



Our special operations **gather intelligence** about the extent, impact and threat of particular criminal activities to **inform strategic and operational decisions.**



Chapter 4

Intelligence operations

Aim, Focus, Result	page 86
Snapshot of our special operations work in 2014–15	page 87
High Risk and Emerging Drugs.....	page 88
Outlaw Motor Cycle Gangs.....	page 94
National Security Impacts from Serious and Organised Crime.....	page 98
Making Australia Hostile to Serious and Organised Crime	page 101
Child Sex Offences	page 107
National Indigenous Intelligence Task Force (Indigenous Violence or Child Abuse No. 3)	page 108

Aim

Special operations, as approved by the ACC Board, gather intelligence around particular criminal activity so decisions are informed by the extent, impact and threat of that activity. They involve the use of coercive powers (examinations and notices).

Through intelligence gathering and analysis, we discover and understand serious and organised crime threats to build the national picture of serious and organised crime. This work can also help determine if special investigations are warranted (see Chapter 3) and contribute to operational responses.

Focus

During 2014–15, we gathered intelligence under four special operations:

- High Risk and Emerging Drugs
- Outlaw Motor Cycle Gangs
- National Security Impacts from Serious and Organised Crime
- Making Australia Hostile to Serious and Organised Crime.

We also:

- maintained contact with our partners through the Child Sex Offences special operation, to stay informed and contribute to the national response
- finalised work under the former special operation, National Indigenous Intelligence Task Force (Indigenous Violence or Child Abuse No. 3) which ceased on 30 June 2014.

Result

We achieved our aim by gathering intelligence around these focus areas. In doing so, we achieved our key performance indicators of:

- producing useful intelligence that identified and provided insights into new and emerging threats
- filling intelligence gaps by identifying vulnerabilities and indicators of serious and organised crime
- interpreting and analysing national intelligence holdings to create a national serious and organised crime intelligence picture
- informing and influencing hardening of the environment against serious and organised crime
- participating or coordinating collaboration in joint operations to prevent and disrupt serious and organised crime.

Snapshot of our special operations work in 2014–15



10 disruptions to criminal entities



Produced **national cybercrime threat assessment**



80 coercive examinations improved national understanding



Produced national assessment of the **MDMA market**



772 intelligence products



Member of the **Australian Cyber Security Centre**



Produced **79 intelligence reports** on foreign fighters and counter-terrorism

- discover, understand and prioritise **cybercrime threats** affecting Australia
- contributed to first national cyber threat **public report**



Australian Gangs Intelligence Coordination Centre

- provided **459 intelligence reports** to fill gaps in knowledge and provide leads for action
- responded to **175 requests for information**



Produced strategic insights product on growth in **encrypted communications market**



Produced strategic assessment on links between serious and organised crime and **visa and migration fraud**



6 new targets added to the **National Criminal Target List**

High risk and emerging drugs

Context

The production and supply of illicit drugs is the major activity of organised crime in Australia. The illicit drug trade generates billions in profit for organised crime, more than any other criminal activity, and in the process ruins the lives of countless individuals and their families.

Purpose

Intelligence is the key to seizing drugs before they make it to our streets and to identifying new drug-related threats to the community. Our High Risk and Emerging Drugs (HRED) No. 2 special operation monitors all Australian illicit drug markets and has developed an increasingly holistic understanding of those markets, both domestically and internationally.

Despite our highly developed knowledge of individual markets and the links between them, the markets are constantly evolving and intelligence gaps exist. We resolve these gaps by leveraging our unique mix of powers and capabilities to discover and understand more about illicit drug markets and to inform partners of new and emerging trends. We also proactively develop and inform appropriate operational, legal and policy responses.

Through this special operation, we contribute to demand, supply and harm reduction strategies in line with the *National Drug Strategy 2010–15*.

This special operation is due to run to 30 June 2016.

Achievements

Discover and understand

Our work to discover and understand Australia's illicit drug markets enables effective responses.

During the year we conducted 30 coercive examinations to fill intelligence gaps, identify insights and enhance understanding of serious and organised crime and high risk and emerging drugs. We added one criminal target to the National Criminal Target List.

We produced 101 intelligence products, which we shared with partners through 308 disseminations. These products built a greater understanding of issues such as:

- the methylamphetamine market in Australia, in particular crystal methylamphetamine (ice)
- a method of manufacturing 3,4-methylenedioxyamphetamine (MDA) using unregulated chemicals
- the potential resurgence in the domestic 3,4-methylenedioxymethamphetamine (MDMA) market

- the threat and potential harms of a range of peptides and hormones not scheduled as ‘prescription-only medicines’
- concerning trends including the diversion of chemicals to prepare steroids for illicit sale and the potential for increased organised crime involvement in the illicit pharmaceuticals market and associated adverse impacts.

