



**Joint Standing Committee on the Corruption and Crime Commission**

# **Annual Report 2011 - 2012**

**Report No. 30  
September 2012**

Parliament of Western Australia

## Committee Members

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Deputy Chairman	John Hyde, BA, DipEd, JP, MLA Member for Perth
Members	Frank Alban, MLA Member for Swan Hills  Hon Matt Benson-Lidholm, BA, DipEd, JP, MLC Member for Agricultural Region

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# **Joint Standing Committee on the Corruption and Crime Commission**

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*Annual Report 2011 – 2012*

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**Report No. 30**

Presented by

**Hon Nick Goiran, MLC and John Hyde, MLA**

Laid on the Table of the Legislative Council and  
Legislative Assembly on 27 September 2012



## Chairman's Foreword

Postmodernism, Frederic Jameson tells us, is a moment in which “premonitions of the future... have been replaced by sense of the end of this or that.”<sup>1</sup> It is interesting to consider the phenomenon that is postmodernity during the process of preparing the annual report of a parliamentary committee: as a process, assembling an annual report forces each committee to avert its gaze from that which lies ahead to consider – howsoever briefly and, of course, subjectively – that which has taken place over the course of the preceding twelve months.

Yet where Jameson's assessment communicates an inherent sense of pessimism, the process of considering the work of the Joint Standing Committee on the Corruption and Crime Commission in review very much aids the discharge of the Committee's duties in the future. Whatever might be the external perception, this Committee takes great pride in holding both the Corruption and Crime Commission and the Office of the Parliamentary Inspector to the highest standard of oversight: it is pleasing to report that, in the course of the past twelve months, the Committee has made a total of thirteen reports to Parliament, and in so doing the Committee has provided the Parliament of Western Australia with a wealth of information pertaining to a wide range of matters. Two of these reports represented the culmination of formal inquiries undertaken by the Committee, while a further five were the result of impromptu inquiries made by the Committee into contemporary matters. The remaining five reports were associated with the discharge of the Committee's primary function, which is to monitor and report to Parliament on the exercise of the functions of the Corruption and Crime Commission and the Parliamentary Inspector of the Corruption and Crime Commission.<sup>2</sup> In addition to making these formal reports, the Committee also dealt with a number of enquiries pertaining to the work of either the CCC or the Office of the Parliamentary Inspector as raised by members of the public.

From the commencement of the reporting period through until the early part of 2012, the Committee was primarily focused upon its formal inquiry into the use of public examinations by the Corruption and Crime Commission. The importance of this matter was made very clear by both the tone of the evidence heard during the various public and closed hearings convened in the course of the inquiry, and through the sentiments expressed in each of every one of what was a significant number of submissions provided to the Committee that dealt with this matter. The associated report – the Committee's 25<sup>th</sup> in the current Parliament – was tabled on 27 March 2012.

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<sup>1</sup> Frederic Jameson, *Postmodernism or, the Cultural Logic of Late Capitalism* (London, Verso, 1991), p 1. Frederic Jameson is the William A. Lane Professor of Comparative Literature at Duke University.

<sup>2</sup> The Committee's functions are described in Standing Order 289 of the Legislative Assembly.

The Committee was also able to finalise its formal inquiry into the investigation of unexplained wealth and the recovery of proceeds of crime in Western Australia during the reporting period, with the associated report being tabled in the Legislative Council on 28 June 2012.<sup>3</sup> In the course of this inquiry the Committee was informed that targeting criminal wealth is one of the most significant tools in the fight against twenty-first century organised crime. As this is an emerging field of law enforcement, the Committee is hopeful that these tools will be used in Western Australia to even greater effect in the future.

On two occasions in the past twelve months the Committee resumed the pursuit of informal inquiries into matters that it had previously brought to the attention of Parliament, being those reforms to the *Corruption and Crime Commission Act 2003* recommended within a 2008 statutory review report prepared by Ms Gail Archer SC, and the technological capability of the WA Police. In August 2011 the Committee convened a closed hearing attended by Ms Archer so as to explore the origin of recommendations that the jurisdiction of the CCC be widened to permit the CCC to directly investigate organised crime. As a result of that hearing, wherein the Committee was informed that recommendations to this effect were not originally drafted by Ms Archer, the Committee prepared its twentieth report in the current Parliament, entitled *Closed hearing with Gail Archer SC and further analysis of proposed reforms to the Corruption and Crime Commission Act 2003*, which was tabled on 29 September 2011.

