



BOARD OF THE AUSTRALIAN CRIME COMMISSION

Chair Annual Report 2011–12



- Knowledge
- Intervention
- Prevention
- Resilience
- Harm reduction

About this report

This report by the Chair of the Australian Crime Commission (ACC) Board documents the operations of the ACC for 2011–12, as required by the *Australian Crime Commission Act 2002* (ACC Act). The Board does not have its own staff or budget so there are no financial statements to report.

This report is presented to the Commonwealth Minister for Justice and appropriate ministers of each participating state and territory.

The separate annual report by the ACC Chief Executive Officer (CEO) fulfils the requirements of government agencies under the *Financial Management and Accountability Act 1997* and the *Requirements for Annual Reports* issued by the Department of the Prime Minister and Cabinet. It includes information about the ACC's progress against Portfolio Budget Statement performance indicators as well as details about the agency's structure, staffing and audited financial statements. It is available at <www.crimecommission.gov.au>.

By producing separate reports, the Chair and the CEO are able to directly address requirements of the respective legislation.

ACC contact details

For enquires about this annual report and general information requests, please contact the:

Manager, Engagement, Communication and Media

Australian Crime Commission (ACC)

GPO Box 1936

Tel: (02) 6243 6843

Fax: (02) 6243 6687

Email: <media@crimecommission.gov.au>

This report and more information about the ACC is available at

<www.crimecommission.gov.au>.

© Commonwealth of Australia 2012

All material in this publication is provided under a Creative Commons Attribution 3.0 Australia <<http://creativecommons.org/licenses/by/3.0/au/deed.en>> licence.

For the avoidance of doubt, this means this licence only applies to material as set out in this document. The details of the relevant licence conditions are available on the Creative Commons website as is the full legal code for the CC BY 3.0 AU licence <<http://creativecommons.org/licenses/by/3.0/au/legalcode>>.

ISSN 1832-1291

Letter of transmittal

26 November 2012

The Hon Jason Clare MP
Minister for Justice
Parliament House
Canberra ACT 2600

Dear Minister

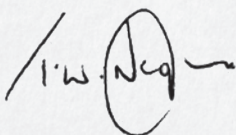
On behalf of the Board of the Australian Crime Commission (ACC), I am pleased to present our annual report for the financial year ended 30 June 2012.

The *Australian Crime Commission Act 2002* (ACC Act) requires that the Chair of the ACC Board prepare a report on the ACC's operations during the year as soon as practicable after 30 June. In accordance with the ACC Act, I have provided our report to the Inter-Governmental Committee on the ACC for transmission and then to the Commonwealth Minister and the appropriate Minister of the Crown of each participating state. The ACC Act requires the report be laid before each House of Parliament, within 15 sitting days of that House, after you receive the report.

During the year, the Board contributed to the ACC's strategic direction, considered key areas of work, approved new priorities and actively supported national initiatives unique to the important capabilities and role of the ACC.

The Board acknowledges the ACC's achievements in 2011–12. Through strong collaboration with partner agencies including the private sector, the ACC achieved and supported significant operational results, and produced high quality operational and strategic intelligence products. This contribution is essential to inform the national response to, and reduce the threat and impact of, serious and organised crime in Australia.

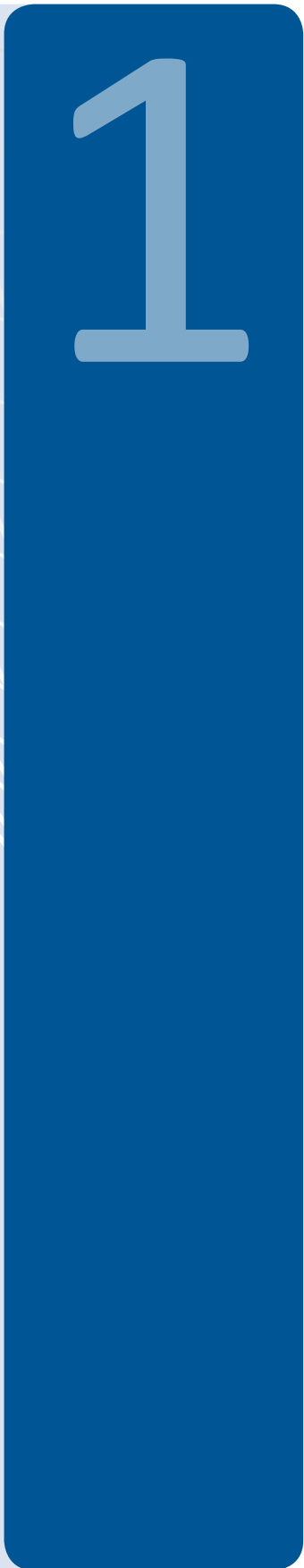
This report outlines the ACC's operations during 2011–12. It has been prepared in accordance with section 61 of the ACC Act.



Tony Negus APM
Chair
Board of the ACC

Contents

Letter of transmittal	1
Section 1: Introduction	3
About the ACC Board	4
Review by the Chair	8
ACC Board members	12
ACC Board meetings	13
Section 2: Description of activities	17
Special investigations	18
Special operations	24
Strategic information provided to law enforcement	28
Capabilities	29
Section 3: Identified criminal activity	31
Nature, scope, trends and patterns of organised crime	32
Section 4: Appendices	37
Appendix A: Reporting requirements index	38
Appendix B: Recommendations for legislative change	39
Appendix C: Court proceedings	40
Appendix D: Judicial decisions	44
Appendix E: Alphabetical index	48



Section 1: Introduction

About the ACC Board	4
Review by the Chair	8
ACC Board members	12
ACC Board meetings	13

About the ACC Board

Board members

The ACC Board comprises:

- Commissioner of the Australian Federal Police (Chair)
- Secretary of the Commonwealth Attorney-General's Department
- Chief Executive Officer of the Australian Customs and Border Protection Service
- Chairperson of the Australian Securities and Investments Commission
- Director-General of Security, Australian Security Intelligence Organisation
- Commissioner of Taxation, Australian Taxation Office
- Commissioner of the NSW Police Force
- Chief Commissioner of Victoria Police
- Commissioner of the Queensland Police Service
- Commissioner of South Australia Police
- Commissioner of Western Australia Police
- Commissioner of Tasmania Police
- Commissioner of the Northern Territory Police
- Chief Police Officer of ACT Policing
- Chief Executive Officer of the ACC (as a non-voting member).

Board functions

The ACC Board is responsible for providing strategic direction to the ACC and approving the use of the ACC's special coercive powers. Under the ACC Act, the ACC Board has the following functions:

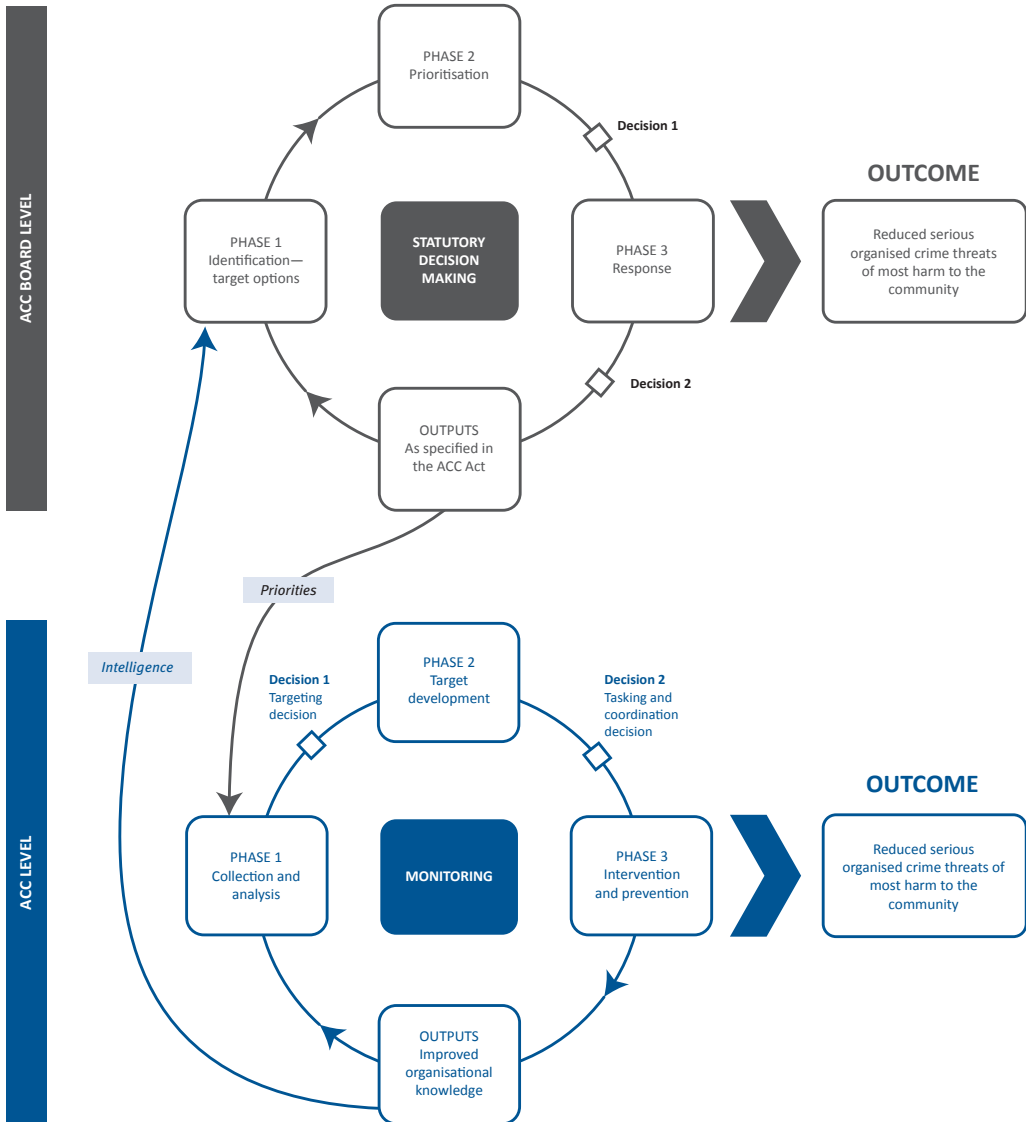
- to determine national criminal intelligence priorities
- to provide strategic direction to the ACC and to determine the priorities of the ACC
- to authorise, in writing, the ACC to undertake intelligence operations or to investigate matters relating to federally relevant criminal activity
- to determine, in writing, whether such an operation is a special operation or whether such an investigation is a special investigation
- to determine, in writing, the class or classes of persons to participate in such an operation or investigation
- to establish task forces
- to disseminate to law enforcement agencies or foreign law enforcement agencies, or to any other agency or body of the Commonwealth, a state or a territory prescribed by the regulations, strategic criminal intelligence assessments provided to the Board by the ACC
- to report to the Inter-Governmental Committee on the ACC's performance
- such other functions as are conferred on the Board by other provisions of the ACC Act.

