



THE SECRETARY OF THE NAVY
WASHINGTON DC 20350-1000

NOV 28 2017

From: Secretary of the Navy
To: RDML Kenneth J. Norton, USN (Ret.)

Subj: SECRETARIAL LETTER OF CENSURE

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

1. From 2008 through 2010, while serving as Commanding Officer, USS RONALD REAGAN (CVN 76), and deployed to the Seventh Fleet area of operations, 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 maintained an inappropriate relationship with Mr. Francis, and engaged in conduct that was unbecoming an officer and a gentleman in accepting these gifts. 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). On August 19, 2008, you attended a private party at Bintang Palace in Kuala Lumpur, Malaysia, for which you paid nothing, and for which Mr. Francis spent approximately \$5,000 on food, alcohol, and entertainment, including the services of (b)(7)(A), (b)(7)(D) prostitutes. During the same Malaysia port visit, also in August 2008, you accepted a gift of cigars from Mr. Francis of a value in excess of permissible limits, and for which you sent Mr. Francis a hand-written note explicitly thanking him. In October 2008, during a port visit in Singapore, you accepted a gift of additional cigars and wine from Mr. Francis of a value in excess of permissible limits, and for which you also explicitly thanked him, this time by email. In June 2009, during a port visit in Singapore, you attended two events hosted by Mr. Francis and GDMA: a lavish dinner at the Mezza9 restaurant, for which you paid nothing and GDMA paid approximately \$700 per person, which you also directed your subordinate officers to attend; and a private party at Tiananmen KTV and Lounge, for which you paid nothing and Mr. Francis spent approximately \$9,000 on food, alcohol, and the services of (b)(7)(A), (b)(7)(D) prostitutes. Lastly, in September 2009, during a port visit in Phuket, Thailand, you accepted a gift of a stay at a luxury villa with other officers, which included amenities such as a private chef and miniature golf course, for which you paid nothing and Mr. Francis paid approximately \$1,500 per night. Additionally, Mr. Francis transported

(b)(7)(A), (b)(7)(D) prostitutes from neighboring countries, who were present at the villa during your entire stay.

3. On April 19, 2016, you were interviewed by Defense Criminal Investigative Service (DCIS) investigators. You told them that you did not remember encounters with Mr. Francis on any of the aforementioned port visits, and that you would have consulted your judge advocate regarding any gifts Mr. Francis offered you. However, prior to that interview, on January 15, 2016, DCIS investigators interviewed the then-Staff Judge Advocate to Commander, Carrier Strike Group SEVEN (embarked in RONALD REAGAN). He stated he did not know anything about the aforementioned private party in Kuala Lumpur, gifts of wine and cigars, or dinner and party in Singapore. When asked about the port visit in Phuket he did not say anything about your stay at the luxury villa. Subsequently, on June 10, 2016, Naval Criminal Investigative Service (NCIS) investigators interviewed RONALD REAGAN's then-Command Judge Advocate. He stated he did not know anything about any dinner in Kuala Lumpur, private party in Singapore, or luxury villa stay in Phuket, that he had learned of the dinner in Singapore only after it occurred (and not from you), and that he did not recall being consulted by or advising you on the aforementioned gifts of wine and cigars. There is no evidence that you consulted with, or obtained a legal opinion from, either of these judge advocates regarding any of the foregoing gifts. Based on the materials in the record concerning you, there are no exceptions to the acceptance of these gifts that are applicable to you in accordance with reference (a).

4. Reference (b) establishes a clear prohibition of the use of one's public office for private gain. The frequency of the gifts you received, as well as the fact that you had direct and personal contact with Mr. Francis, 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.

5. Pursuant to reference (c), you were responsible for setting the ethical and moral tone for your subordinates and your command. Your improper personal behavior, including the acceptance of gifts on multiple occasions from a prohibited source, your direction of your subordinate officers to do the same, and your personal relationship with Mr. Francis, set a wholly unacceptable ethical tone. As such, your conduct constituted a significant deviation from the standards expected of all naval officers, particularly those entrusted with command.

6. Moreover, the evidence reflects that at least some of the events you attended sponsored by Mr. Francis and GDMA well exceeded the bounds of decorum and fell far below the conduct expected of a United States Navy Officer. These events involved excessive alcohol consumption and included the presence of prostitutes, all of which was to the disgrace of the U.S. Armed Forces. As a senior officer and Commanding Officer of RONALD REAGAN, you had a duty to represent the United States and the United States Navy in a way that upheld the values of our great nation and Navy. Rather, you intentionally disregarded the ethical standards long established for the naval service and brought ill-repute and disgrace upon our honored institution. By encouraging subordinate officers to attend these events, you enabled Mr. Francis to identify and target other officers, and potentially recruit them for participation in his criminal scheme to defraud the United States. Your conduct, in addition to being in violation of the ethical rules

Subj: SECRETARIAL LETTER OF CENSURE

already set forth, violated Article 133 of reference (d), whose explanatory text states: *"Not everyone is or can be expected to meet unrealistically high moral standards, but there is a limit of tolerance based on the customs of the service and military necessity below which the personal standards of an officer . . . cannot fall without seriously compromising the person's standing as an officer . . . or the person's character as a gentleman."* Your conduct fell well below that minimum baseline. It is clear that you did not care about the reputation of the Navy or the example you were setting for the officers in your command. You failed these officers, you failed your ship, and you failed the Department of the Navy.