Respond

During 2014–15 our work under the High Risk and Emerging Drugs special operation influenced or contributed to the following responses:

- the formation of the National Ice Taskforce to better coordinate efforts across government, education, health and law enforcement
- a sharper focus on the importation of an identified precursor and like substances used in the illicit manufacture of MDA
- the scheduling of certain peptides and hormones as ‘prescription-only medicines’.

Australia’s ice problem

The aim of **Project Baystone** is to monitor the assessed highest risk drug markets (methylamphetamine, cocaine, MDMA and heroin) and resolve intelligence gaps about those markets.

Through Project Baystone this year we worked with multi-agency bodies including the Serious and Organised Crime Coordination Committee (SOCCC)⁵ to inform the national law enforcement response to the crystal methylamphetamine (ice) problem.

We assessed the nature and extent of the threat, alternative sources of data and appropriate operational and policy responses. We provided partners with a classified strategic assessment of the methylamphetamine market and released a public report in March 2015.

Our assessment highlighted the central role of serious and organised crime in the growing market for methylamphetamine. Of all illicit drugs, we assessed that methylamphetamine, and in particular ice, poses the highest risk to the Australian community and is of significant national concern.

The head of our High Risk and Emerging Drugs special operation was subsequently seconded to the secretariat of the National Ice Taskforce, announced by the Prime Minister in April 2015.

The National Ice Action Strategy will represent a whole-of-government response to ice, incorporating demand, supply and harm reduction components, in accordance with the National Drug Strategy.

For more details about our strategic assessment of the methylamphetamine market, see page 44.

⁵ A national forum that supports a cohesive, consistent and collaborative operational response to serious and organised crime.

Data sources

Traditional sources of data on the level of illicit drug use in the community, particularly those based on user self-reporting, are becoming less reliable indicators of actual levels of drug use. This leads to under-estimation of the actual level of threat posed by some illicit markets and delays the development of appropriate responses.

We are seeking to overcome this problem by identifying and advocating more objective and scientific methods of determining actual levels of illicit drug use. One example is our support for a national waste water analysis capability, which is currently being considered under the *National Organised Crime Response Plan 2015–18*.

New method of manufacturing MDA

Through **Project Alberta-Mede** we discover and understand how target businesses are used to facilitate the manufacture of illicit drugs. We effectively disrupt criminal activity by following the diverted chemicals and equipment to illicit drug manufacture sites.

In September 2014 we released a classified intelligence assessment identifying a method, previously unknown to Australian law enforcement, of manufacturing 3,4-methylenedioxymphetamine (MDA) using unregulated chemicals.

Criminal groups generally develop new methods to produce precursor chemicals that are controlled substances. However, this method resulted in production of the drug without producing the intermediate controlled substances.

This work resulted in several successful jurisdictional investigations into the purchase of chemicals for, and manufacture of, illicit drugs. Based on this work, the Australian Customs and Border Protection Service developed profile information about importations of these chemicals and like substances, to generate targets for investigation.

Also under Project Alberta-Mede, we collaborate with partner agencies and follow the chemicals to identify suspicious purchases for the purpose of manufacturing illicit drugs. This year we shared information about suspicious purchases, related to the MDA and steroids markets, with state and territory law enforcement for further action. We discovered that non-controlled chemicals were being diverted and combined with imported raw materials for the domestic production of steroids in injectable form. We are continuing to pursue this issue under **Project Andronicus**.

Resurgence in the MDMA market

During 2014–15 our **Project Baystone** intelligence holdings suggested the MDMA market in Europe had returned to levels not seen for several years, due to renewed supplies of precursor chemicals and a return to industrial-scale production of MDMA in several countries.

There were also indications of increased availability of MDMA in several Australian jurisdictions, the very large seizure of 1917 kilograms of MDMA in November 2014 (see page 76), and continued identification of domestic manufacturing of MDMA.

We produced a brief classified assessment summarising the indicators of the potential resurgence, identifying potential sources of threat and assessing the likely short to medium-term trajectory for the market. We will closely watch the market during 2015–16 to determine if our baseline assessment is accurate and how the MDMA market evolves.

New generation performance and image enhancing drugs

We have previously identified the threat, potential harms and systemic vulnerability posed by the fact that a series of peptides and hormones were not scheduled as ‘prescription-only medicines’ in Australia.

During the year we worked with the National Integrity of Sport Unit in the Department of Health to advise the Therapeutic Goods Administration, and the substances are now scheduled under the Standard for the Uniform Scheduling of Medicines and Poisons. This was an outcome from our previous **Project Aperio**, which was a prevention and harm reduction project in 2012–13, examining the use of such drugs in professional sports in Australia and the links to organised crime.

