


We maintain the **national intelligence picture** on current and emerging threats. Our partners contribute to and use this picture to guide responses to **serious and organised crime**.





# Chapter 2

## Criminal intelligence

Aim and results.....	page 38
Snapshot of our criminal intelligence work in 2014–15 .....	page 39
Context .....	page 40
Flagship publications .....	page 40
Strategic assessments.....	page 44
Strategic insights .....	page 48
Assessing harms .....	page 50
Other intelligence work.....	page 50
Policy submissions and advice.....	page 51
Other products .....	page 56
Looking forward .....	page 57

## Aim and results

Aim of our criminal intelligence work	How we achieved this aim	Contribution to ACC's key performance indicators		
		Discover	Understand	Respond
Build the national picture of serious and organised crime activities in Australia including by: <ul style="list-style-type: none"> <li>■ producing useful intelligence that identifies and provides insights on new and emerging serious and organised crime threats</li> <li>■ filling intelligence gaps by identifying vulnerabilities and indicators of serious and organised crime</li> <li>■ interpreting and analysing national intelligence holdings to create a national serious and organised crime intelligence picture</li> <li>■ informing and influencing hardening of the environment against serious and organised crime.</li> </ul>	Produced flagship publications, strategic assessments and other products, which we shared with partner agencies and more broadly as appropriate.	✓	✓	
	Informed policy and legislative reform and other national responses.	✓	✓	✓
		<b>Achieved</b>	<b>Achieved</b>	<b>Achieved</b>

Note: Success in achieving ACC key performance indicators is measured against the collective achievement across all criminal intelligence work.

In addition to the indicators above, our stakeholder survey this year revealed that:

- 88 per cent of respondents agree or strongly agree that we interpret and analyse national holdings to create a national serious and organised crime intelligence picture
- 88 per cent of respondents agree or strongly agree that we produce useful intelligence and provide insights on new and emerging serious and organised crime threats
- 78 per cent of respondents agree or strongly agree that we fill intelligence gaps through the identification of vulnerabilities and indicators of serious and organised crime
- 78 per cent of respondents agree or strongly agree that we inform and influence the hardening of the environment against serious and organised crime.

# Snapshot of our criminal intelligence work in 2014–15

## Past, present, future Picture of Criminality in Australia

- Produced the public ***Organised Crime in Australia 2015*** report
- Produced the ***National Criminal Target Report 2015***
- Produced the ***2013–14 Illicit Drug Data Report***



**2317 intelligence products** shared with 265 agencies (excluding automated alerts)



National classified assessment of **methylamphetamine market**



Public report on **serious and organised crime involvement in Australia's methylamphetamine market**



**16 strategic insights products** with new insights on serious and organised threats, groups, vulnerabilities, methodologies or markets (new product this year)



**7 strategic assessments** of crime types, markets or criminal issues



**78%** of stakeholders surveyed agree we fill intelligence gaps

**88%** of stakeholders surveyed agree we produce useful intelligence insights

## Context

### The threat

Serious and organised crime is sophisticated, globalised and of increasing threat to Australia. It is becoming more pervasive, powerful, complex and broader in scope. The traditional business of serious and organised crime now operates alongside new and emerging forms, including exploitation of the cyber environment and increased targeting of areas where maximum illicit profits can be made.

### Our response

The more we know about organised criminal activities, methods and emerging threats, the more effective we are in breaking the business of serious and organised crime. We build up a national picture by fusing and analysing intelligence we gather from:

- investigations and intelligence operations (see Chapters 3 and 4)
- intelligence feeds from partner agencies.

Our intelligence products, advice and recommendations enhance national understanding of the organised criminal environment to inform collaborative responses, both immediate and longer-term.

Much of our intelligence is classified and only shared with partner agencies. However, we increasingly share intelligence with private industry and release unclassified information to the public to help prevent or harden the environment against serious and organised crime threats.

## Flagship publications

We provide our partners with the most comprehensive strategic picture available of serious and organised criminal activities in Australia.

Our flagship publications, collectively called the *Picture of Criminality in Australia*, are:

- *Organised Crime Threat Assessment*—current and emerging threats (classified)
- *Organised Crime in Australia*—current and emerging threats (public)
- *National Criminal Target Report*—threat and risk posed by known targets (classified)
- *Illicit Drug Data Report*—statistical overview and analysis of illicit drug markets over the past 12 months (public)
- *Organised Crime 2025*—likely future trends (classified).

