

Monday, May 15, 2017

FROM: Chief Petty Officer Michael R. Tufariello, USN Retired

TO: The United States Department of Veterans Affairs

SUBJ: LETTER OF SUPPORT FOR FORMER NAVY LIEUTENANT DAVID SMALLWOOD

Dear Veterans Administration,

I'm writing this letter on behalf of former Navy Lieutenant David Smallwood who is filing a claim for VA benefits. He has asked me to relay the circumstances and events which culminated with his court-martial, because I am about the only person who really knew what was going on behind the scenes. He has also asked me to add a bit of my own story which reveals the type of people we were up against. As it turned out, we were both attacked the same week and essentially for the same reason, by an evil group of self-serving naval officers seeking to protect a system of organized crime.

I reported for duty to Naval Air Station Dallas six months before Lt. Smallwood. Because of my exemplary performance at my previous duty station, I was selected as the Navy's "Shore Sailor of the Year." The Navy organized a huge black-tie dinner in Manhattan to recognize my outstanding achievements as an administrator of the naval reserves. Hundreds of people attended, including a slew of appointed and elected dignitaries.

My nickname on the base was, "Mr. By-the-Book." I took pride in, not only knowing the regulations and procedures, but fairly and consistently applying them to all, without fear or favor. At my new duty station, Naval Air Station (NAS) Dallas, Texas, I quickly discovered that I had fallen into a cesspool of impropriety. It was unfortunately, a place where no one "went by the book." The base was comprised of a group of naval officers who believed that regulatory procedures and statutes were just mere guidelines which could be altered, bent and broken to yield a desired outcome. They embraced an attitude of, "anything goes."

To survive at NAS Dallas, you needed to befriend the apparatchiks, both military and civilian who controlled the political power structure on base. Many things in the reserve military are tolerated and ignored, that regular military units would never tolerate or ignore. Dubious practices were accepted as normal behavior because the mission of the reserves is markedly different than that of a regular military unit. The separation between military ranks, rigidly enforced in the regular Navy, frequently was abandoned in the reserve Navy for a variety of reasons.

In one particular case, an enlisted woman left military service to enter medical school. She ultimately became a highly-respected doctor of medicine (M.D.). After becoming a prominent medical doctor, she continued her affiliation with the military as a second-class petty officer because of her deep sense of patriotism. Even though enlisted, she would frequently mingle with the pilots in the officer's club. Good order and discipline was not affected in the slightest way. But, if the Navy so desired, any of these officers could have received two years in Ft. Leavenworth and a felony conviction by buying her a drink and calling her by her first name. It's called "fraternization."

But, one thing that did affect good order and discipline for me personally was blatant payroll fraud, which had been accepted as a normal way of conducting business at NAS Dallas. As an example, senior officers would call-in during a drill weekend to have someone surreptitiously log them as being present in order to build-up retirement points. These retirement points made officers eligible for major benefits upon reaching retirement age. On paper they attended drill periods, but in reality the officer was at home watching TV. It was fraud in its purest form. This clandestine mustering was wrong, and they all knew it was wrong. But, it

was (and is) business-as-usual on an American reserve naval base. Abuses of the retirement-point system on reserve naval bases are ineradicable and continue unabated to this very day.

More severe examples of fraud occurred in November and December of 1983, only a month or more before Lt. Smallwood arrived. The commanding officer sent a thousand plus reservists home and decided to pay them for drill periods they never attended. I personally witnessed this because all the pay records came through my office. Since promotion for reserve officers was based on the continued affiliation of reservists in the military reserve, the commanding officer decided to bolster his retention numbers by paying reservists for work they never did. They loved him for it. Who wouldn't? The answer, of course, would be the taxpayers, who were footing the bill.

Regardless of the devotion and affection the commanding officer gained from his troops, this was a clear violation of the statutes governing the disbursement of wages in the military reserve system. Reservists were only allowed one day's pay for every four-hour drill period completed. A typical drill weekend was four drill periods. There was no latitude given to commanding officers saying they could pay reservists anytime they wanted, and for any reason. Payroll fraud occurred on several other occasions at NAS Dallas, and most likely occurred on many other reserve naval bases since the founding of the military reserve system. There is no indication this type of payroll fraud has ever been reined in. The amount of payroll fraud in the military reserve system surely is in the billions of dollars.