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

8. Finally, your aforementioned statement to DCIS investigators reflected an apparent disregard for the significance of the fraud committed against the United States Navy by Mr. Francis and GDMA. You asserted that you did not recall ever socializing with Mr. Francis off ship, and claimed a complete lack of memory regarding any of the port visits at issue in this investigation. In light of the contemporaneous documents, including emails in which you said that your interactions with Mr. Francis were "experiences etched permanently in [your] mind," I have determined that your assertion of a complete lack of memory of any of the dinners, private parties or gifts from Mr. Francis is simply not credible. Your statements reflect both a lack of forthrightness and a trivialization of this investigation. Your lack of honesty continues to this day and exacerbates your truly reprehensible conduct while serving as Commanding Officer, USS RONALD REAGAN, from May 2008 to August 2010.

9. Your actions have cast a shadow over the reputation of all the outstanding men and women who served onboard RONALD REAGAN during your tenure in command. You were a commanding officer of a United States Navy warship expected to model the core values of the Navy as a leader and shape our Navy leaders of the future. Instead, you used your position to accept gifts from Mr. Francis, participate in inappropriate activities, and worse yet, lead the officers under your charge to imitate your poor behavior.

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).

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

From: RDML Kenneth J. Norton, USN (Ret)
To: Secretary of the Navy

18 DEC 2017

Subj: SECRETARIAL LETTER OF CENSURE dtd NOV 28 2017

1. First and foremost, I would like to humbly apologize for my association with the husbanding agent Mr. Francis of Glenn Defense Marine Asia (GDMA). At no time was I aware of his criminal actions and had I been aware, I certainly would have expressed my concern regarding continuing a contractual relationship that required Commanding Officers to work exclusively with GDMA.

2. The letter of censure indicated that the Department of Justice found my responses to be casual and in their assessment, did not believe I was concerned about the gravity of Mr. Francis's actions. Unlike some Naval Officers caught up in Mr. Francis criminal activities I was completely unaware of Mr. Francis actions to defraud the Navy. However, I was aware that Mr. Francis had a reputation of extending invitations to Commanding Officers to show his support to US Naval Forces using his husbanding services. I deeply regret accepting any invitations that had become traditional in that area of operations. I apologize for any appearance of impropriety that my attendance brought on the Navy. I assure you that I only attended these events to show a professional courtesy and certainly did not direct anyone else to attend.

3. I am also concerned that many outstanding Navy Admirals are now shamed publicly and that my own reputation has come into question without due process. It was never my intent to take any action that would bring discredit upon the Navy or our country. Consequently, if I had been made aware of Mr. Francis' defrauding of the US Navy in his business dealings, I certainly would not have attended any event that was arranged by regional Navy shore installations and in theater operational and support commands.

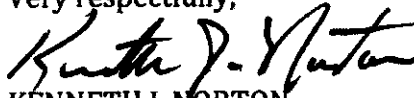
4. In addition to attending GDMA sponsored events I am troubled by the inference that I accepted personal gifts that exceeded permissible limits from Mr. Francis for my personal benefit. I never kept for my own personal use anything presented to the USS RONALD REAGAN, but I do acknowledge that I failed to ensure that the proper documentation was filed to either return or process the referenced gifts in accordance with governing directives. In this regard, it would benefit future Commanding Officers to revise the Navy policy and disestablish all gift exchanges and simply use correspondence to acknowledge appreciation for husbanding services. Knowingly accepting gifts that exceed the permissible limits for personal benefit is clearly a violation of governing directives, but accepting gifts for the benefit of the entire command is less clear, or at least it was to me at that time.

5. I appreciate this opportunity to respond and again I humbly apologize for any role I played that was perceived as discrediting the Navy. I dedicated over 33 years of my professional life to serving the Navy and my loyalty and dedication never wavered. Although I do not fully agree with the findings of the investigation, I accept full responsibility for my actions.

6. Finally, I want to point out that under my tenure as the Commanding Officer of the USS RONALD REAGAN, the entire ship and air wing team performed exceptionally well during two major deployments to 5th and 7th Fleets as we were recognized for our efforts by receiving back to back Battle E Awards, the Safety S Award, the Ramage Award (over 23,000 mishap-free flight hours), the "Best in Class" Award for Sales and Service and the highest grade awarded during the Operational Reactor Safeguards Examination in over 7 years, across the entire operational carrier fleet. This high level of sustained excellence was even more noteworthy by earning the "Golden Anchor" Award for retention. I remain proud of this record and my entire service to the country.

7. In closing, I request that this letter be considered in its entirety and not be quoted out of context.

Very respectfully,



KENNETH J. NORTON
RDML, U.S. Navy (Ret.)