## Organised Crime Threat Assessment

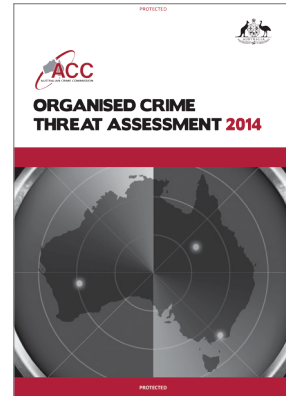
We produce a biennial, classified assessment of the risk posed to Australia by serious and organised crime.

This market-based assessment examines Australia's key illicit markets including illicit commodities, crimes in the mainstream economy and crimes against the person. We also assess activities that enable serious and organised crime, such as money laundering and cybercrime.

To establish an overall level of risk to Australia, we assess the dynamics of each market, the level of organised crime involvement, what is driving supply and demand, the harms and consequences, and the risk relative to other markets.

The assessment informs the Australian Government's *National Organised Crime Response Plan*, which aligns Commonwealth efforts against critical organised crime threats. It also informs high level decision-making about law enforcement resource priorities.

The assessment changes over time, reflecting the changing risks posed to Australia by new and emerging markets and shifts in existing markets. We produced the last *Organised Crime Threat Assessment* in 2013–14. The next assessment is due in mid-2016.



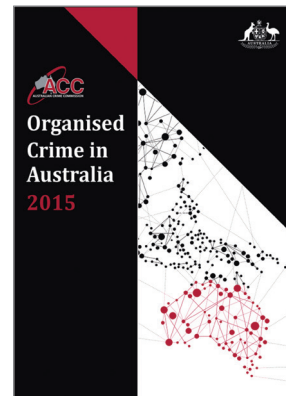
## Organised Crime in Australia

The *Organised Crime in Australia* report is a biennial, unclassified version of the *Organised Crime Threat Assessment*.

Our *Organised Crime in Australia 2015* report, released in May 2015, attracted widespread interest and media coverage highlighting the personal impact of organised crime on everyday Australians.

The report informs government, industry, the private sector and the community about key crime markets and enablers, and how they pose a threat to the Australian community. It demonstrates that while organised crime remains involved in lucrative traditional crime markets, such as illicit drugs, its reach is now extremely diverse. Key characteristics include:

- integration into legitimate markets to conceal criminal activity
- exploitation of new technologies and online environments
- globalisation of criminal operations.



Engaging with the community is vital to successfully combating organised crime. When the community is informed and able to identify and report suspected criminal activity, it strengthens Australia's ability to harden the environment against serious and organised crime. We will release our next *Organised Crime in Australia* report in 2017.

## National Criminal Target Report

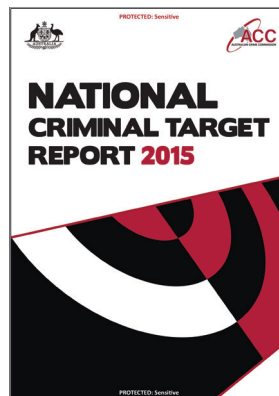
While the *Organised Crime Threat Assessment* looks at the 'what' of organised crime, the *National Criminal Target Report* looks at the 'who'.

This annual classified report provides decision-makers with a consolidated national picture of the risk posed by serious and organised crime groups affecting Australia. It informs both operational law enforcement work and strategic measures to combat serious and organised crime.

This year's report details emerging criminal markets, changes in risk and geographic footprints, as well as strategic links to wider-government initiatives including the National Ice Taskforce.

The report combines analysis of national and regional data from the National Criminal Target List with qualitative intelligence compiled by multi-agency Joint Analyst Groups in each state and territory.<sup>2</sup>

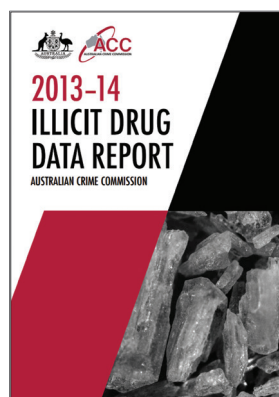
The involvement of a wide range of Commonwealth, state and territory agencies ensures the report accurately captures a holistic national picture of organised crime. We presented the *National Criminal Target Report* to the Board in June 2015.



## Illicit Drug Data Report

Our 2013–14 *Illicit Drug Data Report*, now in its 12<sup>th</sup> edition, informs Australia's understanding of and collective response to the illicit drug threat.

