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Package ID #: 0013418-000355		
Name: FISC SINGAPORE POSSIBLE FRAUDULENT FUEL ORDER RECEIPT S AKA:		
Social Security Number:		Context: Impersonal Title
Date of Birth:	State of Birth:	Country of Birth: US - United States of America
Case Number: 10SEP09SNSN03414XNA		Dossier:
DCII INDEX CODE: K = 50 years	RECORD SERIES #: 5580/4a(1)(b)	Date Closed: 05/24/2010
RECORD SERIES (FILE PLAN) by 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	
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CIS - _____ / _____ <input type="checkbox"/> Closed Status <input type="checkbox"/> Dup Title <input type="checkbox"/> Dup CCN		
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U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

REPORT OF INVESTIGATION (CLOSED)

24MAY10

SPECIAL INQUIRY (II)

CONTROL: 10SEP09-SNSN-0341-4XNA/C

I/FISC, SINGAPORE/POSSIBLE FRAUDULENT FUEL ORDER RECEIPT SUBMITTED BY
GLENN DEFENSE MARINE ASIA LTD

COMMAND/FISC SINGAPORE DETACHMENT/40345

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

REFERENCES

- (A) NCISRA Singapore ROI (INTERIM)/11Sep09 (Contains exhibits 1-8)
- (B) NCISRA Singapore ROI (INTERIM)/26Oct09 (Contains exhibits 9-10)
- (C) NCISRA Singapore ROI (INTERIM)/02Mar10 (Contains exhibit 11)
- (D) NCISRA Singapore ROI (INTERIM)/01Apr10

EXHIBIT

- (12) IA: Armed Forces Board of Contract Appeals/ASBCA Case No. 57081/
Appeal of Glenn Defense Marine (ASIA) Pte. Ltd/USN Contract
No. N40345-08-D-0004... (Copy All)

EXECUTIVE SUMMARY

1. On 09Sep09, Reporting Agent (RA) met with (b)(6), (b)(7)(C), (b)(7)(F) (b)(6), (b)(7)(C), (b)(7)(F) (b)(6), (b)(7)(C), (b)(7)(F) (b)(6), (b)(7)(C), (b)(7)(F) provided the following to RA, on 11Aug09, FISC Singapore Detachment received a claim from Glenn Defense Marine Asia (GDMA) LTD, seeking a \$743,368 USD payment for fuel that was ordered for delivery to the USS CHAFEE (DDG-90) and the USS JOHN S. MCCAIN (DDG-56). The fuel, a total of 1127 metric tons (351,000 gallons) was ordered by the U.S. Navy under contract number N40345-08-D-0004 for delivery on 23May09 for the USS CHAFEE and USS MCCAIN during both vessels port visit to Bacolod, Philippines. The total cost of the 1127 metric tons was \$1,226,176 USD, but only 441 metric tons (\$482,808 USD) was actually delivered. The USS CHAFEE and USS MCCAIN cancelled the order before the entire fuel order was off loaded. GDMA then submitted a certified claim to FISC Detachment Singapore for the remaining \$743,368 USD plus interest stating a violation of the contract (breach of contract) wherein fuel deliveries had to be cancelled 48 hours prior to required delivery. Under contract N40345-08-D-0004, awarded to GDMA by FISC Singapore on 29Feb08, GDMA was to furnish the services and supplies requested by USN ships while in port in Metro Manila, Subic Bay, Cebu, Puerto Princesa, General Santos, Zamboanga, Legazpi and all other ports in the Philippines.
2. There were several performing issues surrounding the delivery of the fuel by GDMA, to include the late delivery of the fuel to the USN vessels and the disposition of the remaining 686 metric tons of fuel. The entire fuel order receipt amount was denied by FISC Singapore pending further additional supporting documentation and information from GDMA. GDMA had 120 days from the denial letter to submit an appeal. The specific allegation that initiated this inquiry was the possible false claim receipt for the entire fuel order purchase.

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SUBJ: I/FISC/SINGAPORE/POSSIBLE FRAUDULENT FUEL ORDER RECEIPT SUBMIT

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

(b)(6), (b)(7)(C), (b)(7)(F) provided RA the sales invoice for the 1127 metric ton fuel purchase from a company identified on the sales invoice, number 1314, dated 18May09 as BATAAN FUELS, INC, BF Building, 94 Limay, Bataan, Philippines 2103. (b)(6), (b)(7)(C), (b)(7)(F) opined that the invoice may be bogus, as there is no mention of this company in any prior billing documentation, no telephone contact numbers, a website that lists as under construction, and no specific address. Additionally, the invoice was in U.S. dollars vice Philippine Pesos, something that FISC has never seen before on any billing invoice received from a company conducting business in the Philippines (primarily due to the fluctuations in currency rates). The delivery order for the fuel to the USN vessels also appeared to be questionable per FISC Singapore. RA conducted a limited internet search for a company listing for BATAAN FUELS, INC in Philippines with no results.

3. (b)(6), (b)(7)(C), (b)(7)(F) requested NCIS assistance in determining the existence of this company and the determining if GDMA submitted a false claim to FISC Singapore for the fuel purchase.

NARRATIVE

1. This investigation was initiated as a special inquiry into a specific allegation that pertains to the Federal False Claims Act, 31 United States Code (USC) 3729-3733.

2. Previous investigative activity is reported in references (a), (b), (c) and (d). GDMA has amended their initial claim submitted on 07Jan10 for the \$743,368.00 USD plus interest. According to exhibit (12), GDMA requested modification of the claim on 17Feb10 to reflect their desire to no longer seek payment for the undelivered fuel amounting to \$743,368.00 USD. Although GDMA continues to claim that the unused fuel was improperly canceled by the USN, GDMA now states in their amended complaint, the unused fuel was distributed in house to their fleet of vessels after being stored at their expense from 29May09 to 13Oct09. GDMA is seeking payment for the fuel storage costs and associated interest, not for the cost of the canceled fuel. According to exhibit (12), GDMA claims fuel storage costs in the amount of \$15,328.27 USD plus interest. The final figure, if any reimbursement is awarded, will be decided by the Armed Forces Contract Appellate Board (AFCAB).

3. It has not been determined if the BATAAN FUEL INC receipt was fraudulent. RA's interviews with GDMA Philippine Country Office personnel regarding GDMA's business dealings and relationship with BATAAN FUELS INC were unproductive. References (a-d) detail RA and Participant efforts in the Philippines to determine the validity of the BATAAN FUELS INC receipt. Investigation has revealed that 1127 metric tons of fuel was made available for delivery by GDMA to the USS CHAFEE and USS MCCAIN on 23May09, and the price and transportation costs of the fuel was acceptable to the USN. GDMA's monetary gain from submitting a fraudulent fuel receipt can not be determined. There appears to be no loss to the U.S. Government in this transaction.

4. This special inquiry is closed.

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SUBJ: I/FISC/SINGAPORE/POSSIBLE FRAUDULENT FUEL ORDER RECEIPT SUBMIT
U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

ACTION

DIST: Investigation closed.

PARTICIPANT

(b)(6), (b)(7)(C) Special Agent, NCISRU Manila, Philippines

DISTRIBUTION

NCISHQ: 0023A

INFO: SNSN/NCIS REP TO NAIO

CASE CNTRL	INT	DATE
CCS	(b)(6), (b)(7)(C)	5/24/10
TRANSMIT		5/24/10
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(b)(6), (b)(7)(C)

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U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

INVESTIGATIVE ACTION

24MAY10

CONTROL: 10SEP09-SNSN-0341-4XNA

I/FISC, SINGAPORE/POSSIBLE FRAUDULENT FUEL ORDER RECEIPT SUBMITTED BY
GLENN DEFENSE MARINE ASIA LTD

RECEIPT OF GDMA AMENDED CLAIM

1. Reporting Agent (RA) has received enclosure (A) from FISC
Singapore. Enclosure (A) is an amended complaint from Glenn Defense
Marine Asia (GDMA).

ENCLOSURE

(A) GDMA Amended Claim.

REPORTED BY: (b)(6), (b)(7)(C) SPECIAL AGENT
OFFICE: NCISRA SINGAPORE

CASE CNTRL	INT	DATE
CCS	(b)(6), (b)(7)(C)	5/24/10
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Exhibit (12)

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Page 1

LAST

(b)(6),
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ARMED SERVICES BOARD OF CONTRACT APPEALS

Appeal of)	
Glenn Defense Marine (Asia) Pte. Ltd.)	ASBCA No. 57081
Contract No. N40345-08-D-0004)	

AMENDED COMPLAINT

Glenn Defense Marine (Asia) Pte. Ltd. ("GDMA") hereby files this Amended Complaint to appeal the final decision of the (b)(6), (b)(7)(C) for the U.S. Navy Fleet and Industrial Supply Center, Detachment Singapore (the "Navy" or "Agency") dated October 13, 2009, denying GDMA's claim for payment for fuel ordered under Contract No. N40345-08-D-0004.¹ In support of its Complaint, GDMA states and alleges as follows:

I. INTRODUCTION

1. This dispute arises out of Contract No. N40345-08-D-0004 (the "Contract") for the provision of husbanding services, including delivery of fuel, to U.S. Navy ships visiting ports in the Philippines.

2. As set forth below, in May 2009, the Navy ordered 642 metric tons (200,000 gallons) of fuel for the USS CHAFEE (DDG-90) (hereafter "CHE") and 485 metric tons (151,000 gallons) of fuel for the USS JOHN S. MCCAIN (DDG-56 (hereafter "JSM") for delivery on May 23, 2009, in the port of Bacolod, Philippines. The Navy did not cancel this order more than 48 hours prior to the required delivery. Because the port of Bacolod does not

¹ By letter dated February 17, 2010, the parties notified the Board that they had agreed to request modification of the schedule for filing pleadings to allow Appellant to file an amended complaint by March 5, 2010, and to allow Respondent to file its answer by April 5, 2010. By phone on March 5, 2010, (b)(6), (b)(7)(C) informed counsel for Appellant that the Board had granted leave to modify the schedule for filing pleadings per the parties' request.

have infrastructure to support fuel supply, GDMA arranged for the transportation of the fuel by barge from Bataan, Philippines, to Bacolod for delivery to the CHE and the JSM. At the time of delivery, the CHE accepted delivery of only 314 metric tons of fuel and cancelled the remaining order of 328 metric tons of fuel; and the JSM accepted delivery of only 127 metric tons of fuel and cancelled the remaining order of 358 metric tons of fuel.

3. Under the § B1.13.4.1 of the Contract, when an order is not cancelled at least 48 hours prior to the required delivery time, "the Ordering activity shall be responsible for termination costs in accordance with the contract clause titled "Termination for the Government's Convenience (FAR 52.212-4)." Under FAR 52.212-4(l), GDMA is entitled to payment of the price for the fuel rejected by the CHE and the JSM plus reasonable charges incurred by GDMA that resulted from the termination.

4. The fixed price for the part of the fuel order cancelled by the Navy was \$746,368. The Navy refused to make payment to GDMA for the partially cancelled fuel order.

5. On August 10, 2009, GDMA submitted a certified claim for payment of the unused fuel in the amount of \$746,368. On October 13, 2009, the (b)(6), (b)(7)(C) denied GDMA's claim. On January 7, 2010, GDMA filed a timely Notice of Appeal with the Board.

6. From May 29, 2009, through October 13, 2009, GDMA stored the unused fuel pending the (b)(6), (b)(7)(C) response to GDMA's assertion that the Navy was still required to take delivery of and pay for the fuel. After the (b)(6), (b)(7)(C) issued her final decision on October 13, 2009, GDMA distributed the unused fuel to GDMA vessels for in-house consumption. GDMA no longer seeks payment of the purchase price of the fuel.

7. While storing the fuel pending the Navy's response to GDMA's claim, GDMA incurred costs related to the fuel, for which GDMA seeks reimbursement. GDMA also seeks

Prompt Payment Act interest on the amount properly invoiced by GDMA for the unused fuel that the Navy failed to pay.

8. Because an actual and justiciable controversy exists regarding the Navy's and GDMA's respective interpretations of the clauses in the Contract regarding the placement and cancellation of fuel orders, GDMA also seeks non-monetary declaratory relief that the Navy's cancellation of the fuel order was untimely and the Navy's refusal to pay for the fuel was a breach of the Contract.

II. PARTIES

9. GDMA is a private limited company organized under the laws of Singapore whose principal address 15D Pandan Road, Singapore, 60926. GDMA provides defense marine logistics services. GDMA has been husbanding ships for over sixty years and has supported U.S. Navy husbanding service requirements for over sixteen years.

10. Respondent, the U.S. Navy Fleet and Industrial Supply Center, Detachment Singapore is the agency charged with soliciting and administering the Contract, which is the subject of the dispute in this action.

III. BACKGROUND

A. The Contract

11. On February 29, 2008, the Navy awarded the Contract to GDMA. The Contract is a "Firm-Fixed-Price Requirements contract" where GDMA agreed to "furnish the services or supplies at the fixed price listed in the Schedule of Services. (Contract, § B.3.) Under the Contract, GDMA is required to provide "services and supplies requested by the ships while in port" in the following locations: Metro Manila, Subic Bay, Cebu, Puerto Princesa, General Santos, Zamboanga, Legazpi and all other ports in the Philippines. (Contract, § B.2.) The contract is for a period of twelve (12) months, but included FAR clause 52.217-8, Option to

Extend Services that allowed for a six-month extension of services if exercised. (Contract, § B.4.) The Navy exercised options to extend services under the Contract through August 31, 2010.

1. Key Provisions of the Contract

12. The purpose of the Contract is to provide Husbanding Services for U.S. Navy Ships at any port in the Philippines. (Contract, §§ B.1, B.2.) Other U.S. Government organizations or agencies can also receive logistic support services and supplies for Operations Other Than War ("OOTW") under this Contract. The Contract includes a Schedule of Supplies and Services that GDMA is required to provide (at § B2) and a Statement of Work describing such services (at § C).

13. Section B1.13 of the Contract provides the procedures for ordering Supplies and Services under the Contract. Section C.14 provides the specific procedures for ordering and providing fuel under the Contract.

14. Under the Contract's ordering procedures, when a ship requires husbanding services at a port, prior to the ship's arrival, an Authorized Government Representative ("AGR") will issue the ship's Logistic Requirements ("LOGREQ") Naval message that is provided to GDMA. (Contract, §§ B1.13, C.1.1.) GDMA is then required to provide a Cost Reporting and Forecasting Tool ("CRAFT") Cost Estimate. (Contract, § C.1.1.)

15. When the Navy orders fuel under the Contract, GDMA must first contact the U.S. Navy bunkering contractor or Host Nation ("HN") source. (Contract, § C.14.) If the bunkering contractor or HN source can provide the fuel within the ship's time frame, GDMA so informs the ship. (Contract, § C.14.2) However, if the bunkering contractor or HN source cannot deliver the fuel when required by the ship, GDMA must request approval to proceed to arrange for fuel delivery from a non-governmental source from the ship's Supply Officer ("SUPPO") or FISC.

(Contract, § C.14.2). If GDMA is authorized to proceed, GDMA orders the fuel and arranges for transportation to the Navy ship via a fuel barge or truck. (Contract, §§ C.14.5-14.7.)

