 Navy had provided free of charge.

3 All in violation of Title 18, United States Code, Section 371.

4 Counts 2 and 3

5 (OBSTRUCTION OF JUSTICE - 18 U.S.C. § 1505)

6 11. Paragraphs 1 through 7 of this Indictment are hereby re-
 7 alleged and incorporated by reference.

8 12. On or about the days set forth below, on the high seas and
 9 out of the jurisdiction of any particular district, the defendant,
 10 BOBBY PITTS, did corruptly influence, obstruct and impede, and
 11 endeavor to influence, obstruct and impede, the due and proper
 12 administration of the law under which pending proceedings were being
 13 had before the Department of the Navy, by:

| COUNT | APPROXIMATE DATE | ACT |
|-------|-------------------|---|
| 2 | December 2009 | Providing Francis with an NCIS Report of Investigation pertaining to the GDMA Investigation. |
| 3 | November 23, 2010 | Providing Francis and GDMA with an internal U.S. Navy email regarding FISC's efforts to oversee GDMA's husbanding contracts with the U.S. Navy. |

22 All in violation of Title 18, United States Code, Section 1505.

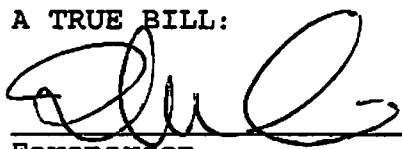
23 FORFEITURE ALLEGATIONS

24 13. The allegations set forth in Count 1 of this Indictment are
 25 incorporated by reference for the purpose of alleging forfeiture
 26 pursuant to Title 18, United States Code, Section 981(a)(1)(c), and
 27 Title 28, United States Code, Section 2461(c).


1 14. Upon conviction of the offense set forth in Count 1,
2 defendant BOBBY PITTS shall forfeit to all property, real and
3 personal, which constitutes or is derived from proceeds traceable
4 to Count 1 pursuant to Title 18, United States Code,
5 Section 981(a)(1)(c), and Title 28, United States Code,
6 Section 2461(c), including but not limited to a money judgment in an
7 amount not less than the proceeds of the offense set forth in Count 1.

8 DATED: May 26, 2016.

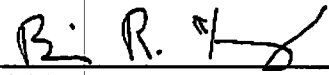
9 A TRUE BILL:


Foreperson

12 LAURA E. DUFFY
13 United States Attorney

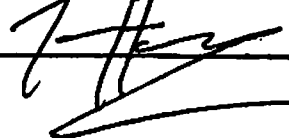
14 By: 
15 MARK W. PLETCHER
16 PATRICK HOVAKIMIAN
Assistant U.S. Attorneys

17 ANDREW WEISSMANN
18 Chief, Fraud Section

19 Criminal Division
20 By: 
21 BRIAN R. YOUNG
22 Assistant Chief
Fraud Section, Criminal Division

23 I hereby attest and certify on 5/26/16
24 That the foregoing document is a full, true and correct
25 copy ~~of the original on file in my office and in my legal~~
~~custody.~~

26 CLERK, U.S. DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

27 By:  Deputy
28