The report covers arrests, seizures, purity levels, profiling data and prices. This annual statistical overview is based on data from our Commonwealth, state and territory partners, as well as academic and health data. The only report of its type in Australia, the *Illicit Drug Data Report* provides the important evidence base to assist decision-makers develop strategies to address the threat posed by illicit drugs.



<sup>2</sup> Jurisdictional Joint Management Groups coordinate state law enforcement efforts. Each is supported by a Joint Analyst Group that delivers shared intelligence outcomes and supports national information sharing protocols.

While the methylamphetamine market is the primary concern, there were also a number of records reported across other drug markets. Significant findings in the 2013–14 report include:

- a record 93 086 national illicit drug seizures
- a record weight of illicit drugs seized nationally, at over 27 tonnes—including a record 10 tonne seizure of benzaldehyde, a precursor used in methylamphetamine production (this could have been used to produce up to 4.5 tonnes of methylamphetamine, with an estimated street value of \$3.6 billion)
- the highest median purity of methylamphetamine on record
- a record 112 049 national illicit drug arrests
- a record number of border detections of amphetamine-type stimulants (ATS), excluding 3,4-methylenedioxymethamphetamine (MDMA)
- a record number of national ATS seizures and arrests
- a record number of national cannabis arrests
- a record number of national cocaine seizures and arrests
- a record number of national steroid seizures and arrests
- heroin originating in South America for the first time, as identified through analysis of heroin border seizures
- a decrease in the number of clandestine laboratories detected nationally (744) for the second consecutive year, however, still the third highest on record
- an increase in the number of clandestine laboratories located in vehicles and rural areas, but residential areas remained the most common location.

## Organised Crime 2025

To be released in late 2015, *Organised Crime 2025* is the third in our series of strategic foresight products that examine factors likely to affect the Australian criminal environment over the next decade.

In these products we discuss key elements of change and interpret emerging patterns of behaviour that may result in significant change in the organised crime environment. This includes trends in demographics, economics, technology, globalisation, employment and illicit markets.





Organised criminal networks rapidly innovate and respond to these trends and any resulting vulnerabilities in order to make a profit. In analysing the potential implications of these trends, we assess some of the most likely threats, risks and opportunities for discovering, understanding and responding to serious and organised crime over the next decade.

We share these assessments with key stakeholders, including our law enforcement partners, to inform decision-making on proactive response strategies including structural development and operational priorities.

## Strategic assessments

Alongside our flagship strategic intelligence products, we produced strategic intelligence and assessments on a range of topics this year. These provided ACC Board member agencies and other relevant agencies with assessments of crime types, markets or criminal issues of national importance. Our strategic assessments support and influence a range of intelligence, operational and response decisions, and inform government consideration of future strategies including policy development.

Examples this year include assessments of the methylamphetamine market in Australia, cybercrime, profit-motivated vehicle theft, visa and migration fraud, public sector corruption, and a financial crime risk assessment.

### The methylamphetamine market

In 2014 we provided our partners with a classified assessment of the methylamphetamine market in Australia. The assessment found that the market had grown significantly since 2010, including increases in the amount of methylamphetamine detected at the Australian border. The assessment also examined the impact of this market on traditional organised crime behaviour and partnerships.

The assessment was positively received and formed the basis for our unclassified report, *The Australian methylamphetamine market: The national picture*, released in March 2015.

Methylamphetamine, in particular crystal methylamphetamine (ice), is of significant national and international concern. Our report highlights the involvement of serious and organised crime in this market and the increasing availability of ice.

Organised crime is at the centre of the supply, distribution and use of the drug in Australia. More than 60 per cent of Australia's highest risk serious and organised crime targets are involved in the methylamphetamine market. The price paid for the drug in Australia is among the highest in the world, making importation of methylamphetamine and its precursor chemicals attractive for transnational crime groups.

Through our widely publicised unclassified intelligence picture, we are informing the broadest possible audience of the issue, generating discussion about what can be done to tackle the problem, improving community understanding of the harms caused, and informing the national response.

Our report influenced the establishment of the National Ice Taskforce as the first step in forming a National Ice Action Strategy to tackle the issue. The taskforce was announced by the Prime Minister, the Minister for Justice and the Assistant Minister for Health in April 2015. The announcement stated that 'The Australian Crime Commission considers ice poses the highest risk of all illicit drugs to our community'.