16. Regarding the cancellation of orders by the Navy, the Contract states that, for any order not cancelled at least 48 hours prior to the required delivery time, the Ordering activity shall be responsible for termination costs in accordance with termination for the Government's convenience provisions under FAR 52.212-4, Contract Terms and Conditions – Commercial Items. (Contract, § B1.13.4.1) The Contract also provides that in cases where the ordering of items requires long lead times, the Government may negotiate cost reimbursement under the termination for the Government's Convenience provisions under FAR 52.212-4. (Contract § B1.13.4.2.).

2. Bacolod Delivery Order

17. On May 14, 2009, GDMA received preliminary notice via email from the (b)(6), (b)(7)(C) aboard the JSM of a possible fuel requirement for the CHE and JSM in Bacolod, Philippines.

18. On May 14, 2009, the Navy acknowledged the commencement of its process for ordering fuel was significantly delayed. On May 14, 2009, (b)(6), (b)(7)(C) of USS HARPERS FERRY initiated the internal Navy process for ordering fuel for the JSM and CHE in Bacolod. In an email date May 14, 2009, (b)(6), (b)(7)(C) asked the (b)(6), (b)(7)(C) if it was possible to order fuel for delivery in Bacolod by May 23 and acknowledged: "I know, I should have asked 3 months ago[.]" Thus, the Navy recognized that it was starting the ordering process much too late to ensure delivery by the desired date.

19. On May 17, 2009, GDMA received a phone call from the JSM's (b)(6), (b)(7)(C) urgently stating fuel would be required for JSM and CHE in Bacolod on May 23, 2009. At that time, the JSM (b)(6), (b)(7)(C) was ashore in Bacolod as part of the exercise Advance Party. The (b)(6), (b)(7)(C) directed GDMA to proceed with arranging fuel (200K gallons for CHE and 140K gallons for JSM) for

delivery to CHE and JSM in Bacolod. The (b)(6), (b)(7)(C) explained that the LOGREQ confirmation would follow.

20. Later on May 17, 2009, GDMA received another phone call from JSM's (b)(6), (b)(7)(C) verbally increasing the JSM order to 151,000 gallons.

21. On May 18, 2009, GDMA emailed the CHE's (b)(6), (b)(7)(C) and confirmed that GDMA would be able to support both CHE and JSM Bacolod refueling requirement.

22. Despite the preceding communication, the Navy's fuel order was not placed under the contract until May 19, 2009. On May 19, 2009, GDMA received the consolidated LOGREQ for CHE and JSM that formally placed the order for 200,000 gallons of fuel for the CHE and 140,000 gallons of fuel for the JSM.

23. The Navy amended its fuel order under the Contract as late as May 20, 2009. On May 20, 2009 the (b)(6), (b)(7)(C) of the JSM confirmed in writing via email the increased amount of its fuel order by 11,000 gallons from 140,000 to 151,000 gallons.

3. Nature of Fuel Service to Bacolod

24. The port of Bacolod has no infrastructure to supply fuel to U.S. Navy ships and there is no designated U.S. Navy bunkering contractor to cover this area. To perform orders for fuel at Bacolod, GDMA must procure and transport the fuel from Bataan, Philippines. Because Bataan is a multiple-day voyage from Bacolod, fuel orders for U.S. Navy ships at Bacolod require long lead times. In addition, because of the substantial distance and sea conditions, fuel barges transporting fuel from Bataan to Bacolod face unpredictable voyage times due to constantly changing weather conditions and sea state.

B. GDMA's Performance of the Bacolod Delivery Order

25. On May 18, 2009, before the Navy had formally placed the fuel order for the CHE and JSM under the Contract, GDMA purchased 351,000 gallons (1,127 metric tons) of fuel from GDMA's vendor, Bataan Fuels, Inc ("Bataan Fuels"). Bataan Fuels' price per metric ton was US \$1,088. GDMA's order included barge service from Bataan to Bacolod. Following standard commercial practice, GDMA made payment of the full amount of the order, US \$1,306,176, in advance to Bataan Fuels to ensure transport and delivery of the fuel to CHE and JSM in Bacolod. Bataan Fuels loaded a fuel barge with 200,000 gallons (642 metric tons) of fuel for CHE and 151,000 gallons (485 metric tons) for JSM.

26. Because the Navy did not finalize its fuel order per the procedures in the Contract until May 20, 2009, the Navy's actions left GDMA with only three days to transport the fuel from Bataan to Bacolod. On its own initiative, GDMA arranged for the fuel barge to leave Bataan on May 19, 2009 — the day before the Navy formally finalized its fuel order.

27. The Navy understood that GDMA was required to procure fuel in Bacolod. The Navy understood that the late placement of its order created a risk, even under ideal conditions, that the fuel barge would not arrive to commence refueling operations on May 23, 2009.

28. On May 22, 2009, GDMA notified JSM (b)(6), (b)(7)(C) that, due to adverse weather conditions and sea state, the fuel barge would not arrive in Bacolod until the late evening on May 23.

29. On May 23, 2009, GDMA notified (b)(6), (b)(7)(C) that, due to continuing adverse weather conditions and sea state, the fuel barge would not arrive in Bacolod until the morning of May 24.

30. The JSM (b)(6), (b)(7)(C) was ashore in Bacolod at the time of GDMA's updates on May 22 and May 23, and he informed CHE (b)(6), (b)(7)(C) of GDMA's revised estimated time of arrival.

31. Despite the notice provided by GDMA, neither (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) made any attempt to cancel or partially cancel the fuel order. Neither (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) objected to the delivery of fuel on May 24 or expressed any concern that GDMA was in violation of the terms and conditions of the fuel order. The two (b)(6), (b)(7)(C) and the (b)(6), (b)(7)(C) recognized that the delivery of the fuel on May 24 was beyond GDMA's control and excusable. The Navy never notified GDMA that the delivery of the fuel on May 24 would cause a delay in the departure of either the JSM or CHE from Bacolod.

32. On May 24, 2009 at approximately 0900, the fuel barge arrived at the port of Bacolod. CHE refueling started at 1045 and stopped after the ship received a total of 314 metric tons, leaving 328 metric tons of fuel. JSM refueling started at 1640 and stopped after the ship received a total of 127 metric tons, leaving 358 metric tons of fuel. Together, the fuel ordered by CHE and JSM but not received was 686 metric tons, equating to \$746,368 (USD). At the time of delivery (and well past the 48-hour deadline provided by the contract), both the CHE and JSM cancelled the order for the remaining amounts of fuel.

33. At the time of delivery, no representative of the Navy notified GDMA that the fuel delivery was "late" under the LOGREQ for the fuel order or that GDMA had violated any term or condition of the fuel order.

34. Any delay in delivery was excused by the Navy's failure to finalize its order until May 20, 2009, and the adverse weather conditions and sea state experienced by the fuel barge in transit to Bacolod.

35. Following the partial cancellation of the fuel orders by the CHE and the JSM, GDMA was compelled to store the fuel until the Navy responded to GDMA's assertion that the fuel order was improperly cancelled. GDMA could not return the unused fuel to its vendor or sell the unused fuel to another vendor. Under GDMA's contract with Bataan Fuels:

Once fuel is ordered and loaded for delivery, order/cargo may not be cancelled or returned. Balance fuel, if any, left over after loading also may not be returned. The ship must either receive and/or pay for all fuel ordered.

Therefore, under the terms of GDMA's contract with Bataan Fuels, GDMA could not return the unused fuel to Bataan Fuels for a refund. Additionally, GDMA could not resell the fuel to a third party on the commercial market.

36. On May 24, 2009, GDMA submitted invoices to the CHE and JSM for the Bacolod fuel order, including the parts cancelled by the CHE and JSM, and GDMA received partial payment from CHE and JSM fuel order for the quantity actually delivered. During a meeting on June 8, 2009, the (b)(6), (b)(7)(C) informed GDMA that the Navy refused to pay for the cancelled fuel and that GDMA would be required to file a claim under the Contract Disputes Act in order to seek payment.

IV. STATEMENT OF ENTITLEMENT

COUNT I (BREACH OF CONTRACT FOR REFUSAL TO PAY FOR FUEL)

37. GDMA incorporates by reference paragraphs 1-36 as if fully stated herein.
38. The Navy breached the Contract by failing to pay GDMA the full price of GDMA's invoices for the fuel delivered to the CHE and JSM but cancelled at the time of delivery.
39. The Navy partially cancelled the fuel order was well within 48 hours of the time of delivery. Under the § B1.13.4.1 of the Contract, when an order is not cancelled at least 48

hours prior to the required delivery time, "the Ordering activity shall be responsible for termination costs in accordance with the contract clause titled "Termination for the Government's Convenience (FAR 52.212-4)."

40. GDMA performed all of the work associated with the fuel order for the CHE and JSM. GDMA ordered the fuel and arranged for its delivery by fuel barge from Bataan to Bacolod. GDMA was in the process of refueling both the CHE and the JSM when the Navy stopped refueling and cancelled the remaining part of the order.

41. The arrival of the fuel barge on May 24 was not untimely. Alternatively, any delay was excused by the Navy's failure to finalize its fuel order until May 20 and adverse weather conditions and sea state encountered by the fuel barge.

42. The Navy's failure to timely pay the entire fuel order as properly invoiced by GDMA entitles GDMA to interest under the Prompt Payment Act. The Contract incorporates the Prompt Payment Act, which requires federal agencies to pay their bills on time and pay interest penalties when payments are made late:

**52.212-4 Contract Terms and Conditions – Commercial Items
(Feb 2007)**

* * *

(2) Prompt Payment. The Government will make payment in accordance with the Prompt Payment Act (31 U.S.C. 3903) and prompt payment regulations at 5 CFR part 1315.

FAR 52.212-4(i)(2) (incorporated per Contract, § D).

43. After the Navy's improper partial cancellation of the fuel order, GDMA was compelled to store the unused fuel pending the Navy's response to GDMA's assertion that the Navy had breached the contract. GDMA had no contractual right to return the fuel for refund to its vendor and could not resell the fuel to a third-party.

44. After the Navy denied GDMA's claim on October 13, 2009, GDMA distributed the unused fuel for consumption in-house by GDMA's vessels. GDMA is no longer seeking payment of the purchase price for the fuel. However, GDMA has still been damaged by the loss of use of the money owed by the Navy for the amount properly invoiced by GDMA for the unused fuel (\$746,368 (USD)), and the Navy has breached the Contract by failing to pay GDMA Prompt Payment Act interest on this amount per 52.212-4(i)(2).

45. Under FAR 52.212-4(l), the Navy is required to pay GDMA "reasonable charges the Contractor can demonstrate . . . have resulted from the termination."

46. GDMA incurred costs resulting from the Navy's partial cancellation of the fuel order, including without limitation costs to store the fuel from May 29, 2009, through October 13, 2009, in the amount of \$15,328.27.

47. Alternatively, the Navy is obligated to reimburse GDMA for the costs of storing the fuel under § B1.13.4.2 of the Contract. Because of the lack of fuel infrastructure at Bacolod and the substantial distance between Bataan and Bacolod, the order of fuel for delivery at the port of Bacolod required a long lead time. Because ordering fuel for this delivery required a long lead time, the Navy is authorized under § B1.13.4.2 to reimburse GDMA for its costs of performing the cancelled fuel order, and the (b)(6), (b)(7)(C) breached the Contract by denying GDMA the reimburse of these costs. Again, the costs incurred by GDMA were \$15,328.27.

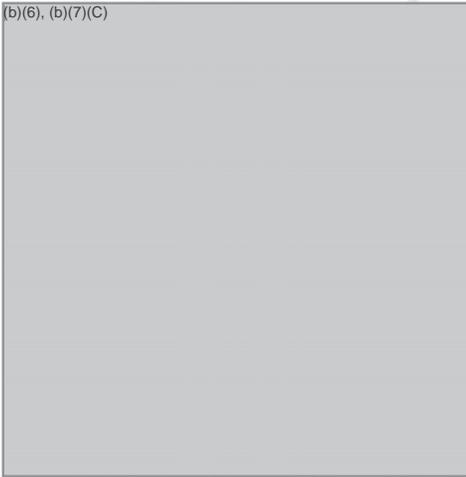
V. RELIEF REQUESTED

WHEREFORE, Appellant prays that the Board: (i) declare that the Navy's partial cancellation of the fuel order for the JSM and CHE in May 2009 was untimely under the ordering and cancellation provisions of the Contract; (ii) in the alternative, declare that the (b)(6), (b)(7)(C) breached § B1.13.4.2 of the contract by failing to reimburse GDMA for its

costs of performing the cancelled fuel order, which had a long lead time; (iii) award GDMA Prompt Payment interest on \$746,368 (USD), which was the properly invoiced amount of the unused fuel that the Navy failed to pay; (iv) award GDMA its reasonable costs incurred because of the untimely partial cancellation of the fuel order, including costs of storing the unused fuel between May 29, 2009, and October 13, 2009, in the amounts set forth herein; (v) award GDMA interest under the Contract Dispute Act and (vi) award GDMA such other relief as the Board deems appropriate under the circumstances.

Respectfully submitted,

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



Glenn Defense Marine (Asia) Pte Ltd.

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

REPORT OF INVESTIGATION (INTERIM)

01APR10

SPECIAL INQUIRY (II)

CONTROL: 10SEP09-SNSN-0341-4XNA

I/FISC, SINGAPORE/POSSIBLE FRAUDULENT FUEL ORDER RECEIPT SUBMITTED BY
GLENN DEFENSE MARINE ASIA LTD

COMMAND/FISC SINGAPORE DETACHMENT/40345

MADE AT/SNSN/SINGAPORE [REDACTED] SPECIAL AGENT

REFERENCE(S)

- (A) NCISRA Singapore ROI (INTERIM)/11Sep09 (Contains exhibits 1-8)
- (B) NCISRA Singapore ROI (INTERIM)/26Oct09 (Contains exhibits 9-10)
- (C) NCISRA Singapore ROI (INTERIM)/02Mar10 (Contains exhibit 11)

EXECUTIVE SUMMARY

1. On 09Sep09, Reporting Agent (RA) met with [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] provided the following to RA, on 11Aug09, the Singapore FISC Detachment received an official claim from Glenn Defense Marine Asia (GDMA) LTD, seeking a \$743,368 USD payment for fuel that was ordered for delivery to the USS CHAFEE (DDG-90) and the USS JOHN S. MCCAIN (DDG-56). The fuel, a total of 1127 metric tons (351,000 gallons) was ordered by the U.S. Navy under contract number N40345-08-D-0004 for delivery on 23May09 for the USS CHAFEE and USS MCCAIN during both vessels port visit to Bacolod, Philippines. The total cost of the 1127 metric tons was \$1,226,176 USD, but only 441 metric tons (\$482,808 USD) was actually delivered. GDMA then submitted a certified claim to FISC Detachment Singapore for the remaining \$743,368 USD plus interest. Under contract N40345-08-D-0004, awarded to GDMA by FISC Singapore on 29Feb08, GDMA was to furnish the services and supplies requested by USN ships while in port in Metro Manila, Subic Bay, Cebu, Puerto Princesa, General Santos, Zamboanga, Legazpi and all other ports in the Philippines.

NARRATIVE

1. This investigation was initiated as a special inquiry into a specific allegation that pertains to the Federal False Claims Act, 31 United States Code (USC) 3729-3733.

2. On 13Oct09, [REDACTED] denied in full the entire GDMA claim for payment of the canceled amount of fuel in the amount of \$743,368 USD.