Illicit pharmaceuticals

During our routine engagement with domestic and international partners in various sectors, we have become increasingly concerned about the threat posed by the illicit pharmaceuticals market. This threat has the potential to increase over the next five years, along with the footprint of organised crime in the market. Diverted pharmaceuticals are being supplied and used alongside other illicit opioids and stimulants. Non-medical use of some pharmaceuticals, including some which are increasingly being diverted, can have lethal consequences. This is related to the trend towards greater polydrug use (the use of two or more drugs) and supply in the Australian drug market.

Under **Project Andronicus** we have begun assessing the relevant components of the illicit pharmaceuticals market to identify:

- substances of concern
- points of vulnerability in the legitimate supply chain
- gaps in existing data and knowledge
- links between this market and other illicit drug markets
- the nature and extent of the organised crime footprint
- appropriate operational and policy responses.

Our ongoing engagement with domestic and international law enforcement agencies and with health sector stakeholders, through the Intergovernmental Committee on Drugs, will inform this assessment.

Looking forward

During 2015–16 we will continue to work towards a holistic and coordinated national response to the methylamphetamine market. In particular, we will continue to support the National Ice Taskforce and the development and implementation of a National Ice Action Strategy to ensure a comprehensive understanding of the market underpins national responses to problems associated with methylamphetamine use in the community. This will include:

- dissecting particular components of the market to identify systemic vulnerabilities and recommend appropriate action to prevent exploitation by organised crime
- working closely with police in more remote areas of Australia to identify and disrupt organised crime groups that are supplying regional towns and communities with methylamphetamine
- enhancing the evidence base concerning trends in illicit drug markets in collaboration with the Australian Institute of Criminology.

We will deepen our understanding of all illicit drug markets to help prioritise responses based on risk trajectories and intelligence gaps. This includes ongoing work under Project Andronicus to examine the illicit pharmaceuticals and performance and image enhancing drugs (particularly steroids) market.

We will continue to use our unique ability to discover and understand new and emerging illicit drug trends, to inform partners and proactively develop and drive traditional and non-traditional law enforcement responses. In particular, we will closely monitor signs of recovery in the domestic MDMA market to assess the extent and implications of this threat.

We will also continue to ‘follow the chemicals’ to shape our thinking and responses to the illicit domestic manufacture of methylamphetamine, MDMA, other amphetamine-type stimulants and steroids.

HRED performance scorecard 2014–15

HRED aim	How we achieved this aim	HRED contribution to ACC's key performance indicators		
		Discover	Understand	Respond
<p>Monitor all Australian illicit drug markets and develop and maintain an increasingly holistic understanding of those markets, both domestically and internationally.</p> <p>Resolve intelligence gaps by leveraging our unique mix of powers and capabilities to discover and understand new and emerging trends and to inform partners.</p> <p>Proactively develop appropriate operational, legal and policy responses.</p>	Produced strategic assessments, intelligence products and reports, which we shared with partner agencies.	✓	✓	✓
	Worked with partners and industry to identify and address vulnerabilities being exploited by organised crime.	✓	✓	✓
	Informed policy and regulatory reform and other national responses.	✓	✓	✓
	Contributed to partner investigations through coercive examinations and information reports.	✓	✓	✓
		Achieved	Achieved	Achieved

Note: This table summarises achievements against the aim of this special operation and aligns those achievements to ACC key performance indicators: Discover, Understand, Respond. Some work meets all three indicators while some activities are appropriately targeted to just one or two indicators. Success in achieving ACC key performance indicators is measured against the collective achievement across all special operations and investigations.

Outlaw Motor Cycle Gangs

Context

Outlaw motor cycle gangs (OMCGs) are highly visible crime entities, with a presence in all Australian states and territories. Intelligence indicates an increase in the number of gang members, associates and chapters over recent years. Several Australian-based gangs have also established chapters in Oceania, South East Asia, the Americas and Europe.

As at 30 June 2015, there were 37 OMCGs in Australia, with more than 4500 patched members. While this is slightly lower than the figures we reported last year, it does not mean a lower level of risk. This year we have worked to strengthen agreed national definitions and standards to help ensure consistency in recording these numbers. The numbers reflect a point-in-time snapshot, with membership numbers in particular fluctuating from year to year.