The Committee made similar follow-up inquiries in December 2011 during a closed hearing attended by Mr Chris Dawson APM, Deputy Commissioner, and Mr Nick Anticich APM, Assistant Commissioner (Specialist Crime) of the WA Police. The Committee took the opportunity afforded by the presence of these gentlemen to explore a number of matters, including the role played by the CCC during the Commonwealth Heads of Government Meeting, and the extent to which technologies procured in aid of the CHOGM security operation would enhance the capabilities of the WA Police in the wake of that event.<sup>4</sup> The Committee prepared two reports as a result of this hearing: *The role played by the Corruption and Crime Commission in aiding the security operation during the 2011 Commonwealth Heads of Government Meeting*, and *The post-CHOGM technological capability of the WA Police*, tabled on 23 February and 1 March 2012 respectively.

Three reports arising out of work undertaken by the Office of the Parliamentary Inspector of the Corruption and Crime Commission were tabled by the Committee

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<sup>3</sup> This report was tabled in a week when only the Legislative Council was in session. Accordingly, the Committee tabled the report in the Legislative Assembly as soon as Parliament resumed following the Winter recess, on 7 August 2012.

<sup>4</sup> The Committee also made use of this hearing to gather evidence in aid of its inquiry into the investigation of unexplained wealth and the recovery of proceeds of crime in Western Australia.

during the review period: on 1 September 2011 the Committee tabled a report entitled *Acting Parliamentary Inspector's inquiry concerning examination procedures by the Corruption and Crime Commission*; on 8 September 2011 the *Parliamentary Inspector's report concerning procedures adopted by the Corruption and Crime Commission when dealing with complaints of the excessive use of force by police* was tabled, and on 24 November 2011 the Committee tabled the *Parliamentary Inspector's report concerning telecommunications interceptions and legal professional privilege*. Of these, the former arose out of the Committee's decision to prepare a report as a result of information contained within a series of letters provided to it by the Acting Parliamentary Inspector, Mr Chris Zelestis QC; the two latter reports consisted of reports provided to the Committee by the then Parliamentary Inspector, the Honourable Chris Steytler QC, which the Committee subsequently tabled in Parliament.

In October the Committee travelled to Chicago and Ottawa for a series of briefings in aid of all three of its then current inquiries, being those into the use of public examinations, the investigation of unexplained wealth and the recovery of proceeds of crime, and the handling of allegations and notifications of police misconduct. In Chicago, the Committee received a briefing pertaining to a wide range of law enforcement matters by senior officers of the Chicago Division of the Federal Bureau of Investigation, including the Special Agent in Charge of that Division, Mr Robert D. Grant. Also in Chicago, the Committee had the excellent opportunity to hear from Ms Ilana Rosenzweig, who is the Chief Administrator of the City of Chicago's Independent Police Review Authority. In Ottawa, the Committee spoke with senior officers of the Royal Canadian Mounted Police, including the Director of the RCMP's Proceeds of Crime Branch, Superintendent Jeff Adam, and senior staff of the Office of Professional Integrity, including the head of that office, Mr Joseph Hincke. Also in Ottawa the Committee met with the Interim Chair of the Commission for Public Complaints against the RCMP, Mr Ian McPhail QC, and received a comprehensive briefing on the work and role of the Financial Transactions Reports and Analysis Centre of Canada from a large contingent of the Centre's senior staff, including the Director, Ms Jeanne M. Fleming.<sup>5</sup> Each of these meetings very much aided the work of the Committee, as the opportunity to undertake this investigative travel significantly enhanced the Committee's understanding and appreciation of the myriad of contemporary challenges faced by law enforcement and anti-corruption agencies.

Later in October the Committee formally met with and, as is required by section 9 of the CCC Act, sanctioned the appointment of the Honourable Roger Macknay QC to the position of CCC Commissioner. Similarly, in March 2012 the Committee met with Mr Neil Douglas and sanctioned his appointment to the position of Acting CCC

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<sup>5</sup> Significant detail pertaining to the majority of these meetings is contained within chapter 2 of the Committee's 28<sup>th</sup> report in the current Parliament, *Proceeds of crime and unexplained wealth: a role for the Corruption and Crime Commission?*, 28 June 2012, pp 7-12.

Commissioner, and then in June 2012 the Committee met with Mr Craig Colvin SC and sanctioned his appointment to the position of Acting Parliamentary Inspector.