Copy to:
Consolidated Disposition Authority
Chief of Naval Operations



DEPARTMENT OF THE NAVY

COMMANDER
U.S. FLEET FORCES COMMAND
1562 MITSCHER AVENUE, SUITE 250
NORFOLK, VA 23551-2487

1650
Ser CDA/195
24 Aug 17

From: Commander, U.S. Fleet Forces Command
To: Secretary of the Navy

Subj: RECOMMENDATION ICO RDML KENNETH J. NORTON, USN (RET)

Ref: (a) VCNO CDA Memo dtd 29 Aug 16
(b) Uniform Code of Military Justice
(c) 5 C.F.R. §2635.202
(d) 5 C.F.R. §2635.203
(e) U.S. Navy Regulations
(f) 5 C.F.R. §2635.205
(g) 5 C.F.R. §2635.702
(h) DoD 5500.07-R (JER), 3-209
(i) 10 U.S.C. §5947

Encl: (1) Secretarial Letter of Censure
(2) End of Tour Award Revocation Letter

1. Summary. As the Consolidated Disposition Authority (CDA) for the Glenn Defense Marine Asia (GDMA) matter per reference (a), I find that a preponderance of the evidence substantiates that, while serving as Commanding Officer, USS RONALD REAGAN (CVN 76), from 2008-2010, then-Captain, now Rear Admiral Kenneth J. Norton, USN (Ret), violated the Standards of Ethical Conduct, the Joint Ethics Regulation, and Navy Regulations, and committed misconduct under reference (b). RDML Norton exercised very poor judgment when he accepted numerous and frequent gifts from Mr. Leonard Francis and GDMA, both prohibited sources per reference (c) and (d). In addition, RDML Norton engaged in conduct that was unbecoming an officer and a gentleman by soliciting and accepting attendance at multiple events funded by Leonard Francis that involved excessive alcohol and prostitutes. Further, by his repeated acceptance of gifts from Mr. Francis and GDMA, RDML Norton failed to display the requisite leadership that is required of all commanding officers by reference (e).

2. Substantiated Allegations. I find that the evidence substantiates the following six allegations of misconduct:

a. On or about 19 August 2008, while serving as USS RONALD REAGAN Commanding Officer, RDML Norton accepted the improper gift of free attendance at a private party at the Bintang Palace in Kuala Lumpur, Malaysia, from Mr. Leonard Francis/GDMA, a defense contractor and prohibited source;

b. On or about 19 August 2008, while serving as USS RONALD REAGAN Commanding Officer, RDML Norton accepted the improper gift of cigars from Leonard Francis/GDMA, a defense contractor and prohibited source;

Subj: RECOMMENDATION ICO RDML KENNETH J. NORTON, USN (RET)

c. On or about 30 October 2008, while serving as USS RONALD REAGAN Commanding Officer, RDML Norton accepted the improper gift of cigars and wine from Leonard Francis/GDMA, a defense contractor and prohibited source;

d. On or about 27 June 2009, while serving as USS RONALD REAGAN Commanding Officer, RDML Norton accepted the improper gift of a dinner event at the Mezza9 restaurant and a private party including alcohol and entertainment at the Tiananmen KTV Lounge in Singapore from Leonard Francis/GDMA, a defense contractor and prohibited source;

e. On or about 22-27 September 2009, while serving as USS RONALD REAGAN Commanding Officer, RDML Norton accepted the improper gift of lodging at a private villa rented by Leonard Francis in Thailand, including food, alcohol, availability of prostitutes, and entertainment from Leonard Francis/GDMA, a defense contractor and prohibited source; and

f. From on or about June 2008 through September 2009, while serving as USS RONALD REAGAN Commanding Officer, RDML Norton's conduct was unbecoming an officer and a gentleman in that he impermissibly accepted free attendance at multiple events sponsored by Leonard Francis; these events involved excessive alcohol consumption and the presence of prostitutes, to the disgrace of the armed forces.

3. Discussion.

a. Background. RDML Norton assumed command of USS RONALD REAGAN in May 2008 and remained in command until August 2010. While in command, USS RONALD REAGAN deployed twice in support of Operation Enduring Freedom. Port visits during the first deployment in 2008 included Hong Kong, Kuala Lumpur, Malaysia, and Singapore. Port visits during the second deployment in 2009 included Singapore and Phuket, Thailand.

b. Extent of Personal Relationship with Leonard Francis. On numerous occasions while in command of USS RONALD REAGAN, RDML Norton had close and continuing personal contact with Leonard Francis, and accepted gifts directly from him and GDMA, both prohibited sources. In addition to the substantiated allegations, I reviewed but did not substantiate misconduct related to an additional six allegations involving attendance at three GDMA dinner events, a GDMA subsidized hotel stay, receipt of a ship model, and receipt of a humidor and cigars.¹ Although I did not substantiate misconduct in relation to these specific events, the frequent and continuous interaction with a defense contractor and prohibited source did factor into the totality of the circumstances related to RDML Norton's conduct.

(1) RDML Norton's acceptance of gifts involving lavish dinners, excessive alcohol consumption, the presence of prostitutes, and private entertainment were contrary to the

¹ In relation to the receipt of the ship model, humidor, and cigars, I found that RDML Norton was entitled to the Safe Harbor provisions of reference (h). In relation to attendance at the dinners, I found that RDML Norton may have (b)(7)(A) therefore permissible. Finally, in relation to the subsidized hotel stay, I found that RDML Norton paid \$250.00 per night for the hotel stay and (b)(7)(A) RDML Norton may have (b)(7)(A)

(b)(7)(A)

Subj: RECOMMENDATION ICO RDML KENNETH J. NORTON, USN (RET)

standards set forth for members of the U.S. Navy and were in violation of reference (c). RDML Norton's contemporaneous communications with Leonard Francis demonstrate an awareness of the value of the gifts provided. This frequent contact and personal relationship created a command climate that was exactly the opposite of the ethical stewardship that is called for in references (e) and (i). Reference (c) states that, notwithstanding any exception that might have otherwise applied, gifts from the same or different sources on a basis so frequent that a reasonable person would be led to believe the recipient was using his public office for private gain, shall not be accepted.

