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U.S. DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

September 2013 Grand Jury

1 UNITED STATES OF AMERICA,

12 Plaintiff,

13 v.

14 NEIL PETERSON (1),
15 LINDA RAJA (2),
16 [REDACTED]

17 Defendants.

Case No. 14CR3703 JLS

I N D I C T M E N T

Title 18, U.S.C., Sec. 286 -
Conspiracy To Defraud the United
States with Respect to Claims;
Title 18, U.S.C., Sec. 1349 -
Conspiracy To Commit Wire Fraud;
Title 18, U.S.C., Sec. 287 - False
Claims; Title 18, U.S.C., Sec. 2 -
Aiding and Abetting; Title 18,
U.S.C., Sec. 981(a)(1)(c), and
Title 28, U.S.C., Sec. 2461(c) -
Criminal Forfeiture

19 The grand jury charges:

20 INTRODUCTORY ALLEGATIONS

21 A. GDMA and its Employees

22 1. Glenn Defense Marine (Asia) ("GDMA") was a corporation
23 headquartered in Singapore, with operating locations in Japan,
24 Thailand, Malaysia, Korea, Hong Kong, Indonesia, Australia,
25 Philippines, and the United States. GDMA's main business involves the
26 "husbanding" of marine vessels, a service it had provided across Asia
27 under various contracts with the U.S. Navy for over 25 years. "Ship
28 husbanding" involves the coordinating, scheduling, and direct and

1 indirect procurement of items and services required by ships and
2 submarines when those vessels arrive at port. Examples of these items
3 and services include tugboats; fenders; port authority or customs
4 fees; security; food; fuel; water; trash removal; collection, holding,
5 and transfer of liquid waste ("CHT"); and transportation.

6 2. Leonard Glenn Francis was a citizen of Malaysia. Francis
7 was the owner, President and CEO of GDMA.

8 3. Defendant NEIL PETERSON was a citizen of Singapore.
9 PETERSON was the Vice President of Global Operations for GDMA.

10 4. Defendant LINDA RAJA was a citizen of Singapore. RAJA was
11 GDMA's General Manager for Singapore, Australia, and Pacific Isles.
12 Prior to being promoted into this position, RAJA was GDMA's Country
13 Manager for Operations.

14 5. [REDACTED]
15 [REDACTED]
16 [REDACTED]

17 B. GDMA's Contracts with the U.S. Navy

18 6. The U.S. Naval Supply Systems Command ("NAVSUP") is a
19 command within the U.S. Navy responsible for the global supply and
20 delivery of goods and services to U.S. Navy personnel and warfighting
21 assets. The U.S. Navy Fleet Logistics Centers ("FLCs") are
22 subordinate commands of NAVSUP. The FLCs are located in various
23 domestic and foreign locations and provide logistics support for naval
24 installations and vessels operating in their areas of responsibility.
25 NAVSUP FLC commands are responsible for soliciting, awarding, and
26 overseeing contracts for goods and services, including for ship
27 husbanding. NAVSUP FLC in Yokosuka, Japan ("FLC Yokosuka") directly
28 supports naval installations and vessels operating in Japan, Hong

1 Kong, and Russia. FLC Yokosuka also oversees the operations of an FLC
2 detachment in Singapore ("FLC Singapore"), which directly supports
3 naval installations and vessels in Singapore, Indonesia, the
4 Philippines, Thailand, Cambodia, Vietnam, Australia, and elsewhere.

5 7. In or about Summer 2011, NAVSUP awarded GDMA three contracts
6 to provide husbanding services to U.S. Navy ships and submarines at
7 ports throughout Southeast Asia (Region 2), Australia and Pacific
8 Isles (Region 3), and East Asia (Region 4).

9 8. The Region 2 contract was structured with a first-year base
10 value of \$25 million, with options to extend the contract for up to
11 four additional years, for a total base value of over \$125 million.
12 The Region 2 contract provided for pricing of different ship
13 husbanding services as follows:

14 a. *Fixed Price Items.* For each port, GDMA and the U.S.
15 Navy agreed to fixed prices for various specified services.

16 b. *Incidentals.* The contract also provided for
17 "Incidentals," or items that fall within the general scope of ship
18 husbanding services but were not enumerated as fixed price items. For
19 these items, GDMA was generally required to obtain at least two
20 competitive quotes for the service and provide those quotes to the
21 U.S. Navy. GDMA was allowed to submit its own quote as one of the
22 competitive market quotes, but in its quote, GDMA was required to
23 disclose any profit or markup. GDMA would also submit an Authorized
24 Government Representative Form ("AGR Form") in which GDMA would
25 recommend a particular source. After receiving the quotes and the AGR
26 Form, the U.S. Navy would select which vendor to use for each
27 Incidental.