3. On 07Jan10, GDMA filed a Notice of Appeal with the Armed Services Board of Contract Appeals (ASBCA) ASBCA case number 57081. The unused fuel was stored from 29May09 to 13Oct09 pending the outcome of this appeal. GDMA claimed in the original claim that the USN canceled the order before total off load of the fuel and therefore violated provisions of contract number N40345-08-D-0004. GDMA claims that on 13Oct09, after receiving [REDACTED] denial of payment, GDMA distributed the unused fuel to other GDMA vessels for use, and is no longer seeking the \$743,368 USD payment for the fuel that was not delivered.

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Page 1

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SUBJ: I/FISC/SINGAPORE/POSSIBLE FRAUDULENT FUEL ORDER RECEIPT SUBMIT
U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

GDMA is requesting a U.S. Government payment for fuel storage costs and interest associated with the late payment of the fuel stored. This amount (TBD) will be substantially less than the original claim.

4. There was an amended claim submitted by GDMA on 05Mar10 after requesting an extension on 17Feb10 to file the amendment. The final decision is pending. FISC Singapore has stated to RA that the amended complaint is not releasable at this time.

5. NCISRA Singapore became involved when the original fuel order receipt (highlighted in references A, B and C) appeared to be fraudulent. RA and Participant (b)(6), (b)(7)(C) attempts to verify the authenticity of the Philippine company GDMA apparently utilized to deliver the fuel produced negative results. The Philippine company, identified as Bataan Fuels, Inc was not physically located at the address provided on the receipt. No other address was available and the company's website is listed as under construction. Further checks with pertinent Philippine government business licensing organizations failed to produce a Philippine business operating license, physical address or tax identification number for Bataan Fuels, Inc. An interview was conducted by RA with the GDMA Philippine Country Manager and his deputy, but attempts to identify and interview GDMA representatives that supported the USN ship visit and had business dealings and contact with Bataan Fuels Inc have met with negative results.

6. This investigation continues.

PARTICIPANT(S)

(b)(6), (b)(7)(C) NCISRA Manila, Philippines

DISTRIBUTION

NCISHQ: 0023A
INFO: SNSN/NCIS REP TO NAI0

CASE CNTRL	INT	DATE
CCS	(b)(6), (b)(7)(C)	26 APR 10
TRANSMIT		2 APR 10
MAILED		
FAXED		

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U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

INVESTIGATIVE ACTION

02MAR10

CONTROL: 10SEP09-SNSN-0341-4XNA

I/FISC, SINGAPORE/POSSIBLE FRAUDULENT FUEL ORDER RECEIPT SUBMITTED BY
GLENN DEFENSE MARINE ASIA LTD

VARIOUS EMAILS BETWEEN GDMA AND THE USN

1. FISC Singapore has provided emails between GDMA representatives and the United States Navy in regards to the fuel delivery and other LOGREQ items for the 24May09 port visits of the USS CHAFFEE and USS MCCAIN to the Philippines.

2. Enclosure (A) are the emails.

ENCLOSURE

(A) EMAILS BETWEEN GDMA REPRESENTATIVES AND THE USN

REPORTED BY: (b)(6), (b)(7)(C) SPECIAL AGENT
OFFICE: NCISRA SINGAPORE

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Page 1

LAST

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

V2 LNY

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AUTHORIZATION FROM THE NAVAL CRIMINAL INVESTIGATIVE SERVICE.

From: (b)(6), (b)(7)(C)

Sent: Monday, May 18, 2009 10:27 PM

To: (b)(6), (b)(7)(C)

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

Cc: (b)(6), (b)(7)(C)

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

Subject: Re: FW: USS John S. McCain - Port Visit to PI

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

The fuel supply has been confirmed and is good to go. We have a pumping rate of 200 mtons per hour and 4-6 inches diameter hose connections onboard.

From an FP aspect, we are already coordinating with Host Nation Support (Phil Navy and Coast Guard) to vett the barge prior to going alongside. Our Glen Ops staff on the ground will be monitoring VHF Channel 72 and will be in constant comms with both ships prior to the supply. Identification of our barge and tankers will be provided as we get closer to the supply date. Please advise lat and long for rv point.

Let me know if you require any further information Sir. Standing by to assist.

Thank you.

vr

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

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

From: (b)(6), (b)(7)(C)

To:

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

Sent: Monday, May 18, 2009 9:57 PM

Subject: RE: FW: USS John S. McCain - Port Visit to PI

All,

We will refuel in Bocolod providing fuel can be supplied. However, we will not fuel upon arrival as we arrive at/near sunset. The fuel will need to be delivered the fol morning.

(b)(6), (b)(7)(C) -- this is what our track plan lays out. If you know/think otherwise speak now.

(b)(6), (b)(7)(C) -- how is fuel delivered and who inspects fuel fm an FP aspect to ensure the barge is not an FP problem? How do we know the barge that comes to us is our fueling barge?

V/R.

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

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

[REDACTED]

From: [REDACTED]
Sent: [REDACTED]
To: [REDACTED]
Subject: [REDACTED]

Importance: Low

Attachments: Dis_Adde.txt; JanHead.txt; ProHit.txt



Dis_Adde.txt (598 B) JanHead.txt (977 B) ProHit.txt (662 B)

ATTENTION INVITED TO

ROUTINE

R 190038Z MAY 09 PSN 036500H14

FM USS CHAFEE

TO COMSEVENTHFLT

INFO CTF 70
CTF 73
CTF 73
COMNAVSURFGRU MIDPAC
HSL THREE SEVEN KANBOHE BAY HI
AMEMBASSY MANILA
USDAO MANILA RP
USDAO MANILA RP
CHIEF JUSMAG MANILA RP
USPACOM REP PHILIPPINES MANILA RP
FISC YOKOSUKA JA
NAVCRIMINVSERVFO SINGAPORE
NAVCRIMINVSERVRA MANILA RP
COMNAVREGCTR SINGAPORE
COMNAVREGCTR SINGAPORE
FISC DET SINGAPORE
USS HARPERS FERRY
USS JOHN S MCCAIN

DECLASSIFIED BY
DIPCLNC DTG

PER C7F OPORD 201

BT

[REDACTED]

MSGID/GENADMIN/CHAFFEE/-/MAY//

SUBJ/CONSOLIDATED LOGREQ FOR BACOLOD, RP [REDACTED]

REF/A/DOC/CNO/01FEB2002//

REF/B/DOC/C7F/21MAR2009//

REF/C/EMAIL/JSM/18MAY2009//

AMPN/REF A IS NWP 1-03.1. REF B IS C7F OPORD 201. REF C IS LOGREQ FEEDER CORRESPONDENCE
BETWEEN CHE [REDACTED] AND JSM
POC (b)(6), (b)(7)(C) [REDACTED] CHAFFEE/UNDERWAY
/EMAIL

GENTEXT/REMARKS/-//

RMKS/1. IAW REF A THROUGH C, FOL CONSOLIDATED LOGREQ FEED FOR USS CHAFEE (DDG 90) AND USS JOHN S. MCCAIN (DDG 56) ARRIVAL AND DEPARTURE FOR BACOLOD, RP IS SUBMITTED. ALL TIMES IN LOCAL TIME ZONE -8H.

2. USS CHAFEE (DDG 90)

- ALPHA: (1) [REDACTED] ANCHORAGE
IN POSITION 10-43.809N 122-53.584E.
2. REQ CONFIRMATION OF PLANNED ANCHORAGE
LOCATION
- BRAVO: (1) SHIP'S CHARACTERISTICS:
A. LOA: 509FT/155.31M
B. LW: 466FT/142.03M
C. BM: 66FT/20.24M
D. DFT: 32FT/9.75M
E. HGT: 150.4FT/46.07M
(2) PROPELLERS: 2 CONTROLLABLE REVERSIBLE PITCH PROPS.
(3) RUDDERS: 2 ELECTRO-HYDRAULIC RUDDERS.
(4) DISPLACEMENT: 9,157 TONS.
(5) DISTANCE FROM BOW TO BRIDGE: 130FT/39.67M
(6) THRUSTERS: NONE
- FOXTROT: (1) RQST 200,000 GALS OF F76, [REDACTED]
- INDIA: (1) CURRENT N/M: 04/07
LOCAL N/M: 03/07
HYDROPAC: 22/07
NAVAREA XII: 151/07
- LIMA: (1) [REDACTED]
- OSCAR: (1) ONE INDEPENDENT DUTY CORPSMAN AND ONE ADDITIONAL
CORPSMEN.
- PAPA: (1) ROST FREE PRACTICE. LAST PORT OF CALL: CALBAYOG, RP
(2) LAST DATE OF SHIPBOARD SANITATION CONTROL EXCEPTION
CERTIFICATE: 26 NOV 07
- UNIFORM: (1) (b)(6), (b)(7)(C)
[REDACTED]
(2) OFFICERS - 37
(3) ENLISTED - 258
- VICTOR: (1) INTL CALL SIGN: NJHC
(2) SHIP WILL GUARD BRIDGE TO BRIDGE CHANNEL 16 AND LOCAL
HARBOR CONTROL CHANNEL.
- ZULU: (1) REQ LOCAL TIDE INFORMATION FOR [REDACTED] AND ANY
UPDATED NAVIGATION INFORMATION NOT LISTED IN
THE LATEST NIM, HYDROPAC, AND NAVAREAS BE
PROVIDED VIA EMAIL TO: NAV(AT)DDG90.NAVY(.SMIL):MIL
(2) REQ ADVISE HARBOR MOVEMENTS.
(3) POINTS OF CONTACT (E-MAIL):
(b)(6), (b)(7)(C)
[REDACTED]
(4) FP REQUIREMENTS PROVIDED SEPCOR.

3. USS JOHN S. MCCAIN (DDG 56)

- ALPHA: (C) (1) [REDACTED] ANCHORAGE IN
POSITION 10-44.488N 122-53.584E.
(2) REQ CONFIRMATION OF PLANNED ANCHORAGE
LOCATION
- BRAVO: (1) SHIP CHARACTERISTICS:
LOA: 505 FT. (155.3M)
LW: 466 FT (144.3M)
BM: 66 FT (20.4M)
DFT: 34 FT (10.4M)
HGT: 172 FT (52.5M)
FB: 35 FT (10.6M)

FOXTROT: (1) ROST 140,000 GAL P76 DELIVERED VIA BARGE [REDACTED]

INDIA: (1) NIM: 20/2009
HYDROPAC: 883/2009
NAVAREA XII: 217/2009

LIMA: (1) [REDACTED]

OSCAR: (1) ONE (E7) MALE HOSPITAL CORPSMAN (IDC), AND TWO JUNIOR MALE CORPSMEN ONBOARD.

PAPA: (1) REQ FREE PRATIQUE. LAST PORT OF CALL: CALBAYOG, RP [REDACTED]

QUEBEC: (1) REQ CUSTOMS CLEARANCE AS REQUIRED.

UNIFORM: (1) (b)(6), (b)(7)(C) [REDACTED]

VICTOR: (1) INTL CALLSIGN: NJSM
(2) SHIP WILL GUARD BTB CHANNELS 16 AND 10.
REQ ADVISE ON PORT CONTROL WORKING CHANNEL.

ZULU: (1) REQ LOCAL TIDE INFORMATION FOR [REDACTED] AND ANY UPDATED NAVIGATION INFORMATION NOT LISTED IN THE LATEST NIM, HYDROPAC, AND NAVAREAS BE PROVIDED VIA EMAIL TO: (b)(6), (b)(7)(C) [REDACTED]
(b)(6), (b)(7)(C) [REDACTED]

(2) REQ ADVISE HARBOR MOVEMENTS.

(3) POINTS OF CONTACT (E-MAIL): (b)(6), (b)(7)(C) [REDACTED]
COMMANDING OFFICER:
EXECUTIVE OFFICER:
COMMAND MASTER CHIEF:
COMBAT SYSTEMS OFFICER:
OPERATIONS OFFICER:
SUPPLY OFFICER:
WEAPONS OFFICER:
ENGINEER OFFICER:
NAVIGATION OFFICER:

DECL/-/-/X4//

BT
#5829
NNNN

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

From: (b)(6), (b)(7)(C)
To: [Redacted]
Cc: [Redacted]
Sent: Friday, May 22, 2009 8:32 PM
Attach: USS CHAFEE & USS JOHN S. MCCAIN LOGREQ RESPONSE - BACOLOD.pdf
Subject: Re: USS CHAFEE AND USS JOHN S MCCAIN CONSOLIDATED LOGREQ FOR BACOLOD, RP

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

Please find attached CONSOLIDATED LOGREQ Response for USS CHAFEE & USS JOHN S MCCAIN, Bacolod pvst.

Thank you.

V/R,
(b)(6), (b)(7)(C)

> **From:** (b)(6), (b)(7)(C)
> **Date:** Tue, 19 May 2009 10:39:09 -0000
> **To:** (b)(6), (b)(7)(C)
> **Cc:** [Redacted]
> **Conversation:** USS CHAFEE AND USS JOHN S MCCAIN CONSOLIDATED LOGREQ FOR
> BACOLOD, RP
> **Subject:** USS CHAFEE AND USS JOHN S MCCAIN CONSOLIDATED LOGREQ FOR
> BACOLOD, RP

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

> As requested per phone conversation, here's another copy of the LOGREQ
> for Bacolod with the position not black out for the two ship. Please
> acknowledge this e-mail. Thank you.

> Very Respectfully,

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

> [Redacted signature block]

> Let us know how we are doing. We would greatly appreciate it if you

- > could do a quick evaluation of the service you received from FISC Det
- > Singapore.
- >
- > https://ice.disa.mil/index.cfm?fa=site&site_id=771
- >
- >
- >

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

From: (b)(6), (b)(7)(C)
To: (b)(6), (b)(7)(C)
Sent: Wednesday, May 20, 2009 6:07 AM
Subject: Fw: Sitrep 04

JSM now need 151K

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

----- Forwarded Message -----

From: (b)(6), (b)(7)(C)
To: (b)(6), (b)(7)(C)
Cc: (b)(6), (b)(7)(C)
Sent: Tuesday, May 19, 2009 11:01:08 PM
Subject: RE: Sitrep 04

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

(b)(6), (b)(7)(C) is modifying our request for fuel to 151K based on the amount we were able to get from today.

: Do you have a preferred side to refuel from?

R

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

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

From: (b)(6), (b)(7)(C)
To: (b)(6), (b)(7)(C)
Cc:
Sent: Thursday, May 14, 2009 7:47 PM
Subject: FW: Fuel?

See email below it looks like we might need fuel.

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

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

From: (b)(6), (b)(7)(C)
Sent: Thursday, May 14, 2009 8:44 PM
To: (b)(6), (b)(7)(C)
Cc:
Subject: FW: Fuel?

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

You had said 115K for the RAS on 19May with (b)(6), (b)(7)(C)

With only 50K (see below), what does our fuel countdown look like through 27May?

Recommend using 10kts for each day underway.

- 15-20 May underway
- 21 May anchored
- 22 May underway
- 23 May anchored
- 24-27 May underway

R/
(b)(6), (b)(7)(C)

From: (b)(6), (b)(7)(C)

Sent: Thursday, May 14, 2009 6:28 PM

To: (b)(6), (b)(7)(C)

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

Cc: (b)(6), (b)(7)(C)

(b)(6),

(b)(7)(C)

Subject: Fuel?

All,

(b)(6), (b)(7)(C) broke the bad news that Concord is heading in to Subic for repairs. She may get U/W on the 18th. This doesn't help get pallets to HFY on the 18th, but could help get gas to CHE/JSM on the 19th.