The taskforce is examining all existing efforts to address ice and identifying ways to take a systematic, comprehensive and coordinated approach to education, health and law enforcement. We are supporting the taskforce by providing expert advice, information and intelligence collection. Importantly, the National Ice Action Strategy will represent a whole-of-government response incorporating demand, supply and harm reduction components, in accordance with the three pillars of the National Drug Strategy.

## Cybercrime

We worked with the Australian Cyber Security Centre to produce the *National Cybercrime Intelligence Assessment 2014*. The assessment provides a national picture of the threat posed by cybercrime in Australia, focusing on the role of serious and organised crime. This informs Australia's collective response efforts.

Findings include:

- Criminal use of malicious software (malware), including ransomware, was the key serious and organised cybercrime threat to Australia in 2014 and this will continue over the next two to five years.
- Transnational serious and organised crime syndicates pose the greatest cybercrime threat to Australia.
- Combating transnational cybercrime requires a collaborative effort between government and the private sector both domestically and internationally. The community also contributes by reporting cybercrime via the Australian Cybercrime Online Reporting Network (ACORN) (see page 123).
- While technological solutions can mitigate some threats, Australians are still vulnerable due to personal behaviours and limited knowledge of technology, particularly as a result of sophisticated social engineering used to target individuals. Social engineering in the cybercrime context involves the psychological and social profiling of individuals to increase the likelihood they will take certain actions such as opening attachments, downloading files or divulging confidential information.

- The cost of cybercrime to Australia was estimated as \$1.06 billion in 2013. The real cost is likely to be higher as this estimate was based on individual adults, and did not consider the cost to industry and government.

The Australian Cyber Security Centre also released an unclassified assessment in early 2015–16. This is the first time a national report of this nature has been produced for the public. The cybercrime component was informed by intelligence we produced.

For more details on our work in the area of cybercrime see page 102.

## Profit-motivated vehicle theft

We were a member of Task Force Discover, which assessed regulatory non-compliance in the Victorian vehicle wrecking and scrap metal industries and links to profit-motivated vehicle theft. Through our involvement in this task force, we produced two strategic assessments this year.

The task force audited 432 motor wreckers and scrap metal dealers across the state and found that:

- 46 per cent of businesses did not hold the correct business licence or registration to trade
- 92 per cent of businesses did not submit notifications to the Written Off Vehicles Register
- 90 per cent of businesses were non-compliant to some degree with occupational health and safety and environmental protection regulations.

In addition, the audit identified a business that was little more than a ‘chop shop’ for stolen vehicles, attempting to operate discreetly in Melbourne’s northern suburbs. The unregistered and unlicensed business had stolen and processed at least 71 vehicles with an insured value of \$2 million. The vehicles were disassembled for their parts and components, which were exported overseas. This matter is now before the Victorian County Court.

The task force ran from December 2013 to September 2014 and was led by Victoria Police. It also involved the Australian Customs and Border Protection Service<sup>3</sup>, the National Motor Vehicle Theft Reduction Council, Consumer Affairs Victoria, the Environment Protection Authority Victoria, the Victorian Work Cover Authority and VicRoads.

3 On 1 July 2015 the Australian Customs and Border Protection Service (ACBPS) was integrated with the Department of Immigration and Border Protection and the Australian Border Force was established. ACPBPS functions and services continue to be performed by the Department, and within it, the Australian Border Force.

We produced the task force's final report, which received the International Association of Auto Theft Investigators (IAATI) Australasia Branch President's Award in March 2015. The award recognised an 'outstanding contribution by an individual or a team in the reduction and deterrence of motor vehicle theft in Australia, the achievement of a significant result from an investigation in auto crimes, or a significant achievement in the detection of motor vehicle theft and/or fraudulent vehicle crime'.



Unsafe stacking of vehicles at a motor wrecking business audited by Task Force Discover and stolen vehicles and stripped parts found during a subsequent operation.

## Visa and migration fraud

In 2014–15 we collaborated with the Department of Immigration and Border Protection on a strategic assessment of visa and migration fraud. We identified elements of Australia's migration system that organised criminals are exploiting.

Visa and migration fraud occurs when a visa is issued on fraudulent or false grounds or when illegitimate or illegal visas and passports are used. It can be complex, systemic and organised, and can generate significant profits. A range of individuals are involved including applicants, registered migration agents and business operators. Visa and migration fraud has the potential to pose a significant threat to Australia's migration system. It is also a possible threat to Australia's national security, given that true identities are often difficult to establish when individuals arrive in Australia with fraudulent documentation and false identities.