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1 c. *Fuel.* Fuel was a subtype of Incidentals. Under the
2 Region 2 contract, if GDMA arranged for the acquisition of fuel, it
3 was required to bill the U.S. Navy for the fuel's actual costs,
4 without markup; GDMA received a separate fixed fee for its efforts in
5 arranging for the acquisition of the fuel.

6 d. *Port Tariff Items.* Under the Region 2 contract, "Port
7 Tariff Items" were ship husbanding services provided by a bona fide
8 Port Authority and charged at "Port Tariff Rates" established and
9 controlled by the Port Authority. For any of these services rendered
10 to U.S. Navy vessels in port, GDMA was required to bill the U.S. Navy
11 for the actual costs paid to the Port Authority, without markup.

12 9. In connection with the Region 2 contract, at the conclusion
13 of each port visit, GDMA submitted to U.S. Navy personnel on the ship
14 a claim for payment -- typically consisting of a series of invoices
15 and supporting documentation -- for all the ship husbanding services
16 rendered to the U.S. Navy vessel during the port visit.

17 Count 1 - Conspiracy To Defraud the United States

18 with Respect to Claims (18 U.S.C. § 286)

19 [Against All Defendants]

20 THE CONSPIRACY

21 10. Beginning in or about September 2011, and continuing to in
22 or about September 2013, on the high seas and outside the jurisdiction
23 of any particular district, defendants, NEIL PETERSON ("PETERSON"),
24 LINDA RAJA ("RAJA"), [REDACTED] [REDACTED] [REDACTED] [REDACTED] and
25 others knowingly and intentionally conspired and agreed to defraud the
26 United States by obtaining and aiding to obtain the payment of false,
27 fictitious, and fraudulent claims.

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METHODS AND MEANS OF THE CONSPIRACY

11. In furtherance of this conspiracy, and to accomplish its objects, the following methods and means were used, among others:

a. PETERSON, RAJA, [REDACTED] and others would submit and cause to be submitted to the U.S. Navy fraudulent quotes for Incidentals, purporting to be from prospective subcontractors.

b. PETERSON, RAJA, [REDACTED] and others would submit and cause to be submitted to the U.S. Navy fraudulent representations related to the acquisition of fuel, purporting to be from prospective subcontractors, including fraudulent representations about the unavailability in certain countries of the type of fuel required by U.S. Navy vessels, as well as fraudulent representations about the source and actual cost of the fuel provided by GDMA to the U.S. Navy vessels.

c. PETERSON, RAJA, [REDACTED] and others would submit and cause to be submitted to the U.S. Navy fraudulent invoices for Port Tariff Items, purporting to be from bona fide Port Authorities.

d. PETERSON, RAJA, [REDACTED] and others would submit and cause to be submitted to the U.S. Navy false, fictitious, and fraudulent claims for the purpose of obtaining and aiding to obtain the payment for the ship husbanding services rendered to U.S. Navy vessels during port visits, which claims included, depending on the port visited and U.S. Navy vessel, fraudulent representations related to Incidentals, Fuel, and Port Tariff Items.

All in violation of Title 18, United States Code, Section 286.

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1 unavailability in certain countries of the type of fuel required by
2 U.S. Navy vessels, as well as fraudulent representations about the
3 source and actual cost of the fuel provided by GDMA to the U.S. Navy
4 vessels.

5 c. PETERSON, RAJA, [REDACTED] and others would submit and cause
6 to be submitted to the U.S. Navy fraudulent invoices for Port Tariff
7 Items, purporting to be from bona fide Port Authorities.

8 d. PETERSON, RAJA, [REDACTED] and others would submit and cause
9 to be submitted to the U.S. Navy fraudulent claims for the purpose of
10 obtaining and aiding to obtain the payment for the ship husbanding
11 services rendered to U.S. Navy vessels during port visits, which
12 claims included, depending on the port visited and U.S. Navy vessel,
13 materially false pretenses, representations, and promises related to
14 Incidentals, Fuel, and Port Tariff Items.

15 15. In furtherance of their fraudulent conspiracy, the
16 defendants would cause wire communications to be sent and received in
17 interstate and foreign commerce, and reasonably foresaw the use of
18 such interstate and foreign wire communications, including
19 communications among GDMA and various individuals and entities within
20 the U.S. Navy for the purposes of: (1) discussing and responding to
21 logistics requests placed by U.S Navy vessels; (2) providing port cost
22 estimates; (3) uploading quotes for Incidentals; (4) providing pricing
23 for Port Tariff Items; and (5) obtaining payment for the ship
24 husbanding services rendered by GDMA to U.S. Navy vessels.