Question 1: (b)(6), (b)(7)(C) does 50K gallons of fuel (100K Gal max cap for CCD) help mitigate our fuel problems?

Question 2: (b)(6), (b)(7)(C) Is it possible to get fuel in Calbayog (21 May) or Bacolod (23 May)? I know, I know should have asked 3 months ago

Question 3: (b)(6), (b)(7)(C) Is there a possibility of getting fuel somewhere West of the Sulu Sea sometime on the 28th?

BTW – tried to send an e-mail on the SIPR side, but we're having connectivity problems on the HFY,

Thanks,

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

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

REPORT OF INVESTIGATION (INTERIM)

02MAR10

SPECIAL INQUIRY (II)

CONTROL: 10SEP09-SNSN-0341-4XNA

I/FISC, SINGAPORE/POSSIBLE FRAUDULENT FUEL ORDER RECEIPT SUBMITTED BY
GLENN DEFENSE MARINE ASIA LTD

COMMAND/FISC SINGAPORE DETACHMENT/40345

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

REFERENCE(S)

- (A) NCISRA Singapore ROI (INTERIM)/11Sep09 (Contains exhibits 1-8)
- (B) NCISRA Singapore ROI (INTERIM)/26Oct09 (Contains exhibits 9-10)

EXHIBIT

(11) IA: Various Emails Between GDMA Representatives and the
USN... (Copy All)

EXECUTIVE SUMMARY

1. On 09Sep09, Reporting Agent (RA) met with (b)(6), (b)(7)(C), (b)(7)(F)

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

(b)(6), (b)(7)(C), (b)(7)(F) located at the PSA Sembawang Terminal, Building 7-4, Singapore. (b)(6), (b)(7)(C), (b)(7)(F) provided the following to RA, on 11Aug09, the Singapore FISC Detachment received a claim from Glenn Defense Marine Asia (GDMA) LTD, seeking a \$743,368 USD payment for fuel that was ordered for delivery to the USS CHAFEE (DDG-90) and the USS JOHN S. MCCAIN (DDG-56). The fuel, a total of 1127 metric tons (351,000 gallons) was ordered by the U.S. Navy under contract number N40345-08-D-0004 for delivery on 23May09 for the USS CHAFEE and USS MCCAIN during both vessels port visit to Bacolod, Philippines. The total cost of the 1127 metric tons is \$1,226,176 USD, but only 441 metric tons (\$482,808 USD) was actually delivered. GDMA submitted a certified claim to FISC Detachment Singapore for the remaining \$743,368 USD plus interest. Under contract N40345-08-D-0004, awarded to GDMA by FISC Singapore on 29Feb08, GDMA was to furnish the services and supplies requested by USN ships while in port in Metro Manila, Subic Bay, Cebu, Puerto Princesa, General Santos, Zamboanga, Legazpi and all other ports in the Philippines.

2. There are currently several performing issues surrounding the delivery of the fuel by GDMA, to include the late delivery of the fuel to the USN vessels and the disposition of the remaining 686 metric tons of fuel. The entire fuel order receipt amount was denied by FISC Singapore pending further additional supporting documentation and information from GDMA. GDMA has 120 days from the denial letter to submit an appeal.

NARRATIVE

1. This investigation is initiated as a special inquiry into a specific allegation that pertains to the Federal False Claims Act, 31 United States Code (USC) 3729-3733.

2. GDMA has appealed the denial of the fuel purchase amount to the

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SUBJ: I/FISC/SINGAPORE/POSSIBLE FRAUDULENT FUEL ORDER RECEIPT SUBMIT
U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

Armed Forces Contract Appellate Board (AFCAB). FISC Singapore has also made an inquiry to the Navy Acquisition Integrity Office (NAIO) to determine the interest in NAIO pursuing a False Claim against GDMA.

3. To date, Reporting Agent has had no success in determining what GDMA representative negotiated the purchase fuel price from the company listed on the receipt as BATAAN FUELS INC. NCIS has not uncovered any evidence of the physical existence and Philippine government business licensing of this company in the Philippines. GDMA Philippines Country Office has not been responsive to RA's inquiries for further information. RA and FISC Singapore are awaiting the results of the AFCAB review.

4. Investigation continues.

PARTICIPANT

(b)(6), (b)(7)(C) Special Agent, NCISRU Manila, Philippines

DISTRIBUTION

NCISHQ: 0023A

INFO: SNSN

CASE CNTRL	INT	DATE
CCS	(b)(6), (b)(7)(C)	2/11/10
TRANSMIT	"	"
MAILED	-	-
FAXED	-	-

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LAST

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

V2 LNY

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U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

INVESTIGATIVE ACTION

18JAN10

CONTROL: 10SEP09-SNSN-0341-4XNA

I/FISC, SINGAPORE/POSSIBLE FRAUDULENT FUEL ORDER RECEIPT SUBMITTED BY
GLENN DEFENSE MARINE ASIA LTD

VARIOUS EMAILS BETWEEN GDMA AND THE USN

1. FISC Singapore has provided emails between GDMA representatives and the United States Navy in regards to the fuel delivery and other LOGREQ items for the 24May09 port visits of the USS CHAFFEE and USS MCCAIN to the Philippines.

2. Enclosure (A) are the emails.

ENCLOSURE

(A) EMAILS BETWEEN GDMA REPRESENTATIVES AND THE USN

REPORTED BY: (b)(6), (b)(7)(C) SPECIAL AGENT
OFFICE: NCISRA SINGAPORE

EXHIBIT (11)

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Page 1

LAST

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

V2 LNY

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AUTHORIZATION FROM THE NAVAL CRIMINAL INVESTIGATIVE SERVICE.

From: (b)(6), (b)(7)(C)
Sent: Monday, May 18, 2009 10:27 PM
To: (b)(6), (b)(7)(C)
(b)(6), (b)(7)(C)
Cc: (b)(6), (b)(7)(C)
(b)(6),
(b)(7)(C)
Subject: Re: FW: USS John S. McCain - Port Visit to PI
Hi (b)(6),
(b)(7)(C)

The fuel supply has been confirmed and is good to go. We have a pumping rate of 200 mtons per hour and 4-6 inches diameter hose connections onboard.

From an FP aspect, we are already coordinating with Host Nation Support (Phil Navy and Coast Guard) to vett the barge prior to going alongside. Our Glen Ops staff on the ground will be monitoring VHF Channel 72 and will be in constant comms with both ships prior to the supply. Identification of our barge and tankers will be provided as we get closer to the supply date. Please advise lat and long for rv point.

Let me know if you require any further information Sir. Standing by to assist.

Thank you.

vr

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

----- Original Message -----
From: (b)(6), (b)(7)(C)
To: (b)(6), (b)(7)(C)
(b)(6), (b)(7)(C)
Cc: (b)(6), (b)(7)(C)
(b)(6),
(b)(7)(C)
(b)(6), (b)(7)(C)

Sent: Monday, May 18, 2009 9:57 PM
Subject: RE: FW: USS John S. McCain - Port Visit to PI

All,

We will refuel in Bocolod providing fuel can be supplied. However, we will not fuel upon arrival as we arrive at/near sunset. The fuel will need to be delivered the fol morning.

(b)(6), (b)(7)(C) -- this is what our track plan lays out. If you know/think otherwise speak now.

(b)(6), (b)(7)(C) -- how is fuel delivered and who inspects fuel fm an FP aspect to ensure the barge is not an FP problem? How do we know the barge that comes to us is our fueling barge?

V/R,

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

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

[REDACTED]
From:
Sent:
To:
Subject:

Importance: Low
Attachments: Dis_Adde.txt; JanHead.txt; ProHit.txt

Dis_Adde.txt (598 B) JanHead.txt (977 B) ProHit.txt (662 B)

ATTENTION INVITED TO

ROUTINE

R 190038Z MAY 09 PSN 036500H14

FM USS CHAFEE

TO COMSEVENTHFLT

INFO CTF 70
CTF 73
CTF 73
COMNAVSURFGRU MIDPAC
HSL THREE SEVEN KANBOHE BAY HI
AMEMBASSY MANILA
USDAO MANILA RP
USDAO MANILA RP
CHIEF JUSMAG MANILA RP
USPACOM REP PHILIPPINES MANILA RP
FISC YOKOSUKA JA
NAVCIMINVSERVFO SINGAPORE
NAVCIMINVSERVRA MANILA RP
COMNAVREGCTR SINGAPORE
COMNAVREGCTR SINGAPORE
FISC DET SINGAPORE
USS HARPERS FERRY
USS JOHN S MCCAIN

BT

[REDACTED]
MSGID/GENADMIN/CHAFEE/-/MAY//

SUBJ/CONSOLIDATED LOGREQ FOR BACOLOD, RP [REDACTED]

REF/A/DOC/CNO/01FEB2002//

REF/B/DOC/C7F/21MAR2009//

REF/C/EMAIL/JSM/18MAY2009//

AMPN/REF A IS NWP 1-03.1. REF B IS C7F OPORD 201. REF C IS LOGREQ FEEDER CORRESPONDENCE
BETWEEN CHE [REDACTED] AND JSM
POC (b)(6), (b)(7)(C)
/EM [REDACTED]

DECLASSIFIED BY
DIPCLNC DTG

PER C7F OPORD 201

GENTEXT/REMARKS/-//

RMKS/1. IAW REF A THROUGH C, FOL CONSOLIDATED LOGREQ FEED FOR USS CHAFFEE (DDG 90) AND USS JOHN S. MCCAIN (DDG 56) ARRIVAL AND DEPARTURE FOR BACOLOD, RP IS SUBMITTED. ALL TIMES IN LOCAL TIME ZONE -8H.

2. USS CHAFFEE (DDG 90)

ALPHA: (1) [REDACTED] ANCHORAGE
IN POSITION 10-43.809N 122-53.584E.
2. REQ CONFIRMATION OF PLANNED ANCHORAGE
LOCATION

BRAVO: (1) SHIP'S CHARACTERISTICS:
A. LOA: 509FT/155.31M
B. LW: 466FT/142.03M
C. BM: 66FT/20.24M
D. DFT: 32FT/9.75M
E. HGT: 150.4FT/46.07M
(2) PROPELLERS: 2 CONTROLLABLE REVERSIBLE PITCH PROPS.
(3) RUDDERS: 2 ELECTRO-HYDRAULIC RUDDERS.
(4) DISPLACEMENT: 9,157 TONS.
(5) DISTANCE FROM BOW TO BRIDGE: 130FT/39.67M
(6) THRUSTERS: NONE

FOXTROT: (1) RQST 200,000 GALS OF F76, [REDACTED]

INDIA: (1) CURRENT N/M: 04/07
LOCAL N/M: 03/07
HYDROPAC: 22/07
NAVAREA XII: 151/07

LIMA: (1) [REDACTED]

OSCAR: (1) ONE INDEPENDENT DUTY CORPSMAN AND ONE ADDITIONAL
CORPSMEN.

PAPA: (1) ROST FREE PRATIQUE. LAST PORT OF CALL: CALBAYOG, RP
(2) LAST DATE OF SHIPBOARD SANITATION CONTROL EXCEPTION
CERTIFICATE: 26 NOV 07

UNIFORM: (1) (b)(6), (b)(7)(C) [REDACTED]
(2) (b)(6), [REDACTED]
(3) OFFICERS - 37
ENLISTED - 258

VICTOR: (1) INTL CALL SIGN: NJHC
(2) SHIP WILL GUARD BRIDGE TO BRIDGE CHANNEL 16 AND LOCAL
HARBOR CONTROL CHANNEL.

ZULU: (1) REQ LOCAL TIDE INFORMATION FOR [REDACTED] AND ANY
UPDATED NAVIGATION INFORMATION NOT LISTED IN
THE LATEST NTM, HYDROPAC, AND NAVAREAS BE
PROVIDED VIA EMAIL TO: NAV(AT)DDG90.NAVY(.SMIL):MIL
(2) REQ ADVISE HARBOR MOVEMENTS.
(3) POINTS OF CONTACT (E-MAIL):
LT (b)(6), (b)(7)(C) [REDACTED]
EMAIL: (b)(6), (b)(7)(C) [REDACTED]
(b)(6), (b)(7)(C) [REDACTED]
EMAIL: (b)(6), (b)(7)(C) [REDACTED]
(b)(6), (b)(7)(C) [REDACTED]
EMAIL: (b)(6), (b)(7)(C) [REDACTED]
(4) FP REQUIREMENTS PROVIDED SEPCOR.

3. USS JOHN S. MCCAIN (DDG 56)

ALFA: (C) (1) [REDACTED] ANCHORAGE IN
POSITION 10-44.488N 122-53.584E.
(2) REQ CONFIRMATION OF PLANNED ANCHORAGE
LOCATION

BRAVO: (1) SHIP CHARACTERISTICS:
LOA: 505 FT. (156.3M)
LW: 466 FT (144.3M)
BM: 66 FT (20.4M)
DFT: 34 FT (10.4M)
HGT: 172 FT (52.5M)
FB: 35 FT (10.6M)

FOXTROT: (1) POST 140,000 GAL P76 DELIVERED VIA BARGE [REDACTED]

INDIA: (1) NTM: 20/2009
HYDROPAC: 883/2009
NAVAREA XII: 217/2009

LIMA: (1) [REDACTED]

OSCAR: (1) ONE (E7) MALE HOSPITAL CORPSMAN (IDC), AND TWO JUNIOR MALE CORPSMEN ONBOARD.

PAPA: (1) REQ FREE PRACTICE. LAST PORT OF CALL: CALBAYOG, RP

QUEBEC: (1) REQ CUSTOMS CLEARANCE AS REQUIRED.

UNIFORM: (1) [REDACTED]
OFF-25/ENL-237.

VICTOR: (1) INTL CALLSIGN: NJSM
(2) SHIP WILL GUARD BTB CHANNELS 16 AND 10.
REQ ADVISE ON PORT CONTROL WORKING CHANNEL.

ZULU: (1) REQ LOCAL TIDE INFORMATION FOR [REDACTED] AND ANY UPDATED NAVIGATION INFORMATION NOT LISTED IN THE LATEST NTM, HYDROPAC, AND NAVAREAS BE PROVIDED VIA EMAIL TO: [REDACTED]
[REDACTED]
(2) REQ ADVISE HARBOR MOVEMENTS.
(3) POINTS OF CONTACT (E-MAIL):
COMMANDING OFFICER: [REDACTED]
EXECUTIVE OFFICER: [REDACTED]
COMMAND MASTER CHIEF: [REDACTED]
COMBAT SYSTEMS OFFICER: [REDACTED]
OPERATIONS OFFICER: [REDACTED]
SUPPLY OFFICER: [REDACTED]
WEAPONS OFFICER: [REDACTED]
ENGINEER OFFICER: [REDACTED]
NAVIGATION OFFICER: [REDACTED]

DECL//--//X4//

BT
#5829
NNNN

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

From: (b)(6), (b)(7)(C)
To: [Redacted]
Cc: [Redacted]
Sent: Friday, May 22, 2009 8:32 PM
Attach: USS CHAFEE & USS JOHN S. MCCAIN LOGREQ RESPONSE - BACOLOD.pdf
Subject: Re: USS CHAFEE AND USS JOHN S MCCAIN CONSOLIDATED LOGREQ FOR BACOLOD, RP

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

Please find attached CONSOLIDATED LOGREQ Response for USS CHAFEE & USS JOHN S MCCAIN, Bacolod pvst.