Strategic framework

The ACC Board is tasked with determining how Australia can most effectively reduce the threat and impact of serious and organised crime.

The Board carries out its legislative functions under a formal, Board-endorsed strategic framework. This framework sets out a decision-making cycle that links to the phases of the ACC’s operating model and supports effective participation in processes and discussions to identify the ACC’s strategic direction and priorities.

Strategic framework—the ACC Board relationship to the ACC



Decision-making

The Board receives intelligence from the ACC, based on the agency's work with partners:

- collecting and analysing intelligence
- identifying, developing and compiling intelligence about specific criminal targets (target development)
- identifying opportunities for, and participating in, intervention and prevention strategies.

For example, the ACC provides the Board with strategic intelligence products, such as the *Organised Crime Threat Assessment* and the *National Criminal Target Report*, as well as other strategic intelligence reporting, recommendations and insights into the serious and organised criminal environment in Australia.

Considering the ACC's advice—and drawing on Board members' own experience as leaders in the law enforcement, national security and regulatory arenas—the Board endorses the National Criminal Intelligence Priorities. Within this context, the Board decides where the ACC can add the most value through its unique capabilities and strengths. Recent developments are changing the criminal intelligence priority setting environment. This includes the Commonwealth Organised Crime Strategic Framework and associated Commonwealth and National Organised Crime Response Plans. As a result, the purpose and function of the National Criminal Intelligence Priorities are under review. The Board will consider the findings of the review in 2012–13.

The Board considers a range of matters at each meeting including strategic issues, significant areas of current ACC work and new areas of work the agency might pursue. Board members take all these matters into account when setting priorities for the ACC, by approving investigations and intelligence operations. Importantly, the Board is also responsible for confirming whether these investigations and intelligence operations are deemed 'special', thereby authorising the use of coercive powers.

1

2

3

4

Review by the Chair

ACC Board

Commissioner Tony Negus APM



Strengthening national collaboration

The ACC Board—representing federal, state and territory law enforcement and key national security and regulatory agencies—is a unified national force against nationally significant crime. With the support of the Board, the ACC plays a critically unique role in focusing national effort, coordination and cooperation in the fight against serious and organised crime.

The Board uses its combined nationwide perspective to provide strategic input to the ACC's direction and priorities. It also promotes collaboration between the ACC and Board agencies, as well as other stakeholders including industry and the wider community.

This cooperative approach to tackling organised crime was further enhanced this year. In addition to making decisions as required on several ACC work priorities, the Board was very active in establishing and participating in the following task forces and initiatives to identify, disrupt and prevent increasingly sophisticated and diversified organised crime affecting Australia.

Task Force Galilee

The Board established the multi-agency Task Force Galilee in April 2011, and in June 2012 extended its operation for another year to June 2013. The task force brings together 44 partner agencies and private sector organisations to respond to growing concern about serious and organised investment fraud affecting Australia.

As well as identifying and disrupting this type of fraud, the task force is also raising community awareness. In September 2011, the ACC Board issued a media release and Board members conducted media interviews around the country to warn the community about the threat and how to guard against it.

National Organised Crime Task Force

ACC Board members, in conjunction with the ACC, established the National Organised Crime Task Force (NOCTF) which incorporates every Australian police service and the dedicated resources of several Commonwealth agencies. This is an innovative approach required to tackle the resilience of organised crime. Through the NOCTF we have gained, and continue to gain, valuable experience in coordinating national efforts against the highest impacting serious and organised crime threats to Australia.

Attero National Task Force

This new task force was established by the ACC Board in June 2012 to prioritise the targeting and investigation of a high risk group affecting Australia. Supported by the ACC's coercive powers, the task force will help develop a national picture of the domestic and international activities of this group. Richer operational and strategic intelligence will inform investigative, administrative, legislative and policy decisions.

National Criminal Intelligence Model and associated Strategy

ACC Board member agencies are assisting the ACC to develop the National Criminal Intelligence Model and associated National Criminal Intelligence Management Strategy. The model and strategy support the free flow of criminal intelligence across various agencies that operate in the related domains of national security, serious and organised crime, and policing and community safety.

The model and strategy will enrich and strengthen intelligence capabilities and decision-making nationally. The aim is to better align processes, standards and protocols for managing intelligence flow and to improve intelligence and information sharing through technology, culture, policy and legislative initiatives.

Priorities for 2011–12

During 2011–12 there were four ACC Board-approved special investigations designed to disrupt and deter criminal groups, and five special operations to gather intelligence around a particular criminal activity. Full details of ACC Board meetings and work priorities approved by the Board in 2011–12 are reported on page 13 .

Special investigations

In 2011–12, the ACC worked with partner agencies on four special investigations: Highest Risk Criminal Targets; Targeting Criminal Wealth; Established Criminal Networks—Victoria; and High Risk Crime Groups—South Australia.

This work resulted in 26 disruptions to crime entities, including transnational syndicates involved in money laundering and drug trafficking, firearms offences and serious and organised investment fraud. In total, 97 people were charged, \$103.59 million proceeds of crime restrained and \$31.63 million proceeds of crime forfeited. Sixteen firearms and \$5.47 million in cash were seized. Drugs with an estimated street value of \$67.71 million were seized, along with precursors with an illicit drug production potential valued at \$7.5 million. For more details, see page 18 .

Special operations¹

During the year, the ACC also worked with partner agencies on five special operations: High Risk and Emerging Drugs; National Security Impacts from Serious and Organised Crime; Making Australia Hostile to Serious and Organised Crime; National Indigenous Intelligence Task Force (Indigenous Violence or Child Abuse No. 2 (Special Intelligence Operation)); and Child Sex Offences (Special Intelligence Operation).

This work enhanced the national understanding of wide-ranging issues such as the importation and domestic production of illicit drugs and associated vulnerabilities and opportunities for criminal exploitation; the influence of the rapidly developing cyber and technology environment on the drug market; domestic-based organisers and facilitators of people smuggling and any convergence between people smuggling syndicates and serious and organised crime groups; organised crime on the waterfront; international trafficking of endangered species; the extent of violence and child abuse, and systemic issues that contribute to criminality in Indigenous communities; and encryption methodologies used to conceal child exploitation material on computers. The results of this work informed ACC, partner agency and wider government decisions. For more details, see page 24 .

Strategic information provided to law enforcement

The ACC produced a range of strategic products in 2011–12, drawing on intelligence derived from its activities. This included flagship products in the *Picture of Criminality in Australia* suite. In addition, the ACC undertook a national illicit firearm assessment and other strategic assessments on topics including the prospective organised crime threat to Australia's carbon pricing mechanism, the integrity of professional sport and organised crime, how organised criminals exploit the cyber environment to further their reach and effect, and emerging technologies and identity crime.

ACC-led National Criminal Intelligence Fusion Capability

This initiative brings together expert investigators and analysts from across the full range of law enforcement, national security and related agencies to enable greater criminal intelligence analysis and sharing. This year, phase two of the Fusion implementation program involved enhancing the technology and analytical tools that support the capability, as well as refining processes for information sharing among partner agencies. For more details, see page 29 .

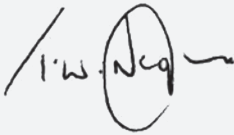
¹ There has been a change in terminology for determinations that relate to intelligence operations. Starting from 15 June 2011, new intelligence operations that are deemed 'special' (thereby authorising the use of coercive powers) are called 'Special Operations'. This aligns more closely with terms in the ACC Act. Previous determinations that have been extended retain their original title of 'Special Intelligence Operations' (SIO).

National criminal intelligence database and analytical tools

The ACC maintains the Australian Law Enforcement Intelligence Net (ALEIN), which is the secure extranet that provides a gateway for partners to access the Australian Criminal Intelligence Database (ACID), National Clandestine Laboratory Database, and Violent and Sexual Crime Database. As at 30 June 2012, a scoping study was well advanced to determine the business requirements for a new criminal intelligence database and tools, to meet future needs.

In conclusion

The Board commends the ACC for continuing to enhance its operations and achieve significant results in 2011–12. From the information reported, it is clear that the ACC and Board agencies have continued to support and strengthen the collaborative national approach to combating serious and organised crime and reduce the threats of most harm to the community.

A handwritten signature in black ink, appearing to read 'T. Negus', with a stylized flourish at the end.

Tony Negus APM

Chair

Board of the Australian Crime Commission

ACC Board members

The Board has 15 standing members, including the ACC CEO who is a non-voting member.

The members during 2011–12 were:



Chair
Commissioner
Tony Negus APM
Australian Federal Police



Mr Roger Wilkins AO
Secretary
Attorney-General's
Department



Mr Michael Carmody AO
CEO
Australian Customs and
Border Protection Service



Mr Greg Medcraft
Chairman
Australian Securities and
Investments Commission



Mr David Irvine AO
Director-General of Security
Australian Security
Intelligence Organisation



Commissioner
Andrew Scipione APM
NSW Police Force



Chief Commissioner
Ken Lay APM
Victoria Police



Commissioner
Robert Atkinson APM
Queensland Police Service



Commissioner
Malcolm Hyde AO APM
South Australia Police



Commissioner
Karl O'Callaghan APM
Western Australia Police



Commissioner
Darren Hine APM
Tasmania Police



Commissioner
John McRoberts APM
Northern Territory Police



Chief Police Officer
Assistant Commissioner
Roman Quaedvlieg APM
ACT Policing



Mr Michael D'Ascenzo AO
Commissioner of Taxation
Australian Taxation Office



Mr John Lawler AM APM
CEO
Australian Crime
Commission

ACC Board meetings

The Board met four times during 2011–12, on 7 September 2011, 30 November 2011, 7 March 2012 and 20 June 2012.

Table 1: Attendance at ACC Board Meetings 2011–12

	7 Sep 2011	30 Nov 2011	7 Mar 2012	20 Jun 2012
Commissioner Tony Negus APM, Chair, Australian Federal Police	✓	✓	✓	✓
Mr Roger Wilkins AO, Secretary, Attorney-General's Department	✓	✓	✓	✓*
Mr Michael Carmody AO, CEO, Australian Customs and Border Protection Service	✓	✓	✓	✓
Mr Greg Medcraft, Chairman, Australian Securities and Investments Commission	✓	✓*	x	✓
Mr David Irvine AO, Director-General of Security, Australian Security Intelligence Organisation	✓	✓*	✓	✓
Commissioner Andrew Scipione APM, NSW Police Force	✓	✓	x	✓
Chief Commissioner Ken Lay APM, Victoria Police	✓	x	✓	✓
Commissioner Robert Atkinson APM, Queensland Police Service	✓	✓	✓	✓
Commissioner Malcolm Hyde AO APM, South Australia Police	✓	✓	✓	✓
Commissioner Karl O'Callaghan APM, Western Australia Police	x	✓	x	✓
Commissioner Darren Hine APM, Tasmania Police	✓	✓	✓	✓
Commissioner John McRoberts APM, Northern Territory Police	✓	✓	✓	x
Chief Police Officer Assistant Commissioner Roman Quaedvlieg APM, ACT Policing	✓	✓*	✓	✓
Mr Michael D'Ascenzo AO, Commissioner of Taxation, Australian Taxation Office	✓	✓	x	✓
Mr John Lawler AM APM, CEO, Australian Crime Commission	✓	✓	✓	✓

* Represented by a person officially acting in the Board member's position.

