

Special operations **gather intelligence** around particular criminal activity so **decisions are informed** by the extent, impact and threat of that activity.



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Intelligence operations

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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 2013–14, we gathered intelligence under six 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
- National Indigenous Intelligence Task Force (Indigenous Violence or Child Abuse No. 3)
- Child Sex Offences.

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 2013–14



60 intelligence reports

on outlaw motor cycle gang members



Responded to 83

requests for information to the Australian Gangs Intelligence Coordination Centre



New cyber threats

discovered



methylamphetamine

resurgence identified



11 disruptions to crime entities

including disruption of 1 clandestine lab



Diversion of chemicals

identified for illicit drug manufacture



120 coercive examinations

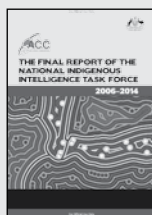
improved national understanding



529 intelligence products

Final report

of the National Indigenous Intelligence Task Force



Foreign fighters' threat

improved national understanding



of stakeholders surveyed agree we inform and influence the hardening of the serious and organised crime environment

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 profit than any other criminal activity, and in the process ruins the lives of countless individuals and their families. The estimated social cost to our community is more than \$8 billion a year.⁷

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 develops 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 these 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 harms reduction strategies in line with the National Drug Strategy 2010–15.

This special operation is approved until 30 June 2016.

Achievements

Collecting, analysing and sharing intelligence

We conducted 17 coercive examinations to fill intelligence gaps, identify insights and enhance understanding of serious and organised crime threats and targets related to the nature and extent of the threat and harms from high risk and emerging drugs markets in Australia.

We produced 85 intelligence products which we shared with partners through 321 disseminations—adding to the national picture of serious and organised crime.

Topics included:

- the threat posed by a sophisticated transnational drug network, its money laundering methodologies and its modus operandi for importing and distributing drugs (a joint ACC–Australian Federal Police assessment)—this assessment also benefited other law enforcement agencies including the NSW Police Force, and is relevant to ongoing inquiries
- the nature, extent and specific sources of the threat posed by members of a particular criminal group and the systemic vulnerabilities they were exploiting, regarding criminal activity in several illicit drug markets
- the modus operandi, reach, clients and vulnerabilities a network was seeking to exploit, regarding drug analogues and new psychoactive substances
- examples of organised crime infiltration of some sports and how this was done, as well as the case for reform to reduce potential harm posed by some categories of performance and image enhancing drugs.

Discovering, understanding and responding to market trends

Methylamphetamine market

The methylamphetamine market is our highest priority for this special operation. For some time we have assessed that the methylamphetamine market poses the highest risk to the Australian community of all illicit drug and organised crime markets.

This year:

- Through Project Baystone, we contributed to national thinking that this market—in particular the crystal methylamphetamine (ice) component—was showing signs of resurgence, driven by increasing imports of

⁷ Organised Crime in Australia 2011.

the drug and its precursors and a more diverse range of suppliers generating or tapping into new sources of demand. Our assessment on the methylamphetamine market will inform a national response. Stakeholders are considering our assessment, which we plan to formally table at a meeting of the national Serious Organised Crime Coordination Committee in 2014–15.

- We held coercive examinations under Project Baystone about the methylamphetamine, cocaine and precursor chemical markets. The examinations progressed strategies designed to disrupt aspects of these markets and information obtained from these examinations has contributed to investigations by the Australian Federal Police, Queensland Police Service and Western Australia Police. Feedback has been positive:
 - Western Australia Police expressed interest in participating in further examinations of this type with the ACC.
 - Australian Federal Police officers have commented that ‘The ACC was professional in conducting the examinations and most useful in collecting relevant intelligence in regards to an organised crime group based in Melbourne and Sydney. From the examinations we were provided a greater insight into the methodologies used by this crime group, as well as an understanding of the structure of the group’.
- We generated multiple information reports, including one about trafficking of ice between Queensland and New South Wales that directly led to an arrest in New South Wales.
- We contributed a formal submission to the Victorian Parliamentary Inquiry into the supply and use of methylamphetamines, particularly ice. Two ACC officers subsequently gave evidence to the Inquiry.
- We compared domestic and overseas prices for methylamphetamine, heroin and cocaine. For example, a kilogram of methylamphetamine that sells for \$6522 (wholesale) in China is worth around \$590 000 on the streets in Australia, a kilogram of heroin costing around \$2174 (wholesale) in Afghanistan sells for between \$350 000 and \$623 000 in Australia, and a

kilogram of cocaine worth \$2500 (wholesale) in Colombia has a street price of between \$350 000 and \$644 000 in Australia. Our comparison underlined why Australian drug markets are increasingly attractive to transnational crime groups. We have used this information in briefings for our Executive, Senate Estimates and the media.

