Weekly Intelligence Notes
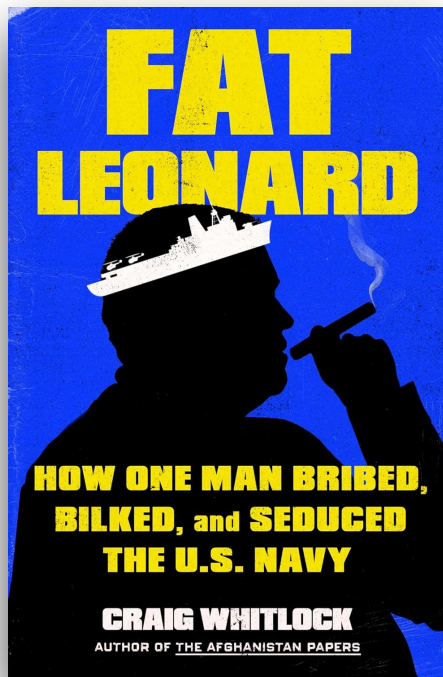## Exclusive Book Review
(October 2024)

Fat Leonard: How One Man Bribed, Bilked, and Seduced the U.S. Navy

by Craig Whitlock
Simon and Schuster
14 May 2024

Review by former National
Counterintelligence Officer for East Asia
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I t is ironic that one of the most successful intelligence operations against a U.S. government entity in in recent history was carried out not by the Chinese or Russian intelligence services, but by a hedonistic Malaysian businessman with no formal intelligence experience or training. In September 2013, Leonard Glenn Francis, president of Glenn Defense Marine Asia (GDMA), a provider of ship husbanding services to the United States Navy, was arrested in San Diego on charges of bribery, conspiracy to commit bribery, and conspiracy to defraud the United States. The case unfurled in the ensuing months to implicate almost 1,000 individuals in Francis' decades-long undertaking to cheat the U.S. Government out of at least 35 million dollars in fraudulent charges for good and services in servicing naval vessels throughout the Pacific. The secret of Francis' success: suborn and recruit uniformed and civilian personnel involved in all phases of activity that could expand GDMA's business, obfuscate fraudulent charges, or derail efforts to uncover the scam.

Some observers of the "Fat Leonard" case (the 6'3" Francis weighed in at approximately 350 pounds after undergoing gastric bypass surgery, thus earning the nickname by which he was known throughout the PACOM AOR) view the scandal as a massive breakdown in the Navy's acquisition and contracting system, highlighting the need for reform. Others see the affair as evidence of a collapse in the ethical standards of the USN's officer corps. There is certainly ample support for both perspectives in Craig Whitlock's fast-paced and comprehensive expose. However, Whitlock also lays out

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in brutal detail an extraordinarily successful intelligence operation which succeeded in subverting one of the most iconic organizations in the U.S. national security establishment, the 7th Fleet.

Perhaps Whitlock, who has covered the case for the Washington Post since Francis' arrest, is not fully conversant in the jargon of the HUMINT recruitment cycle. Nevertheless, he is keenly aware of the national security implications of GDMA's astounding coup. He describes in deep and often lurid detail Francis' success in enlisting a disappointingly robust succession of individuals to approve fraudulent charges, steer contracts to GDMA, undermine the competition, and in several cases, provide proprietary and classified information on ship movements and port calls to give himself a competitive edge. Francis was systematic: he identified the key organizations he needed to target, spotted vulnerable individuals within these organizations personally or through his web of "moles" throughout the Pacific, and relentlessly developed them. More often than not, the targets succumbed to his efforts. When an investigation finally started to gain traction, Francis employed a classic example of offensive counterintelligence: he recruited an NCIS special agent to keep him posted on the threat.

Fat Leonard's list of incentives was simple and finite: he offered his targets an escalating Chinese menu of money, high-end travel, accommodations and dining, luxury gifts, and prostitutes. Much of the activity was overt, making a mockery of Navy ethical guidelines and counterintelligence/law enforcement precautions. Whitlock's description of a 2007 get-together for officers from the USS Blue Ridge, the flagship of the 7th Fleet, in the MacArthur Suite at the iconic Manila Hotel in the Philippines, is a particularly graphic and troubling example. The event descended in an orgy allegedly involving the use of replica piece of MacArthur memorabilia as a sex toy.

Ultimately, 34 individuals have faced federal charges in the aftermath of Francis' arrest. 29 of these have pleaded guilty. Five more naval personnel were court-martialed. The uniformed personnel criminally charged ranged in rank from Chief Petty Officer to Rear Admiral. Seven other admirals were censured by the Navy.

Make no mistake, although no one involved in the case was charged with spying, Fat Leonard is first and foremost a fascinating non-fiction account of espionage and betrayal. It should be required reading for both operations and counterintelligence professionals throughout the IC. It will probably be required reading in Moscow and Beijing, and wherever our adversaries are running operations against the U.S. military and government.

* **David Gutschmit**, former National Counterintelligence Officer for East Asia, is a retired CIA Operations Officer. In addition to numerous tours with the Directorate of Operations in the foreign field and at headquarters, he held assignments at the Federal Bureau of Investigation, the National Counterintelligence Executive/Office of the Director of National Intelligence, and the U.S. Naval War College. He currently teaches intelligence studies to graduate students at New York University, Columbia University, and Georgetown University, focusing on economic and industrial espionage and comparative intelligence systems.