While I was drowning in a sea of lawlessness regarding these fraudulent payroll distributions, a young navy lieutenant arrived for duty and was assigned to the administrative department with me. He was truly a breath of fresh air. I remember the day Lt. Smallwood noticed a senior naval officer, with hair as long as Mick Jagger curling out from underneath his combination cover. He politely and respectfully approached the commander saying that his hair length was not regulation. "A haircut is part of your uniform sir," he said. He went on to tell him that his disheveled appearance was making it tougher for him to hold sailors accountable for some infraction. With respectful demeanor, he asked if he could gain the commander's help by him getting a regulation military haircut. Most other junior officers would have never done that; they would have gone along to get along.

The incident told me Lt. Smallwood was an extraordinary naval officer. This benign incident gave me a glimpse into what this lieutenant was all about. I knew instantly, Lt. Smallwood was the type officer I would enjoy working with, but deep down I also knew the long-knives would be out to get him. Lieutenant Smallwood quickly discovered he had made a mistake by transitioning into the naval reserves. When I shared the details about the retirement-point fraud and how the commanding officer had placed his imprimatur on the payroll fraud he said, "My God, this isn't a naval base... it's Sodom & Gomorrah."

Taking immediate and decisive action, Lt. Smallwood directed me to make copies of all the pay records involved and safeguard those copies somewhere off the base. He said, "Do not take them home, and tell no one, including your wife about their location or existence." I resisted because I felt those documents were government property which could not be removed from the base. Lt. Smallwood smiled and explained that he was giving me a legal order, because he was taking steps to protect potential evidence of a crime. He said, "Chief, the monkey is on my back now, please follow my instructions to the letter."

At this point, Lt. Smallwood decided to approach the base commander himself about the payroll fraud. He planned to approach the issue as a new officer to the reserve system that was trying to learn the ropes, and wanted to learn the reserve way of doing things. The meeting apparently did not go very well. The base commander was offended that Lt. Smallwood had the audacity to delve into something that, in his opinion,

was none of the lieutenant's business. Naval regulations make it clear that criminal misconduct in the military is everyone's business.

After his meeting with the base commander, Lt. Smallwood's career was virtually over and he knew his next officer fitness report would surely reflect as much. By even broaching the subject he was calling into question the poor judgement of his commanding officer. On a naval reserve base, replete with self-serving military officers, Lt. Smallwood was a ray of light from an overcast sky. The commanding officer wasted no time in retaliating. Lt. Smallwood was suddenly transferred to the operations department, probably so the command could keep a closer watch on him.

His transfer was touted as "promotion," but we both knew better. It appeared they wanted to divide and conquer. It was at this time when a voluptuous enlist woman appeared at his door. The command knew he was at a low point in his life. They knew he was vulnerable, and in my opinion took full advantage of it. Most people I spoke with strongly suspected she had been sent to his room in the hope he would take the bait.

Lt. Smallwood was only in the Operations Department for a short period of time before the Navy levied their first charge against him. He was ordered to drive to San Diego to stand trial over a questionable \$75 travel claim. It now appeared Lt. Smallwood was now out of the picture, but the problem with fraudulent payroll disbursements still existed.

I confided in, and solicited help from Command Master Chief Benny E. Lebon concerning the fraudulent payroll disbursements. The Navy's corps of chiefs has always been a solid cadre of people with a certain code of honor. This lulled me into believing I could trust the command master chief. But, instead of helping me, Chief Lebon helped the command set me up. To gain favor, he ran to the commanding officer and betrayed my confidences.

With the cat now out of the bag, I decided to personally discuss these instances of fraud directly with the base commander, and submitted a formal request to have a hearing on the matter. The command was in a tizzy and didn't know what to do. I suspect they were trying to find out some way to provide the commanding officer with some measure of plausible deniability.

My supervisors instructed me to wait for a call at home until they could arrange a hearing with the commanding officer. Feeling I would be called in for a hearing that afternoon, or at the latest, the next morning, I went home to prepare my dress uniform. The minutes turned to hours which turned into days as my supervisors were hand-wringing one idea after another on how to deal with the situation.

One of the yeomen in my office called me at home to bring me up-to-date on office activities. She asked me how things were going and was curious as to when I would return to the office. I conveyed to her my frustration with being at home all week, and had heard absolutely nothing about the requested hearing with the commanding officer. Did it take weeks to arrange a simple meeting in the skipper's office, I asked?