(2) The frequency with which RDML Norton accepted gifts from Leonard Francis clearly exceeds any reasonable standard and created, at a minimum, the perception that RDML Norton leveraged his position as USS RONALD REAGAN Commanding Officer for private gain. RDML Norton's failure to maintain an arms-length relationship with a defense contractor and prohibited source, despite his training on ethical matters, was not in keeping with his duties as a Commanding Officer and a senior officer in the U.S. Navy. RDML Norton's interaction and personal relationship with Leonard Francis, and his frequent acceptance of gifts and inappropriate liberty behavior fell well below that standard.

c. Outline of substantiated allegations. I substantiated misconduct for RDML Norton's acceptance of a dinner event in Singapore in 2009. Even more troubling, however, was RDML Norton's attendance, often with subordinate officers, at several private parties sponsored by Leonard Francis. These events were held in prostitution-related establishments. (b)(7)(A)

(b)(7)(A)

(b)(7)(A)

The following information is specific to each substantiated allegation:

(1) Acceptance of a Private Party at Bintang Palace in Kuala Lumpur, Malaysia, in August 2008. On 19 August 2008, RDML Norton and other U.S. Navy Officers attended a dinner event that included senior officers of the Royal Malaysian Navy (RMN), but which was actually paid for by Leonard Francis and GDMA. Based on the possibility that RDML Norton (b)(7)(A) I did not substantiate any misconduct related to this dinner. However, following the dinner, RDML Norton was invited to and attended a private party at Bintang Palace that was clearly hosted by Leonard Francis. Contemporaneous receipts show that Leonard Francis spent approximately five thousand dollars (\$5,000.00) at Bintang Palace on food, alcohol, and entertainment, including the services of (b)(7)(A) prostitutes. The evidence shows that RDML Norton attended the private party and paid nothing for it. Therefore, RDML Norton accepted an improper gift from a prohibited source.

(2) Gift of cigars in Kuala Lumpur in August 2008. During the same Malaysia port visit, RDML Norton accepted the gift of cigars from Leonard Francis. Although the exact value of this gift is not known, it was certainly in excess of permissible limits. As detailed in filings in U.S. District Court, Francis often provided senior officers extremely expensive cigars valued at approximately two thousand dollars (\$2,000) per box. RDML Norton sent Leonard Francis a hand-written note explicitly thanking him for the cigars. Therefore, RDML Norton accepted an improper gift from a prohibited source.

Subj: RECOMMENDATION ICO RDML KENNETH J. NORTON, USN (RET)

(3) Acceptance of cigars and wine in Singapore in October 2008. USS RONALD REAGAN's next port visit was to Singapore. There, Leonard Francis provided RDML Norton with additional cigars and wine, on or about 30 October 2008. RDML Norton sent an email to Mr. Francis thanking him for the "fine smokes and bottles of wine," implying awareness of the expensive nature of the gifts being provided to him. Therefore, RDML Norton accepted an improper gift from a prohibited source.

(4) Singapore, June 2009. During USS RONALD REAGAN's next deployment, while RDML Norton was still in command, the ship visited Singapore in June 2009. There, RDML Norton accepted the gift of two events hosted by Leonard Francis and GDMA:

(a) Solicitation and acceptance of dinner at Mezza9 in Singapore. On or about 28 June 2009, Leonard Francis paid for a lavish dinner for RDML Norton and his wardroom which was held at the Mezza9 restaurant in Singapore. GDMA paid approximately seven hundred dollars (\$700.00) per person for that dinner. RDML Norton paid nothing for the dinner. By arranging for and accepting the dinner from Leonard Francis, and by directing that subordinate officers attend this event, RDML Norton not only accepted an improper gift from a prohibited source, but exposed his subordinate officers to Leonard Francis and his criminal enterprise which further enabled Leonard Francis in his overall scheme to defraud the United States.

(b) Tiananmen KTV and Lounge private party in Singapore. On or about 28 June 2009, after the Mezza9 dinner, RDML Norton accepted the gift of a private party hosted and paid for by Leonard Francis in Singapore. Leonard Francis paid approximately nine thousand dollars (\$9,000.00) for food, alcohol, and the services of (b)(7)(A) prostitutes during that event. The evidence shows that RDML Norton attended the private party and paid nothing for it. Therefore, RDML Norton accepted an improper gift from a prohibited source.

(5) Private villa in Phuket, Thailand in September 2009. Between about 22 to 27 September 2009, RDML Norton accepted the gift of a leased luxury villa paid for by Leonard Francis during a port visit in Phuket, Thailand. The villa included amenities such as a private chef, miniature golf course, and karaoke machines. Leonard Francis paid approximately one thousand five hundred dollars (\$1,500.00) per night for the villa, for approximately five nights. In addition, Leonard Francis arranged for the presence of prostitutes at the villa that he transported from neighboring countries into Phuket, Thailand, at his expense. The evidence shows that RDML Norton paid nothing for access to the villa. Therefore, RDML Norton accepted an improper gift from a prohibited source.