Purpose

The ACC Board approved our Outlaw Motor Cycle Gangs special operation on 4 September 2013. The aim is to work in partnership with key stakeholders to reduce the threat posed by OMCGs by:

- collecting and analysing information and intelligence on OMCG criminal activities and sharing it with relevant agencies
- identifying entities involved and referring information and intelligence to other bodies as appropriate
- recommending investigative and other responses
- reducing the impact of OMCG criminal activities through disruption, prevention and strengthening the environment to resist OMCG exploitation—for example, working with law enforcement, government and industry partners to build awareness of threats and vulnerabilities and contribute to appropriate legislative and policy responses.

This special operation is due to run to 30 June 2016.

Achievements

Discover and understand

Our work to discover and understand OMCG activity in Australia drives further ACC and partner intelligence collection and enables effective responses.

During the year we conducted 14 coercive examinations to fill intelligence gaps. Topics included national and local OMCG structures, members and recruitment, illicit activities, club culture and power plays, and OMCG relationships to businesses, companies and other entities.

We produced 468 intelligence products, which we shared with partners through 1654 disseminations. This work built a greater understanding of issues such as state/territory wealth footprints of OMCGs, drug importation and distribution and firearms.

Respond

During 2014–15 our work under the OMCG special operation influenced or contributed to responses that resulted in 10 disruptions.

Australian Gangs Intelligence Coordination Centre

The ACC-led Australian Gangs Intelligence Coordination Centre (AGICC) has been operating at the ACC since December 2013, under **Project Legion**. The AGICC is building and coordinating an intelligence-led response to OMCGs and other known gangs by linking strategic understanding of the national picture with intelligence that supports operational and tactical responses. It provides a dedicated intelligence capability for the National Anti-Gangs Squad led by the Australian Federal Police. The AGICC also provides intelligence and assistance to state and territory police gang squads.

This year the AGICC maintained and reported on the national OMCG picture and spearheaded intelligence collection against an endorsed National Collection Plan. This included intelligence on OMCG leadership, wealth, violence, pathways, and international networking and criminal cooperation.

This year the AGICC:

- contributed intelligence to 72 law enforcement operations
- provided 459 intelligence reports to fill gaps in knowledge and provide leads for action
- responded to 175 requests for information
- provided intelligence that directly led to the arrest of five OMCG members and indirectly led to another eight arrests.

The AGICC also deployed staff to partner agencies to assist multiple investigations, including deployments to the South Australia Police, Victoria Police, NSW Police Force and Queensland Police Service.

For more information about the AGICC see page 115.

National Task Force Morpheus

The new multi-agency Task Force Morpheus was formed in September 2014 to build on the success of the Attero Task Force. Attero targeted the Rebels and resulted in 4149 Rebel members, nominees or associates arrested or reported and 5756 charges between June 2012 and its closure in December 2014.

Morpheus is a joint initiative of all law enforcement agencies, with a broader focus on all OMCGs that pose a risk to our community. Our previous strategic assessments in this area assisted Morpheus to focus on the highest risk OMCGs.

Morpheus is providing the intelligence to underpin national projects focused on OMCG leadership, wealth, pathways (recruitment), movement across international borders and monitoring of Australian and international OMCG members. This work is coordinated through the AGICC and the National Anti-Gangs Squad framework.

The arrangements for Task Force Morpheus have enabled the AGICC to drive and test national approaches and improvements in dealing with OMCGs. This includes agreeing on national capability development requirements (such as the National Gangs List, see page 115), national standardised definitions, and national approaches to identifying, disrupting and preventing OMCG-related serious and organised crime.

Through Morpheus, all agencies are using their full range of capabilities to proactively and collaboratively target the highest OMCG risks to Australia and detect their criminal activity. We also now have live reporting and alerts about gang members. This includes improving understanding of the nature of OMCG serious and organised crime activity, developing and implementing crime prevention and disruption strategies, identifying underlying factors that allow OMCGs to be resilient to law enforcement, restricting and preventing opportunities for OMCGs to infiltrate legitimate business, confiscating illicit profits and targeting facilitators such as lawyers and accountants who assist OMCGs to carry out their illegal activities.

To date Morpheus has resulted in:

- 906 people arrested on 2043 charges
- 441 search warrants executed
- 207 firearms and 6162 rounds of ammunition seized
- 12 motor vehicles and nine Harley Davidson motor cycles seized
- more than \$1.35 million cash seized
- seizures of 43 kilograms and three litres of methylamphetamine, 55.7 kilograms of cannabis and 586 cannabis plants, 2703 steroid pills and other quantities of unlawfully possessed substances including prescription drugs.

Strategic insights

As described in Chapter 2, we produced two strategic insights products into OMCG activity this year, looking at the changing nature of OMCG violence and OMCG engagement with affiliate groups. Details are on page 49.

