



THE SECRETARY OF THE NAVY
WASHINGTON DC 20350-1000

APR 26 2019

From: Secretary of the Navy
To: CAPT Ricardo Martinez, USN (Ret)

Subj: SECRETARIAL LETTER OF CENSURE

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

Encl: Chronological List of Your Misconduct

1. From February 2002 to July 2006, while serving as U.S. Naval Attaché in Indonesia and as U.S. Naval Attaché in New Zealand, you demonstrated exceedingly poor judgment and blatant disregard for principles of ethical conduct. You repeatedly and improperly accepted and solicited gifts from Mr. Leonard Francis, the President of Glenn Defense Marine Asia (GDMA), a defense contractor and prohibited source. You also committed graft by asking for, accepting, and receiving things of value in recognition of services you performed for Mr. Francis/GDMA. You were willfully derelict in your duties by maintaining a highly inappropriate, ongoing relationship with Mr. Francis. You essentially provided consulting services for a prohibited source in exchange for gifts, using your Navy experience and expertise to benefit Mr. Francis and GDMA. In doing so, you failed in your duty to act impartially, gave improper preferential treatment to a defense contractor, and sacrificed your integrity as a Naval Officer. As a business owner conducting significant contractual and financial relations with the United States government, Mr. Francis had a clear and obvious incentive to curry favor with senior officers. Beyond this obvious conflict of interest, during the time you were wrongfully assisting GDMA, Mr. Francis was engaged in a criminal conspiracy to defraud the United States government. As demonstrated in federal court, the full extent of the losses to the United States and its taxpayers, as a result of Mr. Francis's criminal activities, exceeds \$34,800,000.

2. You violated reference (a) by improperly soliciting and accepting gifts from a prohibited source and failing to pay fair market value, as required per reference (c). Based on the evidence reviewed, the total value of the gifts you wrongfully received or solicited was \$15,845.42. The enclosure details 21 instances where you either received or solicited gifts from Mr. Francis/GDMA. For example, in August 2004, you solicited an array of gifts from Mr. Francis/GDMA, including a hotel room at the Shangri-La Hotel in Singapore, an iPod 40GB, a Gameboy SP machine, and an HP iPAQ 550 personal electronic device.

3. In addition, you committed graft, in violation of Article 134 of reference (b), by wrongfully asking for, accepting, and receiving things of value as compensation for, or in recognition of, services you rendered to Mr. Francis/GDMA relating to official matters, bringing discredit upon the armed forces. The enclosure details 21 occasions where you wrongfully rendered services to

Subj: SECRETARIAL LETTER OF CENSURE

Mr. Francis/GDMA, including 13 instances where you drafted, reviewed, or edited documents or e-mails that Mr. Francis/GDMA intended to send to Department of Navy personnel. For example, in March and April 2004, at Mr. Francis' request, you edited a proposal from GDMA to the U.S. Naval Regional Contracting Center in Singapore and drafted an e-mail for Mr. Francis to send to a Navy judge advocate requesting a change of his ethics opinion regarding whether Navy personnel could attend a GDMA-hosted party.

4. The services you wrongfully rendered to Mr. Francis/GDMA included providing Mr. Francis sensitive and nonpublic information. For example, in January 2006, Mr. Francis asked you for information about an incident in Vanuatu involving a competing defense contractor, stating he needed your help to eliminate the competing firm. You eagerly responded to Mr. Francis' request for information and assistance.

5. Finally, you were willfully derelict in your duties, in violation of Article 92 of reference (b), by failing to act impartially and giving preferential treatment to Mr. Francis/GDMA, undermining the public's confidence in the integrity of the U.S. Navy. Your relationship with Mr. Francis went well beyond what a reasonable person would classify as an appropriate professional one between a Naval Officer and a defense contractor. For example, in or around March 2004, you ordered a Ford Excursion vehicle for Mr. Francis and had it delivered to him in Malaysia, utilizing a discount offered to you based on your diplomatic status. You also repeatedly solicited employment with GDMA, even suggesting to Mr. Francis that your decision to remain on active-duty or retire would be influenced by his response.

