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Tom Wright ([00:00](#)):

Please note, the following episode contains mature language.

Leonard Francis ([00:06](#)):

Oh, I felt so betrayed. I felt very, very upset because look at what I'm going through. Look at what has happened. I've destroyed my entire life, my business, my family. Everything was gone. It was like being hit by a tsunami. I had over 2,800 staff working for me. I had a business in 30 other countries. Everything folded, everything went. So many innocent people were made jobless, families destroyed, my family too, deliberate financial ruin upon me.

Speaker 1 ([00:47](#)):

San Diego, 2013.

Tom Wright ([00:52](#)):

Leonard Francis, for 30 years, the most powerful US military contractor in the Pacific, finally has been brought low. He believed himself untouchable. And in the blink of an eye, he's shackled in the Metropolitan Correctional Center in San Diego.

Leonard Francis ([01:09](#)):

As soon as you get there, they strip you down, you squat, it degrades you, you become an animal. You're chained up. They just cuff you. They put chains on your leg. You got leg chains and handcuffs and you're chained up. It's a wake up call. It's not that I'm not being incarcerated before or being locked up, still I found myself being betrayed.

Tom Wright ([01:43](#)):

How does that feel when you are contemplating something like that in a cell?

Leonard Francis ([01:47](#)):

Well, you got to be mentally strong, praying. I pray a lot. That's what kept me going. And of course, my kids, thinking about my children every day, every moment, every beat of my heart. I still do until today.

Tom Wright ([02:04](#)):

Leonard was denied bail. The reason, his imprisonment almost three decades earlier, for his part in an armed robbery in Panang. For years a vaunted businessman, Leonard was furious. Prosecutors painted him as a common thief and a threat to society. What did they say in the bail hearing that made you so angry?

Leonard Francis ([02:27](#)):

Oh, they brought up my past, they talked about this ridiculous stuff.

Tom Wright ([02:33](#)):

What made you the most angry?

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Leonard Francis ([02:35](#)):

Talking about what happened to me when I was 21 years old. I think that at no relevance, 30 over years ago, this is what happened to me back then, that this happened to me in Malaysia, I had firearms and all that. And that got to me because it embarrasses me and my kids never knew about it. My growing up kids and my parents and it affected me there.

Tom Wright ([03:03](#)):

They painted you as a violent criminal.

Leonard Francis ([03:05](#)):

Oh yeah.

Tom Wright ([03:06](#)):

As someone who may shoot or kill someone.

Leonard Francis ([03:08](#)):

Oh, basically I'm a threat to society. Basically, my ships were going to come and my private army is going to come and break me out of prison. But it just brings back a lot of bad memories. It's just humiliating, the way they cut you down.

Tom Wright ([03:25](#)):

Leonard had only one weapon left. And right there in the investigation room in San Diego, he started to exact his revenge.

Leonard Francis ([03:33](#)):

I was brought in initially to talk to the government and we kind of chatted a little bit. And then they said, "You got to let us know because you're going to do 50 years if you don't talk to us." So initially, I just spilled out the beans, probably 30, 40 names initially. I was just giving them some names for them to test out, see where I was going to get to them, and I got nowhere.

Tom Wright ([04:02](#)):

So you basically started to tell the whole story of how deep the rivalry went in the US Navy?

Leonard Francis ([04:09](#)):

Oh, yes. They were shocked. I think I opened a Pandora Box. Just kind of shipped the citadel of the Navy, the foundation.

Tom Wright ([04:26](#)):

I'm Tom Wright, and this is Fat Leonard, a podcast from Project Brazen. In this, our final episode, we're going to hear about the Navy's efforts to protect its admirals from sanction. While almost 30 sailors have been indicted, half of them sentenced to jail and other trials still ongoing, we'll learn how many senior officers involved with Leonard got let off with a slap on the wrist. You've heard over this series for the

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first time, the full disquieting details of this little known scandal. As we bring our narrative to a close, we'll explore how the Navy has handled the affair and what the future holds. You said once to me that you thought that they didn't go after the Navy because it would be bad for morale. But somebody else put it to me that actually the lower ranks are furious in the US Navy because they feel like they do want to see these admirals go down and there to be some accountability.

Leonard Francis ([05:28](#)):

And it's never going to happen. It doesn't happen in the United States Military institution. That's how it is.