Looking forward

We will continue to collaborate with partner agencies, through the AGICC, to develop and maintain the national and transnational picture of criminal gangs impacting on Australia. We will strengthen the coordination and sharing of intelligence by complementing existing Commonwealth, state and territory efforts.

We will continue to provide high quality tactical, operational and strategic advice to the National Anti-Gangs Squad, complement existing partner investigations, and drive the discovery and development of insights into criminal gangs.

OMCG performance scorecard 2014–15

OMCG aim	How we achieved this aim	OMCG contribution to ACC's key performance indicators		
		Discover	Understand	Respond
Collect and analyse information and intelligence on OMCG criminal activities and share it with relevant agencies.	Conducted coercive examinations, shared intelligence and responded to requests for information.	✓	✓	✓
Identify entities involved and refer information and intelligence to other bodies as appropriate.	Produced strategic insights and a range of other intelligence and information products about OMCGs, which we shared with partner agencies.	✓	✓	✓
Recommend investigative and other responses.	Contributed to national approaches to identify, understand and disrupt OMCGs.	✓	✓	✓
Reduce the impact of OMCG criminal activities through disruption, prevention and strengthening the environment to resist OMCG exploitation.				
		Achieved	Achieved	Achieved

Note: This table summarises achievements against the aim of this special operation and aligns those achievements to ACC key performance indicators: Discover, Understand, Respond. Some work meets all three indicators while some activities are appropriately targeted to just one or two indicators. Success in achieving ACC key performance indicators is measured against the collective achievement across all special operations and investigations.

National Security Impacts from Serious and Organised Crime

Context

Serious and organised crime is a threat to national security. We work closely with our law enforcement and national security agency partners to reduce this threat by focusing on those areas where serious and organised crime converges with other national security activities.

Purpose

Through our National Security Impacts from Serious and Organised Crime (NSISOC) No. 2 special operation we:

- provide a unique perspective of the evolving threats and risks posed by serious and organised crime groups within the national security environment
- examine and identify potential or actual convergences between serious and organised crime and other national security matters.

This special operation is due to run to 30 June 2016.

Achievements

Discover and understand

Our work to discover and understand national security impacts from serious and organised crime informs Australia's responses.

During the year we conducted 27 coercive examinations over 37 sittings to fill intelligence gaps and develop the national picture on current and emerging threats. We added one criminal target to the National Criminal Target List.

We produced 125 intelligence products, which we shared with partners through 400 disseminations.

We also assisted partner agencies with investigations into national security matters and provided support to Operation Sovereign Borders through the Joint Agency Task Force.

This work built greater understanding of issues such as foreign fighters and vulnerabilities at maritime ports.

Respond

During 2014–15 our work under the NSISOC special operation influenced or contributed to responses that resulted in the arrest of several people alleged to be planning violent attacks within Australia.

Counter-terrorism

We are increasing understanding of the evolving threat posed by foreign fighters, identifying previously unknown potential threats, and contributing to domestic monitoring and disruption activities. We are working closely with partner agencies to ensure we are effectively supporting them and that our work does not conflict with other activity.

The ACC Foreign Fighters Task Force commenced in September 2014, through **Project Ridgeline**. This is our contribution to the whole-of-government response to the issue of foreign fighters. Work under **Project Advection**, our initial contribution to counter-terrorism, transferred to Project Ridgeline.

Through **Project Ridgeline** we aim to identify Australian citizens involved in the Syria and Iraq conflict and whether they are engaged in serious and organised criminal activity or linked to serious and organised crime groups. We also aim to enhance understanding of the financial, communications, travel and other methodologies used to support people involved in the Syria and Iraq conflict. Sub Project Ridgeline-Pinecrest is focusing on identifying domestic terrorism threats.

Through these Ridgeline projects this year we:

- produced 79 information reports concerning foreign fighters and counter-terrorism, including disclosures that supported operational activity by regional Joint Counter Terrorism Teams and the National Disruption Group, including high profile arrests of people allegedly planning attacks in Australia
- used our coercive powers and other specialist capabilities to generate intelligence and inform partner agency operations into national security matters
- produced an intelligence brief that assisted in the profiling and identification of potential terrorism threats, by providing indicators of 'at risk' individuals
- applied Fusion's specialist data analytics tools to proactively identify persons of potential interest to our national security partners
- provided partner agencies with timely advice about demonstration activity planned around the G20 Leaders' Summit in Brisbane.

Maritime sector

Under **Project Persephone** we provided analyst support to three multi-agency task forces investigating serious and organised crime exploitation of the maritime sector in New South Wales (Polaris), Victoria (Trident) and Queensland (Jericho).

This year we supported investigations of waterfront-related organised crime and provided intelligence about vulnerabilities at maritime ports.