(6) Conduct unbecoming an officer (2008-2009). While serving as Commanding Officer, USS RONALD REAGAN, RDML Norton engaged in conduct that was below the minimum standards demanded of an officer and gentleman in the United States Navy. RDML Norton's conduct was unbecoming an officer and a gentleman in that he accepted the impermissible gift of multiple events hosted and paid for by Leonard Francis involving excessive alcohol and the presence of prostitutes to the disgrace of the armed forces. Reference (b) notes that "Not everyone is or can be expected to meet unrealistically high moral standards, but there is a limit of tolerance based on the customs of the service and military necessity below which the personal standards of an officer . . . cannot fall without seriously compromising the person's standing as

Subj: RECOMMENDATION ICO RDML KENNETH J. NORTON, USN (RET)

an officer . . . or the person's character as a gentleman." RDML Norton's conduct fell well below that minimum baseline. RDML Norton's involvement with GDMA funded dinners and private parties where GDMA offered and provided alcohol, entertainment and the services of prostitutes, as well as the creation of an atmosphere established by Leonard Francis

(b)(7)(A)

(b)(7)(A)

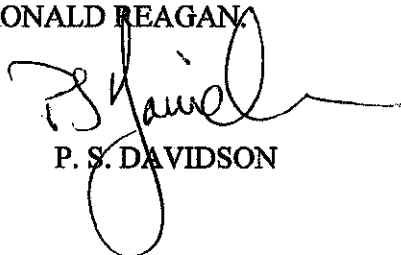
d. Cooperation with Investigation. RDML Norton's statement to DCIS on 25 April 2016 reflected his apparent disregard for the significance of the fraud committed against the U.S. Navy. RDML Norton feigned ignorance of any interaction with Leonard Francis, and claimed a complete lack of memory regarding any of the port calls at issue in this investigation. In light of the contemporaneous documents, including emails noting that his interactions with Leonard Francis were ". . . experiences etched permanently in [my] mind", the assertion of a complete lack of memory of any of the dinners, private parties or gifts from Leonard Francis is simply not credible. His statements, as reflected in the results of interview prepared by the investigators for this matter, reflect both a lack of forthrightness and a trivialization regarding this investigation.

4. Conclusion. In substantiating numerous instances of misconduct as set forth above, I found that RDML Norton's conduct constituted a grave and significant deviation from the standard expected of Naval Officers, especially those placed in command. Through his acceptance of numerous gifts and his inappropriate conduct, he improperly used the public office entrusted to him for his own private gain. As a senior officer, RDML Norton should have immediately appreciated the improper nature of the gifts, dinners and private parties being provided by Leonard Francis and GDMA. As the USS RONALD REAGAN Commanding Officer, RDML Norton was required to set the ethical tone for his subordinates. RDML Norton's personal relationship with Leonard Francis, solicitation and frequent acceptance of gifts together with overall inappropriate behavior created an improper tone for his command. In short, RDML Norton failed in his responsibilities as a Commanding Officer, a senior Naval Officer, and violated the ethos of ethical leadership expected of any member of the U.S. Navy.

5. Recommendations. I recommend you take the following actions:

a. Sign enclosure (1), a Secretarial Letter of Censure to RDML Norton for his lack of judgment and poor leadership concerning the acceptance of gifts from Leonard Francis and GDMA.

b. Sign enclosure (2), revoking the end of tour award associated with RDML Norton's assignment as Commanding Officer, USS RONALD REAGAN.



P. S. DAVIDSON

Copy to:
VCNO

From: Secretary of the Navy
To: RDML Kenneth J. Norton, USN (Ret.)

Subj: SECRETARIAL LETTER OF CENSURE

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

1. In 2009 and 2010, when assigned as Commanding Officer, USS RONALD REAGAN (CVN 76), and deployed to the Seventh Fleet area of responsibility, 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 prohibited source. In addition, you maintained an inappropriate relationship with Mr. Francis and engaged in conduct that was unbecoming an officer and gentleman (b)(5)

(b)(5)

(b)(5)

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 to this, Leonard Francis was engaged in a criminal conspiracy to defraud the U.S. government. Your conduct furthered his criminal enterprise to defraud the United States government and its taxpayers. As demonstrated in federal court, the full extent of the losses to the United States and its taxpayers as a result of Leonard Francis' criminal activities exceeded thirty-four million, eight hundred thousand dollars (\$34,800,000).

2. (b)(5)

(b)(5)

(b)(5)

well exceeded the bounds of decorum and fell far below the conduct expected of a U.S. Navy Officer. As a senior officer and Commanding Officer, USS RONALD REAGAN, you had a duty to represent the U.S. and the U.S. Navy in a way that upheld the values of our great nation and Navy. Rather, you intentionally disregarded the ethical standards long established for the naval service and brought ill-repute and disgrace upon our honored institution. It is clear that you did not care about the reputation of the Navy or the example you were setting for the officers in your command.

3. Reference (a) establishes a clear prohibition of the use of one's public office for private gain. The frequency of the gifts you received and the fact that you had direct and personal contact with Leonard Francis (b)(5) would lead a reasonable person with knowledge of the relevant facts to believe that you used your public office for private gain.