I told her that I felt like jumping off the Brooklyn Bridge. It was a joke, and she knew it was a joke. We both laughed when I said it. She said, "Chief, you know there is no Brooklyn Bridge in Dallas, Texas, for Heaven sakes." We continued the light banter and she promised to let me know, if and when, a meeting had been scheduled.

Unfortunately, she hung up the phone and relayed my off-the-cuff statement to a fellow co-worker which was overheard by a LCDR Loveless. Loveless nearly leaped for joy saying, 'we got 'em now.' Loveless sent word up the chain of command that I was threatening to commit suicide. It was a lie and they knew it was a

lie. The lie was used as a pretense to discredit me and provide the commanding officer with the plausible deniability that he and his staff so fervently desired.

Soon after my conversation with my yeoman, I received a call from the base indicating the meeting with the commanding officer had finally been arranged. I got in my dress uniform and scurried across Dallas to attend what turned out to be a fictitious hearing. Naval officers in my chain of command had woven their subtle web that was designed to ensnare me upon my arrival. The promise of a hearing with the commanding officer to discuss the fraud was a ruse to lure me back on the base. On July 20, 1984, I was seized by two armed Marines and whisked off the base, not knowing what it was about, or where I was being taken. Our cowardly commanding officer never showed his face.

The armed guards escorted me into a hospital elevator at Carswell Air Force Base. When the elevator doors opened, I read the words "PSYCHIATRIC WARD." It was at that point that I realized, the bastards back at NAS Dallas had used my harmless, extemporaneous statement to deceive the medical staff at Carswell Air Force Base, that I was suicidal. This was all being orchestrated to discredit me so my supervisors could protect and conceal their fraudulent schemes and criminal misconduct.

As I was checked in to the hospital's mental ward, two orderlies contemplated forcing me into a straightjacket. Had they attempted that, I believe there would have been physical violence for sure. Emotions were running extremely high. I had been "arrested," held against my will for attempting to expose the misappropriation of taxpayer dollars. This was a very painful betrayal by the Navy that I will never forget.

While I was being subjected to an attack from unscrupulous naval officers at NAS Dallas, the admiral in San Diego correctly deduced something political was going on at NAS Dallas and ordered Lt. Smallwood back to Dallas. The admiral in San Diego wanted no part of what he quickly recognized was a political lynching using his legal department.

Within a few days of the lieutenant's arrival back in Dallas, I had been dragged off to a mental ward, but Lt. Smallwood had no knowledge of my maltreatment. Lt. Smallwood was placed under house arrest and confined to quarters. While I was still in the loony bin at Carswell AFB, the Navy levied an additional charge of fraternization against Lt. Smallwood and ordered him to drive an additional 450 miles to NAS Corpus Christi, Texas. It took some searching, but the reserves had finally found an admiral with lots of money in his budget and a willingness to convene a general court-martial against Lt. Smallwood.

Meanwhile, it wasn't until an Air Force doctor realized the Air Force had been duped by the Navy, that I was finally released. The doctor snapped at the nurses, "I want this man released immediately! Do you hear me? And, you tell those people at that goddamn naval base I will not be a party to their political games anymore." I thought to myself, oh my God, they have done this to other people as well. This was the way the Navy treated people who "broke ranks," and didn't go along to get along.

Upon my return to NAS Dallas, after being released from the psych ward at Carswell AFB, I was immediately transferred out of the administrative department. This action was designed to separate me from a mountain of documentary evidence that surely involved other instances of fraud. Everyone on the base kept saying, "Are you OK Chief?" as if I were mentally unstable. I suffered further humiliation when the command conjured up a poor work evaluation for me which was designed to punish me administratively. I had been a shoe-in for promotion because; of the extraordinarily high ratings received throughout my career and the extra promotion-points related to my combat medals and ribbons.

But gallantry in combat, and Purple Heart ribbons were not enough to counter the Navy's assault on my character using their suicide ploy and the canard they called a work evaluation. I was passed over for promotion to the rank of senior chief. It was clear that naval officers were inoculating themselves by creating a poor work evaluation that was a complete mischaracterization of the true facts. Through a deceptively dishonest work evaluation, my supervisors were attempting to justify their outrageously devious misconduct by having me dragged off to a mental ward.