Speaker 1 ([05:37](#)):

Cobble, Afghanistan, 2013.

Speaker 2 ([05:40](#)):

Malaysian businessman Leonard Glenn Francis, known as Fat Leonard for tipping the scales at more than 400 pounds.

Speaker 3 ([05:47](#)):

In September, the Justice Department arrested Francis and two Navy commanders as well as a top agent in the criminal investigative service who allegedly fed him information.

Speaker 4 ([05:58](#)):

[inaudible 00:05:58] some of the investigators are looking at is how did Leonard and his company get these contracts over time, despite some clear problems with some of the services he was providing?

Speaker 2 ([06:07](#)):

In court, Francis appeared next to his alleged co-conspirator, trading in his tuxedo for a jail jumpsuit and shackles.

Tom Wright ([06:14](#)):

Rear Admiral Robert Gilbeau's heart began to palpitate and he broke out in a sweat as he read the headline on the newspaper handed to him on the US military base. His fellow service men and women were discussing the bombshell arrest of Leonard Francis. Not only Leonard, but commander Michael Misiewicz and NCIS agent John Beliveau were named. Gilbeau, the supply officer on the USS Nimitz, who had a history with Leonard dating back to the 1990s, had gone up in the world. Now he was a Rear Admiral, putting him in the ranks of the top 250 or so officers in the Navy. That evening, his subordinates noticed Gilbeau making strange ponderous statements about Leonard and dinners and women, according to court documents. "What was his connection to this breaking story?" they gossiped. In the coming days, Gilbeau, who was on a tour in Afghanistan, removed electronic devices from his living quarters.

He inquired with IT support staff how to erase files and he destroyed other documents. He began to insist on meeting advisors in open fields and he asked others to remove cell phone batteries to ensure they weren't being snooped on, and he made peculiar inquiries of them about receiving gems and money in Afghanistan. Gilbeau's superiors on the base noticed this erratic behavior and he was

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relieved of command and medevaced to Germany where he lied to NCIS investigators about the receipt of things of value from Leonard, according to court documents. It was too late. Leonard, in jail in San Diego, had begun to tell FBI agents about all the admirals who were involved with him, and he started with Rear Admiral Robert Gilbert and the party in Singapore back in 2003.

Leonard Francis ([07:53](#)):

Gilbeau was the first and only active service flag officer charged and found guilty, the one and only admiral ever incarcerated in history.

Speaker 1 ([08:11](#)):

San Diego, 2017.

Speaker 5 ([08:14](#)):

56 year old Rear Admiral Robert Gilbeau.

Speaker 6 ([08:16](#)):

Is it Jilbeau? How do you pronounce it?

Speaker 7 ([08:16](#)):

Gilbeau.

Speaker 6 ([08:19](#)):

Gilbeau?

Speaker 7 ([08:19](#)):

Robert Gilbeau.

Speaker 6 ([08:20](#)):

Status, pleaded guilty June 2016 to making a false official statement.

Speaker 5 ([08:25](#)):

Walking out of a San Diego courtroom Wednesday morning with his wife and therapy dog by his side.

Speaker 8 ([08:31](#)):

The first active duty Admiral to be sentenced for a federal crime. He'll serve 18 months in jail for lying about his relationship with Leonard Glenn Francis.

Tom Wright ([08:40](#)):

Admiral Gilbeau, dressed in a black suit with a gray tie, walked up the steps at the courthouse of the Southern District of California in San Diego, his small white service dog, Bella, on a leash. Doctors had prescribed the dog as a [inaudible 00:08:54] for his anxiety. Gilbeau's case was sensitive, as no Admiral had ever been criminally indicted in the Navy's then 223 year history. But the Justice Department pushed for a prosecution.

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Leonard Francis ([09:07](#)):

And the Navy had no choice. They had to allow the Department of Justice to charge him. If they had it their way, he wouldn't have even been charged. He would've just have got [inaudible 00:09:19] like all these other admirals and captains, or maybe demoted from a one star to a captain.

