

Special investigations are
designed to **disrupt and deter
criminal groups** by collecting
evidence and intelligence about
criminal activity.



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Investigations

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Aim

Special investigations, as approved by the ACC Board, are designed to disrupt and deter criminal groups by collecting evidence and intelligence about criminal activity. They may use coercive powers (examinations and notices) combined with other investigative tools including telecommunications intercepts, surveillance and controlled operations (operations to obtain evidence that may involve an ACC officer or a supervised civilian in acts or omissions that would, but for legal indemnity, constitute an offence).

Through our investigations, we discover, understand and respond to serious and organised crime threats to break the business of serious and organised crime.

Focus

During 2013–14, we had four approved special investigations:

- Targeting Criminal Wealth
- Highest Risk Criminal Targets
- Highest Risk Criminal Targets—Victoria
- Highest Risk Criminal Targets—South Australia.

Our efforts focusing on criminal profit through the Targeting Criminal Wealth special investigation this year continued to assist with related work in our other special investigations and operations, including identifying and disrupting high risk criminal targets and seizing illicit drugs.

Result

We achieved our aim by contributing to 28 disruptions to crime entities. In addition, 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
- informing and influencing hardening of the environment against serious and organised crime
- influencing or enabling the disruption, disabling or dismantling of serious and organised crime
- participating or coordinating collaboration in joint investigations and operations to prevent and disrupt serious and organised crime.

The arrests and charges resulting from our work in this and previous years resulted in 40 people being convicted this year.

Snapshot of our special investigations work in 2013–14



more than \$385 million

drugs seized (estimated street value)
more than \$316 million was meth



Unprecedented collaboration

to prevent money laundering through
the Eligo National Task Force



more than \$150 million

assets restrained



Identified 200 offshore

bank accounts as receiving
\$121 million proceeds of crime



\$76.1 million forfeited

by the Criminal Assets Confiscation Taskforce



28 disruptions

to crime entities



143 coercive examinations

improved national understanding



130 entities

referred to the Criminal Assets
Confiscation Task Force
(estimated value of offending \$166 million)



more than \$114 million

meth precursors seized



1514 intelligence products



40 people convicted



4 clandestine labs

disrupted



*of stakeholders surveyed agree we influence
or enable the disruption, disabling or
dismantling of serious and organised crime*

Targeting Criminal Wealth

Context

Almost all organised crime is motivated by profit. Providing intelligence to identify and stop criminal money flows is one of the most effective ways to disrupt the activities of serious and organised crime networks and reduce the harm they cause. This broad special investigation into financially motivated crime brings together our work investigating money laundering, serious and organised superannuation and investment fraud, sophisticated tax evasion and confiscating criminal wealth.

Purpose

Through the Targeting Criminal Wealth (TCW) No. 2 special investigation we work with our partners to:

- deliver financial intelligence that identifies high value targets and provides new opportunities for law enforcement and regulatory partners
- build national knowledge of money laundering, nationally significant tax fraud and other financially motivated crimes
- help make Australia unattractive for abusive financial arrangements and money laundering
- reduce the impact of superannuation and investment fraud on the Australian community
- produce intelligence that contributes to whole-of-government policies and law enforcement decision-making.

The special investigation is approved until 30 June 2016.

Achievements

Collecting, analysing and sharing intelligence

During the year, we conducted 69 coercive examinations to investigate criminal activity and inform law enforcement, national security, regulatory and policy agencies around the country.

We produced 419 intelligence products which we shared with partners through 1084 disseminations—building greater understanding of emerging issues. This included identifying:

- emerging money laundering techniques and methodologies
- previously unknown entities laundering money between Australia and other countries
- involvement in money laundering schemes by high risk criminal targets.

Discovering and understanding serious and organised crime

Work under our Targeting Criminal Wealth special investigation included significant 'discover' and 'understand' results, including the following:

- Through Eligo-Thanatos we discovered a methodology where illicit substances from North Asia and South America were being imported by sea and air to South Pacific countries and then imported into Australia. As a result of this discovery, our partners seized 3.4 kilograms of cocaine in November 2013.
- As a result of other intelligence we discovered, our partners shut down a large-scale hydroponic cannabis plantation in November 2013.

Many of our discover and understand results lead to effective responses. Further examples follow.

