



## THE SECRETARY OF THE NAVY

WASHINGTON, DC 20350-1000

JAN 23 2015

From: Secretary of the Navy  
To: RADM Michael H. Miller, USN  
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) JAGMAN 0114a

1. In 2006, while serving as Commander, Carrier Strike Group SEVEN (COMCARSTRKGRU SEVEN), which was embarked in USS RONALD REAGAN (CVN 76) and deployed to the Seventh Fleet area of responsibility, you demonstrated very poor judgment and leadership regarding your relationship with Mr. Leonard Francis, the President of Glenn Defense Marine Asia (GDMA), a defense contractor and, therefore, a prohibited source. Prior to the deployment, you initiated e-mail contact with Mr. Francis, indicating that you looked forward to renewing your friendship. This contact began as a request for a shopping recommendation regarding the purchase of personal items. During deployment, you engaged in repeated inappropriate contact with Mr. Francis. This repeated and increasingly personal contact evolved into a relationship where you were repeatedly paying Mr. Francis for personal expenses at a rate far below the market value of the items and services which were provided. As a prohibited source, Mr. Francis had a clear and obvious financial incentive to subsidize the purchase of these items in an effort to develop a stronger relationship with a senior flag officer.

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). You received a ship model of RONALD REAGAN. The market value of the ship model was at least \$870.00, for which you reimbursed Mr. Francis only \$500.00. You attended three dinner parties. The first dinner was held on 9 February 2006 at the Jaan Restaurant in Singapore; the second dinner was held on 4 June 2006 at the Suisse Chalet Restaurant in Kuala Lumpur, Malaysia; and the third was held in Hong Kong at Petrus Restaurant on 11 June 2006. You paid \$50.00 for attending the GDMA-hosted dinner in Singapore. On 5 June 2006, you signed a personal check for \$1,650.00, which you

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explained was to pay, on behalf of yourself and others, \$50.00 per person for the other two GDMA-hosted dinner parties. According to your check registry, you also signed a check on the same day for \$1,200.00 for a "CHAIR+DINNER+CIGARS," but you did not recall to which dinner this check referenced or how much of this amount was associated with compensation for a dinner. However, even viewing the facts in the most favorable light to you by assuming that the entire \$1,200.00 was intended to pay for you and others who attended the GDMA-hosted dinner parties in Malaysia and Hong Kong, the amount was inadequate and still resulted in a gift from a prohibited source. The market value of each lavish dinner party was considerably more than \$50.00 per person. For example, the total cost of one of the dinners was approximately \$23,061.50, which equates to \$768.72 per person. Further, you stated to federal investigators that paying \$50.00 per person for each of the three dinner parties would have fully compensated Mr. Francis, or words to that effect. As a flag officer with over thirty years of naval service at the time, you knew or should have known that \$50.00 per person was not the market value for these extravagant dinner parties.

(b)(7)(E), (b)(7)(A)

(b)(7)(E), (b)(7)(A)

The

COMCARSTRKGRU SEVEN

(b)(7)(E), (b)(7)(A)

(b)(7)(E), (b)(7)(A)

indicating that he does not specifically remember discussing these matters at the time and that, if he did discuss them, based on the description of the events which were provided to the COMCARSTRKGRU SEVEN (b)(7)(E), (b)(7)(A) by the investigators, he does not believe that those seeking a legal opinion fully disclosed the relevant facts.

(b)(7)(E), (b)(7)(A)

the former RONALD REAGAN

(b)(7)(E), (b)(7)(A)

stated that he did not opine that the Commanding Officer of RONALD REAGAN could legally engage in the described conduct. Furthermore, the former RONALD REAGAN (b)(7)(E), (b)(7)(A) stated that since he was not a designated (b)(7)(E), (b)(7)(A) he knew that only the COMCARSTRKGRU SEVEN (b)(7)(E), (b)(7)(A) would have issued such legal opinions. Based on the materials in the record concerning you, there are

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no exceptions to the acceptance of these gifts which are applicable to you in accordance with reference (a).

4. Reference (a) makes clear that notwithstanding any exception that might have applied to you, gifts from the same or different sources on a basis so frequent that a reasonable person would be led to believe that you were using your public office for private gain shall not be accepted. Given the frequency of the gifts you received from Mr. Francis, especially as two of the dinners occurred on dates that were only a week apart, your actions would have led a reasonable person with knowledge of the relevant facts to believe that you used your public office for private gain.

5. In addition to improperly accepting gifts from a prohibited source, you solicited a gift from a prohibited source, in violation of the ethics regulations, when you asked Mr. Francis to arrange a dinner party in Hong Kong for 11 June 2006.

6. You further exercised poor judgment by improperly expressing in your official capacity your opinion that GDMA was a superior contractor to its competitors, which is prohibited by references (a) and (b). This display of poor judgment was aggravated by the fact that you issued these endorsements within days after the extravagant GDMA-hosted dinners that you attended.

7. In matters of personal behavior, you were responsible to set the ethical and moral tone for your subordinates, per reference (c). Your improper acceptance of gifts as well as your inappropriately familiar and increasingly supportive relationship with Mr. Francis, a prohibited source, were unsatisfactory and cultivated an unacceptable sub-par ethical climate within your command. Your conduct constituted a significant deviation from the standards expected of all naval officers, particularly those entrusted with command.

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

9. You are, therefore, administratively censured for your leadership failure. A copy of this letter will be placed in your official service record in accordance with reference (d).

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

  
Ray Mabius

Copy to:  
CDA  
CNP