1

2

3

4

In 2011–12, the Board considered and approved applications to establish, extend or close existing determinations (ACC work priorities) or other approvals, as listed in Table 2.

Table 2: ACC Board special operation and task force determinations 2011–12 (establishments and extensions)

Determination	Type	Decision type (month/year)	Current until
National Organised Crime Task Force	Task Force	Establishment (July 2011)	31 December 2012
Task Force Galilee	Task Force	Extension (June 2012)	30 June 2013
Indigenous Violence or Child Abuse No. 2	Special Intelligence Operation	Extension (June 2012)	30 June 2014*
National Indigenous Violence or Child Abuse Intelligence Task Force	Task Force	Extension (June 2012)	30 June 2014*
Attero National Task Force	Task Force	Establishment (June 2012)	30 June 2013

* Subject to review in June 2013

These establishments and extensions augmented the ACC's existing menu of work, as agreed to by the Board during 2010–11 and listed in Table 3.

Table 3: Existing ACC Board special investigation and special operation determinations

Determination	Type	Decision type (month/year)	Current until
Highest Risk Criminal Targets	Special Investigation	Establishment (June 2011)	30 June 2014
Targeting Criminal Wealth	Special Investigation	Establishment (June 2011)	30 June 2014
High Risk and Emerging Drugs	Special Operation	Establishment (June 2011)	30 June 2014
National Security Impacts from Serious and Organised Crime	Special Operation	Establishment (June 2011)	30 June 2014
Making Australia Hostile to Serious and Organised Crime	Special Operation	Establishment (June 2011)	30 June 2014
Established Criminal Networks—Victoria	State Special Investigation	Extension (June 2011)	30 June 2014
High Risk Crime Groups—South Australia	State Special Investigation	Extension (June 2011)	30 June 2014
Child Sex Offences	Special Intelligence Operation	Extension (June 2011)	30 June 2014

Each authorised determination includes a schedule that lists approved participating agencies, including the class or classes of persons to participate in the intelligence operation or investigation.

In addition, in 2011–12 the Board:

- maintained its general ongoing oversight of the operations of the ACC
- reviewed progress of key ACC activities
- reviewed the performance of the ACC for the period 1 July to 31 December 2011
- received progress reports on the implementation of the National Organised Crime Task Force
- received a report from the Serious and Organised Crime Coordination Committee
- considered the *Organised Crime Threat Assessment 2012* and *National Criminal Target Report 2012* noting the strategic value of each of these products to the Australian law enforcement community
- considered the National Illicit Firearm Assessment and associated response options.

Board member Simon Overland APM, Chief Commissioner of Victoria Police, left the Board in July 2011. At its 20 June 2012 meeting, the Board also farewelled Commissioner of South Australia Police, Malcolm Hyde AO APM, in anticipation of his July 2012 retirement. Both were integral to the establishment of the ACC in 2002–03.

1

2

3

4



The ACC Board meeting at the ACC Melbourne office in June 2012.

2

Section 2: Description of activities

Special investigations	18
Special operations	24
Strategic information provided to law enforcement	28
Capabilities	29

Special investigations

Special investigations are designed to disrupt and deter criminal groups by collecting evidence and intelligence about criminal activity. The ACC Board may determine that an investigation into matters relating to federally relevant criminal activity is a special investigation, enabling the use of the ACC's coercive powers. Before doing so, it must consider whether ordinary police methods of investigation into the matters are likely to be effective. The ACC works closely with a range of domestic and international partners on targeted investigations into serious and organised criminal activities.

Highest Risk Criminal Targets

The Board approved this special investigation to focus on the highest risk serious and organised criminal entities that continue to significantly influence Australia's illicit commodity markets, and are present in all Australian states and territories. Through this special investigation, the ACC worked closely with domestic and international partners on a range of intelligence and investigative activities.

In 2011–12, this special investigation involved 80 examinations and produced 707 analytical and tactical intelligence products, provided to ACC partners through 1917 disseminations. A total of 20 high risk crime entities were disrupted, including:

- Three transnational syndicates involved in illicit drug offences—two of these syndicates were also involved in money laundering and one was using commercial airline pilots to import drugs into Australia.

Desdemona

This multi-agency investigation focused on identifying and disrupting a Chinese syndicate involved in illicit drug and money laundering activities. As at 30 June 2012, the investigation had significantly disrupted the syndicate's money laundering operations, seized more than \$32.6 million in drugs and resulted in six arrests.

Octavius

This multi-agency investigation involving the ACC, Australian Federal Police, NSW Police Force and Victoria Police disrupted the domestic arm of a Vietnamese syndicate involved in drug offences and money laundering. By 30 June 2012 there had been seven arrests and more than \$4.3 million in cash and \$6 million worth of drugs seized.

Insomnia

The ACC, Victoria Police, Australian Federal Police and Australian Customs and Border Protection Services investigated a Melbourne-based Chinese/Malaysian drug trafficking syndicate using airline pilots to import drugs into Australia. As a result, methylamphetamine and other drugs with an estimated street value of more than \$10.6 million were seized and four people were charged.

- The ACC provided assistance to the NSW Police Force in tracing a number of firearms. This information assisted a NSW Police Force investigation which resulted in the arrest of four people and the seizure of seven firearms that were allegedly imported from Germany.
- A significant source of illicit drugs in Adelaide—five South Australian men were arrested and police seized more than 20 kilograms of powder and liquid substances used to produce amphetamine-type stimulants including benzylpiperazine (BZP). The ACC's work last year supported legislative changes that came into effect in April 2012, meaning that BZP is now a border controlled drug, subject to criminal proceedings.

1

2

3

4

Work done as part of the Highest Risk Criminal Targets special investigation contributed or led to:

- developing a 'live' picture of Australian outlaw motorcycle gang involvement in high-level organised crime activity nationally and internationally
- seizing drugs and precursors with an estimated street value of more than \$59.3 million
- seizing more than \$2.5 million in cash
- issuing pecuniary penalty orders to the value of nearly \$4.3 million
- recovering 13 illicit firearms and ammunition
- laying 146 charges against 47 people*
- convicting 30 people (seven were convicted with a sentence of 10 years or more).*

* Note, people charged this financial year may not have appeared before a court by 30 June 2012, and convictions may be for people charged in previous financial years.

National Illicit Firearm Assessment

The ACC was tasked with undertaking a National Illicit Firearm Assessment in the wake of Sydney and Adelaide shootings. ACC Board member agencies and the Minister for Justice received the classified assessment in May 2012. The assessment collected details of seized firearms to identify past use and whether they had been imported, as well as identifying methodologies, vulnerabilities and organised criminal groups engaged in cross-border firearm trafficking. The ACC used intelligence derived from its coercive powers and other holdings, intelligence provided by partner agencies, and analysis from the firearms tracing program, to develop this assessment.

As part of the Highest Risk Criminal Targets special investigation, the ACC produced 80 analytical intelligence products which contributed to knowledge and understanding of the nature, extent, activities, methodologies and impact of high risk criminal targets on Australia.

Several specific projects under this investigation also enhanced strategic understanding of the factors that contribute to longevity and resilience of serious and organised crime targets in Australia, and helped identify strategies to disrupt the activities of the highest risk criminal targets.

Targeting Criminal Wealth

One of the most effective ways to reduce the impact of serious and organised crime on the Australian community is by detecting, disrupting and preventing activities through which criminal wealth is acquired, accumulated, concealed or transferred. This special investigation also aims to reduce the risk of criminal enterprises exploiting vulnerabilities, and enhance national understanding of money laundering, nationally significant organised tax fraud and related financially motivated crimes.

During 2011–12, this special investigation sponsored 22 separate projects and supported four multi-agency task forces: the Criminal Asset Confiscation Taskforce led by the Australian Federal Police, the ACC-led Financial Intelligence Assessment Team, Project Wickenby and Task Force Galilee.

This special investigation involved 132 examinations and produced 458 intelligence products, provided to ACC partners through 1338 disseminations. Three high risk crime entities were disrupted including:

- A Queensland-based investment fraud—Task Force Galilee identified several people running a call centre and seeking funds from investors via fraudulent websites. The call centre was closed in December 2011. In June 2012, five people were charged with laundering more than \$1.5 million from 65 victims.
- Money laundering activities of a money remittance business based in Melbourne and Vietnam—the operator of the business is alleged to have been responsible for laundering illicit profits on behalf of high-level drug trafficking groups. Some \$2.5 million in cash was seized along with 26.3 kilograms of heroin, 9.4 kilograms of methylamphetamine and just over one kilogram of cocaine.
- A professional facilitator alleged to have been involved in a range of criminal activities including money laundering—this investigation led to the seizure of cash, drugs and firearms along with more than \$6.7 million in assets being restrained. Sixteen people were arrested for drug trafficking, firearms offences and possessing the proceeds of crime.

Work done as part of the Targeting Criminal Wealth special investigation contributed or led to:

- seizing drugs with an estimated street value of more than \$78.5 million (this includes drugs worth \$62.7 million seized by other agencies acting on ACC intelligence)
- seizing more than \$2.7 million in cash
- seizing three firearms and 10 conductive energy device (electric shock) weapons
- obtaining restraining orders for assets worth more than \$7.9 million
- laying 77 charges against 35 people*
- convicting eight people.*

* Note, people charged this financial year may not have appeared before a court by 30 June 2012, and convictions may be for people charged in previous financial years.

In addition:

- In another Task Force Galilee-related outcome, the ACC supported the Australian Federal Police to execute search warrants in Sydney and Melbourne. This followed a request from the United Kingdom Home Office regarding an investigation in a boiler-room² fraud operation involving \$108 million. The Australian Federal Police arrested an Australian citizen in connection with this alleged involvement. He is alleged to have been a high level member in the criminal conspiracy and responsible for laundering \$45 million, of which \$9 million is alleged to have been passed through an Australian bank account.



*I commend the ACC's role in this initiative (Task Force Galilee).
It is a significant step forward.*

Chair ACC Board, Commissioner Tony Negus APM

² Serious and organised investment fraud can include a type of fraud colloquially known as boiler-room fraud due to the high pressures sales tactics used, which may include cold calling, emails and sophisticated websites.

Task Force Galilee

The ACC Board established the multi-agency Task Force Galilee in response to concern about serious and organised investment fraud affecting Australia. It brings together 19 state, territory and Australian Government agencies with 25 private sector organisations to better understand the nature and extent of this threat.

By 30 June 2012, Task Force Galilee had identified seven organised crime groups controlling 26 operations, many managing multiple investment frauds. Initial analysis revealed that Australians have lost more than \$113 million in the last five years, with the real cost likely to be higher due to under reporting. One Queensland-based serious and organised investment fraud with possible links to offshore-based organised crime groups had already been disrupted as a result of the task force's work.