Tom Wright ([09:28](#)):

Gilbeau pleaded guilty to lying to investigators about never receiving gifts from Leonard, and he acknowledged destroying documents. At his sentencing, he claimed PTSD due to an explosion in Iraq as a mitigating factor. "I know in my heart of hearts that I'm not corrupt," he told the judge. "I'm still proud of my Navy career and I'm proud to be an American." Another Admiral who had studied with Gilbeau at the Naval academy stood up to say that his former friend's scandalous actions had unfairly cast suspicion on everyone in the Navy. Gilbeau, surrounded by friends and family, was handed an 18 month sentence. He served it in Long Park, California alongside Michael Misiewicz. Attempts to reach him were unsuccessful. The FBI had taken the lead on the investigation and they began working through the names Leonard had provided. The Bureau decided which cases to prosecute criminally, while passing hundreds of less serious cases to the Navy. Leonard, who plead guilty in 2015 and since has been the government's star witness, says there was tension from the start between the Navy and the Justice Department.

Leonard Francis ([10:42](#)):

Well, I think the Navy was taken aback by the Department of Justice that are looking at it more seriously because the Navy was trying to cover up. They did not want to accept, they didn't want to charge any of their senior leadership. So that's when you could see DOJ and the Navy locking horns.

PART 1 OF 4 ENDS [00:11:04]

Leonard Francis ([11:01](#)):

The DOJ and the Navy locking horns because the Navy wanted to protect their own and they still do to this very day, that's how the military is.

Tom Wright ([11:12](#)):

The Justice Department and the Navy citing ongoing judicial action declined to answer a list of detailed questions. Former Navy Secretary Ray Mabus, in 2019 said there had been a thorough effort to investigate any wrongdoing and many innocent people's careers had been scuttled. This scandal took in a huge percentage of flag officers. It really hamstrung the Navy in terms of promotions, in terms of positions. He said, we focused on just a few Navy officers in this podcast. [inaudible 00:11:43], Mike Misiewicz, and John Beliveau of the NCIS, but the Justice Department indicted almost 30 officers and enlisted men as well as supply officials and Leonard and his staff. The US government says the scheme cost the country around \$35 million, which Leonard agreed to forfeit. But the true number is undoubtedly many factors higher. The Justice Department also handed the names of over 450 people, including 60 admirals to the Navy for review. These were cases that DOJ declined to prosecute, in some circumstances because too much time had passed since the alleged crime.

Leonard Francis ([12:18](#)):

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They had my servers and my phone. So any officers, admirals, captains whoever's names or emails were in my contact list, everyone was investigated, and nobody could be promoted, transferred whatsoever, or retired. Nobody could retire. So thousands of senior leadership in the Navy got jammed and basically the entire chain of command of the Navy from the chief of the Navy-

Tom Wright ([12:56](#)):

The Navy set up a consolidated disposition authority, or CDA, headed by an Admiral to decide what to do with these cases. As during the Tailhook scandal back in 1991, which we covered in episode three, military leaders have been left to decide on punishments for their equals and as back then, the Navy has failed to administer justice. And it hasn't exactly been transparent. The Navy stopped updating the public on its actions in mid 2019. Only one officer has received time in confinement, and then only 165 days. The Navy has given out 11 letters of sentience, official reprimands, and forced some officers to retire with diminished rank. The most senior leader to come before the CDA was Admiral Samuel Locklear, who was Gilbeau's commanding officer on the USS Nimitz, and by 2013 was commander of all military forces in the Pacific and a leading contender to head the joint chiefs of staff.

The Washington post in 2018 reported that Leonard told investigators that Locklear had slept with a prostitute that evening while the Nimitz was in Singapore. Locklear had been on a White House shortlist to head the joint chiefs of staff, according to an email from a national security council official made public by Wiki leagues and first reported by the post. The official noted that Locklear's chances had dimmed and he likely would be forced to retire due to his alleged connections to fat Leonard.

According to the post Admiral John M. Richardson, then head of the CDA wrote in a memo regarding Locklear that it would be, and I quote, "inappropriate to substantiate allegations of misconduct in regards to these dinners or any other matters." Locklear did not respond to emailed questions about the evening. In a letter to the post, he denied Leonard had provided him with a prostitute. "It is inconceivable to me as it is to others who know me that I would engage such activity, no matter the circumstances," he wrote. "So once again, let me be clear. I was never offered a prostitute by Leonard Francis. I never requested a prostitute from him and I never discussed prostitutes or escorts with him. If there were prostitutes, they did not resent themselves to me as such and I had no reason to suspect they were."

