

## San Diego Navy Fraud

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While its big sister city Los Angeles is often thought as being the home (if not the heart) of the modern Aerospace/Defense industry, many people forget that San Diego has been a Navy town since World War II. Accordingly, we are too often surprised when we learn that San Diego has its share of fraud, waste, and abuse stories.

Here are two stories of Navy-related fraud perpetrated in the San Diego area.

The first story [was reported](#) in the Los Angeles Times on March 5, 2013. The LA Times story reported that two individuals and one corporation had been found guilty “of being part of a fraud and bribery scheme involving phony payments for the repair of military aircraft at North Island Naval Air Station in Coronado.”

They were convicted as part of prosecution of at least 11 individuals (including five former Navy employees). The Times reported—

Robert Ehnou and Joanne Loehr, owners of Poway-based companies, were convicted Monday of showering Navy officials with gifts and cash in exchange for millions of dollars in payments for work supposedly done on planes at the Fleet Readiness Center. Loehr's firm, Centerline Industrial Inc., also was convicted. Among the items were retail gift cards, flat-screen television sets, luxury massage chairs, model airplanes, bicycles costing thousands of dollars and home repairs. The cost of the bribes was hidden in bills submitted to the Navy, according to prosecutors.

The LA Times [also reported](#) our second story, that of three civilian contractors at Marine Base Camp Pendleton who pleaded guilty to theft of \$3 million in Navy medical equipment

“meant to be shipped to Marine combat units, including those in Afghanistan.”

The LA Times reported that the three individuals had been employed as supply clerks, where they had access to the medical equipment, which was stored in warehouses awaiting shipment. The LA Times reported—

Included in the list of stolen items, according to the indictment, were ultrasound machines, defibrillators, ventilators, a laryngoscopy, and kits for dealing with broken bones -- the kinds of equipment used to treat injured or wounded troops. The equipment, including an autoclave for sterilizing medical instruments, was meant to be shipped to ‘combat commands throughout the world.’ Instead the three loaded the equipment in their cars ‘often meeting with customers during nighttime rendezvous in secluded parking lots,’ according to court documents.

So warehouse security was so porous that these supply clerks could simply walk off with the equipment, load it into their personal automobiles, and sell it at their leisure? And nobody though it odd that supply clerks were carting off medical equipment, and ostensibly shipping it “throughout the world” via their personal cars? Nobody thought to challenge these supply clerks?

Really?

Okay. We’ve written about the culture of accountability in the Navy [before](#). We’ve even written about a Naval purchasing clerk who

[helped himself](#)

to parts so that he could build a personal airplane to help him with his commute. These latest stories are really just more of the same, aren’t they?

We hope the U.S. Navy can do better in the future.