



THE SECRETARY OF THE NAVY
WASHINGTON DC 20350-1000

NOV 19 2018

From: Secretary of the Navy
To: RADM Mark C. Montgomery, USN (Ret)
Subj: SECRETARIAL LETTER OF CENSURE

Ref: (a) 5 C.F.R. Part 2635
(b) Uniform Code of Military Justice
(c) DoD 5500.07-R (JER)
(d) U.S. Navy Regulations, 1990
(e) JAGMAN 0114a

1. From 2007 to 2009, while serving as Commander, Destroyer Squadron FIFTEEN, you demonstrated exceedingly poor judgment and leadership by repeatedly and improperly accepting gifts from Mr. Leonard Francis, the President of Glenn Defense Marine Asia (GDMA), a defense contractor and, therefore, a prohibited source. In addition, you improperly endorsed, provided information to, and took action to benefit GDMA, maintained an inappropriate relationship with Mr. Francis, and in 2018 made a false official statement to mislead the Consolidated Disposition Authority regarding your conduct. As a business owner conducting significant contractual financial relationships with the United States government, Mr. Francis had a clear and obvious financial incentive to curry favor with senior officers. In addition, Mr. Francis was engaged in a criminal conspiracy to defraud the U.S. government. As demonstrated in federal court, the full extent of the losses to the United States and its taxpayers as a result of Mr. Francis's criminal activities exceeds \$34,800,000.

2. You repeatedly and improperly accepted gifts from a prohibited source by failing to pay their market value or return them, as required per reference (a). Throughout the same period, you repeatedly and improperly endorsed, provided information to, and took action to benefit Mr. Francis/GDMA; indeed, you and Mr. Francis often discussed the gifts he was giving you and the services you were providing him in the same communications. By wrongfully accepting gifts in recognition of services you rendered, you also committed the offense of graft, in violation of Article 134 of reference (b).

3. Specifically, on August 23, 2007, you intervened at (b)(7)(A), (b)(7)(D) to have two U.S. Navy vessels accept fuel from GDMA that they had originally declined. Minutes after you notified (b)(7)(A), (b)(7)(D) of the action you took, (b)(7)(A), (b)(7)(D) commented (b)(7)(A), (b)(7)(D): "Top shelf friendship!! Ha Ha!!" On September 13, 2007, at (b)(7)(A), (b)(7)(D) you sent official message traffic in which you improperly endorsed Mr. Francis/GDMA. On October 8, 2007, you provided Mr. Francis with advance notice that a Navy vessel would be making a port call at Kota Kinabalu, Malaysia. Concurrently, you solicited and accepted a gift of lodging for your family to stay in a hotel in Hong Kong from November 20-25, 2007, for which Mr. Francis/GDMA arranged for an upgrade to a suite and paid \$2,609.03, and there is no evidence that you or your family paid any sum at all. On January 19, 2008, you attended a

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dinner at a restaurant on the 45th floor of the Ritz Carlton in Tokyo hosted by Mr. Francis/GDMA, for which you paid nothing. In the ensuing months, you solicited and accepted discounted lodging at the Grand Hyatt Hong Kong from April 29-May 2, 2008, for which Mr. Francis/GDMA paid \$2,261.42, and you paid \$450. Days before that stay, on April 20, 2008, you provided Mr. Francis with more than five months advance notice that Navy ships would be visiting Cambodia and Vietnam. During that Hong Kong port visit, you helped Mr. Francis plan, and then on April 29, 2008 attended, a dinner at the Pierre II Restaurant in Hong Kong, for which you paid nothing and Mr. Francis/GDMA spent in excess of \$32,000. Specifically, (b)(7)(A), (b)(7)(D) wanted to plan an "inner circle" social during the USS KITTY HAWK (CV 63) port visit to Hong Kong, and you provided (b)(7)(A), (b)(7)(D) the names of eight other senior officers, to include the Carrier Strike Group FIVE Commander, RADM Richard Wren, USN (Ret), whom (b)(7)(A), (b)(7)(D) invited to the dinner. You even signed your name on a commemorative menu. The day after the dinner, on April 30, 2008, (b)(7)(A), (b)(7)(D) asked you for a copy of the logistical requirements for a USS STETHEM (DDG 63) port visit, which you arranged to be provided (b)(7)(A), (b)(7)(D) prior to the normal release date. In the ensuing months you solicited and accepted free transportation and discounted lodging for a personal family vacation in Singapore from December 17-21, 2008. When (b)(7)(A), (b)(7)(D) told you they could provide a complimentary upgrade, you replied you would be "thrilled" to take it. This upgrade amounted to a benefit to you in excess of \$1,600. Shortly thereafter, on February 3, 2009, at (b)(7)(A), (b)(7)(D) request, you provided (b)(7)(A), (b)(7)(D) an improper endorsement in the form of a Bravo Zulu letter on Commander, Destroyer Squadron FIFTEEN letterhead to use in GDMA's portfolio.