Leonard Francis ([15:29](#)):

They are only discounting my evidence to senior leadership. They're not discounting my evidence to the lower rank guys. Locklear was a four star admiral. He an appointee of the president and Senate. There's no way they're going to embarrass the president or the senators by charging somebody of such high rank. That would've been a disgrace and humiliation. It would've been so demoralizing to the Navy, the rank and file.

Tom Wright ([15:58](#)):

Weeks later, Locklear retired from the military, The Post said. Today, he sits on the board of a defense contractor and is a senior fellow at the National Defense University. I asked Don Christensen, the former chief prosecutor of the air force about the matter.

I think in Locklear's case, he was able to retire with the same rank. That's crucial, isn't it? If you retire with the same rank, then your pension and all of these benefits in intact, that's really not much of a punishment in any way.

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Don Christensen ([16:26](#)):

It is no punishment. If you retire as a senior Admiral, you're going to make more in the rest of your life doing nothing than the average American tax payer who's paying that salary will make if they were working two or three jobs.

Tom Wright ([16:41](#)):

Then there's Admiral Craig Faller, a four star who we met in episode seven. Leonard told investigators that Faller slept with a prostitute at a dinner in Hong Kong back when he was a captain, The Washington Post wrote the story and Faller, at his Senate confirmation hearing to become head of Southern command, including central and Southern America was grilled by Senator Elizabeth Warren.

Elizabeth Warren ([17:02](#)):

Admiral Faller, I had hoped to talk with you about the crisis in Venezuela today. Instead, I have to ask you about yesterday's report in The Washington Post. You were allegedly offered a prostitute. This does not pass the smell test for me.

Admiral Faller ([17:17](#)):

Senator, every decision I made in my nearly four decades of service has been tried to be through the best ethical lens with ethics counselor. One of the benchmarks I use is would my wife of 34 years or my two grown daughters, if they were present or watching me or saw it on video, would they be embarrassed or would I have discredited them? And I can look you in the eye, and the committee and say that I believe I've passed that benchmark.

Elizabeth Warren ([17:41](#)):

I appreciate that, Admiral. But if I could just ask you to answer my question, which is, is it now, or was it then common for senior Navy officers to attend events at which prostitutes and when in scantily clad outfits were expected to provide entertainment?

Admiral Faller ([17:58](#)):

No.

Elizabeth Warren ([17:58](#)):

It's a pretty straight- Now you understand why I'm asking this Admiral Faller. Events that feature women as objects of entertainment, contribute to a culture that does not respect women. Given the persistently high rates of sexual harassment and assault in the Navy, across the military services, and frankly around this country, it is long past time that we have a conversation about exactly these kinds of events. You have been nominated to serve as the four star combatant commander to the US Southern command. You'll have many women officers under your command. What do you say to women officers when they see that this is the kind of event you have attended?

Admiral Faller ([18:44](#)):

Senator, I have always had the utmost respect for all service men and women.

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Tom Wright ([18:49](#)):

The Navy found "insufficient evidence" that Faller had patronized a prostitute, The Washington Post reported. In a statement to The Post, a Pentagon spokeswoman said, "Faller never solicited a gift, dinner, service or item from GDMA and never attended an event without clearance from an ethics counselor." Admiral Faller retired from the Navy in late October after this podcast began airing. He did not respond to requests for comment and the Navy declined to answer questions.

Leonard Francis ([19:21](#)):

Anybody who is at flag officer or senior officer, they don't sleep with prostitutes. Anybody who is below that? Oh yes, they sleep with prostitutes. So, that is the mentality that they have. Well, if he was captain and above, no, no, they don't do such things. But guess what? All these guys were captains too, they were commanders, they were lieutenants. They all worked their way up to chain of command. I've known some of these guys when they were young pups.

Tom Wright ([19:49](#)):

Admiral Terry Craft, who we also heard about in episode seven was the commander of the USS Ronald Reagan. When David Schaus, the whistleblower, made a complaint to NCIS about fake invoicing. Craft was censored by the Navy for accepting expensive dinners from Leonard and writing a Bravo Zulu accommodation letter, calling Leonard the best contractor in the world. Craft, in an email, said he was ordered to attend the dinners by his boss and paid \$100 per head. He denies ever seeing the NCIS report. He retired without any reduction in rank and is now working for General Atomics, the maker of predator drones.

Did you see that report that came out last week or earlier this week in The Wall Street Journal about the Navy? See this one?