(b)(5)

Subj: SECRETARIAL LETTER OF CENSURE

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 Leonard Francis.

4. Pursuant to reference (a), you were responsible for setting the ethical and moral tone for your subordinates and your command. Your improper personal behavior, including acceptance of gifts on multiple occasions from a prohibited source and personal relationship with Mr. Francis, set a wholly unacceptable ethical tone. As such, your conduct constituted a significant deviation from the standards expected of all Naval Officers, particularly those entrusted with command. Your conduct during this period was contrary to U.S. Navy Regulations, the Joint Ethics Regulation, the Standards of Ethical Conduct for Employees of the Executive Branch, and the Uniform Code of Military Justice, references (a), (b), (c), and (d); principles you had a duty to know, obey, and model.

5.

(b)(5)

(b)(5)

(b)(5)

By

encouraging subordinate officers to attend these events, you enabled Leonard Francis to identify and target other officers who were likely to be promoted, and potentially recruit them for participation in his criminal scheme to defraud the United States. You failed these officers, you failed your ship and you failed the Navy.

6. Your actions have cast a shadow over the reputation of all the outstanding men and women who served on REAGAN during your tenure in command. You were a commanding officer of a United States Navy warship expected to model the core values of the Navy as a leader and shape our Navy leaders of the future. Instead, you used your position to accept gifts from Leonard Francis, participate in inappropriate activities, and worse yet, lead the officers under your charge to imitate your poor behavior.

7. 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).

8. 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 VAUGHN SPENCER

Copy to:
Consolidated Disposition Authority
Chief of Navy Personnel

From: Secretary of the Navy
To: Chief of Naval Operations

Subj: LEGION OF MERIT MEDAL REVOCATION

Ref: SECNAVINST 1650.1H, Navy and Marine Corps Awards Manual

1. I concur with the Consolidated Disposition Authority's recommendation to revoke the Legion of Merit (Gold Star in Lieu of the Second Award) awarded to RDML Kenneth J. Norton, USN (Ret), by VADM T. J. Kilcline, USN, for the period April 2008 to August 2010.
2. In accordance with Article 211.8(b) of reference (a), the medal referenced above is hereby revoked.

RICHARD VAUGHN SPENCER

Copy to:
CDA



DEPARTMENT OF THE NAVY
COMMANDER
U.S. FLEET FORCES COMMAND
1562 MITSCHER AVENUE SUITE 250
NORFOLK VA 23551-2487

5800
Ser CDA/ 285
1 Dec 17

From: Commander, United States Fleet Forces Command
To: Chief of Naval Personnel
Naval Inspector General

Subj: ADVERSE INFORMATION ICO RDML KENNETH J. NORTON, USN (RET)

Ref: (a) SECNAV CDA Memo dtd 30 Sep 15
(b) VCNO ltr 5800 Ser N09D/16U112936 of 29 Aug 16
(c) 5 C.F.R. § 2635
(d) DoD Instruction 1320.04

1. As the Consolidated Disposition Authority (CDA) for the Glenn Defense Marine Asia (GDMA) matter per references (a) and (b), I determined that a preponderance of the evidence substantiates that RDML Kenneth J. Norton, USN (Ret), while serving as Commanding Officer, USS RONALD REAGAN (CVN 76), from May 2008 through August 2010, exercised very poor judgment regarding his relationship with Mr. Francis, the President of GDMA, a defense contractor and prohibited source per reference (c). I substantiated six of twelve misconduct allegations that occurred during port visits to Malaysia, Singapore, and Thailand. As described below, RDML Norton wrongfully accepted gifts in excess of ethical limits on numerous occasions, including a lavish private dinner for himself and his wardroom, several after-parties with alcohol and entertainment, prostitutes, expensive cigars, bottles of wine and a private villa with food, alcohol, entertainment, from a prohibited source. In addition, I found his conduct during this time period to be unbecoming of an officer and a gentleman in the naval service.

2. In relation to the unsubstantiated allegations:

a. On or about 19 June 2008 to 22 June 2008, RDML Norton is alleged to have accepted the improper gift of subsidized lodging at the (b)(7)(A) in Kowloon, Hong Kong from Leonard Francis and GDMA, a prohibited source. Based on all the facts and circumstances known to me for this allegation, I determined RDML Norton (b)(7)(A) that he paid fair market value for the lodging. Therefore, the preponderance of the evidence does not support a violation of reference (c).

b. On or about 19 August 2008, a Royal Malaysian Navy-hosted dinner was, (b)(7)(A) the U.S. Navy attendees, (b)(7)(A) GDMA, a prohibited source. Although RDML Norton attended this dinner, the preponderance of the evidence does not support a violation of reference (c).

