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 NAVAL CRIMINAL INVESTIGATIVE SERVICES
 RECORDS MANAGEMENT DIVISION
LAW ENFORCEMENT RECORDS

Package ID #: 0020940-000163		
Name: NAVAL SUPPLY SYSTEMS COMMAND FLEET LOGISTICS CENTER SIT AKA:		
Social Security Number:		Context: Impersonal Title
Date of Birth:	State of Birth:	Country of Birth: US - United States of America
Case Number: 03NOV11SNSN03404GCR		Dossier:
DCII INDEX CODE: K = 50 years	RECORD SERIES #: 5580/4a(1)(b)	Date Closed: 11/08/2011
RECORD SERIES (FILE PLAN) ty Svcs - Law Enforcement - NCIS Criminal Investigative - Controlled Death, Sex Investigations, & Case Files (Created on or after 1 January 1988) Criminal Investigative Reports		
Comments:		
<input type="checkbox"/> No Polygraph Examination Conducted	<input type="checkbox"/> No Sexual Offender Registry Completed	
<input type="checkbox"/> Finger Prints Submitted to Code 23C2	<input type="checkbox"/> No Final Disposition Report to FBI	
CIS - _____ / _____ <input type="checkbox"/> Closed Status <input type="checkbox"/> Dup Title <input type="checkbox"/> Dup CCN		
Disclosure/Accountability Statement: If this investigation is disseminated outside NCIS, complete NCIS Form 009/10-80, and ensure it is retained in the case file.		
 RUR0011578	11 / 105185	
(b)(6), (b)(7)(C) _____ certify that this document has been reviewed and is complete. Typed Name of SSA		
_____ DATE	_____ SIGNATURE	

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U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

REPORT OF INVESTIGATION (INFO)

08NOV11

GENERAL PROCUREMENT (II)

CONTROL: 03NOV11-SNSN-0340-4GCR

I/NAVAL SUPPLY SYSTEMS COMMAND FLEET LOGISTICS CENTER SITE SINGAPORE, SINGAPORE/COMMAND VULNERABILITY ASSESSMENT

MADE AT/SNSN/SINGAPORE, (b)(6), (b)(7)(C), SPECIAL AGENT

NARRATIVE

1. On 20Oct11, Reporting Agent (RA) met (b)(6), (b)(7)(C) United States Navy (USN), (b)(6), (b)(7)(C) and (b)(6), (b)(7)(C), (b)(7)(F) to discuss the command's procurement activities and to identify potential vulnerabilities. RA, (b)(6), (b)(7)(C) primarily discussed the structure of the regional husbanding services contracts and opined they were the most vulnerable to fraudulent activity due to the lack of visibility into the availability/non-availability of goods or services or subcontractors.

2. COMMAND DESCRIPTION: NAVSUP FLC Site Singapore is the direct arm of NAVSUP FLC Yokosuka, Japan, for fleet support in Southeast Asia, Australia and the Indian Ocean. NAVSUP FLC Singapore operates the following service lines: Fleet Logistics Support, Postal Operations, In-Port Fueling Coordination, Household Goods, Advanced Traceability and Accountability (ATAC) node, Port Services Coordination, Ship Repair, Warehousing/Trans-shipment and Base Operations Support Contract Technical Oversight. NAVSUP FLC Site Singapore also provides contracting support to SOCOM, JIATF-W and PACOM activities doing exercise and mission support in countries including, but not limited to India, Sri Lanka, Bangladesh, Nepal, Myanmar, Malaysia, Thailand, Cambodia, Vietnam, Laos and the Philippines. NAVSUP FLC Site Singapore issues approximately \$40,000,000 USD per year in contract actions relating to Fleet Logistics Support, Postal Operations, In-Port Fueling Coordination, Household Goods, the Advanced Traceability and Accountability (ATAC) node, Port Services Coordination, Ship Repair, Warehousing/Transshipment and BOS Contract Technical Oversight. NAVSUP FLC Site Singapore has more than fifty (50) personnel, including more than twenty contracting personnel.

3. KEY CONTRACTOR(S): The primary contractor for husbanding services is Glenn Defense Marine Asia (GDMA) LTD. GDMA is a Singaporean company that provides husbanding services, marine logistics support, maritime security and force protection for ships and their crew throughout Asia. GDMA's Regional Headquarters are located in Singapore but the company has offices in Hong Kong, Indonesia, Timor Leste, Malaysia, Thailand, Japan, Philippines and elsewhere in Asia. GDMA was awarded the

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contract for husbanding services in Region 2, Southeast Asia, Region 3, Australia/Pacific Islands, and Region 4, Australia/Pacific Islands. The Region 1 husbanding contract was awarded to Multinational Logistics Services LTD (MLS).

4. MAJOR PROCUREMENTS: During June 2011, NAVSUP FLC Yokosuka awarded four regional husbanding contracts to support USN, Military Sealift Command and US Coast Guard ships making port calls in non-Navy ports throughout South Asia, Southeast Asia, Australia/Pacific Islands and East Asia. These contracts are Firm Fixed Price contracts which allow for Indefinite Delivery Indefinite Quantity (IDIQ) orders to be placed by ship supply officers for a variety of services, including but not limited to tugs, pilots, fenders, brows, CHT and water, vehicles, phones, and force protection measures. Each contract was issued for a period of twelve (12) months with four one-year options.

