



THE SECRETARY OF THE NAVY
WASHINGTON DC 20350-1000

JUN 14 2018

From: Secretary of the Navy
To: CAPT Charles Johnson, USN

Subj: SECRETARIAL LETTER OF CENSURE

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

1. From 2004 to 2010, while serving in a number of leadership positions in the U.S. Navy, to include Commanding Officer, USS MCCAMPBELL (DDG 85), in the Seventh Fleet area of operations, you demonstrated exceedingly poor judgment and leadership by repeatedly and improperly accepting gifts from Mr. Leonard Francis, the President of Glenn Defense Marine Asia (GDMA), a defense contractor and, therefore, a prohibited source. In addition, you maintained an inappropriate relationship with Mr. Francis, engaged in conduct that was unbecoming an officer and a gentleman in accepting these gifts, and then made false official statements by failing to disclose your relationship with him when required to do so. As a business owner conducting significant contractual financial relationships with the United States government, Mr. Francis had a clear and obvious financial incentive to curry favor with senior officers. In addition, Mr. Francis was engaged in a criminal conspiracy to defraud the U.S. government. As demonstrated in federal court, the full extent of the losses to the United States and its taxpayers as a result of Mr. Francis's criminal activities exceeds \$34,800,000.

2. You repeatedly and improperly accepted gifts from a prohibited source by failing to pay fair market value or return them, as required per reference (a). In April 2004, while serving as Executive Officer, USS CUSHING (DD 985), you attended a dinner in Port Klang, Malaysia, paid for by Mr. Francis/GDMA, of a value in excess of ethical limits. On July 26, 2006, while serving as Readiness Officer for Carrier Strike Group FIVE (CSG 5), you attended a subsidized wetting down in Singapore to celebrate your promotion to Commander, for which you paid \$500 while Mr. Francis/GDMA paid over \$6,000 for food, alcohol, and entertainment. In return, you disseminated a GDMA force protection marketing materials CD to two Force Readiness Protection Officers, and disclosed official information to Mr. Francis. You thereby, in addition to improperly accepting the gift of a subsidized wetting down reception, committed the offense of graft, in violation of Article 134 of reference (b), by receiving a gift in recognition of services to be rendered in favor of GDMA. On January 19, 2008, you attended a private dinner at the Ritz Carlton Hotel in Tokyo, Japan, for which you paid nothing and Mr. Francis/GDMA expended in excess of \$2,200 on food, alcohol, and transportation. On July 27, 2009, while serving as Commanding Officer, USS MCCAMPBELL (DDG 85), you attended a dinner at the Cha Cha Char Grill in Brisbane, Australia, for which you paid nothing and Mr. Francis/GDMA spent more than \$230 on food. During the same port visit, you solicited the gift of another free

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dinner event from Mr. Francis/GDMA for you and your command's Department Heads, which you proposed to GDMA as an opportunity to "indoctrinate [them] in [Mr. Francis's] way of doing business before they make XO." You led your Executive Officer and junior officer Department Heads to this dinner at the Il Centro restaurant, for which you paid nothing and Mr. Francis/GDMA paid in excess of \$1,000 for food and alcohol. This action marks another instance in which you committed the offense of graft, as you received the gift of a dinner in recognition of performing a service for the benefit of GDMA by arranging an opportunity for its representatives to "indoctrinate" your subordinate officers. In December 2009, you accepted a gift basket containing chocolate or fruit, for which you paid nothing and Mr. Francis/GDMA spent approximately \$100. On October 4, 2010, you accepted the gift of two elephant vases, for which you paid nothing and Mr. Francis/GDMA paid approximately \$900.

3. On September 25, 2015, Defense Criminal Investigative Service (DCIS) investigators interviewed you, and you provided a voluntary statement to them. During your interview, you indicated that between 2005 and 2008 you were warned by the CSG 5 Staff Judge Advocate to be careful around Mr. Francis and GDMA. However, there is no evidence that you consulted with, or obtained a legal opinion from that or any other judge advocate regarding any of the foregoing gifts. Based on the materials in the record concerning you, there are no exceptions to the acceptance of these gifts that are applicable to you in accordance with reference (a).

