

More Corruption in the Navy

Written by Nick Sanders
Tuesday, 24 May 2011 00:00

We've [previously reported](#) on a NAVSEA Program Manager who accepted bribes from a contractor, which ultimately resulted in the contractor going out of business and many innocent employees losing their jobs.

Today's story concerns another Navy contractor, San Diego-based JD Machine Tech, Inc., whose President pleaded guilty to providing gratuities and "bribes" to "a Navy official" in return for contract awards. On May 16, 2011, the Washington Post carried an Associated Press story which [reported](#) the following—

Jesse Denome ... admitted that from June 2004 to September 2005 he gave a Navy official a bicycle worth nearly \$2,500, a model airplane engine worth \$449 and made \$18,000 in payments on the official's personal credit card. In exchange, prosecutors say the official placed over 100 orders [cumulatively worth about \$300,000] ... for a Navy aircraft program. The Navy is still investigating the official, identified only as D.V.

As if the above admissions weren't serious enough, the article also noted that Denome was also being charged with tax evasion, for failing to report \$300,000 in income, as well as, "passing off vacations and hobbies as business deductions."

The article reported that Denome (age 47) "faces up to eight years in prison and more than \$500,000 in fines."

We respect the military service men and women who place their lives on the line every day, in order to protect the security of the United States. We also acknowledge those who serve in less obvious ways—such as logisticians and quartermasters—and we thank them for their efforts, as well.

We respect the military and its focus on leadership and accountability. The military's focus on leadership and accountability has served as a role model for our approach to such things—and we're sure we're not alone in that regard.

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Here's a list of military leadership principles from [this website](#) —

1. *Know yourself and seek self improvement.*

2.

Be technically and tactically proficient.

3.

Seek responsibility for your actions.

4.

Make sound and timely decisions.

5.

Set the example.

6.

Know your troops and look out for their welfare.

7.

Keep your troops informed.

8.

Develop a sense of responsibility in your subordinates.

9.

Insure the task is understood, supervised, and accomplished.

10.

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Train your troops as a team.

11.

Employ your command in accordance with its capabilities.

Secretary of the Navy Gordon England [published](#) the following Principles of Leadership—

1.

Provide an environment for every person to excel

2.

Treat every person with dignity and respect — nobody is more important than anyone else

3.

Be forthright, honest and direct with every person and in every circumstance

4.

Improve effectiveness to gain efficiency

5.

Cherish your time and the time of others — it is not renewable

6.

Identify the critical problems that need solution for the organization to succeed

7.

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Describe complex issues and problems simply so every person can understand

8.

Never stop learning — depth and breadth of knowledge are equally important

9.

Encourage constructive criticism

10.

Surround yourself with great people and delegate to them full authority and responsibility

11.

Make ethical standards more important than legal requirements

12.

Strive for team-based wins, not individual

13.

Emphasize capability — not organization

14.

Incorporate measures and metrics everywhere

15.

Concentrate on core functions and outsource all other

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According to [one blogger](#) , “the single greatest thing about the United States Navy is that everybody is accountable up and down the line. An unbroken chain of responsibility extending from the lowliest seaman recruit to the top-ranking fleet admirals.” The blogger continued—

As a Navy officer, you are responsible for every aspect of those serving under you: ranging from personal habits and hygiene to specialized training and daily activities. All with continual in-depth testing and performance reviews. No man or woman is beyond the responsibility for acts committed during their watch – even if they were not directly responsible for the act itself.

Okay. Given the foregoing we have to ask, “Where is the accountability with respect to the wrong-doing of these Navy officials?”

Who is accountable for the lax ethical environment within the Navy’s procurement team, and (perhaps) for the lax control environment that permits these (admittedly few) individuals to accept bribes?

Who is accountable for permitting the Navy to award contracts to bidders without properly reviewing those award decisions to ensure that they are being made to the most qualified, lowest priced, bidders?

Who will take responsibility for these leadership failings?