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c. On or about 30 October 2008, RDML Norton is alleged to have accepted the improper gift of a dinner at Mezza9 restaurant and private-party event in Singapore, with a market value in excess of ethically permissible limits, from Leonard Francis and GMDA, a prohibited source. I determined there was insufficient evidence to support that RDML Norton attended this dinner. Therefore, the preponderance of the evidence does not support a violation of reference (c).

d. On or about 30 October 2008, RDML Norton is alleged to have accepted the improper gift of a ship model in Singapore, with a market value in excess of ethically permissible limits, from Leonard Francis and GMDA, a prohibited source. I determined the Safe Harbor provision of reference (c) applies. RDML Norton (b)(7)(A) by accepting the gift on behalf of the Navy. Therefore, the preponderance of the evidence does not support a violation of reference (c).

e. On or about 27 June 2009, RDML Norton is alleged to have accepted the improper gift of a humidor and cigars in Singapore, with a market value in excess of ethically permissible limits, from Leonard Francis and GDMA, a prohibited source. I determined the Safe Harbor provision of reference (c) applies. The preponderance of the evidence supports that the Strike Group Commander accepted the gift of a humidor and cigars for the benefit of morale, welfare and enjoyment of the crew. Therefore, the preponderance of the evidence does not support a violation of reference (c).

f. On or about 23 September 2009 a Royal Thailand Navy-hosted dinner was, (b)(7)(A) the U.S. Navy attendees, (b)(7)(A) GDMA, a prohibited source. I determined that the gift of this dinner qualifies for a gift exception of a meal in a foreign area with a market value under the per diem allowance. Although RDML Norton attended this dinner, the preponderance of the evidence does not support a violation of reference (c).

3. In relation to the substantiated allegations:

a. On or about 19 August 2008, RDML Norton wrongfully accepted the improper gift of free attendance at a private-party at the Bintang Palace nightclub that included alcohol and entertainment in Kuala Lumpur, Malaysia, with a market value in excess of ethically permissible limits, from Leonard Francis and GDMA, a prohibited source. Information forwarded by the Department of Justice (DOJ) and Defense Criminal Investigative Service (DCIS) revealed that RDML Norton attended this private-party paid for and attended by Mr. Francis. I determined that none of the gift exceptions within reference (c) apply.

b. On or about 19 August 2008, RDML Norton wrongfully accepted the improper gift of cigars in Kuala Lumpur, Malaysia, with a market value in excess of ethically permissible limits, from Leonard Francis and GDMA, a prohibited source. I determined that none of the gift exceptions within reference (c) apply.

c. On or about 30 October 2008, RDML Norton wrongfully accepted the improper gift of cigars and wine in Singapore, with a market value in excess of ethically permissible limits, from Leonard Francis and GDMA, a prohibited source. Information forwarded by the DOJ and DCIS

Subj: ADVERSE INFORMATION ICO RDML KENNETH J. NORTON, USN (RET)

revealed that RDML Norton sent Leonard Francis an email thanking him for the "fine smokes." I determined that none of the gift exceptions within reference (c) apply.

d. On or about 27 June 2009, RDML Norton solicited and accepted the improper gift of a dinner at Mezza9 and private-party at Tiananmen KTV Lounge in Singapore, with a market value in excess of ethically permissible limits, from Leonard Francis and GDMA, a prohibited source. Information forwarded by DOJ and DCIS revealed that the dinner and party were hosted and paid for by GDMA. The total cost of the dinner and party, including the private room, food, alcohol, and the services of prostitutes was in excess of eighteen thousand dollars (\$18,000.00). I determined that none of the gift exceptions within reference (c) apply.

e. On or about 22-27 September 2009, RDML Norton accepted the improper gift of a luxury villa, which included food, alcohol, entertainment, and the services of prostitutes, with a market value in excess of ethically permissible limits, from Leonard Francis and GDMA, a prohibited source. Information forwarded by DOJ and DCIS revealed that the luxury villa, food, alcohol, entertainment, and the services of prostitutes were paid for by GDMA. I determined that none of the gift exceptions within reference (c) apply.

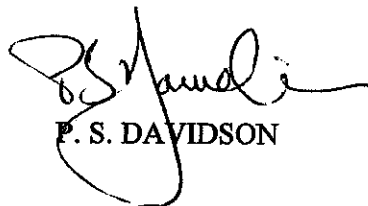
f. On divers occasions between August 2008 and September 2009, RDML Norton's conduct was unbecoming an officer and a gentleman in the Naval Service. RDML Norton's repeated acceptance of gifts from a defense contractor and prohibited source, his attendance at after-parties and private villas involving excessive alcohol and the presence of numerous prostitutes, and willingness to expose officers within his command to a corrupt businessman who defrauded the United States Government in excess \$34,800,000.00, fell well below the standards expected of a Naval Officer.

4. The substantiated findings constitute adverse information in accordance with reference (d).

5. I considered all potential and appropriate remedies consistent with the evidence and findings of fact, including restitution and reimbursement. The CDA does not have the legal authority to reimbursement or restitution for the value of gifts received. Due to the serious nature of misconduct at issue here, I recommend the Secretary of the Navy issue a Letter of Censure.

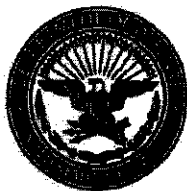
6. My point of contact for this matter is (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) @navy.mil.

