



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

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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