Delivering operational results

During 2013–14 this special investigation:

- seized more than \$21 million cash
- contributed to the seizure of illicit drugs with a combined estimated street value of more than \$140 million
- seized precursor chemicals with an estimated street value of \$6.19 million
- restrained more than \$132 million worth of assets
- contributed to issuing tax assessments worth \$66 million and recoveries worth \$14.50 million
- disrupted 13 serious and organised criminal groups/networks
- arrested 105 people on 216 charges.

Reducing money laundering—Eligo National Task Force

Results achieved through the ACC-led Eligo National Task Force are a highlight of our work under the Targeting Criminal Wealth special investigation this year. Through Eligo, we partner with the Australian Transaction Reports and Analysis Centre (AUSTRAC) and the Australian Federal Police to reduce the money laundering risks inherent in the use of the alternative money remittance sector and other informal value transfer systems.

The alternative remittance sector provides a cost effective way to legitimately and instantaneously move funds around the world. However, organised criminals exploit this cash intensive sector to transfer illicit profits to offshore accounts. As well as disrupting organised crime activities, Eligo is driving professionalism in the sector, working with industry and the banking sector to harden the environment against further exploitation.

Highlights of Eligo's achievements in 2013–14 include:

- *Millions in cash and drugs seized*—We seized more than \$21 million in cash. This includes one of the largest single cash seizures in Australia when Australian Federal Police and ACC officers, acting on ACC-generated intelligence, located \$5.65 million in cash in January 2014 in Sydney. A person was charged with one count of dealing with property reasonably suspected of being proceeds of crime. We also seized more than \$140 million in drugs and \$6.19 million in precursor chemicals.
- *Targets discovered and disrupted*—We discovered 95 targets previously unknown to law enforcement and disrupted 12 serious and organised criminal entities, resulting in 227 charges against 110 people⁵, including the following examples:
 - Through Project Eligo-Thánatos, we seized more than \$3.26 million in cash, and drugs and precursors worth an estimated street value of more than \$36 million, significantly disrupting a high risk serious and organised crime syndicate that was well-funded, resourceful and resilient to law enforcement attention.
 - Project Eligo-Halfmoon targeted money laundering cells that were moving proceeds of crime offshore. We identified several criminal groups using these money laundering services that were involved in drug importations. As a result, \$2.82 million in cash was seized this financial year, along with drugs with an estimated street value of more than \$3.57 million.

⁵ Some disruption and charges initiated through the Eligo National Task Force were achieved in collaboration with Highest Risk Criminal Targets special investigation projects.

- Through the Eligo National Task Force, three people were arrested and \$899 460 in cash was seized from two suitcases in the possession of a Finnish national couple, who had just arrived in Australia. The third person, a Hong Kong national, had arrived in the country two days earlier. It is alleged that the money came from drug sales and all three had links to a global drug syndicate. The three were charged with dealing in property suspected of being proceeds of crime.
- **High risk operators identified**—Working closely with AUSTRAC, we explored ways of using the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* to prevent serious and organised crime groups from exploiting high risk operators in the alternative remittance sector and informal value transfer systems. As a result AUSTRAC:
 - refused to register five of the highest risk operators on the Remittance Sector Register
 - imposed registration conditions on 15 operators
 - is considering the status of a number of other operators.
- **Awareness raised**—In partnership with AUSTRAC, we developed a communications strategy to engage with the remittance and banking sectors, to raise awareness of the threat and harden the environment against criminal exploitation. For example, Eligo:
 - provided fact sheets to remittance businesses about the threat of money laundering, methodologies used and how to identify suspicious behaviour
 - explained our objectives to major bank and remittance network providers, including how a cooperative approach and targeted information sharing is key to further success
 - attended a series of forums with the banking and remittance sectors, with the aim of professionalising Australia’s money remittance sector.

Recovering criminal assets—Criminal Assets Confiscation Taskforce

We are part of the Criminal Assets Confiscation Taskforce (CACT), which is led by the Australian Federal Police and also includes experts from the Australian Taxation Office. We gather and analyse intelligence, and provide legal support and strategic advice on illicit money flows affecting Australia as well as helping to generate and prioritise crime targets for proceeds of crime action. This year the CACT:

- obtained restraining orders to the value of \$134 million⁶
- forfeited \$76.1 million in assets and issued pecuniary penalty orders to the order of \$11.4 million.

This year we referred 130 individual and corporate entities for consideration by the CACT. Those entities are suspected to have been involved in an estimated value of offending totalling \$166 million, some over lengthy periods.