Thank you.

V/R,
(b)(6), (b)(7)(C)

> **From:** (b)(6), (b)(7)(C)
 > **Date:** Tue, 19 May 2009 10:39:09 -0000
 > **To:** (b)(6), (b)(7)(C)
 > **Cc:** [Redacted]
 > **Conversation:** USS CHAFEE AND USS JOHN S MCCAIN CONSOLIDATED LOGREQ FOR
 > BACOLOD, RP
 > **Subject:** USS CHAFEE AND USS JOHN S MCCAIN CONSOLIDATED LOGREQ FOR
 > BACOLOD, RP

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

> As requested per phone conversation, here's another copy of the LOGREQ
 > for Bacolod with the position not black out for the two ship. Please
 > acknowledge this e-mail. Thank you.

> Very Respectfully,

> (b)(6), (b)(7)(C)
 > [Redacted Signature Block]

> Let us know how we are doing. We would greatly appreciate it if you

> could do a quick evaluation of the service you received from FISC Det
> Singapore.

> https://ice.disa.mil/index.cfm?fa=site&site_id=771

>
>
>

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

From: (b)(6), (b)(7)(C)

To: (b)(6), (b)(7)(C)

Sent: Wednesday, May 20, 2009 6:07 AM

Subject: Fw: Sitrep 04

JSM now need 151K

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

----- Forwarded Message -----

From: (b)(6), (b)(7)(C)

To: (b)(6), (b)(7)(C)

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

Sent: Tuesday, May 19, 2009 11:01:08 PM

Subject: RE: Sitrep 04

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

(b)(6), (b)(7)(C) is modifying our request for fuel to 151K based on the amount we were able to get from today.

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

Do you have a preferred side to refuel from?

R,

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

From: (b)(6), (b)(7)(C)
To: (b)(6), (b)(7)(C)
Cc: [Redacted]
Sent: Thursday, May 14, 2009 7:47 PM
Subject: FW: Fuel?

See email below it looks like we might need fuel.

(b)(6), (b)(7)(C)
[Redacted]

(b)(6), (b)(7)(C)
[Redacted]

From: (b)(6), (b)(7)(C)
Sent: Thursday, May 14, 2009 8:44 PM
To: (b)(6), (b)(7)(C)
Cc: All Department Heads; JSM OPS Khaki
Subject: FW: Fuel?

(b)(6), (b)(7)(C)
[Redacted]

You had said 115K for the RAS on 19May with CCD.

With only 50K (see below), what does our **fuel countdown** look like through 27May?

Recommend using 10kts for each day underway.

- 15-20 May underway
- 21 May anchored
- 22 May underway
- 23 May anchored
- 24-27 May underway

R/
(b)(6), (b)(7)(C)
[Redacted]

From: (b)(6), (b)(7)(C)

Sent: Thursday, May 14, 2009 6:28 PM

To: (b)(6), (b)(7)(C)

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

Cc: (b)(6), (b)(7)(C)

(b)(6)

(b)(7)(C)

Subject: Fuel?

All,

(b)(6), (b)(7)(C) broke the bad news that Concord is heading in to Subic for repairs. She may get U/W on the 18th. This doesn't help get pallets to HFY on the 18th, but could help get gas to CHE/JSM on the 19th.

Question 1: (b)(6), (b)(7)(C) does 50K gallons of fuel (100K Gal max cap for CCD) help mitigate our fuel problems?

Question 2: (b)(6), (b)(7)(C) Is it possible to get fuel in Calbayog (21 May) or Bacolod (23 May)? I know, I know should have asked 3 months ago

Question 3: (b)(6), (b)(7)(C) is there a possibility of getting fuel somewhere West of the Sulu Sea sometime on the 28th?

BTW – tried to send an e-mail on the SIPR side, but we're having connectivity problems on the HFY,

Thanks,

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

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

REPORT OF INVESTIGATION (INTERIM)

26OCT09

SPECIAL INQUIRY (II)

CONTROL: 10SEP09-SNSN-0341-4XNA

I/FISC, SINGAPORE/POSSIBLE FRAUDULENT FUEL ORDER RECEIPT SUBMITTED BY
GLENN DEFENSE MARINE ASIA LTD

COMMAND/FISC SINGAPORE DETACHMENT/40345

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

REFERENCE

(A) NCISRA Singapore ROI (INTERIM)/11Sep09 (Contains exhibits 1-8)

EXHIBITS

- (9) IA: Results of Record Check Inquiries for Bataan Fuels, Inc with
Philippine Government Agencies... (Copy All)
- (10) IA: Results of Interview (b)(6), (b)(7)(C) /29Sep09... (Copy All)

EXECUTIVE SUMMARY

1. On 09Sep09, Reporting Agent (RA) met with (b)(6), (b)(7)(C), (b)(7)(F)
(b)(6), (b)(7)(C), (b)(7)(F)
(b)(6), (b)(7)(C), (b)(7)(F) located at the PSA Sembawang Terminal, Building
7-4, Singapore. (b)(6), (b)(7)(C), (b)(7)(F) provided the following to RA, on 11Aug09, the
Singapore FISC Detachment received a claim from Glenn Defense Marine
Asia (GDMA) LTD, seeking a \$743,368 USD payment for fuel that was
ordered for delivery to the USS CHAFEE (DDG-90) and the USS JOHN S.
MCCAIN (DDG-56). The fuel, a total of 1127 metric tons (351,000
gallons) was ordered by the U.S. Navy under contract number N40345-
08-D-0004 for delivery on 23May09 for the USS CHAFEE and USS MCCAIN
during both vessels port visit to Bacolod, Philippines. The total
cost of the 1127 metric tons is \$1,226,176 USD, but only 441 metric
tons (\$482,808 USD) was actually delivered. GDMA submitted a
certified claim to FISC Detachment Singapore for the remaining
\$743,368 USD plus interest. Under contract N40345-08-D-0004, awarded
to GDMA by FISC Singapore on 29Feb08, GDMA was to furnish the
services and supplies requested by USN ships while in port in Metro
Manila, Subic Bay, Cebu, Puerto Princesa, General Santos, Zamboanga,
Legazpi and all other ports in the Philippines.

2. The specific allegation that initiated this inquiry is the
possible false claim receipt for the entire fuel order purchase.
(b)(6), (b)(7)(C), (b)(7)(F) provided RA the sales invoice for the 1127 metric ton fuel
purchase from a company identified on the sales invoice, number 1314,
dated 18May09 as BATAAN FUELS, INC, BF Building, 94 Limay, Bataan,
Philippines 2103. (b)(6), (b)(7)(C), (b)(7)(F) opined that the invoice may be bogus, as
there is no mention of this company in any prior billing
documentation, no telephone contact numbers, a website that lists as
under construction, and no specific address. Additionally, the
invoice is in U.S. dollars vice Philippine Pesos, something that FISC
has never seen before on any billing invoice received from a company
conducting business in the Philippines (primarily due to the
fluctuations in currency rates). RA conducted a limited internet
search for a company listing for BATAAN FUELS, INC in Philippines

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U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

with no results. (b)(6), (b)(7)(C), (b)(7)(F) requested NCIS assistance in determining the existence of this company and the determining if GDMA submitted a false claim to FISC Singapore for the fuel purchase. Investigation continues.

NARRATIVE

1. This investigation is initiated as a special inquiry into a specific allegation that pertains to the Federal False Claims Act, 31 United States Code (USC) 3729-3733.

2. Reference (a) provides details regarding previous investigative effort. On 11Sep09 and 14Sep09, in response to a lead tasking, Participant (b)(6), (b)(7)(C) Special Agent, NCISRA Manila, Philippines, made inquiries at the Philippine Securities Exchange Commission and various municipal offices in the Bataan province for Bataan Fuels, Inc. (b)(6), (b)(7)(C) details the results of these checks in exhibit (9). (b)(6), (b)(7)(C) after checking with the Republic of Philippines, Municipality of Limay, Business Permits and Licensing Office, Office of the Municipal Assessor, Limay, Bataan, Office of the Municipal Treasurer, and the Office of the Municipal Assessor, Morong, Bataan, found no record of Bataan Fuels, Inc at any of these Philippine agencies. Exhibit (9), has the Philippine agency letterhead responses from each of these agencies (enclosures a-d).

3. On 29Sep09, Reporting Agent (RA) interviewed (b)(6), (b)(7)(C)
 (b)(6), (b)(7)(C)

Glenn Defense Marine (GDMA) Asia Phils, Inc. The interview took place at the GDMA Asia office spaces located at G2 1322 Golden Empire Tower, Roxas Boulevard Corner, Manila, Philippines. The interview with both of these individuals is detailed in exhibit (10).

4. On 22Oct09, RA telephonically contacted (b)(6), (b)(7)(C)
 (b)(6), (b)(7)(C) for GDMA Asia, and was identified by (b)(6), (b)(7)(C) as the GDMA employee that handled the 23/24May09 port visits of the USS MCCAIN and USS CHAFFEE to Bacolod, Philippines. (b)(6), (b)(7)(C) stated to RA that she remembered the USN visit but could not recall if she handled the logistics of the visit or one of her other employees. (b)(6), (b)(7)(C) stated that she would have to look at the account records and get back with RA. RA is awaiting receipt of this information from (b)(6), (b)(7)(C) before considering an additional trip to Philippines to conduct further interviews and inquiries.

5. There were several performing issues surrounding the delivery of the fuel by GDMA, to include the late delivery of the fuel to the USN vessels, and the disposition of the remaining 686 metric tons of fuel. Additional supporting documentation and information from GDMA has been requested by FISC Singapore, to date there has a limited response from GDMA. FISC Singapore has subsequently notified GDMA that the entire claim has been denied. The denial is based on these performing issues, and not any evidence or information related to a fraudulent receipt/claim.

6. This investigation continues. Further investigative effort will focus on identification of the GDMA employee that purchased the fuel

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SUBJ: I/FISC/SINGAPORE/POSSIBLE FRAUDULENT FUEL ORDER RECEIPT SUBMIT

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

from Bataan Fuels, the ordering of this fuel, the vetting of the Bataan Fuel Inc fuel barge, reasons why the Defense Energy Supply Center (DESC) fuel contractor was not used by GDMA and interviews of both GDMA and Bataan Fuels Inc employees.

PARTICIPANT

(b)(6), (b)(7)(C) Special Agent, NCISRA Manila, Philippines
(b)(6), (b)(7)(C) Investigator, NCISRA Manila, Philippines

DISTRIBUTION

NCISHQ: 0023A

INFO: SNSN/FISC SINGAPORE/NCIS REP TO NAI0 (ATTN: (b)(6), (b)(7)(C))

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

CASE CNTRL	INT	DATE
CCS	(b)(6), (b)(7)(C)	30 Oct 09
TRANSMIT	h	h
MAILED	✓	-
FAXED	-	-

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U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

INVESTIGATIVE ACTION

22SEP09

CONTROL: 10SEP09-SNSN-0341-4XNA

I/FISC, SINGAPORE/POSSIBLE FRAUDULENT FUEL ORDER RECEIPT SUBMITTED BY
GLENN DEFENSE MARINE ASIA LTD

RESULTS OF RECORDS INQUIRIES FOR BATAAN FUELS, INC. WITH PHILIPPINE
GOVERNMENT AGENCIES

1. On 11Sep09 and 14Sep09, records inquiries were conducted at the Philippine Securities Exchange Commission and various municipal offices in the Bataan province for Bataan Fuels, Inc. As background, the husbanding services provider to the USN in the Philippines, Glenn Defense Marine Asia (GDMA), submitted an invoice for fuel delivered to the USS John McCain and USS Chafee during a May09 port visit to Bacolod, Philippines. GDMA allegedly purchased the fuel from Bataan Fuels, Inc. and subsequently sent a certified claim to the Fleet Industrial Supply Center Singapore for 1127 metric tons of fuel, however, only 441 metric tons was confirmed delivered.

2. On 11Sep09, (b)(6), (b)(7)(C) Philippine Securities and Exchange Commission (SEC), advised that there are no Articles of Corporation on record for Bataan Fuels, Inc. All corporations conducting business in the Philippines must obtain approval from the SEC before operating. SEC approval is then submitted to the local municipalities of the relevant province to acquire a business license.

3. On 14Sep09, (b)(6), (b)(7)(C) Municipality of Limay, Bataan, advised that there is no record on file reflecting that Bataan Fuels, Inc. was issued or applied for a permit to operate. Furthermore, (b)(6), (b)(7)(C) Limay, Bataan, advised that there are no registered or declared real properties under the name of Bataan Fuels, Inc.

4. On 14Sep09, (b)(6), (b)(7)(C) Office of the Municipal Treasurer, City of Morong, Bataan, advised there is no record pertaining to any business or firm registered in the name of Bataan Fuels, Inc. Furthermore, (b)(6), (b)(7)(C) City of Morong, Bataan, advised there are no declared properties for Bataan Fuels, Inc.

5. Physical searches in both the municipalities of Limay and Morong, Bataan were negative for the address: BF Building, 94 Limay, Bataan, Philippines 2103 as reflected on the invoice.

ENCLOSURE(S)

- (A) Certification Letter from Limay BPLO/14Sep09
- (B) Certification Letter from Limay Assessor/14Sep09
- (C) Certification Letter from Morong Treasurer/14Sep09

EXHIBIT (9)

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U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

(D) Certification Letter from Morong Assessor/14Sep09

PARTICIPANT(S)

(b)(6), (b)(7)(C) Investigator, NCIS, Philippines

REPORTED BY: (b)(6), (b)(7)(C) SPECIAL AGENT

OFFICE: NCISRA MANILA, PHILIPPINES

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Page 2

~~LAST~~

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

V2 LNY

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Republic of the Philippines
Province of Bataan
Municipality of Limay

BUSINESS PERMITS AND LICENSING OFFICE

September 14, 2009

Special Agent (b)(6), (b)(7)(C)
Resident Agent in Charge (Acting)
United States Naval Criminal Investigative Service
American Embassy, Manila

Dear Sir:

In response to your letter dated September 11, 2009, requesting certified true copies and/or other publicly records pertaining to “ **BATAAN FUELS INCORPORATED**” or “ **BATAAN FUELS CORPORATION** with facility address Limay, Bataan, we regret to inform you that we could not provide the above-requested documents for there is no record on file showing that this establishment was given permit nor applied to operate within this municipality.

We trust that you will find this information useful for your purpose.

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





REPUBLIC OF THE PHILIPPINES
OFFICE OF THE MUNICIPAL ASSESSOR
LIMAY, BATAAN

CERTIFICATION

TO WHOM IT MAY CONCERN:

THIS IS TO CERTIFY that, as per records kept in this office, there are no registered/declared real properties under the name of Bataan Fuels Incorporated or Bataan Fuels Corporation.

This certification is issued upon the request of Special Agent (b)(6), (b)(7)(C)
(b)(6), (b)(7)(C) Resident Agent in Charge, NCISRA, Manila, for whatever legal intent and good purpose it may serve him.

Issued this 14th day of September, 2009 in Limay, Bataan.

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



Republic of the Philippines
Province of Bataan
Office of the Municipal Treasurer
Morong, Bataan

September 14, 2009

CERTIFICATION

Special Agent (b)(6), (b)(7)(C)
Resident Agent in Charge (Acting)
Department of the Navy
Naval Criminal Investigative Service Resident Agency
Manila

Sir:

This is to CERTIFY that this office has no record pertaining to any business or firm registered in the name of "BATAAN FUELS INCORPORATED" or "BATAAN FUELS CORPORATION."