From December 2014 analytical support was provided through the Joint Analyst Groups under **Project Macrobust** (see pages 116 and 75).

Looking forward

Sub Project Ridgeline-Blackthorn will examine the funding of foreign fighters and radicalised individuals, drawing on our expertise in money laundering investigations gained through the Eligo Task Force (see page 63). We will do this in partnership with relevant agencies, in particular the National Disruption Group established as part of the Government's counter-terrorism package, to investigate, prosecute and disrupt foreign fighters and their supporters.

NSISOC performance scorecard 2014–15

NSISOC aim	How we achieved this aim	NSISOC contribution to ACC's key performance indicators		
		<i>Discover</i>	<i>Understand</i>	<i>Respond</i>
Provide a unique perspective of the evolving threats and risks posed by serious and organised crime groups within the national security environment.	Contributed to partner investigations through coercive examinations and information reports.	✓	✓	✓
	Conducted analysis to identify potential national security threats.	✓	✓	
Examine and identify potential or actual convergences between serious and organised crime and other national security matters.				
		Achieved	Achieved	Achieved

Note: This table summarises achievements against the aim of this special operation and aligns those achievements to ACC key performance indicators: Discover, Understand, Respond. Some work meets all three indicators while some activities are appropriately targeted to just one or two indicators. Success in achieving ACC key performance indicators is measured against the collective achievement across all special operations and investigations.

Making Australia Hostile to Serious and Organised Crime

Context

As serious and organised crime becomes ever more diversified, sophisticated and complex, we must find more innovative ways of identifying and preventing such criminal activity before it gains a foothold.

Purpose

Through our Making Australia Hostile to Serious and Organised Crime (MAHSOC) No. 2 special operation we work closely with our partners and collaborate with industry to help make Australia's society, institutions, industries and economy hostile to serious and organised crime.

This special operation is due to run to 30 June 2016.

Achievements

Discover and understand

Our work to discover and understand how to make Australia more hostile to serious and organised crime informs national responses.

During the year we conducted nine coercive examinations and produced 57 intelligence products, which we shared with partners through 491 disseminations. We added four criminal targets to the National Criminal Target List.

This work built greater understanding of issues such as cybercrime, visa and migration fraud, encrypted communications and card fraud. We also provided new insights into criminal exploitation of the virtual currency markets through three intelligence reports produced under **Project Longstrike**.

Respond

During 2014–15 our work under the MAHSOC special operation influenced or contributed to responses such as:

- an investigation into TorrentLocker Malware, based on an ACC cyber intelligence report developed under **Project Longstrike**
- an Australian Federal Police cybercrime investigation, prompted by ACC intelligence.

Cybercrime

Cybercrime is a complex, persistent threat that is having a significant impact on Australia's national interests and economic prosperity. The transnational serious and organised cyber syndicates exploiting the online environment are highly skilled in the use of the most complex technologies, presenting significant challenges for governments in responding and preventing this type of crime.

Through **Project Longstrike**, we are contributing insights, awareness and intelligence that domestic and international partners can act on. For example, we are shaping operational outcomes by:

- providing previously unknown, unique knowledge of cybercrime threats and targets affecting Australia over the past 12 months
- providing ongoing intelligence to support two international cybercrime investigations, which were initiated based on ACC intelligence products
- sharing intelligence with key international cybercrime coordination hubs and international intelligence partners such as the Federal Bureau of Investigation's National Cyber Investigative Joint Task Force, Europol's European Cybercrime Centre (EC3) Joint Cybercrime Action Taskforce and the Five Eyes Law Enforcement Group's Cybercrime Working Group
- referring knowledge about previously unknown threats to domestic law enforcement partners to consider operational responses.

Australian Cyber Security Centre

The ACC is a founding member of the Australian Cyber Security Centre, which opened in November 2014. This work is supported through **Project Longstrike**.

It brings together in one location the ACC and other operational agencies to partner for a cyber-secure Australia. These other agencies include the Australian Federal Police, Australian Security Intelligence Organisation, Australian Signals Directorate and the Attorney-General's Department Computer Emergency Response Team Australia.

The centre is the latest government initiative to better understand cyber security threats, including cybercrime, and to help Australia's security agencies respond more quickly and effectively to the continuing problem of cyber attacks.

Our role is to discover, understand and prioritise cybercrime threats affecting Australia. We are responsible for developing a national cybercrime threat assessment (see below) and aligning responses, including those from law enforcement partners, to priority threats. We use our position within both the intelligence and law enforcement communities to develop cybercrime intelligence, initiate and enhance responses, and report to government and partners.