Reducing tax crime—Project Wickenby

Our joint investigation with the Australian Taxation Office began in 2004 and grew to include unprecedented Australian and international inter-agency cooperation in a long-term investigative strategy against offshore secrecy haven arrangements. Our main contribution is to assist partner agencies by gathering intelligence to disrupt and deter tax fraud of national significance, advance proceeds of crime aspects of partner investigations, and recommend ways to enhance the legal and regulatory environment. Wickenby results this year included the following highlights:

- We provided intelligence to our Wickenby partners that advanced their investigations and contributed CACT referrals.
- We worked with partners to develop an intelligence picture of the size and threat of serious financial crime impacting on the Commonwealth, to focus and prioritise operational responses.

⁶ This figure includes the value of assets restrained as a result of referrals from our projects outside the Targeting Criminal Wealth special investigation.

- A 12-week trial in the Perth Supreme Court concluded on 12 November 2013, with alleged tax scheme promoter, Gregory Dunn, convicted for tax fraud and subsequently jailed for seven years.
- On 4 April 2014 in the District Court of Western Australia, Stephen Wharton was sentenced in relation to three charges of dishonestly causing a loss to the Commonwealth by tax evasion. He was sentenced to three years on each count to be served concurrently, with a minimum term of imprisonment of two years.

From 2004 to 30 June 2014, Project Wickenby recouped more than \$849 million, including:

- more than \$346 million in improved voluntary compliance
- more than \$500 million in cash collections
- \$2.75 million in other money recouped under proceeds of crime.

To date, 74 people have been charged with indictable offences and there have been 45 convictions. Since Wickenby started, we have referred 19 people to the Commonwealth Director of Public Prosecutions for criminal prosecution.

Reducing organised investment fraud—Task Force Galilee

From April 2011 to 30 June 2014, Task Force Galilee responded to the threat of serious and organised investment fraud. This type of fraud is often based offshore and known as ‘boiler-room’ fraud because of the high pressure sales tactics used to sell investments that are either non-existent or fraudulently misrepresented. Galilee involved 19 Commonwealth agencies and 25 industry organisations. This task force continued to provide an effective framework for participating agencies to coordinate and build on individual efforts and capabilities to significantly disrupt and prevent this type of criminal activity in Australia.

Task Force Galilee ceased on 30 June 2014.

Results this year from our work through Galilee and the related Project Windward include the following highlights:

- We continued to develop a picture of the risks posed by crime entities deemed to have the highest impact on Australian investment and superannuation markets through fraudulent schemes. Intelligence obtained provided the basis for financially motivated crime information included in our classified *Organised Crime Threat Assessment 2014* (see page 28).
- We confirmed that more than 2600 Australians have lost more than \$113 million to date, but the now more comprehensive intelligence picture indicates this cost is likely much higher.
- As a result of Galilee, we have formed enduring partnerships to improve our ability to discover, understand and respond to the modern serious and organised investment fraud threat. These relationships are part of our modern arsenal in the transnational threat environment, and also bolster work against many new threats and subsequent projects, including the Eligo National Task Force.
- We prepared an assessment of the nature and extend of cold call investment fraud targeting Australia. This product helped our partners understand and respond to the increasing prevalence of serious and organised investment fraud in Australia.

Tracing illicit transactions

- *Offshore accounts*—This year the Financial Intelligence Assessment Team (FIAT) within the Fusion capability identified 200 offshore bank accounts that have collectively received \$121 million over the past 20 months. The funds were sent by 165 individuals, many of whom were either non-citizens, people linked to recent money laundering and illicit drug investigations, or people using false identity documents. The remittance activity is highly coordinated and we assess that the bulk of the \$121 million is proceeds of crime.

- **Online currencies**—Our research under Targeting Criminal Wealth Projects Rumpere and Lumberjack resulted in a strategic intelligence assessment and better understanding of the serious and organised crime threats and opportunities in alternative anonymous currencies like Bitcoin. It also led to the development of technical methodologies to trace illicit online transactions. Following arrests of significant Bitcoin exchangers on money laundering charges, the spotlight was again on such online currencies. Our collection of Bitcoin exchange data has not only provided an insight into the scope of Bitcoin use in Australia, but also provided a valuable opportunity for the ACC Cyber Intelligence (CyberInt) to research technical methodologies for identifying criminal users of this anonymous online currency.

Looking forward

Money drives the overwhelming majority of all serious organised crime. It provides both a reward for those undertaking criminal activity and a means of financing future activity.