4. In sum, during your time as Commander, Destroyer Squadron FIFTEEN you accepted numerous gifts from Mr. Francis/GDMA, in recognition of numerous services you rendered to Mr. Francis/GDMA. None of the gift exceptions within reference (a) apply to these gifts. Your conduct in accepting these gifts in recognition of these services brought discredit upon the Navy.

5. On January 19, 2018, you provided a written statement in response to the GDMA Consolidated Disposition Authority's request for information, in which you committed additional misconduct by making a false official statement, in violation of Article 107 of reference (b). In this written statement you categorically denied attending the dinner at the Ritz Carlton in Tokyo, as well as accepting the improper gift of a hotel room at the Grand Hyatt Hotel Hong Kong. Given the evidence that you were personally engaged in obtaining these gifts, your categorical denials are not credible. Further, in making such denials, you attempted to mislead the Consolidated Disposition Authority rather than take responsibility for your actions.

6. Reference (c) establishes a clear prohibition of the use of one's public office for private gain. The frequency of the gifts you received, their juxtaposition with the services you provided to benefit Mr. Francis/GDMA, and your repeated direct and personal contact with Mr. Francis regarding both, would lead a reasonable person with knowledge of the relevant facts to believe that you used your public office for private gain. Your willingness to accept those gifts provided the worst type of example for subordinate officers within your chain of command and other officers who observed your interaction with Mr. Francis.

7. Pursuant to reference (d), you were responsible for setting the ethical and moral tone for your subordinates and your command. Your improper personal behavior, including the acceptance of

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gifts on multiple occasions from a prohibited source, your actions to benefit Mr. Francis/GDMA, and your overly familiar relationship with Mr. Francis, were wholly unacceptable. As such, your conduct constituted a significant deviation from the standards expected of all Naval Officers, particularly those entrusted with command and other leadership positions.

8. Your conduct during this period was contrary to the Standards of Ethical Conduct for Employees of the Executive Branch, the Uniform Code of Military Justice, the Joint Ethics Regulation, and U.S. Navy Regulations, references (a), (b), (c), and (d); standards which you had a duty to know, obey, and model.

9. Your actions have cast a shadow over the reputation of all the outstanding men and women who served during your tenure in command. You were the Commander of Destroyer Squadron FIFTEEN, expected to model the core values of the Navy as a leader and shape our Navy leaders of the future. Instead, you abused your position to accept gifts from Mr. Francis/GDMA, improperly endorse GDMA, and commit graft. Finally, rather than accept responsibility for your actions, you chose to submit a false official statement regarding your conduct.

10. You are, therefore, administratively censured for your leadership failures. A copy of this letter will be placed in your official service record in accordance with reference (e). Your end of tour award associated with your service as Commander, Destroyer Squadron FIFTEEN, is hereby revoked.

11. Within 15 days of the receipt of this letter, you may forward a rebuttal, consistent with reference (e), for inclusion in your official record, if you so desire.


RICHARD V. SPENCER

Copy to:
Consolidated Disposition Authority
Chief of Naval Personnel