We have already started to contribute unique insights, awareness and actionable target intelligence to domestic and international intelligence and law enforcement partners. For example we are actively engaged in, and providing ongoing intelligence support to, two international cybercrime investigations which were initiated partly based on ACC intelligence products. We have provided intelligence to key international cybercrime coordination hubs, including the Federal Bureau of Investigation's National Cyber Investigative Joint Task Force Major Cybercrimes Intelligence Unit, and the Europol European Cybercrime Centre (EC3) Joint Cybercrime Action Taskforce.

Our unique intelligence outputs are always shared with allied intelligence partners and others. Our threat reporting for operational responses to current global and Australian threats was presented to more than 20 European partners at the EC3 and all members of the Five Eyes Law Enforcement Group's Cybercrime Working Group (for more on this group, see page 102). In addition, we have referred knowledge on previously unknown threats to domestic law enforcement partners for them to consider operational responses.

We also contributed to the Australian Cyber Security Centre's first conference and the development of its first ever public national cyber threat report, released just after the reporting period in late July 2015. The report, *Australian Cyber Security Centre Threat Report 2015*, provides an overarching view of cyber adversaries and how they are operating—demonstrating the growing and unrelenting cyber threat to Australian organisations.

National cybercrime threat assessment

In addition to our contribution to the public report described above, we also produced a classified strategic assessment on the national picture of the threat posed by cybercrime, including the increasing threat of malware. Details are in Chapter 2 on page 45.

International cooperation

Through **Project Longstrike**, an ACC staff member was seconded to the Federal Bureau of Investigation's Major Cyber Crimes Intelligence Unit for a short-term placement. As a result, we are developing several joint papers on key cybercrime intelligence issues. The Federal Bureau of Investigation said the placement was instrumental in fostering efforts to cooperate internationally against cybercrime.



Through co-location, the FBI and the ACC can provide a more nimble, accurate, and strategic approach to reducing cybercrime and disrupting the most prolific cyber actors affecting our countries.

Christopher K. Stangl, Acting Section Chief, Federal Bureau of Investigation

Encrypted communications—criminal enabler

We played a strong role this year in bringing together partners to consider the implications of encrypted communications for Australian law enforcement agencies. In particular, through **Project Muskwood**, we have collected intelligence and provided six intelligence reports on the use of encrypted technologies by serious and organised crime as well as developing a national understanding of the market for encrypted communications in Australia and the ramifications for future law enforcement intelligence collection. This was made possible through the discovery work done under Project Tallowood last year.

We produced a strategic insights product on growth in the encrypted communications market to inform capability enhancements. This project is also informing our Cyber Capability Strategy and International Capability Strategy (see pages 125 and 126).

Visa and migration fraud

This year we worked with the Department of Immigration and Border Protection to examine links between serious and organised crime and visa and migration fraud through our work under **Project Sinis**.

As described in Chapter 2, we produced a strategic assessment identifying elements of Australia's migration system that are being exploited by organised criminals (see page 47). We also produced related strategic and operational intelligence products.

SPOTLIGHT ON...

The modern cybercrime threat

The ACC played an important role in the Australian Cyber Security Centre's first conference, including providing several presentations.

The conference attracted more than 800 attendees to hear from leading cyber security experts from Australia and abroad—providing the opportunity to share information on new threats and explore partnerships to better understand and respond to these threats.

One of our presentations, by the Manager of our Fusion Special Intelligence (Cyber) team, described criminal use of malicious software (malware) as the highest cybercrime threat to Australia over the next five years.

The cybercrime threat to Australia from international and domestic organised crime groups is significant and increasing in complexity.

Criminals use malware to disrupt Australian systems or monitor victims' online activity and steal usernames, passwords and other personal information, which is then used for financial gain.

This includes ransomware, where a computer or its files are locked down until a fee is paid. An example is the TorrentLocker ransomware campaign that targeted 1.7 million Australians.

Our presentation was well received and generated various online, radio and print media coverage—raising awareness of the threat and the need for an intelligence-led, coordinated, national response.



Firearm assessments

This year under **Project Nox** we commenced intelligence collection to inform ongoing work for our strategic firearm assessment. Our strategic assessment will assist our partner agencies to better understand vulnerabilities of the licit and illicit firearms markets in the community.

Looking forward

Cybercrime and visa and migration fraud are ongoing issues. During the coming year we will also review this special operation to see how it may need to change and adapt to these issues.