25 All in violation of Title 18, United States Code, Section 1349.

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Counts 3-11 - False Claims (18 U.S.C. § 287)

16. Paragraphs 1 through 9 above are re-alleged and incorporated herein.

17. On or about the dates listed below in Column "A," the defendants charged below in Column "B" made and presented and caused to be made and presented to U.S. Navy personnel the claim for payment listed below in Column "C," knowing such claim to be false, fictitious, and fraudulent:

Count	"A" - Date Claim Presented	U.S. Navy Vessel	Port	"B" - Defendant(s)	"C" Claim - Consisting of GDMA Invoices and Supporting Documentation	Total Amount of the Claim
3	10/06/2011	USS Defender	Lumut, Malaysia	Peterson, Raja	MS000147, MS000148, MS000149, MS000150, MS000151, MS000152, MS000153, MS000154, MS000154 (A), MS000155	\$108,776.43
4	10/24/2011	USS Denver	Subic Bay, Philippines	Peterson, Raja	PH001115, PH001116, PH00117A, PH001118,	\$109,235.03
5	11/02/2011	USS Mustin	Laem Chabang, Thailand	Raja, [REDACTED]	TH001116, TH001117, TH001118, TH001119, TH001120, TH001121, TH001122, TH001123, TH001126, TH001130, TH001131,	\$2,834,554.49
6	11/14/2011	USS Dewey	Phuket, Thailand	Raja, [REDACTED]	TH001142, TH001143, TH001144, TH001145, TH001146, TH001147, TH001149	\$181,783.98
7	11/14/2011	USS Pinckney	Phuket, Thailand	Raja, [REDACTED]	TH001132, TH001133, TH001134, TH001135, TH001136, TH001137, TH001138	\$234,069.91
8	11/23/2011	USS Essex	Bali, Indonesia	Peterson	IN0000403, IN0000404, IN0000405	\$897,355.68
9	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
10	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
11	10/26/2012	USS Bonhomme Richard	Kota Kinabalu, Malaysia	Peterson	MS000340, MS000341, MS000342, MS000343	\$1,232,858.07

All in violation of Title 18, United States Code, Sections 287 and 2.

FORFEITURE ALLEGATIONS

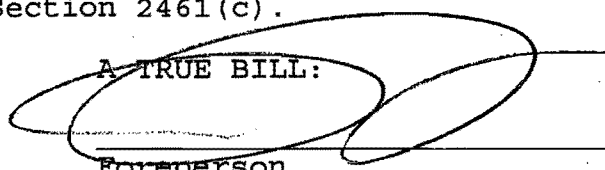
18. The allegations set forth in Paragraphs 1 through 9 and 12 through 15 of this Indictment are herein incorporated by reference for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(c), and Title 28, United States Code, Section 2461(c).

19. Pursuant to Federal Rule of Criminal Procedure 32.2, notice is hereby given to the above-named defendants that the United States will seek forfeiture as part of any sentence in accordance with Title 18, United States Code, Section 981(a)(1)(c), and Title 28, United States Code, Section 2461(c), including but not limited to all property, real or personal, which constitutes or is derived from proceeds traceable to a conspiracy to commit wire fraud as alleged in this Indictment.

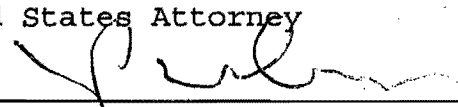
All pursuant to Title 18, United States Code, Section 981(a)(1)(c), and Title 28, United States Code, Section 2461(c).

DATED: December 23, 2014.

A TRUE BILL:



Foreperson

LAURA E. DUFFY
United States Attorney

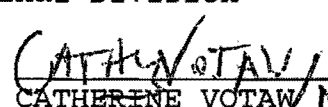
By: 
MARK W. PLETCHER
ROBERT S. HUIE
Assistant U.S. Attorneys

I hereby attest and certify on 12/23/14
That the foregoing document is a full, true and correct copy of the original on file in my office and in my legal custody.

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

By: 
Deputy

WILLIAM STELMACH
Acting Chief, Fraud Section
Criminal Division

By: 
CATHERINE VOTAW MWP
BRIAN R. YOUNG
Trial Attorneys
Fraud Section, Criminal Division