Our assessment is informing law enforcement and government agencies of the risks as well as options for responding.

## Public sector corruption

This year we produced an assessment on the risks, characteristics and vulnerabilities of public sector corruption. We drew on our own intelligence, combined with intelligence from our partners, to identify two areas of vulnerability to corruption by organised crime.

The first is the historically identified risk of corruption of public sector officials whose seniority or role means they are in a position to facilitate or protect criminal activities. The second is an emerging generational risk posed by younger recruits. Social networking, sharing personal information on social media, casual attitudes and an apparent growing public tolerance of 'recreational' or 'private' illicit drug-taking, have the potential to significantly increase the risk of corruption of younger public sector employees, by bringing them into contact with organised crime groups. This change is reducing the effectiveness of passive workplace monitoring, such as whistle-blower schemes, and changing traditional public sector corruption risks. For example, motivations other than money, such as group loyalties and social bonds, are being manipulated to corrupt public sector officials.

## Financial crime risk assessment

In early 2015 we released the first Financial Crime Risk Assessment. We developed this classified document with the Australian Taxation Office, at the request of partner agencies.

The assessment highlights activities that enable financial crime affecting Australia, and that agencies could effectively respond to through operational focus, intelligence work, and policy and legislative reform. Examples of such enablers include technology enhancements or cyber-enabled financial crime, money laundering, the use of professional facilitators, abuse of trusts, and fraudulent phoenixing behaviour (deliberate and systematic liquidation of a corporate trading entity for illegal or fraudulent purposes). The assessment will be used to inform the priorities of the current multi-agency Serious Financial Crime Taskforce.

## Strategic insights

Our strategic insights products provide new insights into serious and organised crime threats, groups, vulnerabilities, methodologies or markets. These products reflect key strategic observations and learnings from ACC and partner intelligence and investigations, often based on the use of our coercive examinations or covert capabilities. Intended for stakeholders with an in-depth understanding of the organised crime environment, our strategic insights products provide decision-makers with a quick understanding of changes or emerging issues or threats. They inform and influence appropriate operational, regulatory and policy responses.

This year we produced 16 strategic insights products on topics ranging from organised crime exploitation of Australia's real estate sector, money laundering methodologies and vulnerabilities in Australia, vulnerabilities related to banknotes and covert movement of money, mobile money services, the MDMA market in Australia, virtual currencies, and outlaw motor cycle gang activity.

# SPOTLIGHT ON...

## Outlaw motor cycle gang activity strategic insights

During 2014–15 we produced two strategic insights products about outlaw motor cycle gang activity.

The first asked the question: Is the nature of outlaw motor cycle gang violence changing? We found that the relative lull in high profile displays of violence in 2014 was likely due to a hardening of the outlaw motor cycle gang policing environment and legislative reforms. However, violence is an inherent part of outlaw motor cycle gang culture and this is unlikely to change—even with increased police attention and anti-association legislative reforms. Our strategic insights product finds that, over time, outlaw motor cycle gangs will continue to adapt and their acts of violence are likely to become more discreet and increasingly difficult to distinguish from other violent offences.

The second looked into groups affiliated with outlaw motor cycle gangs.

Many outlaw motor cycle gangs use affiliated groups to carry out low level criminal activities on their behalf, and as a source of new members. The groups include supporter clubs, street gangs, feeder groups and associate clubs. Our strategic insights product builds a national intelligence picture on these affiliated groups, identifying disruption and prevention opportunities for law enforcement agencies.



## Assessing harms

One of the ways we enhance understanding of serious and organised crime is by assessing the harms associated with illicit activities or markets. We assess the dynamics of each market and the level of organised crime involvement. We also assess each market's demand and supply drivers, and harms and consequences, to establish an overall level of risk to the Australian people and economy, as well as the risk relative to other markets.

The process provides a way to measure and rate the impact of key illicit markets, organised crime activities and organised crime entities operating in Australia. This assists decision-makers in directing resources against the crime types or crime groups that are most damaging to the community.

This year we continued to work on the process for assessing harms. A key purpose of the harms process is to inform our *Organised Crime Threat Assessment*, which examines both the threat and harm of serious and organised crime activities.

## Other intelligence work

### Wildlife and Environmental Crime Team

We formed our Wildlife and Environmental Crime Team in early 2014–15 to collect intelligence to better understand the nature and extent of serious and organised crime involvement in wildlife and environmental offences around the Great Barrier Reef and the Torres Strait. This includes methodologies, persons of interest and links to other crimes such as money laundering and drug trafficking.