The ACC Board has been actively involved in another aspect of Task Force Galilee's work: raising community awareness to enhance resilience against this threat. In September 2011, the ACC Board issued a media release urging Australians to protect their savings against this type of fraud. The media release, and subsequent media interviews with Board members around the country, explained how the level of superannuation and retirement savings in Australia is attractive to organised crime groups and how they use high pressure sales tactics including unsolicited phone calls and emails to defraud Australians of their savings.

The Board's actions are part of the wider communication strategy warning people to 'investigate before investing'.

- The multi-agency Financial Intelligence Assessment Team (FIAT) produced intelligence referred for action by the ACC or other agencies. This year, this intelligence contributed to several contraband seizures in Sydney including 24 tonnes of loose leaf tobacco and 7.6 million cigarette sticks with an estimated total excise evasion of \$12.4 million; two ballistic vests and 10 conductive energy device (electric shock) weapons and 60 000 counterfeit Viagra tablets.
- Project Wickenby is a joint investigation with the Australian Taxation Office to gather intelligence, investigate and prosecute abusive tax evasion schemes. The ACC's Wickenby Matters special investigation closed on 30 June 2011. However, several related matters were before the courts in 2011–12. For example, the High Court upheld convictions against Adam Hargraves and Daniel Stoten for defrauding the Commonwealth of more than \$2 million in tax. In another example, *Australian Crime Commission v Stoddart & Anor* (B71/2010), the High Court also found in favour of the ACC, finding that the marital status of an ACC examination witness is now legally irrelevant.

- The Criminal Asset Confiscation Taskforce underpins a coordinated and integrated approach to Commonwealth criminal asset confiscation. It has restrained \$95.6 million and forfeited \$31.6 million to date. Led by the Australian Federal Police, the Criminal Asset Confiscation Taskforce includes the ACC, the Australian Taxation Office and the Commonwealth Director of Public Prosecutions. The Criminal Asset Confiscation Taskforce received 10 referrals from the ACC—covering money laundering, illicit drugs and welfare fraud—based on intelligence and financial profiling of criminal targets.

1

2

3

4

Established Criminal Networks—Victoria

Since 2004 the ACC has provided specialist services to support Victoria Police investigations into serious and organised crime networks based in that state. The aim of this special investigation is to enhance knowledge and understanding of the nature, extent and methodologies of high risk criminal groups and their impact on the Victorian and national community, and to reduce the threat they pose.

In 2011–12, this special investigation involved 14 examinations and produced six intelligence products, provided to ACC partners through seven disseminations.

This work supported Victoria Police with:

- an ongoing investigation to obtain intelligence about suspected drug trafficking, money laundering and firearms offences by a syndicate operating in Victoria
- another ongoing investigation into events surrounding a gangland-related murder
- an investigation into a homicide, which ultimately resolved in a plea of guilty to manslaughter.

Victoria Police indicated that ACC examinations and intelligence helped obtain intelligence and evidence not previously available, confirmed the version of events of witnesses on oath, discredited alibi evidence and assisted in disrupting the activities of the established criminal networks under investigation.

High Risk Crime Groups—South Australia

The ACC works with South Australia Police to enhance understanding of the nature, extent, methodologies of high risk criminal groups and their impact on South Australia and the broader Australian community. This work also aims to reduce the threat posed by these groups.

In 2011–12, this special investigation involved 18 examinations and produced 16 intelligence products provided to ACC partners through 22 disseminations. Through this work, the ACC and South Australia Police gained intelligence on:

- membership, structure and activities of outlaw motorcycle gangs operating in South Australia

- murders involving outlaw motorcycle gang members
- diversion of chemicals for use in the production of drugs in clandestine laboratories
- corruption vulnerabilities in the public sector with links to criminal networks
- financial affairs of a crime syndicate involved in drug manufacture and distribution
- commercial cannabis production
- use of violence to facilitate criminal activities.

Work under this special investigation also resulted in three people being charged with offences under the *Australian Crime Commission Act (South Australia) 2004*.

South Australia Police indicated that ACC information and intelligence provided insights into drug trafficking and manufacture, alleged corruption, money laundering, prostitution, weapons, serious and organised crime, violence and extortion.

Special operations

Special operations focus on gathering intelligence around particular criminal activity so decisions are informed by the extent, impact and threat of that activity. The ACC Board may determine that an intelligence operation is a special operation, enabling the use of the ACC's coercive powers. Before doing so, it must consider whether methods of collecting the criminal information and intelligence that do not involve the use of powers in the ACC Act have been effective. The ACC works closely with a range of domestic and international partners on targeted investigations into serious and organised criminal activities.

High Risk and Emerging Drugs

This special operation aims to generate and share intelligence on illicit drug markets in Australia to develop a more detailed understanding of their size, profitability, trajectory and drivers. It also involves monitoring and reporting on new processes and methodologies, identifying and reporting on the highest risk crime networks operating in domestic illicit drug markets and assisting with disruption of high risk criminal networks and the markets themselves.

This is the first time a single ACC special operation has been tasked with assessing and responding to all illicit drug markets, and it incorporates work done under previous individual drug-related special operations.

In 2011–12, this special operation involved 19 examinations and produced 111 intelligence products, provided to ACC partners through 347 disseminations. These related to priority areas ranging from the market for methylamphetamine and its precursor chemicals to the cocaine market, and from the illicit pharmaceutical market to the drug analogues and novel substances market.³

³ Drug analogues are drugs with similar structures and effects to illicit drugs. Novel substances have the same effects as illicit drugs but different chemical structures.

Work under this special operation this year included:

- participating in discussions about amendments to Commonwealth drug legislation
- contributing to briefs of evidence being prepared by ACC partner agencies
- providing intelligence about what organised crime groups perceive as the vulnerabilities and opportunities in the Australian operating environment, and identified criminal activities
- providing various presentations including on the non-medical use of pharmaceutical drugs, particularly opioids at the inaugural *Pain 360° Symposium 2012: Opioids exploring the limits, challenges and solutions*
- informing the ACC's *Organised Crime Threat Assessment 2012*.

1

2

3

4

Assessment of drug markets

Traditional drug markets for methylamphetamine, cannabis, cocaine and heroin remain entrenched, but the broader illicit drug market is becoming increasingly diversified with a vast array of substances now available. In addition, many drug markets are being shaped by the rapidly developing cyber and technology environment, with details such as new drugs, doses, how to administer, effects and drug combinations now being spread via social networking and bulletin boards about illicit drug use. Vendors are also exploiting the Internet by openly advertising the development and release of new products, even offering product reviews and free drug samples as promotion.

National Security Impacts from Serious and Organised Crime

Serious and organised crime is a recognised national security threat. The ACC is involved in a range of different national security forums, providing insights into serious and organised crime and its links to national security. This special operation provides support on an 'as needs' basis, through access to ACC coercive powers, to investigations by law enforcement and national security agencies into matters related to national security impacts from serious and organised crime.

In 2011–12, this special operation involved 12 examinations and produced 16 intelligence products, provided to ACC partners through 57 disseminations.

ACC activities under this special investigation this year included:

- working with the Australian Federal Police to target and disrupt domestic-based organisers and facilitators of people smuggling, and to identify and examine the nature of any actual or potential convergence between people smuggling syndicates and serious and organised crime groups

- contributing to the joint agency Task Force Polaris which carries out Sydney waterfront investigations and contributes to a whole-of-government response to organised crime in the maritime port environment. Polaris investigations resulted in 11 significant arrests and over 60 charges. In May 2012, the Australian Government announced similar special joint task forces will be established in Melbourne and Brisbane.

Making Australia Hostile to Serious and Organised Crime

This special operation aims to assist in making Australia's society, its institutions, industries and economy hostile to serious and organised crime. This is done through access to ACC coercive powers to support investigations by partner agencies and by developing intelligence to inform detection, prevention and mitigation strategies.

In 2011–12, this special operation involved eight examinations and produced 29 intelligence products, provided to ACC partners through 195 disseminations.

ACC activities under this special investigation this year included:

- responding to a request to assist with an investigation targeting an Australian-based syndicate suspected of international trafficking of endangered species
- providing partners with strategic and operational assessments on emerging technologies and contemporary identity crime trends and methodologies, and informing related Commonwealth advisory forums
- identifying and examining risks for serious and organised crime to infiltrate and exploit sectors not typically connected to organised criminality, such as the potential exploitation of the Home Insulation Program—the ACC found no systemic exploitation of this program but did provide operational intelligence to the Department of Climate Change and Energy Efficiency to support the department's targeting strategies.

National Indigenous Intelligence Task Force (Indigenous Violence or Child Abuse No. 2)

The National Indigenous Intelligence Task Force works collaboratively with law enforcement agencies, other Commonwealth, state and territory government agencies, and local service providers. It was originally established in 2006 following the Intergovernmental Summit on Violence and Child Abuse in Indigenous Communities. The ACC Board-approved special intelligence operation supports and enhances the task force's work. It does this through the use of ACC coercive powers to overcome barriers to accessing information about the nature and extent of violence and child abuse in Indigenous communities.

1

2

3

4

The task force collects and analyses information concerning violence and child abuse committed against Indigenous people and related criminal offending to produce reports and targeted intelligence that partner agencies can use to act on, support investigations, provide and instigate policy, program and law reform advice, and facilitate and improve national intelligence collection and sharing.

In 2011–12, this special intelligence operation involved 18 field visits and 42 examinations and produced 80 intelligence products, provided to ACC partners through 284 disseminations.

ACC activities under this special intelligence operation this year included:

- producing five target packages which focused on criminality in Indigenous communities and provided in-depth analysis for ACC partners to action
- supporting the Office of the Registrar for Indigenous Corporations to investigate allegations of fraud and serious misappropriation
- continuing to support a dedicated multi-jurisdictional family violence information sharing intelligence unit to improve cross-border intelligence collation and analysis among law enforcement, criminal justice and victim advocacy agencies
- working collaboratively across different law enforcement jurisdictions to target serious and organised crime involvement in the importation and commercial supply of illicit substances (kava, cannabis, heroin, cocaine and oxycontin) to Indigenous communities in urban, regional and remote areas. Intelligence support helped identify, and led to the arrest of, six people for commercial supply of heroin.

Child Sex Offences

This special intelligence operation supports law enforcement agencies to develop intelligence and investigate child sex offences, through the use of ACC coercive powers.

In 2011–12, this special intelligence operation involved three examinations and produced seven intelligence products, provided to ACC partners through 22 disseminations.

ACC activities under this special operation this year included an examination conducted in cooperation with a law enforcement agency that provided information on encryption methodologies used to conceal child exploitation material on computers.

This work also highlighted possible vulnerabilities of law enforcement investigation systems to encryption methodologies.

Strategic information provided to law enforcement

ACC intelligence products are either analytical or tactical. Analytical products include briefings/knowledge products, strategic products and operational products. Tactical products include information reports and other information. These products are developed in cooperation with ACC partners.