Leonard Francis ([20:33](#)):

Was it the one written by Montgomery? I was just laughing about that one.

Tom Wright ([20:42](#)):

In July this year, Mark Montgomery, a former US rear Admiral wrote a major report on the fighting readiness of the US Navy, prepared under the direction of a number of Republican members of Congress. It was picked up by The Wall Street Journal and talked about widely in defense circles. For the report, Montgomery canvassed a wide range of Navy personnel. The interviewees included a former secretary of the Navy, now almost 80 years old, who opined that political correctness was hurting the US's war fighting ability.

He cited a number of World War II Navy heroes, admirals who today would not have made it past captain level because of their heavy drinking and womanizing. The report cited an incident in 2019 in which a Naval officer was overheard by a journalist encouraging sailors to clap like you're at a strip club for then vice president, Mike Pence. Amid the ensuing media coverage, the officer resigned. Montgomery and his co-author, rather than decrying the sexist language, found the media to be conducting nothing short of a witch hunt of an experienced officer. The report found disdain among interviewees for what they call the one mistake Navy or the idea an officer's career can be terminated over one and error of judgment. The authors said that the isolated infractions such-

PART 2 OF 4 ENDS [00:22:04]

Tom Wright ([22:01](#)):

The authors said that the isolated infractions such as alcohol related indiscretions should be weighed against an overall service record. But Montgomery himself has had little trouble recovering from his mistakes. He was censured by the Navy in 2018 for his dealings with Fat Leonard.

Leonard Francis ([22:19](#)):

Well, Montgomery is a big target for me. I know who Montgomery is. You see, the big fish, I always remember. The little ones, I don't really matter too much, but Montgomery was important to me. That's why I knew him for years.

Tom Wright ([22:34](#)):

Montgomery's Navy censure letter, although redacted, shows how he intervened in August 2007, when commander of a destroyer squadron, to ensure two US Navy vessels took expensive fuel from Leonard after they had initially declined. Montgomery also gave Leonard advance notice of ship visits, and he improperly endorsed GDMA in email traffic, the censure letter stated. Montgomery solicited discounted hotel stays for his family, and helped plan a dinner in Hong Kong costing \$32,000, for which he paid nothing, it says.

When asked by the Navy about the hotel stays and dinners, Montgomery made a false official statement, denying accepting a hotel room in Hong Kong and a dinner in Tokyo. The letter ends with an admonishment: "You were expected to the core values of the Navy as a leader. Instead, you abused your position to accept gifts from Mr. Francis, improperly endorse GDMA and commit graft."

He had already retired from the Navy and is now a senior director at a conservative think-tank in Washington and executive director of a US government commission on cybersecurity. He kept his rank.

Montgomery didn't respond to request for comment. In a previous statement viewed by the Navy Times, he "categorically denied" several of the allegations in the censure letter. The Navy Times gave no further details. His report about the Navy's war readiness doesn't mention the Fat Leonard scandal. There are others in the Navy who think the investigations have gone too far, freezing promotions, firing talent, unfairly hurting the careers of people only tangentially connected to Leonard. They say the Navy is in disarray because of it.

Two US Navy ship collisions in Asia in the summer of 2017 that killed 17 sailors, and a fire last year on an assault ship docked in San Diego, show how the Fat Leonard investigations have hollowed out the Navy's leadership, they argue. But as the rehabilitation of Rear Admiral Montgomery himself shows, rather than a witch-hunt, the Navy has not gone far enough.

Here's Blake Herzinger, the US Navy Reservist in Singapore, expressing a sentiment I heard time and again, from the rank and file.

Blake Herzinger ([24:52](#)):

I think there's an impression that it has not been even handed. There is at least some popular perception of what we would call different spansks for different ranks. Yes, some senior officers were punished, others were censured, which to someone who is more junior who loses their career, loses their

retirement and ends up with jail time, when they look up and see an admiral who was able to retire with full benefits and just got a mean letter in his record, that doesn't feel like an even-handed way to treat this.

Tom Wright ([25:24](#)):

The week Montgomery's report came out, I was set to record an interview with David Kapaun, a former Navy commander, a much more lowly figure than a rear admiral, who had just finished 18 months in jail in Hawaii due to his connections with Leonard. David told us in Episode Two about how Leonard did a great job for the Navy. At the time, David, who is 62, with a walrus mustache and a languid way of talking, was working in Singapore, and he admits to writing letters for Leonard, handing over a ship schedule and taking drinks, food and prostitutes. While in jail, David had time to read the censure letters of admirals who avoided jail time.