This certification is hereby issued for whatever legal purpose it may serve.



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



Republic of the Philippines
Province of Bataan
Office of the Municipal Assessor
Morong, Bataan

CERTIFICATION

TO WHOM IT MAY CONCERN;

This is to certify that based in our records kept in this office, the property under the name, **BATAAN FUELS INCORPORATED** or **BATAAN FUELS CORPORATION**, have no declared properties as of September 14, 2009.

This certification is hereby issued on September 14, 2009 upon the request of **Special Agent** (b)(6), (b)(7)(C) Resident Agent in Charge (Acting), Department of the Navy, Manila for whatever legal purpose it may serve.

PAID INJER OR N. 9922059
REC 09-14-09



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

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

INVESTIGATIVE ACTION

26OCT09

CONTROL: 10SEP09-SNSN-0341-4XNA

I/FISC, SINGAPORE/POSSIBLE FRAUDULENT FUEL ORDER RECEIPT SUBMITTED BY
GLENN DEFENSE MARINE ASIA LTD

RESULTS OF INTERVIEW-GDMA Philippine Representatives

1. On 29Sep09, Reporting Agent (RA) interviewed (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) Glenn Defense Marine Asia Phils, Inc. The interview took place at the GDMA Asia office spaces located at G2 1322 Golden Empire Tower, Roxas Boulevard Corner, Manila, Philippines. Also present at this interview was (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) Glenn Defense Marine Asia. Both (b)(6), (b)(7)(C) were informed that the interview was in regards to the Bataan Fuels, Inc fuel receipt for the USS MCCAIN and USS CHAFEE port visits to Bacolod, Philippines in late May 2009. (b)(6), (b)(7)(C) were not informed by RA of the specific reasons/issues regarding the Bataan Fuels Inc receipt and throughout the interview they never asked. Both (b)(6), (b)(7)(C) were briefed by RA that the interview was totally voluntary and that RA would leave the GDMA office space if requested. RA also explained the NCIS roles and missions and that RA was from the NCIS Singapore office, not the NCIS office in the U.S. Embassy Manila, Philippines.

2. When asked by RA about GDMA billing and who from GDMA gets involved with billing and dealing with receipts, (b)(6), (b)(7)(C) stated that that would be the "on the ground folks" the operations employees from GDMA. RA asked who from GDMA handled the port visit of the USS CHAFEE and USS MCCAIN, (b)(6), (b)(7)(C) related that (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) from GDMA would have likely oversaw or was directly involved in the USN visit. (b)(6), (b)(7)(C) related that he was informed of some issues involving this particular visit, but did not know or had limited knowledge about receipts or invoices, and that someone else is responsible. When asked by RA if (b)(6), (b)(7)(C) had ever heard or dealt before with Bataan Fuels, Inc, he stated that he thought he had heard about this company, (b)(6), (b)(7)(C) stated that he never had. (b)(6), (b)(7)(C) also added in response to RA's questions, he did not know about the USD/Pesos billing policy, did not really know why the receipt was billed in USD, vice Philippine Pesos, that not much billing is conducted from the GDMA Manila, Philippines office, most of the billing is done from GDMA Head Office, Singapore, and that RA would have permission to talk/speak to (b)(6), (b)(7)(C) stated that the most important thing for him was the safety and security of the USN vessel, and that the requirements are met for each USN visit. (b)(6), (b)(7)(C) further added that accolades were doled out to GDMA from the last USN carrier visit to Philippines (USS GEORGE WASHINGTON). At the end of the hour long interview, RA asked both (b)(6), (b)(7)(C) what is needed for a company to do business in the Philippines; both stated that the necessary permits would likely be needed to conduct business and taxes paid to the Philippine government. There is no tax free business environment in the Philippines.

EXHIBIT (10)

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SUBJ: I/FISC/SINGAPORE/POSSIBLE FRAUDULENT FUEL ORDER RECEIPT SUBMIT
U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

3. Neither (b)(6), (b)(7)(C) nor (b)(6), (b)(7)(C) offered RA any assistance in locating (b)(6), (b)(7)(C) nor did they ask questions about the Bataan Fuels, Inc receipt or what the issues were with the receipt for the USN visit to the port of Bacolod.

4. End of interview.

REPORTED BY: (b)(6), (b)(7)(C), SPECIAL AGENT
OFFICE: NCISRA SINGAPORE

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LAST

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

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U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

REPORT OF INVESTIGATION (ACTION)

22SEP09

SPECIAL INQUIRY (II)

CONTROL: 10SEP09-SNSN-0341-4XNA

I/FISC, SINGAPORE/POSSIBLE FRAUDULENT FUEL ORDER RECEIPT SUBMITTED BY
GLENN DEFENSE MARINE ASIA LTD

COMMAND/FISC SINGAPORE DETACHMENT/40345

MADE AT/SNMQ/MANILA PHILIPPINES (b)(6), (b)(7)(C) SPECIAL AGENT

REFERENCE(S)

(A) NCISRA SINGAPORE ROI (INTERIM)/11Sep09

EXHIBIT(S)

(1) IA: Results of Records Inquiries for Bataan Fuels, Inc. with
Philippine Government Agencies/22Sep09...(Copy All)

NARRATIVE

1. Pursuant to the lead tasking set forth in reference (A), inquiries were conducted at the Philippine Securities and Exchange Commission and various municipalities in the Bataan province for Bataan Fuels, Inc. Results were negative for all business related records to include SEC incorporation approval, business licensing and property ownership. Physical searches for Bataan Fuels, Inc. properties were also negative. Exhibit (1) pertains.

2. Lead tasking complete.

DISTRIBUTION

NCISHQ: 0023A

INFO: SNSN/SNMQ

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

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U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

REPORT OF INVESTIGATION (INTERIM)

11SEP09

SPECIAL INQUIRY (II)

CONTROL: 10SEP09-SNSN-0341-4XNA

I/FISC, SINGAPORE/POSSIBLE FRAUDULENT FUEL ORDER RECEIPT SUBMITTED BY
GLENN DEFENSE MARINE ASIA LTD

COMMAND/FISC SINGAPORE DETACHMENT/40345

MADE AT/SNSN/SINGAPORE [REDACTED] SPECIAL AGENT

EXHIBIT(S)

- (1) GDMA Provided Sales Invoice From Bataan Fuels, Inc/18May09...
(copy 0023A/SNMQ only)
- (2) Bataan Fuels, Inc Website/www.bataan-fuels.com/listed as Under
Construction/11Sep09...(copy 0023A/SNMQ only)
- (3) Bataan Fuels, Inc Delivery Protocol for USS CHAFEE/24May09...
(copy 0023A/SNMQ only)
- (4) Bataan Fuels, Inc Delivery Protocol for USS MCCAIN/24May09...
(copy 0023A/SNMQ only)
- (5) FISC Singapore Letter of Response to GDMA for Fuel Claim/
08Sep09...(copy 0023A/SNMQ only)
- (6) FISC Singapore Letter of Response to GDMA/19Aug09...(copy
0023A/SNMQ only)
- (7) GDMA Certified Claim to FISC Singapore for Unpaid Fuel Order/
Under Contract No. N40345-08-D-0004/10Aug09...(copy 0023A/SNMQ
only)
- (8) IA: Results of Interview [REDACTED] 09Sep09...(copy 0023A/SNMQ only)
(b)(6), (b)(7)(C),
(b)(7)(F)

EXECUTIVE SUMMARY

1. On 09Sep09, Reporting Agent (RA) met with [REDACTED] (b)(6), (b)(7)(C), (b)(7)(F)
[REDACTED] (b)(6), (b)(7)(C), (b)(7)(F)
[REDACTED] (b)(6), (b)(7)(C), (b)(7)(F) located at the PSA Sembawang Terminal, Building
7-4, Singapore. [REDACTED] (b)(6), (b)(7)(C), (b)(7)(F) provided the following to RA, on 11Aug09, the
Singapore FISC Detachment received a claim from Glenn Defense Marine
Asia (GDMA) LTD, seeking a \$743,368 USD payment for fuel that was
ordered for delivery to the USS CHAFEE (DDG-90) and the USS JOHN S.
MCCAIN (DDG-56). The fuel, a total of 1127 metric tons (351,000
gallons) was ordered by the U.S. Navy under contract number N40345-
08-D-0004 for delivery on 23May09 for the USS CHAFEE and USS MCCAIN
during both vessels port visit to Bacolod, Philippines. The total
cost of the 1127 metric tons is \$1,226,176 USD, but only 441 metric
tons (\$482,808 USD) was actually delivered. GDMA submitted a
certified claim to FISC Detachment Singapore for the remaining
\$743,368 USD plus interest. Under contract N40345-08-D-0004, awarded
to GDMA by FISC Singapore on 29Feb08, GDMA was to furnish the
services and supplies requested by USN ships while in port in Metro
Manila, Subic Bay, Cebu, Puerto Princesa, General Santos, Zamboanga,
Legazpi and all other ports in the Philippines.

2. There are currently several performing issues surrounding the
delivery of the fuel by GDMA, to include the late delivery of the
fuel to the USN vessels and the disposition of the remaining 686
metric tons of fuel. Additional supporting documentation and

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SUBJ: I/FISC/SINGAPORE/POSSIBLE FRAUDULENT FUEL ORDER RECEIPT SUBMIT
U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

information from GDMA has been requested by FISC Singapore, to date there has been no response from GDMA. However, the specific allegation that has initiated this inquiry is the possible false claim receipt submitted by GMDA for the entire fuel order purchase.

NARRATIVE

1. This investigation is initiated as a special inquiry into a specific allegation that pertains to the Federal False Claims Act, 31 United States Code (USC) 3729-3733.

2. (b)(6), (b)(7)(C), (b)(7)(F) provided RA the sales invoice, exhibit (1), for the 1127 metric ton fuel purchase from a company identified on the sales invoice, number 1314, dated 18May09 as BATAAN FUELS, INC, BF Building, 94 Limay, Bataan, Philippines 2103. (b)(6), (b)(7)(C), (b)(7)(F) opined that the invoice may be bogus, as there is no mention of this company in any prior billing documentation, no telephone contact numbers, a website that lists BF as under construction, exhibit (2) and no specific address. Additionally, the invoice is in U.S. dollars vice Philippine Pesos, something that FISC has never seen before on any billing invoice received from a company conducting business in the Philippines (primarily due to the fluctuations in currency rates). The exchange rate (as of 10Sep09 utilizing OANDA.COM) for \$1,226,176 USD is 59,450,322 Philippine Pesos.

3. The delivery order for the fuel, dated 24May09, exhibits (3) and (4) to the USN vessels also appears to be questionable per FISC Singapore. RA has conducted a limited internet search for a company listing for BATAAN FUELS, INC in Philippines with no results.

4. (b)(6), (b)(7)(C), (b)(7)(F) also provided exhibit (5) dated 08Sep09, which is the FISC Singapore request to GDMA asking for additional information regarding the fuel purchase and delivery, exhibit (6), dated 19Aug09, an additional request from FISC Singapore to GDMA, and exhibit (7), GDMA's response and certified claim on 10Aug09 for payment of the fuel order with eleven (11) supporting documents. Exhibit (7) is signed by Leonard G. FRANCIS, Group Chairman/President, GDMA. Exhibit (8) is RA's interview with (b)(6), (b)(7)(C), (b)(7)(F).

5. (b)(6), (b)(7)(C), (b)(7)(F) requested NCIS assistance in determining the existence of this company and the determining if GDMA submitted a false claim to FISC Singapore for the fuel purchase. RA has been in contact with Participant (b)(6), (b)(7)(C), Special Agent, NCISRU Manila, Philippines regarding this investigation. SA (b)(6), (b)(7)(C) will be provided this document with exhibits to assist in the determination of the validity, verification and identification of BATAAN FUELS, INC corporation and/or incorporators. SA (b)(6), (b)(7)(C) advised RA that the GDMA Representative in the Philippines is the former Admiral of the Philippine Navy.

6. Investigation continues.

PARTICIPANT(S)

(b)(6), (b)(7)(C), Special Agent, NCISRU Manila, Philippines

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SUBJ: I/FISC/SINGAPORE/POSSIBLE FRAUDULENT FUEL ORDER RECEIPT SUBMIT
U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

ACTION

R.SNMQ: Utilizing exhibits (1) through (8) attempt to verify the existence of BATAAN FUELS INC as a Philippine legitimate and registered/operating business. Identify any incorporations and relationships between BATAAN FUELS, INC, GDMA and other companies in Bataan, Philippines and/or the Philippines. At this stage, do not interview any BATAAN FUELS INC representatives noted on any of the exhibits (2) through (4) listed as (b)(6), (b)(7)(C)

(b)(6), (b)(7)(C) Provide any documentation obtained regarding BATAAN FUELS, INC from official Philippine regulatory agencies or business commissions to RA. Conduct other inquires as appropriate.

DISTRIBUTION

NCISHQ: 0023A (M)

ACTION: SNMQ (M)

INFO: SNSN/FISC Singapore (H)/NCIS REP to NAIO (Attn: (b)(6), (b)(7)(C))
(b)(6), (b)(7)(C) (E)

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**BATAAN FUELS, INC.**

BF Building
 94 Limay
 Bataan, Philippines 2103

SALES INVOICE

No. 1314

Sold to: **GLENN DEFENSE MARINE PHILS, INC.**

DATE May 18, 2009

Address: 1/A Sunview Palace Condominium
 1015 M.H. Del Pilar St.
 Cr. T. M. Kalaw
 Ermita, Manila

TIN

Business Style

SO No.
 PAYMENT TERMS: CASH

Delivered by: MT. Bataan-fuels 7 re:bunkering to
 "USS JOHN MACCAIN" and "USS CHAFEE" in Bacolod

		PARTICULARS		AMOUNT	
<u>QUANTITY</u>	<u>UNIT</u>	<u>DESCRIPTION</u>	<u>UNIT PRICE</u>	<u>AMOUNT</u>	
1127	MT	Marine Gas Oil	1088.00	US\$	1,226,176.00
1	LT	Barging Fee	80,000.00	US\$	80,000.00
			TOTAL		US\$ 1,306,176.00

PAYMENT INSTRUCTION:
 Please remit to:

METROBANK - ROCES AVENUE BRANCH
 49 A. Roces Avenue Corner Sct. Reyes St.
 Quezon City
 Swift Code: MBTCPHMM
 US\$ Savings Account No. 481-2-48120045-3

Prepared by: (b)(6), (b)(7)(C)

VATABLE
 VAT EXEMPT
 ZERO RATED
 TOTAL
 VAT
 TOTAL PAYABLE

Noted By:



BATAAN FUELS, INC
Corporate website UNDER CONSTRUCTION



BATAAN FUELS, INC.

BF Building
94 Limay
Bataan, Philippines 2103
www.bataan-fuels.com

DELIVERY PROTOCOL

TO : THE MASTER / CHIEF ENGINEER

DATE : 24 may 2009
TIME :

USS CHAFEE

(Name of Vessel)

This is to inform you that we have received instructions from BATAAN FUELS, INC
To deliver the following petroleum product(s) and respective quantity(ies) to your vessel.

PRODUCT(S)	QUANTITY(IES)
NGO	642 mts.

You are invited to witness the barge soundings of our barge M/T Petrotrade Seven before commencement and after completion of bunkering. The barge sounding will be the basis of measurement of the quantity delivered to your vessel. Having declined the invitation will mean acceptance of the quantity(ies) indicted in our "Bunker Delivery Receipt".