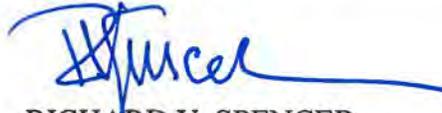
6. Your conduct, over the course of more than four years, was contrary to references (a), (b), (c), and (d). These are standards which you had a duty to know, obey, and model. Instead, you behaved in a way that was contrary to the bedrock standards of ethical conduct required of all Naval Officers, violated the concept of public service as a public trust, and brought discredit upon the armed forces. You maintained a highly inappropriate relationship with Mr. Francis/GDMA during two tours and abused the power associated with your position as a U.S. Naval Attaché and senior Naval Officer for your own benefit. Reference (a) establishes a clear prohibition of the use of one's public office for private gain. The frequency of the gifts you solicited and received, your direct and personal contact with Mr. Francis regarding the gifts, and your work on behalf of Mr. Francis/GDMA make absolutely clear that you used your public office for private gain.

7. Your actions have cast a shadow over the reputation of all the outstanding men and women who served during your tenure. As a U.S. Naval Attaché, you held a special position of trust and confidence with a unique duty to represent the United States in foreign areas and support the national interests of the United States. You were in a position of importance, expected to model the Navy's core values and shape our Navy leaders of the future. Instead, you abused your position to accept gifts from Mr. Francis/GDMA. Your conduct constituted a significant deviation from the standards expected of all Naval Officers.

8. You are, therefore, administratively censured for your misconduct. A copy of this letter will be placed in your official service record in accordance with reference (e).

Subj: SECRETARIAL LETTER OF CENSURE

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



RICHARD V. SPENCER

Copy to:
Consolidated Disposition Authority
Chief of Naval Personnel

Secretarial Letter of Censure ICO CAPT Ricardo Martinez, USN (Ret)
Chronological List of Misconduct

1. From 2002 to 2004, while serving as U.S. Naval Attaché in Indonesia, you wrongfully solicited and/or accepted improper gifts from Mr. Francis/GDMA, a prohibited source, without paying fair market value; you wrongfully asked for, accepted, or received things of value as compensation for or in recognition of services rendered to Mr. Francis/GDMA relating to official matters; and you were willfully derelict in your duties; as follows:

- a. In February 2002, you asked Mr. Francis to have Navy business cards made for you.
- b. In March 2002, you provided Mr. Francis a disc containing force protection photos of USS BLUE RIDGE (LCC 19) in Bali, Indonesia.
- c. In April 2002, you e-mailed the Logistics/Senior Contract Specialist at the U.S. Naval Regional Contracting Center in Singapore, seeking to benefit GDMA.
- d. In October 2002, you received a free or discounted hotel room at the Marriott Hotel in Singapore.
- e. In March to April 2003, at the request of Mr. Francis, you drafted for GDMA questionnaire responses and a summary of services provided, which GDMA required as follow-up to a GDMA-serviced French aircraft carrier visit.
- f. In April 2003, you disclosed nonpublic information about Commander, U.S. Seventh Fleet's visit to the area and, at Mr. Francis' request, recommended adding a visit to Bali, Indonesia, to the admiral's travel schedule. Also in April 2003, at Mr. Francis' request, you purchased two leather belts for his personal use.
- g. In May 2003, you and your family received a free dinner at the Swiss Chalet Restaurant, and a free or discounted stay at the Mandarin Oriental Hotel, in Kuala Lumpur, Malaysia.
- h. In August 2003, you facilitated a potential relationship between the Saudi Navy and Mr. Francis/GDMA.
- i. In September 2003, you disclosed sensitive information regarding the U.S. President's visit to Bali. Also in September 2003, you solicited, and one of your family members received, a Nokia cell phone from Mr. Francis.
- j. In October 2003, you solicited and received a free or discounted hotel room at the Marriott Hotel in Singapore for yourself and your wife.
- k. In December 2003, you solicited hotel rooms at, and transportation to, the Shangri-La Rasa Sayang Resort in Singapore for yourself and your family.
- l. In January 2004, at Mr. Francis' request, you reviewed, edited, and drafted contracting documents advertising GDMA's corporate experience and technical capabilities.

Enclosure

m. In February 2004, you drafted language for Mr. Francis to send to the Commanding Officer of USS BLUE RIDGE to request a Bravo Zulu (BZ) message for GDMA.

n. In March 2004, at Mr. Francis' request, you reviewed, edited, and drafted multiple contracting documents for the benefit of GDMA, including a proposal from GDMA to the U.S. Naval Regional Contracting Center in Singapore to help GDMA secure a port visit contract for Hong Kong. In March 2004, you again solicited Navy business cards from Mr. Francis. Also in March 2004, you received a hotel room at, and transportation to, the Marriott Hotel in Singapore for your wife. You also solicited airfare from Jakarta, Indonesia, to Hong Kong, and hotel rooms at, and transportation to, the Grand Hyatt Hotel in Hong Kong, for yourself and your family.