MAHSOC performance scorecard 2014–15

MAHSOC aim	How we achieved this aim	MAHSOC contribution to ACC's key performance indicators		
		<i>Discover</i>	<i>Understand</i>	<i>Respond</i>
Work closely with our partners and collaborate with industry to help make Australia's society, institutions, industries and economy hostile to serious and organised crime.	Conducted coercive examinations and shared intelligence with partners.	✓	✓	
	Informed investigations into cybercrime threats.	✓	✓	✓
		Achieved	Achieved	Achieved

Note: This table summarises achievements against the aim of this special operation and aligns those achievements to ACC key performance indicators: Discover, Understand, Respond. Some work meets all three indicators while some activities are appropriately targeted to just one or two indicators. Success in achieving ACC key performance indicators is measured against the collective achievement across all special operations and investigations

Child Sex Offences

Context

Child sex offenders are becoming increasingly sophisticated in their networking activities and more able to access information to facilitate their crimes. In particular, advances in technology and the expansion of the Internet are enabling online child sex offending.

Purpose

Since its inception, this special operation has received referrals on issues relating to child sex offenders involved in online exploitation, sharing child pornography and child exploitation material, grooming children and child sexual exploitation in travel tourism.

We use our coercive powers to:

- collect intelligence on the nature and extent of child sex offenders in Australia and the methodologies and technologies they use
- assist in reducing the impact of child sex offences on the Australian community by contributing to partner agency investigations of child sex offenders, particularly those in organised networked groups
- support a national response to the threat and harms of child sex offenders.

This special operation is approved until 30 June 2016.

Achievements

We had limited activity under this special operation during 2014–15.

This was partly due to the nature of investigations in this area and complications arising from the High Court decision of *X7 v Australian Crime Commission (2013)* in June 2013, as a result of which we ceased all coercive examinations of witnesses charged with indictable offences. More details about X7 are on page 166.

We produced one information report which we shared with partners through two disseminations.

We continued to engage with our partners to stay informed and contribute to the national response to the threat and harms of child sex offences, including:

- Commonwealth, state and territory law enforcement partners, as needed
- the Australia New Zealand Policing Advisory Agency (ANZPAA) Child Protection Working Group to assist with policy responses and advice to support an effective national response to the threat from child sex offenders.

Looking forward

We are committed to ongoing collaboration with our partners and to using our coercive powers in cases where this is appropriate and will have the maximum impact.

National Indigenous Intelligence Task Force (Indigenous Violence or Child Abuse No. 3)

Context

This special intelligence operation ceased on 30 June 2014.

From 2006 to June 2014, the National Indigenous Intelligence Task Force (NIITF) worked collaboratively with law enforcement agencies, other Commonwealth, state and territory government agencies, and local service providers.

The Indigenous Violence or Child Abuse No. 3 special operation supported and enhanced the task force's work. It did 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.

Purpose

Through the NIITF, we collected and analysed information and criminal intelligence to provide government with an understanding of the nature and extent of violence and child abuse affecting vulnerable Indigenous communities. We contributed to investigations, informed policy, program and law reform, and improved national intelligence collection and information sharing about these issues.

Achievements

Discover and understand

This year we finalised 20 intelligence products that we shared with partners through 254 disseminations.

We also released the final NIITF report to relevant stakeholders in early 2014–15. The report described the NIITF's development and work, key achievements, intelligence findings and issues for consideration. We gave presentations to various stakeholders including the Department of the Prime Minister and Cabinet, the Attorney-General's Department, the Aboriginal and Torres Strait Islander Child Protection Service Reform Project Committee and the ANZPAA Child Protection Working Group.

We also presented evidence at the Parliamentary Joint Committee on Law Enforcement Inquiry into financial related crime in Darwin, Northern Territory.

The House of Representative Standing Committee on Indigenous Affairs report *Alcohol, hurting people and harming communities—Inquiry into the harmful use of alcohol in Aboriginal and Torres Strait Islander communities* referenced our submission, which was developed from the intelligence gathered through the NIITF. Our submission included information on alcohol fuelled violence, family violence and the impact on children due to alcohol abuse.

Respond

The NIITF's work continued to contribute to responses this year, including:

- significantly influencing the Northern Territory Government's Domestic and Family Violence Reduction Strategy 2014–17 that was launched in September 2014
- resulting in the disqualification of two people from managing an Aboriginal and Torres Strait Islander corporation
- supporting the granting of three search warrants, which were executed by the Department of the Prime Minister and Cabinet's Fraud Control Investigations section
- supporting Western Australia Police operations, specifically around the Pilbara and Kimberley regions, relating to child abuse matters in remote communities
- participating in the cross-agency working group and steering committee that managed and governed the Cross Border Domestic Violence Information Sharing and Intelligence Desk (which was established in January 2013, and supports the Northern Territory Police, Western Australia Police and South Australia Police in reducing family violence in the cross border region)
- supporting South Australia Police's ongoing child abuse investigations and inter-agency prevention and education programs.