We guarantee compliant with Annex VI of MARPOL 73/78 particularly Regulation 14(1) and 18(1) appendix V and Resolution MEPC.96 (47)

Once fuel is ordered and loaded for delivery, order / cargo may not be cancelled or returned. Balance fuel, if any, left over after loading also may not be returned. The ship must either receive and/or pay for all fuel ordered.

We are not authorizing any representative from BATAAN FUELS, INC. to witness the sounding of your vessel's fuel tank.

Very truly
BATAAN

VESSEL ACKNOWLEDGEMENT

- () We will witness barge sounding before and after
- () We will not witness and will accept your measure

24/5/09

Vessel's Representative / Rank
(Print Name & Sign)



BATAAN FUELS, INC.

BF Building
94 Limay
Bataan, Philippines 2103
www.bataan-fuels.com

DELIVERY PROTOCOL

TO : THE MASTER / CHIEF ENGINEER

DATE : 24 may 2009

TIME :

USS JOHN S. MCCAIN

(Name of Vessel)

This is to inform you that we have received instructions from BATAAN FUELS, INC
To deliver the following petroleum product(s) and respective quantity(ies) to your vessel.

PRODUCT(S)	QUANTITY(IES)
MGO	485 mts.

You are invited to witness the barge soundings of our barge M/T Petrotrade Seven
before commencement and after completion of bunkering. The barge sounding will be the basis of measurement of the quantity delivered to your vessel. Having declined the invitation will mean acceptance of the quantity(ies) indicted in our "Bunker Delivery Receipt".

We guarantee compliant with Annex VI of MARPOL 73/78 particularly Regulation 14(1) and 18(1) appendix V and Resolution MEPC.96 (47)

Once fuel is ordered and loaded for delivery, order / cargo may not be cancelled or returned.
Balance fuel, if any, left over after loading also may not be returned.
The ship must either receive and/or pay for all fuel ordered.

We are not authorizing any representative from BATAAN FUELS, INC. to witness the sounding of your vessel's fuel tank.

Very truly yours

BATA

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

VESSEL ACKNOWLEDGEMENT

- () We will witness barge sounding before and after
- () We will not witness and will accept your measurement

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

Vessel Representative / Rank
(Print Name & Sign)

24/5/09



DEPARTMENT OF THE NAVY
U.S. FLEET AND INDUSTRIAL SUPPLY CENTER
DETACHMENT SINGAPORE
PSC 470 BOX 2150
FPO AP 96534-2150

IN REPLY REFER TO:

4365

Ser C250/003

September 8, 2009

Mr. Leonard G. Francis
Group Chairman/President
Glenn Defense Marine (Asia) Pte. Ltd.
15D Pandan Road
Singapore 609266

Dear Mr. Francis:

SUBJECT: CLAIM FOR FUEL ORDER, CONTRACT N40345-08-D-0004

Reference is made to the claim our office received on August 11, 2009 that Glenn Defense Marine (Asia) Pte. Ltd. (GDMA) submitted seeking \$743,368 for fuel that was ordered for delivery to the USS CHAFEE and the USS JOHN S. MCCAIN.

The (b)(6), (b)(7)(C) requested additional information on August 19, 2009 with regard to the general understanding of the facts in order to render a (b)(6), (b)(7)(C) decision in this matter. As of this date, we have not received any response from your Company.

Additionally, in reviewing the attachments to the Claim, a copy of the Sales Invoice is included, yet there is no documentation providing proof of payment to Bataan-Fuels for the fuel transaction. Please provide proof of payment.

We look forward to your reply. Again, this letter is in the nature of fact finding and should not be construed as the (b)(6), (b)(7)(C) final decision on GDMA's claim. The Government can not render a decision on this claim until the requested information is received.

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



DEPARTMENT OF THE NAVY
U.S. FLEET AND INDUSTRIAL SUPPLY CENTER
DETACHMENT SINGAPORE
PSC 470 BOX 2150
FPO AP 96534-2150

IN REPLY REFER TO:
4365
Ser C250/002
August 19, 2009

Mr. Leonard G. Francis
Group Chairman/President
Glenn Defense Marine (Asia) Pte. Ltd.
15D Pandan Road
Singapore 609266

Dear Mr. Francis:

SUBJECT: CLAIM FOR FUEL ORDER, CONTRACT N40345-08-D-0004

Our office received the claim on August 11, 2009 that Glenn Defense Marine (Asia) Pte. Ltd. (GDMA) submitted seeking \$743,368 for fuel that was ordered for delivery to the USS CHAFEE and the USS JOHN S. MCCAIN. This letter seeks additional information and should not be construed as the (b)(6), (b)(7)(C) final decision on the matter.

In general, we understand that fuel was ordered in advance for delivery on May 23, 2009, GDMA accepted the order and began performing, but that GDMA did not deliver the fuel until mid-morning on May 24, 2009. At that point there was insufficient time to transfer the full amount of the ordered fuel from the fuel barge to the ships prior to dusk during early evening on May 24, 2009. Due to their schedules, the ships were not able to remain in port past May 24, 2009. Had the order been delivered on May 23, 2009, there would have been sufficient time to transfer the full amount of the fuel from the fuel barge to the ships, but since the delivery was delayed, there was insufficient time to accept the full delivery. Is this description generally consistent with GDMA's understanding of the facts?

We have several more specific questions based on our general understanding of the facts.

(1) Why was the fuel not delivered until 1045 on May 24, 2009 (see GDMA claim, page 4, paragraph II.B.) when it had been ordered for delivery on May 23 (see GDMA claim, page 3, paragraph II.A.2)? Does GDMA suggest there was an excusable reason for the delayed delivery? If so, please provide the reason.

(2) Does GDMA suggest that any U.S. Navy representative with authority to bind the Navy on this matter agreed, at the time the order was issued, that delivery on either May 23, 2009 or May 24, 2009 would be acceptable? If so, please provide information on which Navy representative entered the agreement. Does GDMA suggest that, at the time the order was issued, it provided notice that the fuel might be delayed until May 24, 2009 and that, if so, a U.S. Navy representative with authority to bind the Navy on this

4365
Ser C250/002
August 19, 2009

matter concurred with the possibility that the order might not be delivered until May 24, 2009? If so, please provide information on which Navy representative entered the agreement.

(3) Does GDMA suggest that, after the order was issued, any U.S. Navy representative with authority to bind the Navy in this matter agreed to the late delivery, or if agreeing, also agreed that the Navy would accept the full amount of the fuel even if by doing so that would cause a delay in the ships' departure? If so, please provide information on which Navy representative entered the agreement.

(4) What happened to the fuel that was not delivered into the ships? Overview paragraph 13.4.3 of the contract extract that is attached to the claim (contract page 5), requires that the Contractor take all necessary steps to mitigate any damages or termination costs on behalf of the U.S. Government. Based on the claim, we understand that GDMA is seeking the full price of the undelivered fuel. Why has GDMA been unable to mitigate its damages to any degree?

(5) We understand informally that GDMA may still have control over the fuel that was not delivered into the ships. If so, is the fuel still within specification and, if needed, available for delivery to U.S. Navy vessels?

We look forward to your reply. Again, this letter is in the nature of fact finding and should not be construed as the (b)(6), (b)(7)(C) final decision on GDMA's claim.

Sincerely,

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



GLENN DEFENSE MARINE (ASIA) PTE. LTD.



Co. Regn. No.: 199407169C

NAVAL DEFENSE, FORCE PROTECTION & MARITIME HUSBANDING SUPPORT SERVICES IN ASIA

August 10, 2009

BY FIRST CLASS MAIL AND ELECTRONIC MAIL

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

Re: Contract No. N40345-08-D-0004: Certified Claim for Unpaid Fuel Order

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

Glenn Defense Marine (Asia) PTE LTD ("GDMA") hereby submits a certified claim in the amount of \$746,368 for fuel provided under Contract No. N40345-08-D-0004 (the "Contract"), plus interest under the Contract Disputes Act and Prompt Payment Act. GDMA submits this claim pursuant to the Contract Disputes Act of 1978 and FAR Subpart 33.2, incorporated by reference through FAR 52.212-4 and § I of the Contract. GDMA requests a final decision on this claim.

I. EXECUTIVE SUMMARY

GDMA seeks payment for fuel ordered under the Contract by the Navy in May 2009 for delivery to the USS CHAFEE (DDG-90) (hereafter "CHA") and the USS JOHN S. MCCAIN (DDG-56 (hereafter "JSM")) in the port of Bacolod, Philippines.

As set forth below, the Navy ordered 642 metric tons (200,000 gallons) of fuel for the CHA and 485 metric tons (151,000 gallons) of fuel for the JSM for delivery on May 23, 2009. The Navy did not cancel this order before 48 hours prior to the required delivery. Because the port of Bacolod does not have infrastructure to support fuel supply, GDMA arranged for the transportation of the fuel by barge from Bataan, Philippines, to Bacolod for delivery to the CHA and the JSM. At the time of delivery, the CHA accepted delivery of only 314 metric tons of fuel and cancelled the remaining order of 328 metric tons of fuel; and the JSM accepted delivery of only 127 metric tons of fuel and cancelled the remaining order of 358 metric tons of fuel.

Under the § B1.13.4.1 of the Contract, when an order is not cancelled at least 48 hours prior to the required delivery time, "the Ordering activity shall be responsible for termination costs in accordance with the contract clause titled "Termination for the Government's Convenience (FAR 52.212-4)." Under FAR 52.212(1), GDMA is entitled to payment of the price for the fuel rejected by the CHA and the JSM because GDMA had performed all work associated with ordering and delivering this fuel (including a 4-to-6 day voyage, depending on sea state and weather conditions, to transport the fuel by barge from Bataan to Bacolod).

EXHIBIT (7)

August 10, 2009

Page 2

The fixed price for the part of the fuel order cancelled by the Navy is \$746,368.¹ The Navy has refused to make payment to GDMA for the partially cancelled fuel order, which has left GDMA with no choice but to pursue this claim.²

II. BACKGROUND

A. The Contract

On February 29, 2008, the U.S. Fleet and Industrial Supply Center Detachment Singapore (the "Navy" or "FISC") awarded the Contract to GDMA.³ The Contract is a "Firm-Fixed-Price Requirements contract" where GDMA agreed to "furnish the services or supplies at the fixed price listed in the Schedule of Services. (Exhibit 1, § B.3.) Under the Contract, GDMA is required to provide "services and supplies requested by the ships while in port" in the following locations: Metro Manila, Subic Bay, Cebu, Puerto Princesa, General Santos, Zamboanga, Legazpi and all other ports in the Philippines. (Exhibit 1, § B.2.) The contract is for a period of twelve (12) months, but included FAR clause 52.217-8, Option to Extend Service that allowed for a six-month extension of services if exercised. (Exhibit 1, § B.4.) On February 10, 2009, the Navy exercised the six (6) month option to extend services until August 31, 2009 under contract modification P00004. (See Exhibit 2)

1. Key Provisions of the Contract

The purpose of the Contract is to provide Husbanding Services for U.S. Navy Ships at any port in the Philippines. (Exhibit 1, §§ B.1, B.2.) Other U.S. Government organizations or agencies can also receive logistic support services and supplies for Operations Other Than War ("OOTW") under this Contract. The Contract includes a Schedule of Supplies and Services that GDMA is required to provide (at § B2) and a Statement of Work describing such services (at § C).

Section B1.13 of the Contract provides the procedures for ordering Supplies and Services under the Contract. Section C.14 provides the specific procedures for ordering and providing fuel under the Contract. (See Exhibit 1.)

Under the Contract's ordering procedures, when a ship requires husbanding services at a port, prior to the ship's arrival, an Authorized Government Representative ("AGR") will issue the ship's Logistic Requirements' ("LOGREG") Naval message that is provided to GDMA. (Exhibit 1, §§ B1.13, C.1.1.) GDMA is then required to provide a Cost Reporting and Forecasting Tool ("CRAFT") Cost Estimate. (Exhibit 1, § C.1.1.)

¹ The commercial fuel rate paid by GDMA for the fuel procured for the CHA and JSM was \$1,088.00 per metric ton. Thus, the price of \$746,368 is the sum of 328 metric tons for the CHA and 358 metric tons for the JSM multiplied by 1,088.00 per metric ton.

² The Navy has paid GDMA for the part of the fuel order that was delivered and accepted by the CHA and the JSM.

³ Excerpts from the Contract are attached hereto as Exhibit 1.

August 10, 2009

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When the Navy orders fuel under the Contract, GDMA must first contact the U.S. Navy bunkering contractor or Host Nation ("HN") source. (Exhibit 1, § C.14.) If the bunkering contractor or HN source can provide the fuel within the ship's time frame, GDMA so informs the ship. (Exhibit 1, § C.14.2) However, if the bunkering contractor or HN source cannot deliver the fuel when required by the ship, GDMA must request approval to proceed to arrange for fuel delivery from a non-governmental source from the ship's Supply Officer ("SUPPO") or FISC. (Exhibit 1, § C.14.2). If GDMA is authorized to proceed, GDMA orders the fuel and arranges for transportation to the Navy ship via a fuel barge or truck. (Exhibit 1, §§ C.14.5-14.7.)

Regarding the cancellation of orders by the Navy, the Contract states that, for any order not cancelled at least 48 hours prior to the required delivery time, the Ordering activity shall be responsible for termination costs in accordance with termination for the Government's convenience provisions under FAR 52.212-4, Contract Terms and Conditions – Commercial Items. (Exhibit 1, § B1.13.4.1) The Contract also provides that in cases where the ordering of items requires long lead times, the Government may negotiate cost reimbursement under the termination for the Government's Convenience provisions under FAR 52.212-4. (Contract § B1.13.4.2.).

2. Bacolod Delivery Order

On May 14, 2009, GDMA received preliminary notice via email from the (b)(6), (b)(7)(C) aboard the JSM of a possible fuel requirement for the CHA and JSM in Bacolod, Philippines. (See Exhibit 3.) On May 17, 2009, GDMA received a phone call from the JSM's (b)(6), (b)(7)(C) urgently stating fuel would be required for JSM and CHA in Bacolod on May 23, 2009. At the time, the JSM (b)(6), (b)(7)(C) was ashore in Bacolod as part of the exercise Advance Party. The (b)(6), (b)(7)(C) directed GDMA to proceed with arranging fuel (200K gallons for CHA and 140K gallons for JSM) for delivery to CHA and JSM in Bacolod. The (b)(6), (b)(7)(C) explained that the LOGREQ confirmation would follow. Later on May 17, 2009, GDMA received another phone call from JSM's (b)(6), (b)(7)(C) verbally increasing the JSM order to 151,000 gallons. On May 18, 2009, GDMA emailed the CHA's (b)(6), (b)(7)(C) and confirmed that GDMA would be able to support both CHA and JSM Bacolod refueling requirement. (See Exhibit 4.) On May 19, 2009, GDMA received the consolidated LOGREQ for CHA and JSM that formally placed the order for 200,000 gallons of fuel for the CHA and 140,000 gallons of fuel for the JSM. (See Exhibit 5.) On May 20, 2009 the (b)(6), (b)(7)(C) of the JSM confirmed in writing via email the increased amount of its fuel order by 11,000 gallons from 140,000 to 151,000 gallons. (See Exhibit 6.)