David Kapaun ([26:02](#)):

There's a couple things makes me feel, now that I'm past it... At the time, this thing went nuclear, and I just wanted to get out of it, which I did. But now that I'm out of it, I'm outside of the blast zone, so to speak, now that I have a chance to look back, I don't understand it. Now, you could say, "Well, maybe the Feds just didn't look deep enough because these are admirals." That's possible. They seemed to look deep enough for me.

Tom Wright ([26:28](#)):

When Leonard was arrested, David never expected to go to jail. Events moved quickly.

David Kapaun ([26:33](#)):

When he was arrested in 2013, yes, the chills did go up my spine, because at the time I rationalized my behavior on the fact that, yeah, I made some Navy ethical violations. They were obviously Navy ethical violations, but I was naive enough to think that they wouldn't arise to the level of Justice Department interest.

Now, when I did my proffer session, I think they were still trying to figure out what to do with me. So when we sat down, they started asking me questions, and they said, "Well, we know that Leonard gave you meals and hotel rooms and other services. What did you give him in return?" My answer was, "I didn't really give him anything." I said, "Yeah, I wordsmithed some letters he wanted to write." And then they pulled out the ship schedule and they said, "Well, what about this?" And then I thought, I had honestly forgotten that. At that point, my lawyer called a break and said, "My guy needs a break."

Tom Wright ([27:33](#)):

In the end. David pleaded guilty for failing to declare his connections to Leonard on a standard security clearance.

David Kapaun ([27:40](#)):

I was relieved. To me, and this is just me, bribery and giving away classified information just sounded to me much worse than false statement. Nobody even knows what that means. I don't know if that was any comfort to my family or anyone, but it was to me.

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Tom Wright ([27:57](#)):

Then the reality of the public shaming hit David. It mentions prostitution in your plea deal. Did that have any personal ramifications for you or was that okay?

David Kapaun ([28:05](#)):

In May of 2017, when I got the change of plea, there was an article in the local paper here, of course, the [Huddlestown 00:28:15] Advertiser, and that was the first time I think my wife saw that, and it didn't go over very well. And then-

Tom Wright ([28:22](#)):

And how long had you been married?

David Kapaun ([28:24](#)):

At that time, we had been married 30 years. And then stories came out and her sisters and stuff were calling her, and I don't know, we just didn't speak about it a lot. It was unspoken, and still is. I don't know if that's a good or bad thing.

Tom Wright ([28:49](#)):

As he stews at home in Hawaii, writing posts about films and politics on his blog, David is seething over what he sees as unequal treatment for admirals.

David Kapaun ([28:59](#)):

I just got off supervised release about a month ago. While I was under supervised release, I kept the gloves on a little bit. Who knows what they're going to do to you? They still had my passport. I just got my passport back this week, but now the gloves are off, and now I'm looking myself at more of this information. No, I'm not happy at all. I'm quite angry. In fact, I plan on putting in for a pardon. Yes, I'm going to be very vocal about this, and that's why I'm talking to you. If you would have called me two months ago, I probably would have ignored your email, but now, yeah, I'm not happy at all, and I'm going to be very vocal. I don't have a platform like you do, but I'll create one.

Tom Wright ([29:38](#)):

Leonard himself agrees that Rear Admiral Montgomery was worth more to him than David Kapaun.

Leonard Francis ([29:43](#)):

I would say in terms of value, Montgomery would have probably given me more value than Kapaun. Kapaun was just... What do you call it? Low-fruit commander. He was more of a [inaudible 00:29:55]. Montgomery was where the big bucks were. For example, he could direct his ships to take fuel in my port, and I could make millions out of it because he is the boss. He would direct it. Don't take fuel here. Just go there and get your gas there. And that's where the money's made.

Tom Wright ([30:12](#)):

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How the hell is it that Montgomery didn't get more than a slap on the wrist in a censure letter? I think he didn't even lose his rear admiral status when he retired.

Leonard Francis ([30:20](#)):

Of course not. He's a two-star admiral. He's a blue-eyed boy. Like I was telling you over and over again, the officer corps, they're so protected. It's amazing how they all get away. That's why DoJ does not want to let all these seven fleet guys away off.