In 2014–15 the Targeting Criminal Wealth special investigation will focus on money as a means of prompting proceeds of recovery action (including on unexplained wealth) and discovering and informing our partners about methodologies, groups and targets previously unknown to law enforcement. Key drivers of this activity will be the Eligo National Task Force, Criminal Assets Confiscation Taskforce and the inter-agency Project Wickenby.

SPOTLIGHT ON...

Achievements since the task force began

Since it began in December 2012, Eligo has disrupted several global money laundering and drug networks and achieved significant outcomes including:

- seizing more than \$37.86 million cash
- seizing drugs and precursors with a combined estimated street value of more than \$642 million through seizures in Queensland, New South Wales, Victoria, South Australia, Tasmania and Western Australia
- dismantling the largest ever clandestine laboratories discovered in Victoria
- discovering the largest indoor hydroponic cannabis crop in New South Wales
- seizing one of the largest amounts of liquid methylamphetamine in Victoria (365 litres in April 2013 in Melbourne)
- seizing more than \$30 million worth of assets and the referral of over 150 entities to the Australian Taxation Office (ATO) for suspected money laundering/tax evasion
- disrupting 25 serious and organised criminal groups/networks
- identifying more than 180 targets previously unknown to law enforcement
- arresting 167 people on 362 charges, including many serious drug offences
- identifying a significant number of highest risk offshore targets impacting Australia
- identifying and producing intelligence about emerging money laundering techniques and methodologies.

Eligo National Task Force

Importantly, Eligo's significant operational activity has identified new methodologies and syndicates, previously unknown to law enforcement. Eligo has produced more than 230 tactical and analytical intelligence products, which our partners have been able to act on to inform investigative opportunities and longer-term strategic decisions.

International recognition

On 4 February 2014, Eligo was favourably reviewed at the United Nations Office on Drugs and Crime (UNODC) law enforcement forum in Vienna. Eligo's successes were highlighted in UNODC's Global Program on Money Laundering presentation on money transfer businesses and targeting illicit money flows.

The presentation noted this 'example of the amount of illicit funds flowing through such channels' and that Australia was 'leading the way' in responding.

In addition, Fusion engagement with INTERPOL in relation to Eligo led to the ACC joining the Global Focal Point Initiative on Corruption and Money Laundering in March 2014.

For details of how Eligo is demonstrating the success of our 'discover, understand, respond' approach, see the case study on page 16.



Announcement of Eligo's record \$5.65 million cash seizure in Sydney on 18 January 2014, with (l-r) Uri Shafir, Assistant Attache to Australia, US Drug Enforcement Administration; the Hon Michael Keenan MP, Minister for Justice; Paul Jevtovic APM, Executive Director, ACC; Tony Negus APM, Commissioner, Australian Federal Police; and John Schmidt, Chief Executive Officer, Australian Transaction Reports and Analysis Centre.

TCW performance scorecard 2013–14

TCW aim	How we achieved this aim	TCW contribution to ACC's key performance indicators		
		Discover	Understand	Respond
<p>Deliver financial intelligence that identifies high value targets and provides new opportunities for law enforcement and regulatory partners.</p> <p>Build national knowledge of money laundering, nationally significant tax fraud and other financially motivated crimes.</p> <p>Help make Australia unattractive for abusive financial arrangements and money laundering.</p> <p>Reduce the impact of superannuation and investment fraud on the Australian community.</p> <p>Produce intelligence that contributes to whole-of-government policies and law enforcement decision-making.</p>	Produced strategic assessments, and intelligence products, which we shared with partner agencies.	✓	✓	✓
	Disrupted global money laundering and drug networks, seized cash and drugs, identified emerging money laundering methodologies and previously unknown criminal targets. Also raised awareness and improved professionalism of the alternative remittance sector to prevent further exploitation.	✓	✓	✓
	Contributed to investigations and prosecutions relating to tax fraud and tax evasion.	✓	✓	✓
	Further developed the picture of risks posed by serious organised investment fraud.		✓	✓
	Identified offshore bank accounts receiving millions of dollars from proceeds of crime.	✓	✓	
	Improved understanding of threats linked to online currencies such as BitCoin and developed methods for tracing illicit online transactions and identifying criminal users of this currency.	✓	✓	
		Achieved	Achieved	Achieved

Note: This table summarises achievements against the aim of this special investigation 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 investigations and operations.