Intelligence may be focused on individuals or groups, particular themes and topics, or strategic assessments of how key threats and risks might change in the future. This enhances national understanding about what criminal activities and illicit markets are impacting on Australia, who is committing these nationally significant crimes, and the nature of potential future threats.

In addition to the intelligence and information provided to law enforcement as a result of the special investigations and special operations described on pages 18 to 27 of this report, the ACC also produced a range of flagship strategic intelligence products which it disseminated to partners during 2011–12.

ACC strategic intelligence is an important contribution that assists law enforcement, government and other partner agencies to identify ways to further protect against organised crime and informs how to harden the environment against criminal activity. This is a unique capability, that complements the often more reactive nature of traditional law enforcement.

The *Picture of Criminality in Australia* suite of strategic criminal intelligence products provides the basis for the ACC's contribution to the broader national intelligence priority setting process. The *Picture of Criminality in Australia* suite includes three products produced this year:

- *Illicit Drug Data Report 2010–11* (unclassified)—This report enhances understanding of how the drug economy operates, including key issues and developments.
- *Organised Crime Threat Assessment 2012* (classified)—This is a comprehensive assessment of the level of risk posed by various organised crime threats, categorised by activity, market and enabler.
- *National Criminal Target Report 2012* (classified)—This leading-edge report provides a point-in-time picture of Australian-based and offshore organised crime entities that represent the highest level threats impacting on the Australian community, including the links between them.

The suite also includes the previously published reports:

- *Organised Crime in Australia 2011* (unclassified)—An unclassified version of the *Organised Crime Threat Assessment*, this substantial profile of organised crime in Australia includes characteristics, drivers and activities as well as extent and impact.
- *Organised Crime 2020* (classified)—This report forecasts likely trends in the organised crime environment, focusing on changing economic, social, financial and technological drivers.

The intelligence and information provided to partners contributes to a richer picture of serious and organised crime, helping to inform decisions at several levels within the ACC, by the ACC Board, among Australia's law enforcement community, across agencies involved in the Commonwealth Organised Crime Strategic Framework and at the national security policy framework level.

1

2

3

4

Capabilities

During 2011–12 the ACC continued to develop its capabilities, including several that are unique to the ACC and add value to partner agencies' work by providing significant, national coordination and capability development. Examples include the National Criminal Intelligence Model and associated Strategy, the ACC-led National Criminal Intelligence Fusion Capability, and legislative amendments that will enable greater information sharing by the ACC.

National Criminal Intelligence Model and associated Strategy

The National Criminal Intelligence Model and associated National Criminal Intelligence Management Strategy are being developed by the ACC with assistance from Board member agencies. Criminal intelligence links the three separate but related domains across which these agencies operate: national security; serious and organised crime; and policing and community safety.

The model and strategy support the free flow of information across these domains. They promote better aligned processes, standards and protocols and the use of technology, culture, policy and legislation initiatives as enablers for improved intelligence and information sharing. This will enhance Australia's ability to understand complex criminal environments and identify threats, determine priorities and develop preventative response strategies.

Guiding principles for the model and strategy are that intelligence should be customer focused and requirements driven, that information and intelligence should be collected once and used often, and that information security requirements should be balanced accordingly to enable the right people to access the right information quickly and securely.

ACC-led National Criminal Intelligence Fusion Capability

The ACC-led National Criminal Intelligence Fusion Capability was a key element of the Commonwealth Organised Crime Strategic Framework, which supports an integrated Commonwealth response to organised crime.

Fusion was launched in July 2010 and is a unique partnership of experts, analysts and investigators from law enforcement, national security and related agencies, each with access to their own agency's information holdings.

Fusion is developing a more comprehensive picture of criminal targets, risks, threats and vulnerabilities than would be possible for any one agency in isolation.

To date, Fusion has identified more than 70 high-threat criminal targets previously unknown to law enforcement, and produced around 1200 unique intelligence reports for 83 ACC partners in 2011–12. Regular Fusion reporting enables action on emerging threats before they become entrenched.

Leading-edge data management tools that enable significantly faster and more effective integration and analysis of data are being introduced. The ACC is also working with its partners to further enhance collaboration and engagement through Fusion.

Legislative amendments to enable greater information sharing

At the end of June 2012, the *Crimes Legislation Amendment (Powers and Offences) Act 2012* came into effect. This allows for greater dissemination of ACC information to partner agencies, government and foreign bodies and the private sector. This significant change will strengthen the ACC's ability to harden the environment against organised crime. These preventative strategies will include working with the private sector to inform and protect against organised crime exploitation.



3

Section 3: Identified criminal activity

Nature, scope, trends and patterns of organised crime _____ 32

Nature, scope, trends and patterns of organised crime

The *Organised Crime in Australia 2011* report published by the ACC provided a comprehensive public view of organised crime in Australia. In 2012, the ACC produced the *Organised Crime Threat Assessment 2012*—a classified report on organised crime and major illicit markets impacting on Australia. The following summary highlights the key findings that can be publicly released from that report and from the *Illicit Drug Data Report 2010–11* which was also published this year.

Nature of the threat

- The threat posed by organised crime continues to evolve, with the scope and nature of opportunities for organised crime directly affected by global economic, social, political and technological change. Globalisation, escalating cross-border movement of people, goods and money, emerging legitimate international markets, and rapidly developing and converging technologies—including the increased availability of technology to users throughout the world—all provide a fertile operating environment for organised crime.
- Organised crime is using the cyber world and technology as a ‘force multiplier’—targeting Australians from anywhere in the world with maximum effect.
- Organised crime is diversified, complex, and multi-dimensional. It is now widely accepted that organised crime has transcended from a largely domestic issue to a threat that is global in nature, with organised crime business models following those of legitimate international commerce and trade.

Impact and cost

- Organised crime activities in Australia continue to predominantly focus on illicit drug markets, although organised crime groups also engage in a wide variety of criminal activity including fraud, identity crime, firearm trafficking, money laundering, human trafficking and high tech crime, sometimes simultaneously. The impact of organised crime in Australia is significant and far exceeds the direct harm of specific offences.
- In monetary terms, organised crime is conservatively estimated to cost the Australian community around \$15 billion each year. This includes the direct costs of dealing with the health and social impacts of organised crime and the costs associated with law enforcement and regulatory interventions. For example, illicit drug abuse has been previously estimated as having a social cost of more than \$8 billion a year.⁴ Frauds targeted at Australians, such as through boiler-room or cold-call investment frauds, are also having a direct and often devastating cost to individuals.

⁴ Collins, DJ and Lapsley, RM 2008, *The Costs of Tobacco, Alcohol and Illicit Drug Abuse to Australian Society in 2004/05*, Table 35. Australian Government, Canberra. Total social cost of drug abuse in 2004/05 was estimated at \$8.2 billion. Alcohol and illicit drugs acting together added a further \$1.1 billion.

- In addition, there are indirect costs such as damage to family relationships, community functions, social cohesion and the potential loss of confidence in law and justice.

1

2

3

4

Profile

- With few exceptions, serious organised crime groups of national significance necessarily operate transnationally, as many principals are based offshore. This is linked to the fact that globalisation provides unprecedented opportunities for organised crime to exploit cross-border movements of people, goods and money.
- Increasing collaboration between different transnational criminal networks creates more flexibility to exploit criminal opportunities and markets around the world.
- The Internet has created a ‘virtual marketplace’ for both legal and illicit commodities. For example, users of illicit drugs can now connect directly with suppliers based anywhere in the world and order their drugs online. This is enabling entrepreneurial individuals to have an unprecedented impact on illicit markets. In some markets entrepreneurial individuals are having a greater impact than organised crime.

Significant risks to the Australian community

- Methylamphetamine poses the highest risk to the Australian community, followed by heroin and cocaine.
- The ACC has identified six distinct illicit activities as underpinning serious and organised crime: money laundering; cyber and technology enabled crime; identity crime; the exploitation of business structures; corruption; and violence. These activities contribute to the effectiveness of organised crime. For this reason they are called ‘enablers’ and are key areas of risk.

Organised crime enablers

Money laundering

- Money laundering is an extremely diverse activity carried out in Australia at all levels of sophistication by most, if not all, organised crime groups. The more sophisticated organised crime groups often employ the expertise of professional advisers to conceal criminal profits. Alternative remittance services that transfer money within and between countries, often outside the formal financial and banking system, continue to be widely used by organised crime groups.

Cyber and technology enabled crime

- Cyber and major technology enabled crime pose a significant threat to Australia. The Internet provides anonymity, a wide potential victim base and access to technical facilitators—all increasingly important enablers of conventional crime.

- The overall cost of cyber and major technology enabled crime to the Australian economy is estimated to be more than \$1 billion a year, with major cyber intrusions costing organisations an average of \$2 million per incident.⁵
- Organised crime is making use of Internet ‘Darknets’. These are protected, hidden networks of webpages, forums and auction sites, which often harbour trading in illicit products, including child exploitation material, illicit drugs and firearms, stolen credit card and identity data, and hacking techniques.

Identity crime

- Organised crime entities engage in identity crime for a range of reasons, including using false or fraudulent identities to commit offences. False identities can be used to perpetrate frauds, establish complex business structures and companies that are used to facilitate crimes such as money laundering or the importation of illicit drugs. The use of false identities can also make it harder for law enforcement to trace criminals’ travel movements.
- Technology is likely to increasingly facilitate identity crime, with the growing requirement to provide personal identity information online to access goods and services, and with a greater willingness of many people to divulge personal information on social networking sites.

Criminal exploitation of business structures

- Sophisticated organised crime groups use complex networks of businesses, proprietary companies, partnerships and/or trusts to enable a range of organised criminal activities and offences, often assisted by professional facilitators.

Corruption

- Organised crime groups benefit considerably from corrupting key officials to gain access to funds, information, protection and other services that facilitate criminal activity. Corruption can be a particularly insidious enabler of organised crime activity, often masking other enabling activities that are occurring concurrently.
- Combating corruption is a key Australian Government priority.

Violence

- The use or threat of violence has always been an integral part of organised criminal activity in Australia. For example, violence is used in competition over criminal markets, in retaliation for previous violent acts or for failure to supply goods, as a stand-over tactic, for internal group discipline or for extortion.

⁵ IBM Security Solutions 2011, *IBM X-force 2011 mid-year trend and risk report*, viewed 15 November 2011, <<http://www-03.ibm.com/security/landscape.html>>.

