



San Diego Division

[Home](#) • [San Diego](#) • [Press Releases](#) • 2014 • 'Godfather' of Camp Pendleton Sentenced to Two Years for Bribery

'Godfather' of Camp Pendleton Sentenced to Two Years for Bribery

*Department of Defense Supervisor Nate Cervantes
Accepted Over \$100,000 in Bribes*

U.S. Attorney's Office

July 25, 2014

Southern District of California

(619) 557-5610

A Department of Defense supervisor, the self-described "Godfather" of Camp Pendleton, was sentenced today to two years in prison for accepting over \$100,000 in bribes from contractors who sought to win or retain government construction and service contracts at Camp Pendleton worth millions of dollars.

Natividad Lara "Nate" Cervantes pleaded guilty in January to bribery and conspiracy to commit bribery of a public official. At today's hearing, U.S. District Judge Anthony J. Battaglia also ordered Cervantes, who is free on bond, to self-surrender by September 30, 2014, and to forfeit \$106,964 in ill-gotten gains.

"Nate Cervantes used his considerable influence and popularity at Camp Pendleton to foster a culture of corruption among contractors at the military base," said U.S. Attorney Laura Duffy. "This scandal has undermined public confidence in the fairness of the system. Hopefully, today's sentence will restore some of that confidence. We will investigate and expose corruption wherever it occurs in the U.S. military."

FBI Special Agent in Charge Daphne Hearn commented, "When a government official like Mr. Cervantes violates his oath to protect and serve the citizens of this nation, it undermines the public's trust. When that happens, the FBI will aggressively pursue people like Mr. Cervantes to root out corruption at all levels of government and restore that trust. This case like many of our investigations was initiated based upon a call from the public to the FBI and shows what can happen when the public joins with law enforcement to fight crime. The FBI encourages the public to report allegations of public corruption to our hotline at (877) NO-BRIBE. "

"Today's sentencing is a reminder that individuals who scheme to defraud the U.S. Government and violate the public's trust will be brought to justice," said Inspector General Peggy E. Gustafson. "The actions of Natividad Cervantes and his conspirators grossly undermine the honest work being done every day by Federal employees and government contractors. I want to thank the U.S. Attorney's Office for its dedicated leadership and professionalism in pursuit of justice served today."

Special Agent in Charge Chris Hendrickson of the Defense Criminal Investigative Service (DCIS) Western Field Office commented, "Cases such as this are not motivated by need, or other difficult personal circumstances; they are products of simple greed. We are committed to aggressively pursuing those who abuse the public trust and ultimately undermine the efforts of the Department of Defense to support our warfighters."

"Failure to play by the rules will land you in prison," said Erick Martinez, Special Agent in Charge of IRS Criminal Investigation. "Today's sentencing supports IRS Criminal Investigation's commitment to bring to justice to those individuals who seek to illegally enrich themselves through the improper awarding of government contracts."

Bribery at Camp Pendleton

When he entered his guilty plea in January, Cervantes admitted using his position at Camp Pendleton to solicit bribes from construction companies seeking to do business on the base, including codefendant Hugo Hernandez Alonso's company, Hugo Alonso, Inc. (HAI), and codefendant Bayani Yabut Abueg, Jr.'s company, MBR Associates, Inc. (MBRA). From about 2008 until March 2013, Cervantes served at Camp Pendleton as the Supervisor of the Construction and Service Contracts Inspection Branch, Facilities Support Contract Division. During that time Cervantes used his position supervising construction and service contracts to solicit Alonso and Abueg for bribes from their companies, HAI or MBRA. In return for helping to steer contracts to HAI and MBRA, Cervantes received cash payments from Alonso and Abueg and extensive free construction work on his personal condominium. Alonso, Abueg, and their respective companies were all sentenced last month.

As an example, Cervantes admitted that in about 2008 he agreed to accept a \$25,000 bribe to assist Alonso and HAI in obtaining a \$3.5 million government contract to install flooring at Camp Pendleton. In arranging for the bribe payment, Cervantes, through a third-party conduit, requested that Alonso "have the 25 package" (code for the \$25,000 bribe) available on September 5, 2008. On that same day,

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- [In Your Community](#)

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- [Our People & Capabilities](#)
- [What We Investigate](#)
- [Our Partnerships](#)
- [San Diego History](#)

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also provided the \$25,000 to the third party contractor for delivery to Cervantes. Cervantes admitted that HAI paid Cervantes a total of at least \$119,000 in bribes between 2008 and 2011.

The bribes to Cervantes were not limited to just HAI. Cervantes admitted to exchanging a bribe in 2011 related to the awarding of a \$3 million contract at Camp Pendleton to Abueg's company, MBRA. Further, Cervantes admitted that on March 26, 2013, he met with a cooperating witness, who agreed to pay Cervantes a \$40,000 bribe in exchange for assistance in obtaining a new \$4 million contract at Camp Pendleton. The bribe was to be structured over a number of payments. The first payment was scheduled for March 28, 2013, with the balance of the bribe to be paid after the contract was awarded.

On March 28, 2013, the cooperating witness met with Cervantes at a local business on Miramar Road in San Diego, California, to make the first payment that was discussed earlier in the week. During this meeting, Cervantes discussed, among other things, the payment schedule and the source of funds for the bribe payments. At the end of the meeting, the cooperating witness handed Cervantes an envelope containing \$10,000 cash. At that point, FBI agents arrested Cervantes.

The public is encouraged to report possible public corruption criminal activity by calling the FBI's public corruption/border corruption hotline at (877) NO-BRIBE or (877) 662-7423, or by calling the Department of Defense's hotline at (800) 424-9098 or e-mailing hotline@dodig.mil.

DEFENDANTS

- Case Number: 13cr1345-AJB
- Natividad Lara Cervantes
- Age: 64
- San Diego, CA

SUMMARY OF CHARGES

Title 18, United States Code, Section 201(b)(2)—Bribery of public official Maximum penalties: 15 years' imprisonment, \$250,000 fine, or three times the monetary equivalent of the bribe

Title 18, United States Code, Section 371 – Conspiracy to commit bribery of public official Maximum penalties: five years' imprisonment, \$250,000 fine, or twice the gross amount of defendant's pecuniary gain from the offense

AGENCIES

- Federal Bureau of Investigation
- Naval Criminal Investigative Service
- Internal Revenue Service, Criminal Investigation
- Department of Defense Criminal Investigative Service
- General Services Administration, Office of Inspector General
- Small Business Administration, Office of Inspector General