5. The Region 1 husbanding contract covers husbanding services in India, Bangladesh, Sri Lanka and Maldives. Region 2 covers China, Laos, Cambodia, Thailand, Vietnam, Brunei, Malaysia, Singapore, Indonesia, Philippines and Palau. Region 3 provides for services in Australia, Papua New Guinea, East Timor and the Pacific Islands. Region 4 covers services in Korea, Japan, Russia and Mongolia. Region 1, 2 and 3 contracts are administered and managed by NAVSUP FLC Site Singapore and account for approximately \$40,000,000 USD in contract actions per year. Region 4 is administered by NAVSUP FLC Yokosuka, Japan. To illustrate, the base dollar values for each year are listed below:

Husbanding Contract Region 1:

Base Year Total	\$373,722
Option Year 1 Total	\$378,465
Option Year 2 Total	\$383,218
Option Year 3 Total	\$388,028
Option Year 4 Total	\$392,906
Total All Years	\$1,916,339

Husbanding Contract Region 2:

Base Year Total	\$5,003,215
Option Year 1 Total	\$5,003,215
Option Year 2 Total	\$5,003,215
Option Year 3 Total	\$5,003,215
Option Year 4 Total	\$5,003,215
Total All Years	\$25,016,075

Husbanding Contract Region 3:

Base Year Total	\$1,860,874
Option Year 1 Total	\$1,860,874

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Option Year 2 Total	\$1,860,874
Option Year 3 Total	\$1,860,874
Option Year 4 Total	\$1,860,874
Total All Years	\$9,304,370

6. SUSPENSION/DEBARMENT/ADMINISTRATIVE ACTIONS PROCESS: The NAVSUP FLC Site Singapore Contracting Department is able to refer cases to the Naval Acquisition Integrity Office (NAIO).

7. INTERNAL AUDIT: Internal Audits, referred to as the Procurement Process Management Assessment Program, are conducted by NAVSUP every three years. The most recent audit was conducted in 2010 and included a re-visit in June 2011.

8. LITIGATION: As mentioned above, NAVSUP Site Singapore awarded the Region 1 husbanding service contract to MLS in June 2011. GDMA protested this award with the Government Accountability Office (GAO) but their petition was denied. Reportedly, GDMA has recently taken this issue to the Court of Federal Claims.

9. NCIS INVESTIGATIONS: NCIS investigations relating to GDMA and/or NAVSUP FLC Site Singapore are listed below:

(b)(7)(A)



(b)(7)(A)



- I/Fleet Industrial Supply Center, Singapore/Possible Fraudulent Fuel Order Receipt Submitted by Glenn Defense Marine Asia LTD; CCN: 10SEP09-SNSN-0341-4XNA/C. FISC Singapore advised that the original fuel order receipt from Bataan Fuels, Inc, appeared fraudulent. NCIS personnel went to the address per the receipt and noted the company was not physically located at that location. Further checks with Philippine government business licensing organizations failed to produce a

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Philippine business operating license, physical address or tax identification number for Bataan Fuels, Inc.

10. POTENTIAL VULNERABILITIES: Lack of Visibility in the Availability/Non-availability of Goods or Services during Port Visits: All four regional contracts are FFP IDIQ contracts that include FFP costs for priced line items for core husbanding services. Non-priced items are goods and services that are not included within the FFP priced items schedule of the contract. The Husbanding Service Provider (HSP) must utilize an Online Pricing Application to obtain approval for non-priced items before being provided and the requests must include an explanation of why an equivalent priced item on the schedule was not provided and/or a mandatory Host Nation (HN) service was provided. To support the Contracting Officer in determining the price is fair and reasonable, the HSP must provide three quotes or a sole source justification. Supporting documentation could include quotes for same or similar commercial items at the same or similar location; comparison to prices offered for same or similar services under previous competitively-awarded contracts; current published price lists, catalogs or advertisements for same or similar services; cost or pricing information provided by offeror to establish cost and substantiating documentation from HN/Port Authority to support HN/PT required sources and prices. As NAVSUP Site Singapore does not have sufficient resources to send a Contracting Officer Representative (COR) to each port visit, the USN is unable to verify a HSP's claim that a particular priced item/service was unavailable. Although the HSP is required to provide three quotes or a sole source justification, questions remain as to whether the quotes are genuine or an item is truly unavailable from the port or elsewhere. As non-priced items are not included in the FFP schedules, the HSP is able to submit a quote that exceeds the price schedules per the contract.

11. Lack of Visibility into Subcontractors and Vendors: The HSP is required to provide copies of statements of non-availability and vendor quotes as substantiating documentation for the cost of non-priced items. NAVSUP Site Singapore has previously reported that certain subcontractor invoices provided by the HSP did not appear legitimate and questioned whether the companies actually existed or if the quote or invoice did in fact come from the company listed on the invoice. Falsified invoices are an indicator of fraudulent activity and could be used as a means to conceal phantom companies, falsified quotes or inflated quotes for contractor kickback schemes.

12. PRIMARY CONTACTS AT NAVSUP FLC SITE SINGAPORE: (b)(6), (b)(7)(C)
(b)(6), (b)(7)(C) Email: (b)(6), (b)(7)(C), (b)(7)(F)
(b)(6), (b)(7)(C), (b)(7)(F)

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

13. NCIS POINT OF CONTACT: (b)(6), (b)(7)(C) Special Agent, NCIS Singapore Field Office; email: (b)(6), (b)(7)(C)@ncis.navy.mil; Phone (b)(6), (b)(7)(C) (b)(6), (b)(7)(C)

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INFO: SNSN/02A/02P/NCIS REPRESENTATIVE TO NAVAL ACQUISITION INTEGRITY OFFICE 720 Kennon St. Room 214, Washington Navy Yard, DC, 20374-5066 (ATTN: (b)(6), (b)(7)(C))

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CASE	DATE
CCS	(b)(6), (b)(7)(C) 9 Nov 11
TRANSMIT	8 Nov 11
MAILED	9 Nov 11
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