The team is part of the Australian Government's *Reef 2050 Plan* and associated *Dugong and Turtle Protection Plan*, which aims to protect listed threatened and migratory species in Far North Queensland and the Torres Strait Islands from the threats of poaching, illegal hunting and marine debris. Preserving dugong and sea turtle populations is vital to the health of the Great Barrier Reef and consequently to tourism, commercial fishing and aquaculture, recreation, scientific research and reef management.

The team aims to:

- collect intelligence about the alleged organised illegal trade in turtle and dugong meat and products, and disrupt those suspected of being involved
- develop a broader understanding of other wildlife and environmental crime in Australia and links to serious and organised crime groups
- identify potential opportunities for intervention against illicit wildlife traffickers.

This builds on our earlier work to identify the nature and extent of wildlife and environmental crime.

We are collaborating with Commonwealth, state and territory law enforcement and government stakeholders and also working with academia, animal welfare organisations, business and Indigenous communities.

During the year the team:

- conducted 27 visits to 17 regional towns and Indigenous communities in Queensland, including the Torres Strait
- produced 20 tactical intelligence products, which we provided to partner agencies through 42 disseminations.

Throughout the year, team members met with, briefed and presented to communities, political representatives and authorities in Far North Queensland, the Torres Strait and Canberra.

Positive stakeholder feedback indicates the team is providing good background information and will contribute significantly to the intelligence holdings.

The Wildlife and Environmental Crime Team is funded until 30 June 2016 through the Department of the Environment, under the *Dugong and Turtle Protection Plan*.

## Policy submissions and advice

Part of our response to serious and organised crime is prevention. This includes informing and influencing decisions about policy responses, intelligence priorities and improving capabilities.

During 2014–15 we were actively involved in a range of national policy issues including:

- progressing national policy responses such as data retention and telecommunications reforms
- contributing to the Prime Minister's National Ice Taskforce, including identifying new ways to tackle the threat
- bringing together partners to consider the implications of encrypted communications
- engaging on Australia's response to countering violent extremism.

Importantly, during the year we developed successful proposals for funding under the *Proceeds of Crime Act 2002* for three significant areas of capability development:

- establishing our international deployment program (see page 126)
- improving the existing information sharing platform for criminal intelligence (see page 122)
- strengthening necessary operational capabilities to counter money laundering.



We also significantly progressed various submissions to support the Government's legislated periodic review of the ACC Act in 2015–16.

In 2014–15 we actively contributed to a wide range of national serious and organised crime forums and whole-of-government decisions. This included supporting domestic and international policy and legislative responses to organised crime and security issues.

For example, at a national level we contributed to the Law, Crime and Community Safety Council and inter-governmental forums. In addition, the ACC is a member of and contributes to the Heads of Commonwealth Operational Law Enforcement Agencies committee, the National Justice and Policing Senior Officers Group, the National Intelligence Coordination Committee and sub-committees, the Cyber Security Operations Board and sub-committees, Cyber Policy Group and Cyber Security Group, the National Cybercrime Working Group, and the Senior Officer's Group on Organised Crime.

This year we also attended the United Nations Congress on Crime Prevention and Criminal Justice and the Five Eyes Law Enforcement Group, and supported the development of the *National Organised Crime Response Plan 2015–18*.

## Parliamentary inquiries

Throughout the year we also contributed to Parliamentary inquiries affecting national law enforcement capability, including the following examples.

### Senate References Committee on Legal and Constitutional Affairs, Comprehensive Revision of the *Telecommunications (Interception and Access) Act 1979*

This inquiry looked at the challenges posed by advancing technology and the impact on national security and law enforcement responses. This relates to our work including use of specialist capabilities for our Board-approved investigations and intelligence operations.

We provided submissions to the inquiry during 2013–14 and hosted the committee, in camera, at the ACC Sydney office in July 2014. We proposed reforms to enhance the ability of law enforcement to discover, understand and respond to organised crime, improve the privacy of Australian citizens, and support our partners in combating organised crime.

The committee tabled its report in March 2015 following a 15-month inquiry.

### Parliamentary Joint Committee on Intelligence and Security, Inquiry into the *Telecommunications (Interception and Access) Amendment (Data Retention) Bill 2014*

The *Telecommunications (Interception and Access) Amendment (Data Retention) Act 2015* was introduced in April 2015. It requires telecommunications companies to retain secure and limited metadata records for two years.