- We collaborated with the National Indigenous Intelligence Task Force (see page 75) on examinations concerning ice distribution in Western Australia, and generated information reports from these examinations.

Drugs in sport

- Findings from Project Aperio, our examination of links between organised crime and sport, continued to influence responses this year. We completed several assessments that alerted sports oversight bodies and regulatory agencies about examples of organised crime infiltration of their sport, and explained how this was happening. Our advice to agencies, including the Australian Sports Anti-Doping Agency, regulatory bodies and private sector entities, also helped harden the sports sector against organised crime infiltration. A range of public and private sector agencies took further actions to reduce harm and harden the environment against serious and organised crime exploitation. For example, several sports tightened their rules governing the administration of substances to players and various sports either introduced or expanded integrity units.
- We continue to liaise with relevant agencies, including the Therapeutic Goods Administration to determine whether the substances of potential harm identified by Project Aperio have the appropriate regulatory status.
- Understandings gained during Project Aperio also apply to the broader performance and image enhancing drugs market. This market is growing and diversifying due to increasing demand and supply, and organised crime is becoming more actively involved. It is not uncommon for police to seize performance and image enhancing drugs along with more traditional illicit drugs. Injection rates for performance and image enhancing drugs are also increasing.

Other illicit drug markets

- **Drug analogues and new psychoactive substances**—Through Project Andronicus we contributed to partner agency investigations and projects, determined the nature and extent of the organised crime footprint in these markets, and advocated for appropriate legislative and policy responses. For example, our assessment of the threat posed by a potentially lethal family of drug analogues and new psychoactive substances—N-o-methoxybenzyl analogues of the 2C-X family of phenethylamines (NBOMes)—noted that, at the time, they were not covered by legislation in all jurisdictions. Some state legislation has since been amended to make NBOMes illegal across the country. The Commonwealth Criminal Code Regulations have also been amended to increase the penalties for importing such substances into Australia.
- **Illicit pharmaceuticals**—Our intelligence assessment on the oxycodone market will inform upcoming Inter-Governmental Committee on Drugs discussions on aspects of the illicit pharmaceuticals market. Oxycodone is a semi-synthetic opioid analgesic used primarily in the treatment of moderate to severe pain. It is also used for non-medical purposes in illicit markets as a drug in its own right, as a substitute for heroin, or in combination with other drugs. The North American trend in the migration of users of pharmaceutical opioids to heroin is a matter that we are aware of and monitoring. In addition, in response to a request from the transnational Criminal Intelligence Advisory Group, we produced an intelligence brief under Project Andronicus on the threat posed by the illicit pharmaceuticals market in Australia and the diversion of pharmaceuticals to illicit drug manufacture. Material from our brief has been included in a multi-agency document on the transnational threat that will be submitted to the Criminal Intelligence Advisory Group.⁸
- **Cocaine**—We increased understanding about the diversity of influential groups in the supply side of the cocaine market. Our widely disseminated strategic assessment provided the evidence base for our position on which groups are significant in a transnational and national context. For example, while the assessment noted the importance of Mexican organised crime groups as importers of cocaine to Australia, it also noted that many other crime groups, consisting of various nationalities, are involved in cocaine importations. Operational findings in the assessment highlighted the need for a broadly focused response to the supply side of the cocaine market, underpinned by ongoing engagement with international partners.
- **Cannabis**—We improved our understanding of cannabis cultivation by organised crime, ultimately concluding that the organised crime footprint in the cannabis market is increasing in size and sophistication. Our strategic assessment identified areas of concern and systemic vulnerabilities. By better defining the national organised crime dimension, we are now well placed to engage with partners on aspects of this threat and to target our support to areas where organised crime is most prominent, including grow-houses and cross-jurisdictional trafficking of cannabis.
- **Amphetamine-type stimulants**—We supported a NSW Police Force strike force targeting the manufacture of amphetamine-type stimulants in the state's north. The strike force arrested three people and located a large active clandestine laboratory. Our significant contribution, through surveillance, technical support and other intelligence gathered, was integral to understanding the group's activities. We produced an intelligence assessment on the group's modus operandi and how they manufactured the illicit drug.