o. On or about March 2004, you ordered a Ford Excursion vehicle for Mr. Francis utilizing a discount offered to you based on your diplomatic status and had the vehicle delivered from the United States to Malaysia for Mr. Francis.

p. In April 2004, at Mr. Francis' request, you reviewed, edited, and drafted multiple documents for the benefit of GDMA, including a letter for Mr. Francis to send to the U.S. Naval Regional Contracting Center in Singapore; an e-mail for Mr. Francis to send to a Navy judge advocate requesting a change of his ethics opinion to allow Navy personnel to attend a GDMA-hosted holiday party; and an e-mail for Mr. Francis to send to the Supply Officer aboard USS CHANCELLORSVILLE (CG 62). Also in April 2004, you solicited a hotel room at the Shangri-La Hotel in Singapore for yourself and your family.

2. From 2004 to 2006, while serving as U.S. Naval Attaché in New Zealand, you wrongfully solicited and/or accepted improper gifts from Mr. Francis/GDMA, a prohibited source, without paying fair market value; you wrongfully asked for, accepted, or received things of value as compensation for, or in recognition of, services rendered to Mr. Francis/GDMA relating to official matters; and you were willfully derelict in your duties, as follows:

a. In June 2004, you drafted a letter for Mr. Francis to send to Commander, Task Force SEVEN THREE/Logistics Group Western Pacific, concerning the cost of force protection measures offered by GDMA, and advised Mr. Francis who to include in the correspondence. Also in June 2004, you drafted a letter for Mr. Francis to send to the U.S. Naval Regional Contracting Center in Singapore concerning fees charged by GDMA following a port visit to Timor-Leste.

b. In August 2004, you solicited an array of gifts from Mr. Francis/GDMA, including a hotel room at the Shangri-La Hotel in Singapore, an iPod 40GB, a Gameboy SP machine, and an HP iPAQ 550 personal electronic device.

c. In February 2005, you drafted language for Mr. Francis to send to various Navy personnel to advocate for mooring ships at Ocean Terminal and using Yokohama fenders for port visits to Hong Kong.

- d. In March 2005, you solicited and received transportation to, and a hotel room at, the Shangri-La Hotel in Singapore for yourself. On the same trip, you solicited a Compaq laptop computer and a Canon IXUS 430 camera from Mr. Francis, as part of what you referred to as a shopping list.
- e. In May and June 2005, you solicited a hotel room at, and transportation to, the Grand Hyatt Hotel in Singapore for yourself and a hotel room at, and transportation to, the Marriott Hotel in Singapore for your wife, including asking if a driver could take your wife to her dentist appointment.
- f. In August 2005, you drafted a letter for Mr. Francis to send to the Chief of Navy for the Royal New Zealand Navy offering GDMA's services. Also in August 2005, you solicited and accepted a hotel room at, and transportation to, the Grand Hyatt Hotel in Singapore.
- g. From November 2005 to February 2006, you reviewed, edited, and drafted language for multiple contracting documents for the benefit of GDMA, including: a presentation on force protection services for use by GDMA at a U.S. Naval Regional Contracting Center husbanding conference in Okinawa, Japan; and two business operating plans to assist GDMA in bidding for contracts.
- h. In January 2006, you emailed Mr. Francis about potential employment with GDMA, emphasizing to Mr. Francis his familiarity with your background, family, personality, and loyalty. Also in January 2006, Mr. Francis asked you for information about an incident in Vanuatu involving another defense contracting firm and the disposal of waste from a U.S. Navy ship. Mr. Francis stated he needed your assistance to eliminate the competing firm. Mr. Francis also asked you to provide him a list of retired Navy officers and a history of U.S. Navy ship visits to New Zealand. You responded to Mr. Francis, indicating you had undertaken efforts to gather information about the incident involving his competitor. You subsequently supplied him a list of retired flag officers and ship visits to New Zealand.
- i. In February 2006, you coordinated with Mr. Francis and his brother, a GDMA employee, to meet in New Zealand to discuss GDMA's efforts to secure a regional husbanding contract.
- j. From April to July 2006, you solicited and received two hotel rooms in Singapore, one at the Grand Hyatt Hotel and one at the Marriott Hotel.
- k. Between May and July 2006, you contacted Mr. Francis on four separate occasions to discuss employment with GDMA, offering to take leave to travel to Singapore to discuss it with him in person. You also sent Mr. Francis a hand-written note and traditional wooden Maori waka huia box in connection with your employment request.

[LAST PAGE]