Highest Risk Criminal Targets

Context

The highest risk serious and organised crime entities pose a threat to Australia's national interests. Most operate across one or more state borders and have international links. They have a significant influence over illicit commodity markets. They are also involved in diverse legitimate sectors to facilitate their criminal activities. The ongoing risk presented by the highest risk serious organised crime entities underscores the importance of a nationally coordinated intelligence and investigative response.

Purpose

Through the Highest Risk Criminal Targets (HRCT) No. 2 special investigation, we work with our partners to:

- identify, detect and disrupt the highest risk serious and organised crime entities which represent the greatest threat in each jurisdiction and nationally
- reduce the threat posed by the highest risk criminal targets
- enhance national understanding of the serious organised crime environment.

Key areas of focus this year included highest risk serious and organised crime entities involved in criminal finances, illicit markets, firearms and enabling activities.

This special investigation is approved until 30 June 2016.

Achievements

Collecting, analysing and sharing intelligence

During the year, we conducted 70 coercive examinations which generated intelligence our partners could act on regarding serious and organised crime targets that represented the greatest threat and risk nationally. This included investigations into use or possession of firearms.

We produced 1088 intelligence products, which we shared with partners through 2955 disseminations, enhancing understanding about:

- highest risk criminal targets structures and activities
- illicit commodity importation methods
- management of wealth and proceeds of crime
- communication methodologies
- factors that contribute to the target longevity and resilience.

This intelligence:

- identified leads into known and previously unknown serious and organised crime targets
- triggered opportunities to take further action
- highlighted emerging threats and risks as well as emerging issues and shifts in Australia's illicit commodity markets
- deepened understanding of which countries pose the greatest harm to Australia's national security in the context of serious and organised crime
- informed responses including disruptions, and intervention and prevention strategies.

Delivering operational results

During 2013–14 this special investigation:

- seized approximately \$1.57 million cash
- contributed to the seizure of illicit drugs with a combined estimated street value of more than \$244 million
- seized precursor chemicals with an estimated street value of more than \$107 million
- restrained \$17.41 million worth of assets
- contributed to issuing tax assessments worth \$15.5 million and recoveries worth \$1 million
- disrupted 15 serious and organised criminal groups/networks
- arrested 255 people on 383 charges.

Identifying new criminal targets—Project Iceberg

Through Project Iceberg we are exploiting the widest range of data holdings possible, particularly financial records, to identify new targets involved in serious and organised criminal activity. We provide the results to our partners for further action.

This year, we helped discover previously unknown criminal targets, including entities intent on establishing illicit enterprises in Australia. Through Iceberg we added two new targets to the National Criminal Target List (this list is explained on page 91).

Resulting investigations:

- improved understanding of illicit drug distribution and money laundering methodologies
- led to two seizures of methylamphetamine, with an estimated street value of \$1.49 million
- led to seizures of \$39 700 cash and \$264 000 of gold jewellery.

In addition, the Victorian Joint Organised Crime Taskforce, which is led by the Australian Federal Police, responded to intelligence we provided. This led to:

- seizures of heroin, methcathinone, cocaine and methylamphetamine with a combined estimated street value of \$9.75 million
- a seizure of \$169 900 cash.

Beyond this project's stated aims, but critical to its success, this work has also enhanced our advanced analytics capabilities and innovative analytical techniques.

Monitoring serious and organised criminal risk—Project Rosencrantz

Project Rosencrantz collects and exploits a range of data to monitor and better understand Australia's most significant serious and organised criminal risks. We share results of this work with our partners through information reports and other intelligence products.

As a result of this project, partner agencies have been able to justify and prioritise specific investigation actions and objectives.

Highlights of our monitoring capability in 2013–14 include:

- identifying more than \$1.7 million in suspicious transactions between Australia and New Zealand
- contributing to Department of Foreign Affairs and Trade passports investigations into fraudulent passport activity—this intelligence assisted the Department to coordinate cross-agency and jurisdictional intervention activity
- identifying re-emerging risk among several previously active serious and organised crime targets—one of these targets had previously been involved in the importation of 550 kilograms of drugs
- identifying a risk pattern through targeted data collection that can be used to detect probable criminal activity—one such analysis identified up to 20 new targets that are of interest to law enforcement agencies.

Disrupting criminal targets

Project Conway

This project was led by the Queensland Police Service and also involved the Australian Customs and Border Protection Service, Australian Federal Police, NSW Police Force and New South Wales Crime Commission. The project provided contemporary intelligence across several high rated targets on the National Criminal Target List, and exploited ACC specialist capabilities to further understanding about opportunities and vulnerabilities associated with the targeted syndicate.