Broader understanding and support

- **Internet-based transactions**—Working with the ACC's human and technical specialist intelligence collectors, we are assessing the threat posed by Internet-based drug and precursor transactions and identifying particular transactions of concern.

⁸ The Criminal Intelligence Advisory Group consists of agencies from the United States, the United Kingdom, Canada, New Zealand and Australia. It is a working group within the Strategic Alliance Group, an international collaboration of law enforcement agencies that sets law enforcement priorities and cements international approaches to transnational crime. The Strategic Alliance Group agreed at its May 2014 meeting to change its name to the Five Eyes Law Enforcement Group.

We are integrating this work with other projects under Project Alberta, our national project targeting the diversion of chemicals used to manufacture illicit drugs. Work to date has generated information reports which have translated into operational activity for ourselves and our partners, including the Queensland Police Service, NSW Police Force and South Australia Police.

- **Legislative reform**—We provided advice to several inter-departmental committees including the Inter-Governmental Committee on Drugs and the Australian Government Drug Officials' Group. We also provided regular advice to the Attorney-General's Department. Examples include contributing to discussion papers, draft legislation and legislative impact statements concerning the Commonwealth response to drug analogues and new psychoactive substances. Related legislation due before Parliament will allow authorities to seize a suspicious substance at the border unless an importer can show that it is either not a psychoactive substance or that it falls within an exempted legitimate purpose.
 - **Criminal facilitation**—Through notices to produce, we added significantly to understanding of links between corporate entities in Australia and other countries that were being used to facilitate criminal activity. This facilitation takes the form of importation of precursor chemicals, and local manufacture and national distribution of illegal drugs. Intelligence we obtained informed a referral to the Criminal Assets Confiscation Taskforce (see page 44) and will also be used in intelligence products.
 - **Data collection**—Through Project Protege, we worked with the Queensland Crime and Misconduct Commission (now the Crime and Corruption Commission Queensland) and a private sector entity which analysed waste water samples from selected sites. Based on the results, and a similar analysis in another Australian jurisdiction, we are promoting waste water analysis as an appropriate means of adding to existing data sources, which are largely based on user self-reporting. The additional information would help to develop a more comprehensive picture of illicit drug markets and the impact of law enforcement responses on those markets.
- For example, it may be possible to relate variations in usage rates to major law enforcement successes, specific events in the local area, or seasonal factors. This understanding would guide operational decision-making and resource allocation. Waste water analysis may also be able to provide 'early warnings' about new illicit substances which are being used in tangible quantities.
- **Specialist advice**—We provided specialist advice, through our Specialist Forensic Chemist, to partner agencies and working groups on technical issues related to illicit substances. This included contributing to bilateral discussions with China regarding methylamphetamine precursors.
 - **International trends**—We maintained contacts with the United Nations Office on Drugs and Crime, the International Narcotics Control Board and forensic services from overseas countries concerning international drug trends and responses. This contributes to our international strategy and adds to our holistic approach to drug assessments.
 - **Broader perspective**—This special operation has earned the respect of new partners in the sports and health sectors due to our involvement in markets which are not a traditionally high priority for law enforcement. This permits us to develop understanding from a broader perspective and engage with a more varied range of stakeholders.

Monitoring key chemicals and diversion to drug manufacture

- Through Project Alberta we are exploring how chemicals are diverted from legitimate trade for use in illicit drug manufacture. This year we provided intelligence to our partners and Ministerial briefings on how lethal drugs can be produced domestically using non-controlled chemicals. This included information about new drug manufacturing processes and new (often non-regulated) chemicals used in the processes. We hope our advice will lead to particular chemicals being regulated in a manner that is consistent with the needs of legitimate industry. Discussions have begun with partner agencies to determine the feasibility of greater controls in relation to some chemicals.

- Project Alberta encapsulates our ‘follow the chemicals’ initiative, which focuses on the vulnerabilities being exploited by organised crime groups. This is leading to spin-off projects targeting specific organised criminal activity in several drug markets and to drug investigations which are currently underway, or have recently concluded, in four different states.
- This year we sent 84 letters to chemical companies seeking industry support to identify potential diversion of chemicals to illicit drug manufacture. The positive response generated several operational leads for us and our partners, with potential to evolve into an ongoing mutually beneficial arrangement.
- Our engagement with industry is likely to further increase next year, to drive a more holistic response to some illicit drug markets. For example, we will work with industry, forensic services, academic institutions and partner agencies to harden the legal and regulatory environment around chemical distribution.