He may be reached at


P. S. DAVIDSON

Copy to:
VCNO (N09D)

CNP (b)(6), (b)(7)(C)
NCIS
DCIS



DEPARTMENT OF THE NAVY
COMMANDER
U.S. FLEET FORCES COMMAND
1552 MITSCHER AVENUE SUITE 250
NORFOLK VA 23551-2487

5800
Ser CDA/084
13 Mar 2017

RDML (Ret.) Kenneth J. Norton

(b)(6), (b)(7)(C)

Dear RDML (Ret.) Norton,

The Glenn Defense Marine Asia (GDMA) Consolidated Disposition Authority (CDA) Legal Staff has reviewed credible evidence that, while serving as Commanding Officer, USS RONALD REAGAN (CVN 76):

- You accepted a gift of food, drinks, and entertainment from GDMA, a prohibited source: specifically, a party at Bintang Palace following a dinner with the Royal Malaysian Navy in Kuala Lumpur, Malaysia, September 2008;
- You solicited and received a gift of a dinner and after party from GDMA, a prohibited source: specifically, a dinner at Mezza9 and after party at Tiananmen KTV in Singapore, June 2009;
- You accepted a gift of a villa rental, refreshments, and entertainment from GDMA, a prohibited source: specifically, a villa with prostitutes, alcohol, and food in Phuket, Thailand, July 2009; and
- You accepted gifts of wine, a humidor, and cigars from GDMA, a prohibited source, on divers occasions including Kuala Lumpur, Malaysia, August 2008, Singapore, October 2008, Singapore, June 2009, and Phuket, Thailand, September 2009.

We have also reviewed evidence of other interactions involving Mr. Leonard Francis and GDMA while you were serving as Commanding Officer of the REAGAN. Specifically, that you received the following gifts from GDMA, a prohibited source:

- A subsidized hotel stay at the (b)(7)(A) in Hong Kong, June 2008;
- A dinner at the (b)(7)(A) in Kuala Lumpur, Malaysia, August 2008;
- A USS RONALD REAGAN (CVN 76) ship model in Singapore, October 2008;
- Drinks, food, and entertainment at a party in Singapore, October 2008;
- A game of golf in Thailand, September 2009; and

- A dinner with the Royal Thai Navy in Thailand, September 2009.

This serves as your opportunity to provide any desired input regarding these interactions. Any comments, additional information, or necessary context for these interactions will be considered by the GDMA CDA before reaching any final conclusions about the matters listed above.

Please provide any response no later than Wednesday, 22 March 2017. Should you have any questions or need additional time, please contact (b)(6), (b)(7)(C) or (b)(6), (b)(7)(C) @navy.mil.

Sincerely,

(b)(6), (b)(7)(C)

(b)(6), (b)(7)(C)

From: (b)(6), (b)(7)(C)
Sent: Monday, December 18, 2017 2:55 PM
To: 'Kenneth Norton'
Cc: (b)(6), (b)(7)(C)
Subject: RE: [Non-DoD Source] Re: Letter of Censure
Signed By: (b)(6), (b)(7)(C)@navy.mil

RDML Norton,

Sir, I acknowledge receipt and will forward your letter to CNP for inclusion in your official record and for review by the appropriate Navy authorities.

V/R

(b)(6), (b)(7)(C)

-----Original Message-----

From: Kenneth Norton [mailto:(b)(6), (b)(7)(C)]
Sent: Monday, December 18, 2017 2:11 PM
To: (b)(6), (b)(7)(C)
Subject: [Non-DoD Source] Re: Letter of Censure

(b)(6), (b)(7)(C)

Please in your capacity as the (b)(6), (b)(7)(C) for ADM Davidson, who is the Consolidated Disposition Authority for Navy matters relating to Glenn Defense Marine Asia (GDMA), ensure only the appropriate Navy authorities have access to my attached response regarding the Letter of Censure by the Secretary of the Navy. I ask that this letter's content be reviewed in its entirety and not be taken out of context.

R, Kenneth J. Norton, RDML US Navy (Ret)

On Fri, Dec 1, 2017 at 7:30 AM, K. J. Norton (b)(6), (b)(7)(C) wrote:

(b)(6), (b)(7)(C) I have been out of internet range for the past 30 days. Apologize for delay. I acknowledge receipt and confirm mailing address in (b)(6), (b)(7)(C)

R, RDML (Ret) KJ Norton

Sent from my iPhone

> On Nov 29, 2017, at 9:36 AM, (b)(6), (b)(7)(C) wrote:
>
> Admiral Norton,

> Sir, my name is (b)(6), (b)(7)(C) I am the (b)(6), (b)(7)(C) for ADM Davidson who is the Consolidated Disposition Authority for Navy matters relating to Glenn Defense Marine Asia (GDMA). Attached is a Letter of Censure signed yesterday by the Secretary of the Navy. This censure pertains to your time as Commanding Officer of the USS RONALD REAGAN and your interaction with Mr. Leonard Francis. The Navy will publicize this action later today. This is a courtesy notification in advance of media being informed.

>

> We have attempted to contact you at this email address and at phone number (b)(6), (b)(7)(C) without success. I respectfully request that you acknowledge receipt of this email. We will also send you a copy of the letter by certified mail to the address we have on file: (b)(6), (b)(7)(C) I am your point of contact for this matter if you have any questions.

> Thank you.

> V/R

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> ****FOR OFFICIAL USE ONLY/PRIVACY ACT SENSITIVE/PRIVILEGED****

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>

> <SLOC - RDML Norton 28 Nov 17.pdf>



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(b)(6), (b)(7)(C)

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(b)(6), (b)(7)(C)



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