Tom Wright ([30:40](#)):

Leonard's talking about the only major criminal trial left in this matter, of the seven Navy officers of the Seventh Fleet who have pleaded not guilty to charges including bribery, conspiracy, obstruction of justice and making false statements to investigators. The trial is set to start in February in Federal Court in San Diego. Some of these seven fleet officers were involved in the MacArthur suite party, which opened this series. Others partied in the Shangri-La in Makati, which Leonard videotaped. Leonard is the star witness.

Leonard Francis ([31:12](#)):

This is a very sensitive case. This is the military. This is what the United States of America is all about. The highest rank of the military are [inaudible 00:31:23] in this huge corruption scandal, which they don't know what to do.

Tom Wright ([31:33](#)):

It's true the Navy has made some reforms. Today, it relies on multiple contractors, not one behemoth like Leonard, and set rules to keep costs under control. Apart from GDMA and its subsidiaries, the Navy has debarred hundreds of vendors from contracts. As a result, Navy visits to some of the far-flung places that Leonard serviced, like Thailand, have fallen in frequency.

But as we finished off the recording for this podcast, the US appeared to have uncovered another Fat-Leonard-like corruption scandal. The Justice Department, in September, unsealed an arrest warrant for the CEO of a huge Navy husbanding firm, MLS, which had taken over many of Leonard's contracts. It sounds like the Fat Leonard scandal all over again: allegations of cash bribes to a Navy official and fake invoices. Leonard, it seems, is right to say that corruption is endemic in the Navy.

In late October, as his podcast was airing, I took a train out of New York to meet a source in his charming cedar-shingled home. The source, a well-connected individual, had recently spoken to a senior Chinese Communist Party official. The official, the source said, had told him a worrying piece of information. China's government was in possession of sexual kompromat.

PART 3 OF 4 ENDS [00:33:04]

Tom Wright ([33:00](#)):

Government was in possession of sexual kompromat, photos and videos of US Navy officers. As we sat in the library after lunch, the source told me the Chinese official said that Leonard hadn't sold the material, instead, China had identified him as a target and hacked GDMA, his company. And as you'll remember, Leonard had moved all his files onto Chinese service to avoid the NCIS investigation. What else the Chinese got hold of? The position of ballistic missile defenses for instance, is unclear. What's for sure is

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the US is still trying to work out, years after the fact, the extent to which its national security has been compromised.

Leonard Francis ([33:49](#)):

Try and understand where I'm coming from. I'm trying to explain to you and don't get me wrong that I'm taking you for a ride all these months.

Tom Wright ([33:59](#)):

In our final conversation, Leonard seemed to lose his certainty that speaking out was a sensible course of action. He asked for this podcast not to come out after hours of taped conversations and brave talk that he didn't care what the judge does in his case.

Leonard Francis ([34:14](#)):

Yeah. I don't understand a writer. I don't understand. I thought it's my memoir. I don't understand a journalist. I haven't spoken to anybody except you. Many approach me, but I don't talk to them, because I've been warned about talking to people. I speak to you because I trust you. And I just want you to know that, it's about how serious this is. Just be patient, we're about there. We don't even have everything. Right now he's just going to come out with this and that. I got lists. I got photos, people, how much have been investigated, how high up, everybody A to Z. See, these are things I can't talk until this case is done, the trial's finished. Because then I'm not constrained anymore, everything is over. We waited this long. That's why at the end I started talking to you, because I felt I trusted you, because otherwise it's got to take two years for me to start once this is over. So a head start by talking to you and then moving on slowly, that's how things are. That's how I work. I've been working this way for so many years. You got to think about it. Do you understand, Tom?

Tom Wright ([35:44](#)):

No. It's a total mystery to me while you're talking like this, based on how we started this whole process six months ago.

Leonard Francis ([35:50](#)):

What are you trying to get out of this? Are you trying to get rid of me? Are you being the judge on me now?

Tom Wright ([35:55](#)):

No. No.

Leonard Francis ([35:57](#)):

Then what?

Tom Wright ([36:00](#)):

Just to be clear, I'm not your judge at all. I'm the guy that you came to to tell your story and I've done it.