The syndicate was highly resilient and entrenched, with ongoing criminal activity across several states over a lengthy period. Joint agency collaboration identified significant targeting opportunities across the syndicate.

This project culminated in early April 2014, with the Queensland arrests of nine targets on the National Criminal Target List and 19 outlaw motor cycle gang members and associates. Overall, the related Queensland Police Service-led operations (of which Project Conway was part) resulted in the arrest of over 170 people on extensive drug related charges, including importation, trafficking and supply of cocaine, MDMA and methylamphetamine.

During the project over 3.5 kilograms of cocaine was seized as well as other smaller drug seizures amounting to a total estimated street value of more than \$3.5 million. Also seized was six litres of methylamphetamine oil with an estimated street value of \$11 million. More than \$440 000 in cash was also seized over the project.

As at 30 June, in excess of \$1 million belonging to a high rated National Criminal Target List target had been restrained, with a further \$730 000 restrained in July (just after the reporting period) as a follow up to this operational activity.

Queensland police described this multi-agency operation as 'the most significant operational closure conducted by officers of the Gold Coast CIB, targeting high level criminal syndicates, seizing large amounts of cash and assets and preventing large quantities of dangerous drugs hitting the streets of the Gold Coast' (Detective Superintendent David Hutchinson, Queensland Police Service statement, 6 April 2014).

Two of the National Criminal Target List targets were also charged under Queensland's Vicious Lawless Association Disestablishment Act and are liable for a further 25 years and 15 years respectively on top of their base sentences, if found guilty.

The operation also provided significant intelligence about the infiltration of nightclubs and legitimate business by outlaw motor cycle gang members and serious and organised crime entities. This intelligence resulted in several closure notices and show cause notices regarding liquor licensing and ownership. Through our coercive capabilities we also developed significant understanding of serious and organised crime financial and business structures.

Project Latchkey

We applied our specialist capabilities including our coercive powers in this project, which aimed to disrupt and dismantle serious and organised crime entities. During this project we worked with Tasmania Police and the Australian Federal Police.

The principal targets have been charged with trafficking methylamphetamine valued at around \$300 000 to \$500 000 over a six to eight month period. Tasmania Police also seized drugs and firearms, and charged 35 people linked to a high rated group on the National Criminal Target List. In addition, 12 properties and 22 motor vehicles were restrained, together estimated to be worth more than \$2.8 million.

Project Tricord

Based on intelligence generated by the ACC in 2010, Western Australia Police commenced the multi-agency Project Tricord-Polo which, which also involved the Australian Customs and Border Protection Service, Australian Federal Police, Australian Taxation Office, Department of Immigration and Border Protection, Australian Transaction Reports and Analysis Centre (AUSTRAC), Western Australia Corruption and Crime Commission, and the Australian Securities and Investments Commission.

This project targeted members of an extreme rated group on the National Criminal Target List, who were being investigated for illegal labour hire, money laundering and drug trafficking.

We provided opportunities for non-traditional investigative activities including access to our Fusion capability (see page 88), intelligence and coercive powers.

In December 2013, we assisted partner agencies, leading to the seizure of over one kilogram of heroin and over \$135 000 in cash. This seizure assisted in developing insights into the methodologies used by the syndicate in relation to the supply of illicit drugs.

Further drugs were seized during January 2014, including a total of 280 grams of heroin, 307.9 grams of crystalline methylamphetamine and 334.4 grams of methylamphetamine.

Then in May 2014, five days of intensive Project Tricord activity by eight agencies included searches of 44 properties. As a result:

- 12 people were arrested and charged with money laundering—in July 2014 (just outside the reporting period) five of these individuals were further charged with 104 counts of harbouring under the Migration Act
- 122 people who were unlawfully in Australia were detained under the Migration Act
- 17 firearms were seized
- \$90 000 in cash was seized.

Intelligence outputs from this operation will inform our assessments on the involvement of serious and organised crime in illegal immigration.

SPOTLIGHT ON... Project Tricord

Working together to bring criminals to justice

A series of search warrants executed in May 2014 north of Perth were part of Project Tricord's ongoing efforts to identify, target and dismantle organised crime syndicates operating in Western Australia.

The long-term investigation demonstrates the success of collaborative law enforcement efforts to disrupt transnational organised crime groups, as explained by the following key players.