Snapshot of some criminal issues

Illicit drugs⁶

- In 2010–11, there were 84 738 illicit drug related arrests, the second highest reported in the last decade.
- The use of illicit drugs, and the consistent exploitation by organised crime groups and entrepreneurial individuals of demand for the illicit drugs, remains an enduring issue.
- Although the traditional illicit drugs such as methylamphetamine, cannabis, cocaine and heroin remain entrenched markets, the broader illicit drug market is becoming ever more diverse, with a vast array of substances now available to motivated users.
- The drug analogue and other novel substances market is unique. This market is challenging existing regulatory approaches because a tangible portion of the marketplace exists within a 'virtual environment'. In this component of the market interaction between suppliers and users, the exchange of drugs, distribution of product and knowledge about drug use, as well as payment, all occur over the Internet. Differences in legislative treatment of the substances by various jurisdictions, due in part to the large number of new substances that are being introduced to the market, mean that some are sold in retail outlets.
- Recent increases in reported cocaine use and the weight of national seizures indicate a potential expansion of the Australian cocaine market. Some of the world's most sophisticated, profitable and powerful criminal networks are involved in the production and international trafficking of cocaine.
- The methylamphetamine market remains the highest risk drug market in Australia, with national drug use monitoring surveys identifying increased use and availability of methylamphetamine, and increases in users' perceptions of the purity of the drug.⁷
- Reported heroin use has remained relatively stable in Australia. In 2010–11, the number of national heroin seizures increased 7.5 per cent and is the highest reported in the last decade. The weight of national heroin seizures increased by 402.6 per cent in 2010–11 and is the highest reported since 2002–03.
- Despite fluctuations in reported use, cannabis remains the most commonly used illicit drug in Australia. Cannabis also remained the predominant illicit drug seized in Australia, with 50 073 seizures nationally in 2010–11. Cannabis accounted for 72 per cent of the total number and 58.3 per cent of the total weight of national illicit drug seizures in 2010–11.

6 Information from the *Illicit Drug Data Report 2010–11* refers to the previous financial year as it is a retrospective report.

7 National Drug and Alcohol Research Centre 2011, 'Key findings from the 2011 IDRS and EDRS', ND ARC conference, Sydney; Macgregor, S & Payne, J 2011, *Increase in use of methamphetamine*, Australian Institute of Criminology, Canberra.

Clandestine laboratories

- A record 703 clandestine laboratories were detected in 2010–11, the majority of which were producing amphetamine-type stimulants. Most clandestine laboratories continue to be detected in residential areas.

Card fraud

- Australia, like many other developed nations, has witnessed an increase in the use of credit and debit cards as a method of payment for goods and services. While providing greater convenience for consumers, this increase has been accompanied by greater levels of fraud and theft of funds in relation to electronic transactions.

Mass market fraud

- Boiler-room (or cold-call investment fraud) refers to frauds that target individuals or organisations to invest in nonexistent or essentially worthless shares and other securities. Boiler-room frauds are typically off-shore and online, and involve unsolicited telephone communication with potential Australian investors, or victims. This type of fraud has been identified as a growing issue in Australia (see Task Force Galilee on page 20).
- Australia is considered by organised crime groups to be an attractive target for advance fee fraud. This is fraud that involves the payment of up-front fees for goods, services or rewards that are never supplied. Most of the perpetrators of these frauds are based overseas and operate via the Internet.

4

Section 4: Appendices

Appendix A: Reporting requirements index	38
Appendix B: Recommendations for legislative change	39
Appendix C: Court proceedings	40
Appendix D: Judicial decisions	44
Appendix E: Alphabetical index	48

Appendix A: Reporting requirements index

The following is provided to help readers find required reporting information.

Table 4: Compliance with Section 61 of the ACC Act

Section of the ACC Act	References in this report
<p>Section 61(2)(a)</p> <p>a description of any investigation into matters relating to federally relevant criminal activity that the ACC conducted during the year and the Board determined to be a special investigation</p>	<p><i>Section 2:</i> <i>Description of activities</i></p>
<p>Section 61(2)(b)</p> <p>a description, which may include statistics, of any patterns or trends, and the nature and scope, of any criminal activity that have come to the attention of the ACC during the year in performance of its functions</p>	<p><i>Section 3:</i> <i>Identified criminal activity</i></p>
<p>Section 61(2)(c)</p> <p>any recommendations for changes in the laws of the Commonwealth, of a participating State or of a Territory, or for administrative action, that, as a result of the performance of the ACC's functions, the Board considers should be made</p>	<p><i>Appendix B:</i> <i>Recommendations for legislative change</i></p>
<p>Section 61(2)(d)</p> <p>the general nature and the extent of any information furnished by the CEO during that year to a law enforcement agency</p>	<p><i>Section 2:</i> <i>Description of activities</i></p>
<p>Section 61(2)(e)</p> <p>the extent to which investigations by the ACC have resulted in the prosecution in that year of persons for offences</p>	<p><i>Appendix C:</i> <i>Court proceedings</i></p>
<p>Section 61(2)(ea)</p> <p>the extent to which investigations by the ACC have resulted in confiscation proceedings</p>	<p><i>Appendix C:</i> <i>Court proceedings</i></p>
<p>Section 61(2)(g)</p> <p>particulars of the number and results of:</p> <ul style="list-style-type: none"> (ii) applications made to the Federal Court of the Federal Magistrates Court under the <i>Administrative Decisions (Judicial Review) Act 1977</i> for orders of review in respect of matters arising under this Act; and (iii) other court proceedings involving the ACC; being applications and proceedings that were determined or otherwise disposed of, during that year. 	<p><i>Appendix C:</i> <i>Court proceedings</i></p>

Appendix B: Recommendations for legislative change

1

2

3

4

The ACC Board made one recommendation for legislative change during 2011–12, requesting that the ACC prepare a proposal to the Minister for Justice and the Attorney-General for the ACC to gain access to its own Commonwealth enforcement and protection-type powers.

Additionally, the Board was briefed on the ACC's role in informing the following changes.

A number of legislative changes to the *Australian Crime Commission Act 2002* were made by the *Crimes Legislation Amendment (Powers and Offences) Act 2012*.

With effect from 5 April 2012, when Part 1 of Schedule 2 and Schedule 3 commenced:

- a number of powers and duties of the Chair of the ACC Board under section 59 of the ACC Act, to provide information about the ACC's activities to the Commonwealth Minister, the Inter-Governmental Committee on the ACC or its participating ministers individually, were extended to the CEO of the ACC
- new powers relating to the use, sharing and return or other disposal of 'returnable items' (that is, things seized under section 22, or produced in response to a summons under section 28 or a notice under section 29 of the ACC Act) were conferred on the CEO.

With effect from 25 June 2012, when Part 2 of Schedule 2 commenced:

- the Chair of the ACC Board and the CEO received express powers to provide information about the ACC's activities to other ministers and members of Commonwealth and state/territory parliaments
- the CEO's power to disclose ACC information was extended to provide for disclosures, for a range of permitted purposes, to:
 - all Commonwealth and state/territory government bodies and statutory officers and a wider range of foreign government and international agencies (new section 59AA)
 - subject to strict safeguards, prescribed bodies corporate in the private sector (new section 59AB).

The extended powers of disclosure have significantly enhanced the ACC's capacity to share criminal intelligence and other information within and, for the first time, beyond government. This will facilitate development of whole-of-government responses to, and government-industry partnerships in combating, the challenges posed by serious and organised crime. In accordance with the legislation, the ACC has developed and instituted robust safeguards to ensure proper management of ACC information.

Appendix C: Court proceedings

Prosecutions

During 2011–12, ACC-related court results included convictions for offences such as illicit drug offences, fraud and deception, sexual assault, weapons and explosives offences, money laundering and ACC Act offences. The ACC achieved these results by working closely with its partners.

The following information presents court results grouped by severity of sentence. The sentence used for categorising cases is the total maximum sentence liable to be served for all ACC-related charges in that case, as finalised in the financial year. The offence type listed is a broad category that is indicative of the offences charged, based on the Australian and New Zealand Standard Offence Classification. It is not intended to be exhaustive.

Multiple court proceedings for the same person are represented in the table below by separate lines within the same row. Where one matter has several results, all convictions are represented by the head sentence and other withdrawn or dismissed results are listed.

Table 5: Court results

Guilty—Convicted		
	Offence	Outcome
1	Sexual assault and related offences	Custodial sentence of 10 years or more
2	Illicit drug offences Fraud, deception and related offences Fraud, deception and related offences (Proceeds of crime)	Custodial sentence of 10 years or more
3	Illicit drug offences Fraud, deception and related offences	Custodial sentence of 10 years or more
4	Illicit drug offences Illicit drug offences	Custodial sentence of 10 years or more
5	Illicit drug offences	Custodial sentence of 10 years or more
6	Illicit drug offences	Custodial sentence of 10 years or more
7	Illicit drug offences	Custodial sentence of 10 years or more
8	Illicit drug offences	Custodial sentence of 10 years or more
9	Illicit drug offences	Custodial sentence of 10 years or more
10	Illicit drug offences ACC Act offences	Custodial sentence of six years—less than 10 years
11	Illicit drug offences	Custodial sentence of six years—less than 10 years

Guilty—Convicted		
	Offence	Outcome
12	Illicit drug offences	Custodial sentence of six years—less than 10 years
13	Illicit drug offences	Custodial sentence of six years—less than 10 years
14	Illicit drug offences	Custodial sentence of six years—less than 10 years
15	Illicit drug offences	Custodial sentence of six years—less than 10 years
16	Illicit drug offences	Custodial sentence of six years—less than 10 years
17	Illicit drug offences	Custodial sentence of six years—less than 10 years
18	Prohibited and regulated weapons and explosives offences Illicit drug offences Fraud, deception and related offences	Custodial sentence of three years—less than six years
19	Illicit drug offences	Custodial sentence of three years—less than six years
20	Illicit drug offences	Custodial sentence of three years—less than six years
21	Illicit drug offences	Custodial sentence of three years—less than six years
22	Illicit drug offences	Custodial sentence of three years—less than six years
23	Illicit drug offences	Custodial sentence of three years—less than six years
24	Illicit drug offences	Custodial sentence of less than three years
25	Illicit drug offences	Custodial sentence of less than three years
26	Illicit drug offences	Custodial sentence of less than three years
27	Fraud, deception and related offences	Custodial sentence of less than three years
28	Theft and related offences (Money laundering)	Custodial sentence of less than three years*
29	Theft and related offences (Money laundering)	Custodial sentence of less than three years*
30	Fraud, deception and related offences (Proceeds of crime)	Custodial sentence of less than three years
31	Fraud, deception and related offences (Proceeds of crime)	Custodial sentence of less than three years
32	Fraud, deception and related offences (Proceeds of crime)	Custodial sentence of less than three years
33	Fraud, deception and related offences (Proceeds of crime)	Custodial sentence of less than three years
34	Fraud, deception and related offences (Proceeds of crime)	Custodial sentence of less than three years

* These matters were dealt with in an international jurisdiction, based on information provided by the ACC to the Hong Kong authorities.