3. Nature of Fuel Service to Bacolod

The port of Bacolod has no infrastructure to supply fuel to U.S. Navy ships and there is no designated U.S. Navy bunkering contractor to cover this area. To perform orders for fuel at Bacolod, GDMA must procure and transport the fuel from Bataan, Philippines. Because Bataan is a multiple-day voyage from Bacolod, fuel orders for U.S. Navy ships at Bacolod require long lead times. In addition, because of the substantial distance and sea conditions, fuel barges transporting fuel from Bataan to Bacolod face unpredictable voyage times due to constantly changing weather conditions and sea state.

August 10, 2009

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B. GDMA's Performance of the Bacolod Delivery Order

On May 18, 2009, to satisfy the fuel order for the CHA and JSM, GDMA purchased 351,000 gallons (1,127 metric tons) of fuel from GDMA's vendor, Bataan Fuels, Inc ("Bataan Fuels"). (See Exhibit 7.) Bataan Fuels' price per metric ton was US \$1,088. (See Exhibit 7.) GDMA's order included barge service from Bataan to Bacolod. (Exhibit 7.) Following standard commercial practice, GDMA made payment of the full amount of the order, US \$1,306,176, in advance to Bataan Fuels to ensure transport and delivery of the fuel to CHA and JSM in Bacolod. Bataan Fuels loaded a fuel barge with 200,000 gallons (642 metric tons) of fuel for CHA and 151,000 gallons (485 metric tons) for JSM.

On May 24, 2009 at approximately 0900, the fuel barge arrived at the port of Bacolod. CHA refueling started at 1045 and stopped after the ship received a total of 314 metric tons, leaving 328 metric tons of fuel. (See Exhibit 8.) JSM refueling started at 1640 and stopped after the ship received a total of 127 metric tons, leaving 358 metric tons of fuel. (See Exhibit 9.) Together, the fuel ordered by CHA and JSM but not received was 686 metric tons, equating to \$746,368 (USD). At the time of delivery (and well past the 48-hour deadline provided by the contract), both the CHA and JSM cancelled the order for the remaining amounts of fuel.

Following the partial cancellation of the fuel orders by the CHA and the JSM, GDMA is unable to mitigate its damages or termination costs. GDMA cannot return the unused fuel to its vendor or sell the unused fuel to another vendor. Under GDMA's contract with Bataan Fuels:

"Once fuel is ordered and loaded for delivery, order/cargo may not be cancelled or returned. Balance fuel, if any, left over after loading also may not be returned. The ship must either receive and/or pay for all fuel ordered."

(See Exhibit 10.) Therefore, under the terms of GDMA's contract with Bataan Fuels, GDMA may not return the unused fuel to Bataan Fuels for a refund. Additionally, GDMA is not in a position to resell the fuel to a third party because GDMA is not a licensed fuel bunker broker and cannot sell fuel on the commercial market.

On May 24, 2009, GDMA submitted invoices to the CHA and JSM for the Bacolod fuel order, including the parts cancelled by the CHA and JSM, and GDMA received partial payment from CHA and JSM fuel order for the quantity actually delivered. (See Exhibit 11.)⁴ During a meeting on June 8, 2009, the (b)(6), (b)(7)(C)

(b)(6), (b)(7)(C) informed GDMA that the Navy refused to pay for the cancelled fuel and that GDMA would be required to file a claim under the Contract Disputes Act in order to seek payment.

⁴ Exhibit 11, GDMA's invoices to the Government contain handwritten cross-outs and values. The Government wrote in these cross-outs and values; they were not original to GDMA's invoice.

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III. ENTITLEMENT

A. The Navy is Obligated to Pay GDMA for the Cancelled Fuel Order for the CHAFEE and JOHN S. MCCAIN.

The Navy is required to pay GDMA the full price of the fuel delivered to the CHA and JSM but cancelled at the time of delivery.

Here, the fuel order was cancelled well within 48 hours of the time of delivery. Under the § B1.13.4.1 of the Contract, when an order is not cancelled at least 48 hours prior to the required delivery time, "the Ordering activity shall be responsible for termination costs in accordance with the contract clause titled "Termination for the Government's Convenience (FAR 52.212-4)."

Under FAR 52.212-4(l), the Navy is required to pay GDMA "a percentage of the contract price reflecting the percentage of work performed prior to the notice of termination, plus reasonable charges the Contractor can demonstrate . . . have resulted from the termination." Here, GDMA performed all of the work associated with the fuel order for the CHA and JSM. GDMA ordered the fuel and arranged for its delivery by fuel barge from Bataan to Bacolod via a 4 to 6 day voyage [depending on sea state and weather conditions]. GDMA was in the process of refueling both the CHA and the JSM when the Navy stopped refueling and cancelled the remaining part of the order. As set forth above, GDMA is unable to mitigate any of its damages or termination costs because it has no contractual right to return the fuel for refund to its vendor and there is no existing market to resell the fuel to a third-party. Because GDMA performed all work required to deliver the fuel prior to the notice of cancellation, GDMA is entitled to the full contract price for the cancelled part of the fuel order.⁵

The Navy's failure to timely pay the entire fuel order as properly invoiced by GDMA entitles GDMA to interest under the Prompt Payment Act. The Contract incorporates the Prompt Payment Act, which requires federal agencies to pay their bills on time and pay interest penalties when payments are made late:

52.212-4 Contract Terms and Conditions – Commercial Items (Feb 2007)

- (2) Prompt Payment. The Government will make payment in accordance with the Prompt Payment Act (31 U.S.C. 3903) and prompt payment regulations at 5 CFR part 1315.

⁵ Alternatively, the Navy must pay GDMA the full cost of the cancelled fuel order under § B1.13.4.2 of the Contract. Because of the lack of fuel infrastructure at Bacolod and the substantial distance between Bataan and Bacolod, the order of fuel for delivery at the port of Bacolod required a long lead time. GDMA was required to pay for and take delivery of the entire fuel at Bataan more than five days prior to delivery at Bacolod. Because ordering fuel for this delivery required a long lead time, the Navy is authorized under § B1.13.4.2 to reimburse GDMA for its costs of performing the cancelled fuel order.

August 10, 2009

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FAR 52.212-4(i), Contract, § I.

IV. QUANTUM

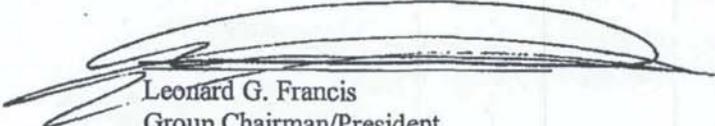
As explained in detail above, the Navy must pay GDMA the contract price of \$746,368 (USD) for the part of the fuel order cancelled by the CHA and JSM plus CDA and Prompt Payment Act interest. As set forth on the attached invoices from GDMA's vendor, the commercial fuel rate paid by GDMA for the fuel procured for the CHA and JSM was \$1,088.00 per metric ton. As such, the contract price for cancelled fuel is \$746,368, which is the sum of 328 metric tons for the CHA and 358 metric tons for the JSM multiplied by \$1,088.00 per metric ton.

V. CONCLUSION

For all of the reasons set forth above, GDMA respectfully requests that FISC grant this certified claim for \$746,368, plus interest under the Contract Disputes Act and the Prompt Payment Act.

IV. CERTIFICATION

I certify that this claim is made in good faith; that the supporting data are accurate and complete to the best of my knowledge and belief; that the amount requested accurately reflects the contract adjustment for which GDMA believes the Government is liable; and that I am duly authorized to certify the claim on behalf of GDMA.



Leonard G. Francis
Group Chairman/President
Glenn Defense Marine (Asia) Pte Ltd.

Enclosures

U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

//23A/SN/MQ//

INVESTIGATIVE ACTION

11SEP09

CONTROL: 10SEP09-SNSN-0341-4XNA

I/FISC, SINGAPORE/POSSIBLE FRAUDULENT FUEL ORDER RECEIPT SUBMITTED BY
GLENN DEFENSE MARINE ASIA LTD

RESULTS OF INTERVIEW (b)(6), (b)(7)(C), (b)(7)(F)

1. On 09Sep09, Reporting Agent (RA) met with (b)(6), (b)(7)(C), (b)(7)(F)

(b)(6), (b)(7)(C), (b)(7)(F) located at the PSA Sembawang Terminal, Building 7-4, Singapore. (b)(6), (b)(7)(C), (b)(7)(F) provided the following to RA, on 11Aug09, the Singapore FISC Detachment received a claim from Glenn Defense Marine Asia (GDMA) LTD, seeking a \$743,368 USD payment for fuel that was ordered for delivery to the USS CHAFEE (DDG-90) and the USS JOHN S. MCCAIN (DDG-56). The fuel, a total of 1127 metric tons (351,000 gallons) was ordered by the U.S. Navy under contract number N40345-08-D-0004 for delivery on 23May09 for the USS CHAFEE and USS MCCAIN during both vessels port visit to Bacolod, Philippines. The total cost of the 1127 metric tons is \$1,226,176 USD, but only 441 metric tons (\$482,808 USD) was actually delivered. GDMA submitted a certified claim to FISC Detachment Singapore for the remaining \$743,368 USD plus interest. Under contract N40345-08-D-0004, awarded to GDMA by FISC Singapore on 29Feb08, GDMA was to furnish the services and supplies requested by USN ships while in port in Metro Manila, Subic Bay, Cebu, Puerto Princesa, General Santos, Zamboanga, Legazpi and all other ports in the Philippines.

2. (b)(6), (b)(7)(C), (b)(7)(F) related there are currently several performing issues surrounding the delivery of the fuel by GDMA, to include the late delivery of the fuel to the USN vessels and the disposition of the remaining 686 metric tons of fuel. Additional supporting documentation and information from GDMA has been requested by FISC Singapore, to date there has been no response from GDMA. However, the specific allegation that has initiated this inquiry is the possible false claim receipt submitted by GMDA for the entire fuel order purchase.

3. (b)(6), (b)(7)(C), (b)(7)(F) provided RA the sales invoice for the 1127 metric ton fuel purchase from a company identified on the sales invoice, number 1314, dated 18May09 as BATAAN FUELS, INC, BF Building, 94 Limay, Bataan, Philippines 2103. (b)(6), (b)(7)(C), (b)(7)(F) opined that the invoice may be bogus, as there is no mention of this company in any prior billing documentation, no telephone contact numbers, a website that lists BF as under construction, and no specific address. Additionally, the invoice is in U.S. dollars vice Philippine Pesos, something that FISC has never seen before on any billing invoice received from a company conducting business in the Philippines (primarily due to the fluctuations in currency rates). The exchange rate (as of 10Sep09

EXHIBIT (8)

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SUBJ: I/FISC/SINGAPORE/POSSIBLE FRAUDULENT FUEL ORDER RECEIPT SUBMIT
U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

utilizing OANDA.COM) for \$1,226,176 USD is 59,450,322 Philippine Pesos. The delivery order for the fuel, dated 24May09, to the USN vessels also appears to be questionable per FISC Singapore.

4. (b)(6), (b)(7)(C), (b)(7)(F) provided the FISC Singapore request to GDMA asking for additional information regarding the fuel purchase and delivery, an additional information request from FISC Singapore to GDMA, and GDMA's response and certified claim on 10Aug09 for payment of the fuel order with eleven (11) supporting documents.

5. There were other issues discussed with (b)(6), (b)(7)(C), (b)(7)(F) regarding GDMA but for this inquiry, the allegation is the the possible false fuel receipt submitted to FISC Singapore.

6. End of interview.

REPORTED BY: (b)(6), (b)(7)(C) SPECIAL AGENT
OFFICE: NCISRA SINGAPORE

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

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U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

REPORT OF INVESTIGATION (OPEN)

10SEP09

SPECIAL INQUIRY (II)

CONTROL: 10SEP09-SNSN-0341-4XNA

I/FISC, SINGAPORE/POSSIBLE FRAUDULENT FUEL ORDER RECEIPT SUBMITTED BY
GLENN DEFENSE MARINE ASIA LTD

COMMAND/FISC SINGAPORE DETACHMENT/40345

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

NARRATIVE

1. This investigation is initiated as a special inquiry into a specific allegation that pertains to the Federal False Claims Act, 31 United States Code (USC) 3729-3733.

2. On 09Sep09, Reporting Agent (RA) met with (b)(6), (b)(7)(C), (b)(7)(F)

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

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

located at the PSA Sembawang Terminal, Building 7-4, Singapore. (b)(6), (b)(7)(C), (b)(7)(F) provided the following to RA, on 11Aug09, the Singapore FISC Detachment received a claim from Glenn Defense Marine Asia (GDMA) LTD, seeking a \$743,368 USD payment for fuel that was ordered for delivery to the USS CHAFEE (DDG-90) and the USS JOHN S. MCCAIN (DDG-56). The fuel, a total of 1127 metric tons (351,000 gallons) was ordered by the U.S. Navy under contract number N40345-08-D-0004 for delivery on 23May09 to the USS CHAFEE and USS MCCAIN during a port visit to Bacolod, Philippines. The total cost of the 1127 metric tons is \$1,226,176 USD, but only 441 metric tons (\$482,808 USD) was actually delivered. GDMA submitted a certified claim to FISC Detachment Singapore for the remaining \$743,368 USD plus interest. Under contract N40345-08-D-0004, awarded to GDMA by FISC Singapore on 29Feb08, GDMA was to furnish the services and supplies requested by USN ships while in port in Metro Manila, Subic Bay, Cebu, Puerto Princesa, General Santos, Zamboanga, Legazpi and all other ports in the Philippines.

3. There are currently several performing issues surrounding the delivery of the fuel by GDMA, to include the late delivery of the fuel to the USN vessels and the disposition of the remaining 686 metric tons of fuel. Additional supporting documentation and information from GDMA has been requested by FISC Singapore, to date there has been no response from GDMA. However, the specific allegation that has initiated this inquiry is the possible false claim receipt for the entire fuel order purchase. (b)(6), (b)(7)(C), (b)(7)(F) provided RA the sales invoice for the 1127 metric ton fuel purchase from a company identified on the sales invoice, number 1314, dated 18May09 as BATAAN FUELS, INC, BF Building, 94 Limay, Bataan, Philippines 2103. (b)(6), (b)(7)(C), (b)(7)(F) opined that this invoice may be bogus, as there is no mention of this company in any prior billing documentation, no telephone contact numbers, a website that lists as under construction, and no specific street or location address. Additionally, the invoice is in U.S. dollars vice Philippine Pesos, something that FISC Singapore has never seen before on any billing invoice or receipt received from a company conducting business in the

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U.S. NAVAL CRIMINAL INVESTIGATIVE SERVICE

Philippines (primarily due to the fluctuations in currency rates). The written delivery order for the fuel to the USS CHAFEE and USS MCCAIN also appears to be questionable per FISC Singapore. RA conducted a limited internet search for a company listing for BATAAN FUELS, INC in Philippines with no results.

4. (b)(6), (b)(7)(C), (b)(7)(F) requested NCIS assistance in determining the existence of this company and the determining if GDMA submitted a false claim to FISC Singapore for the fuel purchase. Investigation continues.

DISTRIBUTION

NCISHQ: 0023A

INFO: SNSN/NCIS REP TO NAI0 (ATTN: (b)(6), (b)(7)(C)) /02P

CASE CNTRL	INT	DATE
CCS	(b)(6), (b)(7)(C)	10 Sep 09
TRANSMIT	11	11
MAILED	-	-
FAXED	-	-

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