'Australian Crime Commission National Manager Investigations, Richard Grant, said the weekend's results were a significant success in the fight against serious and organised crime and should be attributed to the collaborative work of the agencies involved.'

*Multi-agency Project Tricord media release
5 May 2014*



The ACC's Richard Grant at the Project Tricord media conference.



Authorities carrying out search warrants (photo: Western Australia Police).

'Project Tricord ... epitomises a successful and innovative investigative model used to dismantle once and for all an established and highly resilient criminal network.'

*Craig Ward APM, Assistant Commissioner
(State Crime), Western Australia Police*

'The success of this operation was complemented through the engagement of foreign law enforcement partners who helped to ensure disruption of the criminal enterprise. This investigation has struck a significant blow to organised crime operating in Western Australia and will be the blue print for future joint activities.'

*Ramzi Jabbour, Assistant Commissioner
(Serious and Organised Crime),
Australia Federal Police*



Firearms seized during the search warrants (photo: Western Australia Police).

Project Ameer

Working closely with Victoria Police through this project, we built law enforcement understanding of threats and vulnerabilities posed by two outlaw motor cycle gangs. Through our coercive examinations, we enhanced knowledge and understanding of the nature, extent, activities, methodologies and impact of these two gangs including their membership, club structures and organised and serious crime activities. Associated search warrants led to the seizure of traffickable quantities of cocaine, MDMA and anabolic steroids and a firearm. This also informed assessments produced under our Outlaw Motor Cycle Gang special operation (see page 67).

Victorian Joint Organised Crime Task Force

The Melbourne based Joint Organised Crime Task Force (JOCTF) is led by the Australian Federal Police and includes Victoria Police, Australian Customs and Border Protection Service and the ACC. The task force supports the prioritisation and coordination of multi-agency investigations into serious and organised crime targets and threats. JOCTF results this year included:

- contributing to the seizure of more than 200 kilograms of methylamphetamine destined for Australian streets, with an estimated street value of \$200 million, and charging two people
- seizing 653 kilograms of pseudoephedrine as part of Operation Diamondback, with an estimated street value of \$100 million, following the arrest of 10 people
- seizing 100 kilograms of cannabis with an estimated street value of over \$2.6 million.

Attero National Task Force

The ACC Board-approved Attero National Task Force has helped strengthen Australia's efforts to combat the national serious and organised crime threat presented by the Rebels outlaw motor cycle gang. It uses a range of tactical, operational and strategic measures to provide a national response. The task force has achieved significant outcomes. For example it has:

- *enhanced* cross-jurisdictional coordination and use of resources and capabilities as well as aligning priorities and promoting collaborative arrangements between traditional and non-traditional partners

- *overcome* capability gaps and impediments to inter-jurisdictional collaboration and sharing of information and intelligence
- *created* mechanisms for ongoing identification and development of measures to target gaps and maintain an effective national response against the threat
- *strengthened* the policy, legislative and operational arrangements that support jurisdictional and national efforts to combat serious and organised crime.

The Attero National Task Force has demonstrated that the profile of the Rebels threat differs across the country. A key feature of the task force is the way each jurisdiction has discretion to respond to the threat in the most effective way for that jurisdiction, based on the enhanced understanding provided. Key achievements during 2013–14 include:

- the arrest or reporting of 2276 Rebels members, nominees or associates
- 2991 charges, including serious assault, stalking, kidnapping, affray, firearms and weapons offences, drug offences and property, street and traffic offences
- the seizure of 39 firearms, as well as 54 other weapons such as knives
- nine ACC examinations and five notices to produce documents
- \$15.5 million in tax liabilities raised
- 100 search warrants including four prison cells
- 201 task force reports and 23 intelligence products.

This task force has also worked closely with the Australian Gangs Intelligence Coordination Centre, established within the ACC in December 2013, as part of the Government's strategy to combat outlaw motor cycle gangs. Another important outcome of the Attero Task Force is lessons learnt about what works and what can work better. These learnings are informing the development of a national outlaw motor cycle gang strategy to be considered by the ACC Board later in 2014.

Looking forward


Multi-agency responses will remain integral to our approach, including a focus on:

- maintaining the National Criminal Target List as Australia's single national list of highest threat serious and organised criminals
- capitalising on state and territory Joint Management Groups and Joint Analyst Groups (see page 90)
- prioritising the greatest threats and working with partners on strategies to address those threats both regionally and nationally.