Table 5: Court results (continued)

Guilty—Convicted		
	Offence	Outcome
35	ACC Act Offences	Custodial sentence of less than three years
36	ACC Act offences	Custodial sentence of less than three years
37	ACC Act Offences	Custodial sentence of less than three years
38	ACC Act Offences	Custodial sentence of less than three years
39	ACC Act Offences	Custodial sentence of less than three years
40	ACC Act Offences	Custodial sentence of less than three years
41	Illicit drug offences Prohibited and regulated weapons and explosives offences Offences against government procedures, government security and government operations Fraud, deception and related offences (Proceeds of crime)	Non-custodial sentence
42	Illicit drug offences Fraud, deception and related offences Fraud, deception and related offences (Proceeds of crime)	Non-custodial sentence
43	Illicit drug offences Fraud, deception and related offences (Proceeds of crime)	Non-custodial sentence
44	Illicit drug offences Fraud, deception and related offences (Proceeds of crime)	Non-custodial sentence
45	Illicit drug offences Illicit drug offences	Non-custodial sentence Withdrawn / Dismissed / Acquitted

1

2

3

4

Charges proven—no conviction recorded		
	Offence	Outcome
46	Illicit drug offences	Non-custodial sentence
47	Illicit drug offences	Non-custodial sentence
48	Illicit drug offences	Non-custodial sentence

Withdrawn / Dismissed / Acquitted		
	Offence	Outcome
49	Illicit drug offences Fraud, deception and related offences (Proceeds of crime)	Withdrawn / Dismissed / Acquitted
50	Illicit drug offences Fraud, deception and related offences (Proceeds of crime)	Withdrawn / Dismissed / Acquitted
51	Illicit drug offences	Withdrawn / Dismissed / Acquitted
52	Illicit drug offences	Withdrawn / Dismissed / Acquitted
53	Illicit drug offences	Withdrawn / Dismissed / Acquitted

Confiscations

During 2011–12 the ACC, in conjunction with its partners, achieved:

- \$103.59 million proceeds of crime restrained
- \$31.63 million proceeds of crime forfeited
- \$4.42 million pecuniary penalty orders recovered.

Appendix D: Judicial decisions

The ACC's actions are often reviewed by courts. This may occur in the context of applications in the Federal Court for judicial review under the *Administrative Decisions (Judicial Review) Act 1977* or section 39B of the *Judiciary Act 1903*, or as part of the criminal justice process, for example in a contested subpoena or application for a stay of criminal proceedings.

We have been in a position to assist the court where the ground for stay applications have been claims that the conduct of ACC examinations and dissemination of ACC examination material have adversely affected the accused's right to a fair trial, or the proper administration of justice. At 30 June 2012 a number of matters were before the courts. Two further matters concluded with the court ruling that the prosecutions should proceed. In one matter the prosecution was stayed by the trial judge who found the dissemination to the prosecution and investigator prior to charges being laid should not have taken place, but that decision is under appeal.

Significant decisions during the reporting year are outlined below.

Significant cases

As reported last year, in the matter of *R v CB and MP* (previously called *DPP v Accused and Anor* DC 2009/30770 and 2009/47533) on 30 June 2011, the District Court in New South Wales granted a permanent stay of the trial of the accused on a charge of conspiracy to manufacture a commercial quantity of a controlled drug, contrary to section 11.5 and 305.3 of the *Criminal Code Act 1995*. The basis of the judge's decision was that after the accused was charged, he was summonsed and examined by the ACC about the subject matter of the charge pending against him, and that holding a coercive powers hearing in the circumstances interfered with the criminal trial process.

The Commonwealth Director of Public Prosecutions appealed the primary judge's decision to grant a permanent stay of the accused's trial. The Court of Criminal Appeal, in an unpublished judgment, allowed the appeal, finding that there had been no interference with the administration of justice. The judgment confirmed that the ACC can conduct coercive hearings of a person who has been charged, provided appropriate safeguards are in place to quarantine the examination information from officers involved in the investigation and prosecution. The defendant sought special leave to appeal against the decision to the High Court, but on 22 June 2012 that leave was refused.

In *R v Nigel Mansfield and John Kizon* (No. 69 of 2005), the Court of Criminal Appeal upheld the Commonwealth Director of Public Prosecution's appeal against the primary judge's decision to direct an acquittal. The High Court granted each defendant special leave to appeal the Court of Criminal Appeal decision, and the matter was heard on 9 May 2012. The High Court is deciding on the narrow issue of what constitutes 'inside information' in the context of the Managing Director not the telling the truth about the company. This issue does not directly impact the ACC. As at 30 June 2012, judgment was reserved.

1

2

3

4

As reported last year, in a majority judgment, the Full Federal Court upheld an appeal against *Stoddart v Boulton* [2009] FCAFC 1108, finding that the ACC Act does not abrogate spousal privilege either expressly or by necessary implication, and that a witness cannot be required to answer a question in an ACC Act examination if the answer might tend to show that the person's spouse is engaged in criminal conduct. The ACC was granted special leave to appeal to the High Court against the decision and, on 30 November 2011, the High Court reversed the decision, finding that the 'privilege of spousal incrimination' was not known to the common law of Australia and that the witness was a competent witness to be examined under the ACC Act and was compelled by the provisions of the Act to do so. This is a significant decision which allows for the questioning of spouses not only by the ACC but other agencies with coercive powers.

As previously reported, in *ACC v Stewart, Cornell & Hogan* (NSD 23 of 2010), the ACC sought access to documents over which claims of legal professional privilege had been made. In January 2012, the Federal Court ruled that Australian law applies to the dispute (as opposed to Californian or United States law as argued by the respondents) and that most of the disputed documents are not privileged. The respondents sought leave to appeal this decision to the Full Federal Court, on the grounds that her Honour erred in finding that no conflict of law issues arise, and that Australian law should be applied, and that her Honour should have found all the documents to be prima facie privileged. Both the leave application and the appeal were heard on 23 May 2012, and judgment was reserved.

On 20 April 2012, *X7 v ACC and Commonwealth of Australia No. S100 of 2012* commenced in the original jurisdiction of the High Court. The plaintiff is a person who was examined by an ACC Examiner after he had been charged with serious criminal offences. He seeks a declaration that, to the extent that the ACC Act permits a coercive hearing of a person charged, it is unconstitutional, and seeks injunctions restraining the ACC from examining X7 before the criminal process is finalised, or retaining material obtained during earlier examinations. The plaintiff argues that it is unconstitutional for the legislature to vest in the executive a power that rightly resides with the judiciary, and that once a person is charged the executive cannot exercise a power such as a coercive hearing because it is fundamentally an interference with the interests of justice. This matter was before the courts as at 30 June 2012.

In the matter of *R v Seller & McCarthy* in the Supreme Court of New South Wales, the defendants were charged with fraud and corruption offences. The defendants sought a permanent stay of the criminal trials, on the grounds that their right to conduct their defence was compromised by the dissemination to the Commonwealth Director of Public Prosecutions of the transcripts of ACC examinations, claiming that the circumstances of the case bring the system of justice into disrepute and constitute an abuse of the processes of the court. The ACC was given leave to appear to assist the Court, and argued that derivative use of ACC examination material is permitted under the ACC Act, and there can be no interference with the course of justice as all examinations took place before charge. Judgment in favour of the defendants was handed down on 17 August 2012. This matter, and any appeal, will be further reported in future annual reports.

The matters of *ACC v Fagan Wallace and Marrapodi (Supreme Court of WA Nos 117-119 of 2011)*, arise from a prosecution of three people for offences of refusing to answer questions as directed by an examiner contrary to s30 (2) of the ACC Act. In response to a subpoena, the ACC produced redacted copies of the Examiner’s reasons document, the statement of facts and circumstances and the legal submissions in support. The primary judge held that the accused had a ‘legitimate forensic interest’ in the documents produced by the ACC. On 9 May 2012, the Supreme Court of Western Australia dismissed the ACC appeal, finding that examiners’ reasons must show an ‘identifiable reasoning process’ and that, without a validly issued summons, a prosecution for an ACC Act offence could not be maintained. The ACC sought special leave to appeal the decision to the High Court.

Contempt of the ACC

The power of an ACC Examiner to refer a witness for contempt was introduced into the ACC Act in February 2010. Examiners have the power to apply for a witness to be dealt with for contempt of the ACC in certain circumstances. These applications can be heard in either the Federal Court or relevant state or territory Supreme Court.

During 2012, the Parliament of South Australia passed amendments to the *Australian Crime Commission Act (South Australia) 2004* that introduce contempt provisions aligned to those within the ACC Act (Cth). The new provisions came into effect on 17 June 2012 and will support the ACC special investigation, High Risk Crime Groups—South Australia.

Two contempt matters were dealt with by the courts in 2011–12.

In the matter of *Hannaford v HH* in the Federal Court in Melbourne, the respondent pleaded guilty to one count of contempt. On 5 November 2010, the Court ordered that the respondent be imprisoned until further order. The respondent remained in custody for the contempt and in respect of other matters. On 30 May 2012 the respondent was sentenced to an additional period of two months imprisonment, to commence on 23 January 2013, when eligible for parole. That creates a total effective sentence of 18 months for the respondent’s contempt of the ACC.

A further matter of *Sage v K* was in the Supreme Court of Queensland. On 28 September 2011 the respondent was found guilty of contempt of the ACC for refusing to answer a question as directed by an Examiner. The respondent was sentenced to imprisonment for six months.

A detailed analysis of the legal authorities regarding contempt by Justice Dodds-Streeton in *Hannaford v HH* suggest that a term of imprisonment between 18 months and two years is a useful starting point to adequately deter and denunciate contempt and sufficiently reflect its gravity.

Appendix E: Alphabetical index

1

2

3

4

A

ACC v Fagan Wallace and Marrapodi (Supreme Court of WA Nos 117-119 of 2011), 46
ACC v Stewart, Cornell & Hogan (NSD 23 of 2010), 45
Administrative Decisions (Judicial Review) Act 1977, 44
 advance fee fraud, 36
 airline pilots, 18
 alcohol abuse, social cost of, 32
 amphetamine-type stimulants, 19, 20, 36
 Attero National Task Force, 9, 14
 Australian Crime Commission
 Board *see* Board
 capabilities, 29–30
 CEO's powers, 39
 coercive powers, 5, 7, 18, 19, 24, 25, 26, 27, 44, 45
 contempt of, 46
 information disclosure, 5, 27, 30, 39
 Inter-Governmental Committee on, 1, 5, 39
 priorities, 9–11
 relationship with ACC Board, 6
Australian Crime Commission Act 2002, 39
Australian Crime Commission Act (South Australia) 2004, 24, 46
Australian Crime Commission v Stoddart & Anor (B71/2010), 22
 Australian Criminal Intelligence Database, 11
 Australian Customs and Border Protection Service, 18
 Australian Federal Police, 18, 20, 21, 23, 25
 Australian Law Enforcement Intelligence Network, 11
 Australian Taxation Office, 22, 23

B

benzylpiperazine (BZP), 19
 Board
 Chair's powers, 39
 Chair's review, 8–11
 decision making, 6, 7
 meeting attendance, 13
 members, 4, 12, 15
 priorities, 9–11
 relationship to ACC, 6
 role and functions, 5, 7, 15
 'boiler-room' fraud, 21, 36
 business structures, criminal exploitation of, 34