We provided a submission to this committee in January 2015 and provided evidence, both publicly and in camera, in December 2014, January 2015 and with the ACC Board in February 2015.

Our submission focused on the need for telecommunications data retention to aid investigations into serious and organised crime, including case studies illustrating the value of telecommunications data to the ACC's statutory functions. We also discussed the potential dataset, and the concept of restricting the range of agencies permitted to access such data, as well as additional oversight by the Commonwealth Ombudsman.

The committee tabled its report on 27 February 2015.

#### Parliamentary Joint Committee on the Australian Commission for Law Enforcement Integrity, Inquiry into the jurisdiction of the Australian Commission for Law Enforcement Integrity

We appeared before a committee hearing in September 2014 and provided a submission last year. We advocated for high risk areas of Commonwealth agencies to be included within the jurisdiction of the Australian Commission for Law Enforcement Integrity (ACLEI).

We continue to work with partners to identify corruption in the Australian Public Service and support an intelligence-led approach to ACLEI's jurisdiction.

#### Parliamentary Joint Committee on Law Enforcement, Inquiry into financial related crime

We appeared before a committee hearing in September 2014 and provided a submission last reporting year, accompanied by a summary of intelligence.

We sought amendments to enhance information sharing and ensure designated non-financial businesses and professions (including lawyers, accountants and real estate agents) are covered by the reporting requirements of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006*. We also:

- supported the Crimes Legislation Amendment (Unexplained Wealth and Other Measures) Bill 2014
- recommended the Government agree to the Parliamentary Joint Committee on Law Enforcement's recommendation to amend the *Telecommunications (Interception and Access) Act 1979* to allow the Australian Taxation Office to use information gained through telecommunication interception in its investigations
- noted that alternative remittance businesses that are the subject of intelligence regarding money laundering activities can still be registered on the Remittance Sector Register, posing a significant vulnerability to Australian anti-money laundering and counter-terrorism financing efforts.

### Parliamentary Joint Committee on Intelligence and Security, Inquiry into the Counter-Terrorism Legislation Amendment (Foreign Fighters) Bill 2014

We provided a submission and appeared before a committee hearing in October 2014. Our submission noted overall support for the proposed legislative framework and gave an overview of our contribution to Australia's response to terrorism in Syria and Iraq.

### Parliamentary Joint Enquiry on Law Enforcement, Inquiry into the ability of Australian law enforcement authorities to eliminate gun-related violence in the community

We provided a submission in August 2014 and provided evidence, both publicly and in camera, in October 2014. Our unclassified submission addressed the nexus between firearms and organised crime, the nature and extent of firearms markets in Australia, diversion methods to illicit markets, and the use of 3D printing technology to create firearms. We provided further contemporary classified intelligence during the in camera hearing.

### Standing Committee on Infrastructure and Communications, Inquiry into the use of subsection 313(3) of the *Telecommunications Act 1979*

We provided a submission to this committee in August 2014 and appeared before a committee hearing in February 2015. We advocated that the ability to request assistance from telecommunications service providers in blocking online content is a significant tool in disrupting serious and organised crime, particularly offshore threats. For example, it will be important when responding to cyber threats such as malware and botnets, including working with Internet service providers to prevent traffic to such sites.

The committee tabled its report on 1 June.

### Senate Standing Committee on Legal and Constitutional Affairs Legislation, Inquiry into the Crimes Legislation Amendment (Powers, Offences and Other Measures) Bill 2015

We provided a submission in May 2015 supporting the amendments contained in the Bill. This includes minor amendments to the *Australian Crime Commission Act 2002* to clarify persons eligible to apply for section 22 search warrants and the powers of an Examiner to return items to witnesses at an examination. It also updates Schedule 1 provisions to ensure agencies are not compelled to provide information to Examiners in contravention of certain secrecy provisions.

### Senate Economics References Committee, Inquiry into digital currency

We appeared before a committee hearing in March 2015 with the Australian Federal Police and Attorney-General's Department. We outlined the way in which organised crime is using digital currencies to facilitate criminal activity, and how individuals are purchasing illicit commodities like drugs over the 'darknet' using digital currencies. We advocated that digital currencies should be regulated to remove the opportunity for these currencies to be further exploited by organised crime.