As the 38<sup>th</sup> Parliament draws toward its conclusion at the end of the year, the Committee will continue working on its inquiry into how the CCC handles allegations and notifications of police misconduct. In aid of this inquiry, a series of public hearings will be convened over the remainder of the sitting schedule, before the final report is tabled on 15 November 2012.

As Committee Chairman, I would like to take this opportunity to thank all the witnesses who appeared before the Committee over the past twelve months, as well as those persons who made themselves and their facilities available for Committee briefings. I would also like to thank my fellow Committee Members and the staff of the Committee, whose support and professionalism is very much appreciated.

A handwritten signature in blue ink, consisting of a vertical line that loops at the top and bottom, with a horizontal line crossing it near the middle.

Hon Nick Goiran MLC  
Chairman



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# Chapter 1

## Committee activities

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Pleasure in the job puts perfection in the work.

Aristotle

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### The year at a glance

During the course of this reporting period, the Committee:

- met **37 times** in total;
- held **ten public hearings**, attended by a total of **18 persons**;
- held **ten closed hearings**, attended by a total of **27 persons**;
- met for **six briefings**, at which a total of **17 persons** provided information;
- formally **interviewed three persons**;
- undertook investigative travel to **Chicago and Ottawa** and met with representatives of the United States **Federal Bureau of Investigation**, the City of Chicago **Independent Police Review Authority**, the **Royal Canadian Mounted Police**, the **Commission for Public Complaints Against the Royal Canadian Mounted Police** and the **Financial Transactions Reports Analysis Centre of Canada**;
- attended the **Australian Public Sector Anti-Corruption Conference 2011**, hosted by the Corruption and Crime Commission in Fremantle;
- was represented by the Chairman and Deputy Chairman at the **5<sup>th</sup> ICAC Symposium**, hosted by the Independent Commission Against Corruption in Hong Kong;
- considered **262 items** of **incoming correspondence**;
- dispatched **167 items** of **outgoing correspondence**;
- made **177 formal resolutions**; and
- tabled **13 reports** in Parliament.

## Public hearings

Pursuant to Legislative Assembly Standing Order 264, the Committee has power to send for persons, papers and records. During the period 1 July 2011 - 30 June 2012, the Committee conducted ten public hearings, taking evidence from 18 witnesses to assist with its investigations.<sup>6</sup>

**Table 1:** *Public hearings of the Committee: 1 July 2011 – 30 June 2012*

Date	Name	Role	Organisation
19 October 2011	The Honourable Chris Steytler QC	Parliamentary Inspector	Office of the Parliamentary Inspector of the Corruption and Crime Commission
	Mr Murray Alder	Assistant to the Parliamentary Inspector	
2 November 2011	Mr Noel Crichton-Browne	Former CCC witness	
2 November 2011	Mr Brian Burke	Former CCC witness	
9 November 2011	Mr Mark Herron	Acting Commissioner	Corruption and Crime Commission
	Mr Mike Silverstone	Executive Director	
	Ms Peta Mabbs	Director Corporate Services	
	Mr Paul O'Connor	Director Legal Services	
	Mr Robert Sutton	Acting Director Operations	
	Mr Roger Watson	Director Corruption Prevention	
23 November 2011	Mr Kevin Merifield	Former CCC witness	
30 November 2011	Mr Mike Allen	Former CCC witness	
30 November 2011	Mr Sam Salpietro	Former CCC witness	
22 February 2012	The Honourable Wayne Martin QC	Chief Justice of Western Australia	
22 February 2012	Mr Julian Grill	Former CCC witness	

<sup>6</sup> Two of those persons appeared before public Committee hearings on more than one occasion.

**Table 1 continued: Public hearings of the Committee: 1 July 2011 – 30 June 2012**

Date	Name	Role	Organisation
29 February 2012	The Honourable Roger Macknay QC	Commissioner	Corruption and Crime Commission
	Mr Mike Silverstone	Executive Director	
	Mr Paul O'Connor	Director Legal Services	

## Closed hearings

Pursuant to Legislative Assembly Standing Order 271(3), the Committee may resolve to take evidence in closed session. During the period 1 July 2011 - 30 June 2012, the Committee conducted ten closed hearings, taking evidence from 27 witnesses to assist with its investigations.<sup>7</sup>

**Table 2: Closed hearings of the Committee: 1 July 2011 – 30 June 2012**

Date	Name	Role	Organisation
10 August 2011	Ms Gail Archer SC	Private barrister	
21 September 2011	Mr Mark Herron	Acting Commissioner	Corruption and Crime Commission
	Mr Mike Silverstone	Executive Director	
	Mr Roger Watson	Director Corruption Prevention	
28 September 2011	Madam Witness		
19 October 2011	The Honourable Chris Steytler QC	Parliamentary Inspector	Office of the Parliamentary Inspector of the Corruption and Crime Commission
	Mr Murray Alder	Assistant to the Parliamentary Inspector	

<sup>7</sup> Six of those persons appeared before public Committee hearings on more than one occasion.