C

cannabis, 24, 25, 27, 35
 capabilities of ACC, 29–30
 carbon pricing mechanism, prospective organised crime threat to, 10
 card fraud, 36
 cash seizures, 9, 19, 20, 21
 Chair of the ACC Board
 powers, 39
 review by, 8–11
 charges laid, 9, 19, 21, 24, 26
 child exploitation and sex offences, 10, 27
 Child Sex Offences (Special Intelligence Operation), 10, 27
 cigarettes *see* tobacco and tobacco products
 clandestine laboratories, 11, 24, 36

cocaine, 20, 24, 25, 27, 33, 35
 coercive powers, 5, 7, 18, 19, 24, 25, 26, 27, 44, 45
 cold-call investment fraud *see* 'boiler-room' fraud
 collaboration, 8
 Indigenous violence and child abuse intelligence, 26–7
 information sharing, 10, 19, 27, 30, 39
 multi-agency investigations, 18, 20, 22–3, 26–7
 see also Task Forces
 Commonwealth Director of Public Prosecutions, 23, 44, 45
 Commonwealth Organised Crime Strategic Framework, 7, 29
 community awareness, 8, 22
 community impact of crime *see* social cost
 computer encryption methodologies, 10, 27 *see also* information technology
 conductive energy device (electric shock) weapons, 21, 22
 confiscations (court proceedings), 43 *see also* criminal assets seizures
 contempt of the ACC, 46
 contraband seizures, 22
 convictions, 19, 21
 corruption, as organised crime 'enabler', 33, 34
 court decisions, 22, 44–6
 court proceedings
 confiscations, 43
 prosecutions, 40–3
 credit card fraud, 36
 crimes *see* financial crime; identity crime; illicit drugs; organised crime; prosecutions; sexual offences or crimes
Crimes Legislation Amendment (Powers and Offences) Act 2012, 30, 39
 Criminal Asset Confiscation Taskforce, 20, 23
 criminal assets seizures, 9, 19, 20, 21, 23, 43
 criminal intelligence *see* intelligence products
 cyber and technology enabled crime, 10, 25, 32, 33–4

D

'Darknets', 34
 debit card fraud, 36
 decision making, 6, 7
 Department of Climate Change and Energy Efficiency, 26
 Desdemona (special investigation), 18
 determinations, 14–15
DPP v Accused and Anor DC 2009/30770 and 2009/47533, 44
 drug analogues, 24, 35
 drug markets *see under* illicit drugs
 drug production and trafficking, 9, 10, 18, 19, 20, 23–4, 27, 28, 35
 clandestine laboratories, 11, 24, 36
 drug seizures, 9, 18, 19, 20, 21, 35

E

electric shock weapons, 21, 22
 emerging threats, 30
 'enablers' of organised crime, 33–4
 encryption methodologies
 concealing child exploitation material on computers, 10, 27
 vulnerabilities of law enforcement systems to, 27
 endangered species trafficking, 10, 26
 Established Criminal Networks—Victoria (special investigation), 9, 14, 23
 examinations, 18, 20, 22, 23, 24, 25, 26, 27
 examiners' powers, 46

F

false identities *see* identity crime
 financial crime *see* fraud; money laundering
 Financial Intelligence Assessment Team, 20, 22

- firearms
 - illicit firearm assessment, 10, 19
 - offences, 9, 23
 - seizures, 9, 19, 20, 21
 - see also* conductive energy device (electric shock) weapons
- foreign law enforcement agencies, information dissemination to, 5, 30, 39
- fraud
 - advance fee fraud, 36
 - allegations of, Indigenous Corporations, 27
 - 'boiler-room' fraud, 36, 37
 - card fraud, 36
 - investment fraud, 8, 9, 20–2, 36
 - prosecutions for, 40–3
 - tax evasion and fraud, 20, 22
 - welfare fraud, 23
- Fusion *see* National Criminal Intelligence Fusion Capability

G

- Galilee (Task Force), 8, 14, 20, 21, 22

H

- Hannaford v HH*, 46
- Hargraves, Adam, 22
- heroin, 20, 25, 27, 33, 35
- High Court, 22
- High Risk and Emerging Drugs (special operation), 10, 14, 24–5
- high risk crime groups, 9, 14, 18–20, 23–4, 46
- High Risk Crime Groups—South Australia (special investigation), 9, 14, 23–4, 46
- high tech crime *see* cyber and technology enabled crime
- Highest Risk Criminal Targets (special investigation), 9, 14, 18–19
- Home Insulation Program, 26
- homicide, 23, 24
- Hyde, Malcolm, 15

I

- identity crime, 10, 26, 33, 34
- illicit drugs
 - drug analogues, 24, 35
 - Illicit Drug Data Report 2010–11*, 28, 32–6
 - impact and cost, 32–3
 - markets, 24–5, 33, 35
 - novel substances, 24, 35
 - offences, 18, 23, 40–3
 - pharmaceuticals, 22, 24, 25
 - seizures, 9, 18, 19, 20, 21, 35
 - snapshot, 35
 - supply to Indigenous communities, 27
 - trafficking *see* drug production and trafficking
 - use of, 35
- illicit firearms, 10, 19 *see also* firearms
- Indigenous communities
 - supply of illicit substances to, 27
 - violence and child abuse, 10, 14, 26–7
- information sharing, 10, 19, 27, 30, 39
- information technology
 - cyber and technology enabled crime, 10, 25, 32, 33–4
 - databases and analytical tools, 11
 - emerging technologies, 26
 - encryption methodologies, 10, 27
 - use by organised crime, 10, 25, 32
- Insomnia (special investigation), 18

1

2

3

4

intelligence model and strategy, 9, 29
 intelligence operations *see* special intelligence operations; special investigations; special operations
 intelligence products, 28–9
 analytical, 28
 intelligence databases and analytical tools, 11
 number produced, 19, 20, 23, 24, 25, 26, 27, 30
 strategic, 7, 10, 28–9
 tactical, 28
 intelligence sharing, 10, 19, 27, 30, 39
 Inter-Governmental Committee on the ACC, 1, 5, 39
 Internet, 34, 35, 36
 investigations *see* special investigations
 investment fraud, 8, 9, 20–2, 36
 losses/cost to community, 22
 irregular maritime arrivals *see* people smuggling

J

judicial decisions, 44–6
Judiciary Act 1903, 44

K

kava, 27

L

laboratories (clandestine drug laboratories), 11, 24, 36
 law enforcement agencies, information dissemination to, 5, 30, 39
 legislative change, 30, 39
 letter of transmittal, 1

M

Making Australia Hostile to Serious and Organised Crime (special operation), 10, 14, 26
 maritime port environment *see* waterfront and organised crime
 markets for illicit drugs, 24–5, 33, 35
 methylamphetamine, 18, 20, 24, 25, 33, 35 *see also* amphetamine-type stimulants
 money laundering, 9, 18, 20–1, 23, 33
 motorcycle gangs *see* outlaw motorcycle gangs
 murders, 23, 24

N

National Clandestine Laboratory Database, 11
 National Criminal Intelligence Fusion Capability, 10, 29–30
 National Criminal Intelligence Management Strategy, 9, 29
 National Criminal Intelligence Model, 9, 29
 National Criminal Intelligence Priorities, 7
National Criminal Target Report 2012, 15, 28
 National Illicit Firearm Assessment, 10, 19
 National Indigenous Intelligence Task Force (Indigenous Violence or Child Abuse No. 2 (Special Intelligence Operation)), 10, 14, 26–7
 National Organised Crime Task Force, 8, 14
 National Security Impacts from Serious and Organised Crime (special operation), 10, 14, 25–6
 new synthetic drugs, 24, 36 *see also* drug production and trafficking
 novel substances, 24, 35
 NSW Police Force, 18, 19

O

Octavius (special investigation), 18
 offences
 child exploitation, 10, 27
 firearms, 9, 23
 illicit drugs, 18, 23, 40–3

prosecutions and court results, 40–3
 sexual offences or crimes, 10, 11, 27, 40
see also violence

Office of the Registrar for Indigenous Corporations, 27

opioids, 25, 27

organised crime

- enablers, 33
- high tech crime, 10, 25, 32, 33–4
- impact and cost, 22, 32–3
- intelligence on *see* intelligence products
- National Organised Crime Task Force, 8, 14
- nature, scope, trends and pattern, 32–6
- response planning and priorities, 7
- risk of infiltration in new sectors, 26
- special investigations, 14, 18–24
- special operations, 10, 14, 24–7
- strategic intelligence reports, 15, 25, 28–9
- threat assessment, 32–6

Organised Crime 2020, 28

Organised Crime in Australia 2011, 28, 32

Organised Crime Threat Assessment 2012, 15, 25, 28

- key findings for public release, 32–6

outlaw motorcycle gangs, 19, 23, 24

Overland, Simon, 15

oxycontin, 27 *see also* opioids

P

people smuggling, 10, 25

pharmaceutical drugs

- counterfeit, 22
- non-medical use of, 24, 25

Picture of Criminality in Australia suite, 10, 28

Polaris Task Force, 26

powers of disclosure, 39

precursor chemicals, 9, 19, 24

priorities of ACC, 9–11

private sector, working with, 8, 22, 30, 39

‘privilege of spousal incrimination’, 45

Project Wickenby, 20, 22

prosecutions, 40–3

R

R v CB and MP, 44

R v Nigel Mansfield and John Kizon (No. 69 of 2005), 44

R v Seller & McCarthy, 45

role and functions of ACC Board, 5, 7, 15

S

Sage v K, 46

security *see* National Security Impacts from Serious and Organised Crime (special operation)

serious and organised crime *see* organised crime

sexual offences or crimes, 10, 11, 27, 40

social cost

- of alcohol abuse, 32
- of cyber and technology enabled crime, 34
- of drug abuse, 32–3
- of investment fraud, 22
- of organised crime, 32–3

social media

- and drug markets, 25
- and identity crime, 34

1

2

3

4

South Australia Police, 23–4
 special intelligence operations, 7, 10, 14, 26–7
 special investigations, 7, 9, 14, 18–24
 special operations, 10, 14, 24–7
 sport, integrity of, 10
 spousal privilege, 45
 State Special Investigations, 14, 23–4
Stoddart v Boulton [2009] FCAFC 1108, 44
 Stoten, Daniel, 22
 strategic framework (ACC/ACC Board), 6
 strategic intelligence products, 7, 10, 28–9
 superannuation and retirement savings, 22 *see also* investment fraud
 synthetic drugs *see* new synthetic drugs

T

Targeting Criminal Wealth (special investigation), 9, 14, 20–3
 Task Forces

- Attero, 9, 14
- determinations and decisions, 14
- Galilee, 8, 14, 20, 21, 22
- Polaris, 26

 tax evasion and fraud, 20, 22
 terminology, 10
 tobacco and tobacco products, 22

U

United Kingdom Home Office request, 21

V

Viagra tablets (counterfeit), 22
 Victoria Police, 18, 23
 violence

- in Indigenous communities, 10, 14, 26–7
- as organised crime ‘enabler’, 33, 34
- in SA, 24

 Violent and Sexual Crime Database, 11

W

waterfront and organised crime, 10, 26
 weapons *see* conductive energy device (electric shock) weapons; firearms
 welfare fraud, 23
 Wickenby Matters, 20, 22

X

X7 v ACC and Commonwealth of Australia No. S100 of 2012, 45