Through our Highest Risk Criminal Targets special investigation, we will aim to reduce vulnerabilities

and criminal opportunities identified in other special investigations and special operations by focusing on targets involved in criminal finances, illicit drug markets, firearms and enabling activities, in particular related to communications and transportation. This will ensure we deliver for our partners regionally and nationally.

We will also maintain an international focus, recognising the high proportion of serious and organised crime links to offshore criminal targets. Working with other special investigations and special operations and with our partners, we will enhance understanding of the countries that pose the greatest harm to Australia's national security, in the context of serious and organised crime, to develop cost effective intervention and prevention strategies.



Multi-agency responses will remain integral to reducing the threat posed by the highest risk criminal targets.

HRCT performance scorecard 2013–14

HRCT aim	How we achieved this aim	HRCT contribution to ACC's key performance indicators		
		Discover	Understand	Respond
<p>Identify, detect and disrupt the highest risk serious and organised crime entities which represent the greatest threat in each jurisdiction and nationally.</p> <p>Reduce the threat posed by the highest risk criminal targets.</p> <p>Enhance national understanding of the serious organised crime environment.</p>	Produced strategic assessments and intelligence products, which we shared with partner agencies.	✓	✓	✓
	Identified previously unknown criminal targets and emerging threats.	✓	✓	✓
	Improved understanding of highest risk crime target group structures and activities, illicit commodity importation methodologies, management of wealth and proceeds of crime and communication methodologies.	✓	✓	
	Contributed to investigations, including through our coercive powers, leading to arrests and seizures of cash, drugs and firearms in several states.	✓	✓	✓
		Achieved	Achieved	Achieved

Note: This table summarises achievements against the aim of this special investigation 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 investigations and operations.

Highest Risk Criminal Targets—Victoria

Context

The ACC Board authorised this state-specific special investigation on 4 September 2013. It contributes to Victoria Police investigations and provides access to ACC coercive powers to improve existing ACC and Victoria Police intelligence holdings and collect evidence on the nature and extent of the serious and organised crime threat to Victoria.

Our Highest Risk Criminal Targets—Victoria special investigation is approved until 30 June 2016.

Purpose

We work with Victoria Police to:

- enhance understanding of the nature, extent, activities, methodologies and identities of high risk criminal groups and their impact on the Victorian and national community
- reduce the threat posed by the highest risk crime groups operating in or impacting on Victoria
- increase knowledge and understanding of high risk criminal targets and their impact on Victoria.

Achievements

Collecting, analysing and sharing intelligence

During the year, we conducted four coercive examinations to gather intelligence about criminal networks and their involvement in unsolved murders. These examinations of four witnesses provided support to Victoria Police in:

- gathering further intelligence on related activities and methodologies used to facilitate criminal activity
- improving understanding of a syndicate and its associates
- gaining information and intelligence on an unsolved murder.

We produced five tactical intelligence products. Intelligence we shared led to the identification of several leads for investigation by Victoria Police.

Highest Risk Criminal Targets—South Australia

Context

The ACC Board authorised this state-specific special investigation on 4 September 2013. It supports the collection of evidence and intelligence about specified criminal activity by entities identified as highest risk criminal targets.

This state-specific special investigation is one way in which we support South Australia Police. It complements the work of our Highest Risk Criminal Targets special investigation (see page 49) and Outlaw Motor Cycle Gangs special operation (see page 67).

Our Highest Risk Criminal Targets—South Australia special investigation is approved until 30 June 2016.

Purpose

We work with South Australia Police to:

- enhance understanding and increase knowledge about the nature, extent, activities, methods and identities of high risk crime groups and their impact on the South Australian and national community
- reduce the threat posed by the high risk crime groups operating in or impacting on South Australia.

Achievements

We provide support to our state-based stakeholders under the most appropriate authorised investigation or operation, to enhance the intelligence holdings on, and identify evidence relating to, the nature and extent of the serious and organised crime threats to South Australia.

The Highest Risk Criminal Targets—South Australia special investigation was not used this financial year. Instead, activities related to highest risk criminal targets in South Australia were carried out under the authority of our Highest Risk Criminal Targets special investigation and Outlaw Motor Cycle Gangs special operation.

However, our Highest Risk Criminal Targets—South Australia special investigation remains an important tool for supporting our South Australian stakeholders, and continues to be actively considered when assessing the best means by which we can provide state-specific support.

This year we produced two tactical products that related to work undertaken in the previous financial year.