**Table 2 continued: Closed hearings of the Committee: 1 July 2011 – 30 June 2012**

Date	Name	Role	Organisation
9 November 2011	Mr Mark Herron	Acting Commissioner	Corruption and Crime Commission
	Mr Mike Silverstone	Executive Director	
	Ms Peta Mabbs	Director Corporate Services	
	Mr Paul O'Connor	Director Legal Services	
	Mr Robert Sutton	Acting Director Operations	
9 December 2011	Mr Chris Dawson APM	Deputy Commissioner	WA Police
	Mr Nick Antichich APM	Assistant Commissioner (Specialist Crime)	
7 March 2012	The Honourable Chris Steytler QC	Parliamentary Inspector	Office of the Parliamentary Inspector of the Corruption and Crime Commission
	Mr Murray Alder	Assistant to the Parliamentary Inspector	
2 May 2012	Mr Joseph McGrath SC	Director of Public Prosecutions	Office of the Director of Public Prosecutions
	Mr Ian Jones	Practice Manager (Confiscations Team)	
23 May 2012	The Honourable Chris Steytler QC	Parliamentary Inspector	Office of the Parliamentary Inspector of the Corruption and Crime Commission
	Mr Murray Alder	Assistant to the Parliamentary Inspector	
	The Honourable Roger Macknay QC	Commissioner	Corruption and Crime Commission
	Mr Paul O'Connor	Director (Legal Services)	
	Mr Robert Sutton	Acting Director (Operations)	
	Mr Paul White	Principal Financial Investigator	

**Table 2 continued: Closed hearings of the Committee: 1 July 2011 – 30 June 2012**

Date	Name	Role	Organisation
20 June 2012	The Honourable Chris Steytler QC	Parliamentary Inspector	Office of the Parliamentary Inspector of the Corruption and Crime Commission
	Mr Murray Alder	Assistant to the Parliamentary Inspector	

## Briefings

In addition to gathering evidence during the formal hearings, the Committee received nine informal briefings during the reporting period. The briefings were used to gain information in relation to the Committee's inquiries as well as other matters.

**Table 3: Briefings received by the Committee: 1 July 2011 – 30 June 2012**

Date	Name	Role	Organisation
10 October 2011	Mr Robert D Grant	Special Agent in Charge	United States Federal Bureau of Investigation, Chicago Division
	Mr Ted McNamara	Special Agent	
	Mr Chris Mackey	Special Agent	
10 October 2011	Ms Ilana Rosenzweig	Chief Administrator	City of Chicago Independent Police Review Authority
12 October 2011	Superintendent Jeff Adam	Director	Royal Canadian Mounted Police, Proceeds of Crime Branch
	Inspector Jean Cormier	Officer in Charge	
12 October 2011	Mr Joseph Hincke	Professional Integrity Officer	Royal Canadian Mounted Police, Office of Professional Integrity
	Inspector Alfredo Bangloy	Officer in Charge	

**Table 3 continued: Briefings received by the Committee: 1 July 2011 – 30 June 2012**

Date	Name	Role	Organisation
13 October 2011	Mr Ian McPhail QC	Interim Chair	Commission for Public Complaints Against the Royal Canadian Mounted Police
	Mr Richard Evans	Senior Director, Operations	
14 October 2011	Ms Jeanne M. Flemming	Director	Financial Transactions Reports and Analysis Centre of Canada
	Mr Frank LoFranco	Manager, Program Coordination and Integration	
	Ms Darlene Boileau	Deputy Director, Strategic Policy and Public Affairs	
	Mr Barry MacKillop	Deputy Director, Financial Analysis and Disclosures	
	Mr Denis Meunier (Ret.)	(Former) Deputy Director, Financial Analysis and Disclosures	
	Mr Paul Debrule	General Counsel	
	Mr Stephen John	Senior Policy Officer, International Relationships	



## Investigative travel

From 8-17 October 2011 the Committee travelled to Chicago and then to Ottawa, where it was briefed by experts from a number of prominent law enforcement and anti-corruptions agencies for the purpose of informing its inquiries into the use of public examinations, the investigation of unexplained wealth and the recovery of proceeds of crime as tools of law enforcement, and the handling of allegations and notifications of police misconduct. The people who provided briefings to the Committee are listed in Table 3.