Leonard Francis ([36:05](#)):

Yes. But right now-

Tom Wright ([36:07](#)):

And you were not clear at all for how the fact that you thought... In fact, you said the exact opposite. You said that you were being made to sit around, to wait around and that it was so important to you to get the truth out. You came into it with your eyes wide open, right? You know I'm a journalist. You know I'm not a stenographer, right?

Leonard Francis ([36:26](#)):

Honestly, when I talked to you, I talked to you in good faith that this was my memoir. I just think of it like a book. That's how I look at it. I don't look at it... You want to do a podcast. You want to do a movie later, whatever you want to do, that's fine. But I just got to make sure that everything falls in place because this can just blow up in my face and that'll be the end of me.

Tom Wright ([36:57](#)):

Leonard always saw me as a useful tool, like most of the people in his life. Over our many conversations, Leonard said he didn't expect to get sentenced for years. This podcast was his way to get his side of the story out to cement his legacy. I think Leonard did achieve one of his goals through our interactions, to let the world know that rather than the corrupt contractor portrayed in newspaper articles, he was a trusted partner of the Navy for decades. But I don't believe Leonard thought through the consequences of talking to a journalist. He couldn't conceive that I'd dig into his past and uncover his hurtful, misogynistic treatment of Marcy, Morena, and other women.

The Navy needs to let in more light, not less, and be transparent about how it's handling this awful mess. I hope this podcast deepens the debate in the Navy started all those years ago by Paula Kauflin, about how to end endemic misogyny. Even now, Paula is an advocate of a bill in Congress that would take the decision to prosecute sexual assault cases away from the military commanders. It's stuck in the Senate as old men pontificate about the need to keep the chain of command intact.

As for Leonard, he may never get to sentencing. I'm not even sure how long he has to live given his late stage kidney cancer. He never gave me a straight answer. I didn't want to ask you this before because it seems private, but I hope you don't mind me asking, so are you dying?

Leonard Francis ([38:28](#)):

No. If I'm dying, I wouldn't be talking to you this way, right? But as long as I'm on my medication, I'll be alive. Because the medication is what keeps your cancer and everything in check, immunology medication, here in the United States, it's very advanced.

Tom Wright ([38:48](#)):

Is your cancer in remission?

Leonard Francis ([38:51](#)):

No. I have to maintain my medical condition because that's what keeps me out. That's why I have my Liberty. If I am well, I'm definitely not going to be here.

This transcript was exported on Nov 22, 2021 - view latest version [here](#).

Tom Wright ([39:10](#)):

We stopped talking close to the debut of this podcast in early October. I'm not sure whether he's been taken back to jail for breaking his plea agreement. In one of our last conversations, Leonard told me how he had taken to getting up at 4:00 AM to pray.

Leonard Francis ([39:25](#)):

It is God's will, God's way. That's why I said I have so many lives. It's amazing, my lives, I would've been dead, you wouldn't be here talking to me.

Tom Wright ([39:38](#)):

Morena has filed a lawsuit in the US seeking the return of her children. When we last talked, Leonard was still spending his days preparing his three kids for school.

Leonard Francis ([39:50](#)):

I've had multiple partners, wives, and now I'm just trying to bring up my kids on my own. And sometimes it just suffocates me. My kids are becoming teenagers. I do a lot of things on my own. And that's why when I talk to you at night, I get tired. I get frustrated, it's a good day, it's a bad day. I'm on a whole bunch of medication.

Tom Wright ([40:17](#)):

Since his abusive childhood on the docs in Pang Yang over a half a century ago, Leonard hasn't lost his out-sized ambition. After all that's happened, he isn't willing to admit that his story is nearing an end.

Leonard Francis ([40:30](#)):

I always talk to my doctors, my oncologist. I talk to my nurses and they tell me that, they go, "Mr. Francis, I see everybody. I see patients die all the time, all the time because they give up." And I got such a strong spirit to live. That's what keeps me going too, I'm just such a strong person and I'm not bragging about it, but it's just that the will to live. I feel I have so much more to do. I feel like can build up another business empire again one day. It's not that I don't have the talent, I know I can, it's all here and I've done it and it all came crumbling down, but it's not over for me.

Tom Wright ([41:14](#)):

Fat Leonard is a production of Project Brazen in partnership with PRX. For audiation, the executive producer is Sandy Smallens. Mark Lotto is the co-producer and story editor. The producer is Ilam Mecum. Mixing and sound design is by Matt Noble.

PART 4 OF 4 ENDS [00:41:37]