I was pressured, (threatened) into retirement, told to, "either retire or beware." I felt that if I did not retire, the evil doers would have maliciously used the military judicial system to remove me as they did Lt. Smallwood. The most common attack in those days was to plant drugs on people, but believe you me, they would have resorted to virtually any action, no matter how reprehensible, to protect their precious careers, promotions, and retirements. Realizing I could not fight the entire U.S. Navy, I submitted my retirement papers in June 1987.

By this time Lt. Smallwood had been tossed out of the Navy, but vowed to continue the fight by embarking on a letter-writing campaign. Because of his efforts, I testified before a House Subcommittee, which ultimately helped to pass the Military Whistleblower Act of 1987. The military has largely ignored the law and continues to use psychiatric evaluations to discredit whistleblowers. Nothing has really changed. It's just business as usual.

It was common knowledge on the base that Lt. Smallwood was one of the finest pilots the Navy had ever produced. He was one of a handful of aviators trained in both helicopters and airplanes. But, to preserve their system of organized crime, the Navy discarded all his valuable aviation training and talent. The real loss in my mind was losing Lt. Smallwood's natural leadership abilities. The enlisted people at his last command were asked which officer they would prefer to go to war with, and out of nearly seventy officers, Lt. Smallwood was the overall favorite of them all.

David Smallwood, now as a civilian embarked upon an aggressive letter-writing campaign which initiated numerous investigations. Eight officials from Washington D.C. arrived to investigate Naval Air Station Dallas, Texas. They were particularly interested in how my supervisors retaliated to cover-up their illegal misconduct.

All Congressional inquiries and investigations concluded the payroll fraud had indeed occurred and that I suffered reprisals. Investigators verified the fraud was widespread and endemic throughout the base. Five naval officers were allowed to retire rather than be prosecuted for fraud, an option they never offered to Lt. Smallwood, I might add. Each one of culpable officers possessed more than requisite scintilla to prove fraud in a court of law. But, none were ever held accountable for the billions of misappropriated tax dollars. They committed payroll fraud to prop-up their retention numbers in order to increase their chances of promotion, and obtain better duty assignments.

I am one of the few people, perhaps the only one, who knows what really happened to Lt. Smallwood. The United States Navy used their psychiatric system to silence me, and they used their pathetic judicial system to destroy Lt. Smallwood. Know it to be true; if there was ever a miscarriage of justice, it was the court-martial of Lieutenant David W. Smallwood. He was punished and driven out of the service, when he should have been commended, promoted and honored for attempting to protect the People's money.

His commendation would have read...

For conspicuous gallantry and intrepidity at the risk of losing his naval career, Lt. David Smallwood chose to fight against a heavily-garrisoned installation filled with hypocrites, sycophants and fawning parasites, in order to protect the American taxpayer.

He made a heroic stand, defending the rule-of-law with indomitable determination before falling mortally wounded from "stabs in the back" by naval officers operating under the color-of-law.

By his dauntless fighting spirit, unrelenting aggressiveness and forceful leadership, Lt. David Smallwood gallantly sacrificed his professional life for his country.

The Navy did everything it could to intimidate, threaten and coerce. Failing that, they had no alternative, but to use the military judicial system to permanently remove him, and the threat he posed against a military version of the mafia.

He was refused access to attorneys the Navy was legally required to provide, assigning one of their own attorneys instead. Realizing the fix was in, cornered with no way to defend himself, he reluctantly pleads guilty to making love to a woman, and submitting a \$75 travel claim, which was never paid out. For this he was dishonorably discharged from the naval service.

Lt. Smallwood was severely punished, not for what he had done, but for what he was going to do. A criminal syndicate of senior naval officers became deeply concerned. They knew of Lt. Smallwood's ability to communicate, and his political connections in Washington. They feared their payroll frauds, designed to keep naval reservists affiliated with the reserves, would ultimately be exposed if they didn't throw Lt. Smallwood overboard.

Lt. Smallwood always said, *"It was never about the woman, it was always about the money."* From my point of view, no truer words were ever spoken. Lt. Smallwood wasn't punished for fraternizing, or submitting a \$75 travel claim; he was punished for not, "going along, to get along." He was punished for not becoming a party to the criminal enterprise known as Naval Air Station Dallas, Texas.

In consideration of all the foregoing, I respectfully request the Veterans Administration to make things right, and provide benefits to a naval officer who bravely fought, and professionally died, for his country.

Most Sincerely,

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