## Conferences

On 16 and 17 November 2011 the Committee attended the Australian Public Sector Anti-Corruption Conference, which was hosted by the CCC in Fremantle.

From 9-11 May 2012 the Committee Chairman and Deputy Chairman travelled to Hong Kong to attend the 5th ICAC Symposium, hosted by the Independent Commission Against Corruption in Hong Kong.

On 7 June 2012 two Committee Members attended a seminar in Canberra entitled *Anti-corruption in Australia: reducing the risk*.

## Reports tabled

The Committee tabled 13 reports in Parliament during the reporting period. These were:

1. Report 16: *Resignation of Acting Commissioner Michelle Hullett* (17 August 2011);
2. Report 17: *Acting Parliamentary Inspector's report concerning examination procedures by the Corruption and Crime Commission* (1 September 2011);
3. Report 18: *Parliamentary Inspector's report concerning the procedures adopted by the Corruption and Crime Commission when dealing with complaints of the excessive use of force by police* (8 September 2011);
4. Report 19: *Annual Report 2010-2011* (22 September 2011);
5. Report 20: *Closed hearing with Gail Archer SC and further analysis of proposed reforms to the Corruption and Crime Commission Act 2003* (29 September 2011);
6. Report 21: *Parliamentary Inspector's report concerning telecommunication interceptions and legal professional privilege* (24 November 2011);

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7. Report 22: *The role played by the Corruption and Crime Commission in aiding the security operation during the 2011 Commonwealth Heads of Government Meeting* (23 February 2012);
8. Report 23: *The post-CHOGM technological capacity of the WA Police* (1 March 2012);
9. Report 24: *The intention of the Parliamentary Inspector of the Corruption and Crime Commission to retire* (21 March 2012);
10. Report 25: *The use of public examinations by the Corruption and Crime Commission* (27 March 2012);
11. Report 26: *Exceptional powers revocation* (29 March 2012);
12. Report 27: *Discontinuance of contempt proceedings against members of the Coffin Cheaters Motorcycle Club* (14 June 2012); and
13. Report 28: *Proceeds of crime and unexplained wealth: A role for the Corruption and Crime Commission?* (28 June 2012).

## Chapter 2

### Financial statement

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The Joint Standing Committee on the Corruption and Crime Commission does not have its own formal budget and is funded out of the budget of the Legislative Assembly. Approval for major expenditures is required on a case-by-case basis and is entirely at the discretion of the Speaker.

The Committee's expenditure for the financial year 1 July 2011 - 30 June 2012 (in accordance with Standing Order 276) is detailed below:

**Table 4:** *Committee expenditure: 1 July 2011 – 30 June 2012*

Advertising	nil <sup>8</sup>
Investigative travel	\$87,533
Conference travel	\$38,936
Conference fees	\$11,182
Miscellaneous	\$2,387
<b>Total</b>	<b>\$140,038</b>

Notes:

- *Figures rounded to nearest \$1.*
- *Salaries of committee staff are not included.*
- *Costs of shared administrative expenses, including lease costs for committee accommodation, not included.*

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<sup>8</sup> The Committee placed one advertisement in *The West Australian* newspaper during the review period, calling for submissions in aid of its inquiry into how the CCC handles allegations and notifications of police misconduct. As a consequence of circumstance, however, the Committee was not charged for the placement of that advertisement.



# Appendix One

## Committee's functions and powers

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On 25 November 2008 the Legislative Council concurred with a resolution of the Legislative Assembly to establish the Joint Standing Committee on the Corruption and Crime Commission.

The Joint Standing Committee's functions and powers are defined in the Legislative Assembly's Standing Orders 289-293 and other Assembly Standing Orders relating to standing and select committees, as far as they can be applied. Certain standing orders of the Legislative Council also apply.

It is the function of the Joint Standing Committee to -

- a) monitor and report to Parliament on the exercise of the functions of the Corruption and Crime Commission and the Parliamentary Inspector of the Corruption and Crime Commission;
- b) inquire into, and report to Parliament on the means by which corruption prevention practices may be enhanced within the public sector; and
- c) carry out any other functions conferred on the Committee under the *Corruption and Crime Commission Act 2003*.

The Committee consists of four members, two from the Legislative Assembly and two from the Legislative Council.