4. In addition to the aforementioned improper gift acceptance and graft, you made two false official statements, in violation of Article 107 of reference (b), by failing to disclose your relationship with Mr. Francis when required to do so. On January 3, 2014, in the process of renewing your security clearance, you signed and submitted responses to a questionnaire that asked about your contacts with foreign nationals during the previous seven years. You did not disclose your contact with Mr. Francis, even though within that seven-year period Mr. Francis/GDMA had given you expensive gifts and improperly treated you to three dinners—one of which Mr. Francis himself attended, (b)(7)(A), (b)(7)(D) you had improperly performed services for GDMA's benefit, you and Mr. Francis had become Facebook friends, and a GDMA employee had referred to you internally as "in [Mr. Francis'] pocket." That extensive and potentially compromising contact had unquestionably put you in a position to be influenced by Mr. Francis. You were untruthful in not disclosing it when required. On February 7, 2014, when you were interviewed regarding your responses to that questionnaire, you volunteered the name of a foreign national whom you had omitted from your written responses, but again did not disclose your contact with Mr. Francis.

5. Reference (c) establishes a clear prohibition of the use of one's public office for private gain. The frequency of the gifts you received, as well as the fact that you had direct and personal contact with Mr. Francis regarding them, would lead a reasonable person with knowledge of the relevant facts to believe that you used your public office for private gain. Your willingness to accept those gifts provided the worst type of example for subordinate officers within your chain of command and other officers who observed your interaction with Mr. Francis.

6. Pursuant to reference (d), you were responsible for setting the ethical and moral tone for your subordinates and your commands. Your improper personal behavior, including the acceptance of gifts on multiple occasions from a prohibited source, your direction of your subordinate officers to do the same, and your overly familiar relationship with Mr. Francis, set a wholly unacceptable

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ethical tone. As such, your conduct constituted a significant deviation from the standards expected of all Naval Officers, particularly those entrusted with command and other leadership positions.

7. Moreover, the evidence reflects that at least one of the events sponsored by Mr. Francis/GDMA that you attended well exceeded the bounds of decorum and fell far below the conduct expected of a United States Navy Officer, involving excessive alcohol consumption which was to the disgrace of the armed forces. You drank heavily at one of the aforementioned July 2009 dinners in Brisbane, Australia; a GDMA employee later told Mr. Francis by email that you were "blasted" and that you finished the restaurant's last bottle of a certain kind of liquor "on the spot." As a senior officer, you had a duty to represent the United States and the United States Navy in a way that upheld the values of our great nation and Navy. Rather, you intentionally disregarded the ethical standards long established for the naval service and brought ill-repute and disgrace upon our honored institution. By encouraging subordinate officers to attend these events, you enabled Mr. Francis to identify and target other officers, and potentially recruit them for participation in his criminal scheme to defraud the United States. Your conduct, in addition to being in violation of the ethical rules already set forth, violated Article 133 of reference (b), whose explanatory text states: *"Not everyone is or can be expected to meet unrealistically high moral standards, but there is a limit of tolerance based on the customs of the service and military necessity below which the personal standards of an officer . . . cannot fall without seriously compromising the person's standing as an officer . . . or the person's character as a gentleman."* Your conduct fell well below that minimum baseline. It is clear that you did not care about the reputation of the Navy or the example you were setting for the officers in your command and other subordinate officers with whom you worked while in leadership positions. You failed these officers, you failed your ship, and you failed the Department of the Navy.

8. Your conduct during this period was contrary to the Standards of Ethical Conduct for Employees of the Executive Branch, the Uniform Code of Military Justice, the Joint Ethics Regulation, and U.S. Navy Regulations, references (a), (b), (c), and (d); standards which you had a duty to know, obey, and model.

9. Your actions have cast a shadow over the reputation of all the outstanding men and women who served during your tenure in command and time in other leadership positions. You were in positions of importance, including that of a commanding officer of a United States Navy warship, expected to model the core values of the Navy as a leader and shape our Navy leaders of the future. Instead, you abused your positions to accept gifts from Mr. Francis/GDMA, participate in inappropriate activities, and worse yet, lead the officers under your charge and your leadership to imitate your poor behavior. You then compounded those abuses by making false statements during an investigation with national security implications.

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

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



RICHARD V. SPENCER

Copy to:
Consolidated Disposition Authority
Chief of Naval Personnel