### Parliamentary Joint Committee on Law Enforcement, Inquiry into crystal methamphetamine (ice)

We contributed to a whole-of-portfolio submission in June 2015. The submission provided a national overview of the methylamphetamine market and the role of organised crime, current law enforcement responses and legislative frameworks, as well as policy responses including the National Drug Strategy, National Ice Taskforce and *National Organised Crime Response Plan 2015–18*.

### Northern Territory Legislative Assembly Select Committee inquiry into ‘ice’

We provided an unclassified submission in May 2015 and appeared before this committee in June 2015. Our submission reflected the unclassified findings in our report on the methylamphetamine market (see page 44) including the sources of ice cross-border trafficking, and social and community impacts in urban, community and remote settings.

### Parliamentary Joint Committee on the Australian Commission for Law Enforcement Integrity, Integrity of Australia’s border arrangements

We provided a submission in June 2015 addressing drivers and motivations for corruption at the border, an overview of public sector corruption and current vulnerabilities, criminality in the aviation and maritime sectors, integrity measures, and corruption prevention and response strategies.

## Other inquiries

### Anti-money laundering/counter-terrorism financing

During 2014–15 there were two simultaneous reviews of the anti-money laundering/counter-terrorism financing regime: a mutual evaluation undertaken by the international Financial Action Task Force, which concluded in April 2015; and a statutory review of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006*. Both were led by the Attorney-General’s Department in partnership with the Australian Transaction Reports and Analysis Centre (AUSTRAC). We engaged closely with the department and provided recommendations to the committee for the statutory review, including:

- broadening the Act’s information sharing provisions across law enforcement to support comprehensive intervention and prevention responses
- expanding the regime’s scope to cover designated non-financial businesses and professions
- streamlining Australia’s information sharing provisions with international partners (that is, streamline to one whole-of-government agreement with overseas agencies, rather than requiring multiple agency-specific agreements).

The report on the statutory review is expected to be presented to the Minister for Justice in late 2015.

## Other products

In addition to our strategic criminal intelligence, we produced a range of other products including:

- **Reports and briefs**—We produced 84 of these analytical products during the year, informing heads of government agencies, senior policy makers and ACC stakeholders of emerging criminal issues or events. These include regular intelligence summaries, reports on current and emerging issues and intelligence briefs.
- **Operational analysis**—We produced 21 of these analytical products this year. These advise on current, emerging and predicted criminal trends, methodologies, activities, vulnerabilities and associated impacts. They also inform immediate operational decisions as well as decisions for the next planning cycle.
- **Tactical intelligence products**—We produced 2183 information reports and other information this year. This is our main way of recording and sharing information derived from operational activity.
- **Responses to requests for information**—We responded to requests for information from national and international partners with 354 disseminations of intelligence holdings, and we also provided 302 responses to firearm trace requests, making a total of 656 responses. We provide responses in a range of formats, most often as information reports.

### ACC intelligence outputs in 2014–15

Product type	2012–13	2013–14	2014–15
<b>Analytical</b>			
<i>Picture of Criminality in Australia</i> suite	4	5	6
Strategic assessments	12	12	7
Strategic insights*	N/A	N/A	16
Operational analysis	72	44	21
Intelligence briefs and issues reports	91	92	82
Discussion papers*	N/A	N/A	2
<b>Tactical</b>			
Information reports	1335	1618	1789
Other tactical information	352	393	394
Automated alerting**	N/A	N/A	4333
<b>TOTAL (all products)</b>	<b>1866</b>	<b>2164</b>	<b>6650</b>

\* New categories introduced this year (see page 48).

\*\* New line of product launched this year (see page 122).

## How criminal intelligence fits into our approach



The work we do with our partners across national and international borders to understand serious and organised crime is central to building the national criminal intelligence picture. Each time we add another piece to the picture, we make it harder for organised crime to do business in Australia.

## Looking forward

In the year ahead we will deliver our report on the cost of serious and organised crime, based on the findings of our pilot program, to determine an up-to-date cost of the impact. Knowing the cost of serious and organised crime helps to increase understanding of its impact. This informs responses to ensure that serious and organised crime cannot become entrenched and established as a self-sustaining culture within our community.

In the coming year we will also release the *National Illicit Firearms Assessment*, the 2016 *Organised Crime Threat Assessment* and further intelligence on serious financial crime.

Producing timely and relevant strategic assessments that fill intelligence gaps and expose vulnerabilities will continue to be a focus, enriched by our collaboration with criminologists from the Australian Institute of Criminology.