Looking forward

During 2014–15 we will work towards a holistic and coordinated national response to the methylamphetamine market as we continue to work with partner agencies to consolidate existing responses.

We will also further deepen our understanding of all illicit drug markets to provide context for and help prioritise responses to these markets, particularly those with an increasing risk trajectory and where tangible intelligence gaps exist.

We will continue to leverage our unique ability to discover and understand new and emerging trends, and to inform partners and proactively develop and drive appropriate traditional and non-traditional law enforcement responses.

Our theme of ‘following the chemicals’ will also continue to shape our thinking and responses to the methylamphetamine market during 2014–15, based on the understanding that illicit domestic manufacture is a crucial component of the market.

HRED performance scorecard 2013–14

HRED aim	How we achieved this aim	HRED contribution to ACC's key performance indicators		
		Discover	Understand	Respond
Monitor and develop an increasingly holistic understanding of all Australian illicit drug markets.	Produced strategic assessments, intelligence products and reports, which we shared with partner agencies.	✓	✓	✓
Resolve intelligence gaps by leveraging our unique mix of powers and capabilities to discover and understand new and emerging trends and to inform partners.	Worked with partners and industry to identify and address vulnerabilities being exploited by organised crime.	✓	✓	✓
Proactively develop appropriate operational, legal and policy responses.	Informed policy and legislative 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 gangs have also established chapters in New Zealand, South East Asia, the Americas and Europe.

There are more than 40 OMCGs in Australia, with more than 5000 patched members. OMCGs are prominent in most aspects of organised crime including illicit drugs, money laundering, firearms, vehicle rebirthing, extortion, property crime and corruption. They pose a significant threat to the Australian community. To reduce that threat, we complement traditional police methods with focused and innovative strategies including appropriate use of ACC coercive powers.

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 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 approved until 30 June 2016.

Australian Gangs Intelligence Coordination Centre

The Australian Gangs Intelligence Coordination Centre (AGICC) is now the focal point for all our new and ongoing work relating to OMCGs, including work under our dedicated OMCG special operation.

Part of the Government's strategy to combat outlaw motor cycle gangs, the AGICC

has been operating at the ACC since December 2013—providing national criminal intelligence on gang activity across state and territory borders as well as overseas links. Through the multi-agency AGICC, we are building and coordinating an intelligence-led response to OMCGs and other known gangs. For details, see page 93.



AGICC

Australian Gangs Intelligence Coordination Centre

Australian Crime Commission
Australian Customs and Border Protection Service
Australian Federal Police
Australian Taxation Office
Department of Human Services
Department of Immigration and Border Protection

Achievements

Collecting, analysing and sharing intelligence

During the year, we conducted 20 coercive examinations and produced timely intelligence our partners could act on, and informed disruption and prevention activities. We also conducted related work on OMCGs under the ACC-led Attero National Task Force (see page 53).

We produced 238 intelligence products which we shared with partners through 684 disseminations—adding to the national picture of serious and organised crime activities by OMCGs.

Highly visible OMCG incidents around Australia have represented a significant threat to public safety and prompted legislative change, increased operational responses and nationally coordinated intelligence production. An enhanced strategic understanding is also required into the threat and impact of OMCGs on Australia's national interests.

Our 2014 strategic intelligence production program includes a series of assessments on OMCGs to illuminate key features and trends, the first of which we produced in January 2014. The series is based on intelligence outputs of the Attero National Task Force and the tactical intelligence, information and data matching activities undertaken in the AGICC. The series is focusing on the threats, risks and harms posed by OMCGs. These products will inform high level decision-making and provide a robust foundation for a National Assessment on the Threat and Impact of OMCGs, due at the end of 2014.

We are also working closely with the Australian Taxation Office, Department of Human Services (Centrelink) and the Criminal Assets Confiscation Taskforce (CACT) to develop financial intelligence that will help to protect and recover government revenue. For details about our contribution to the CACT see page 44.

Contributing to investigations

Project Legion

Project Legion is our major OMCG-related project coordinated through the AGICC. It is developing a fused and dedicated picture of the threat of OMCGs in Australia.

Project Legion is providing:

- national intelligence coordination and tactical support to operations and intelligence development
- strategic intelligence that enhances national understanding of OMCGs and the threat they pose
- disruption and prevention strategies
- a strategic program of coercive examinations
- stronger management of OMCG membership information through the development of the enhanced national OMCG list.

Our coercive examinations held under our OMCG special operation supported Project Legion and associated state-based projects. These examinations helped to:

- identify and progress avenues of inquiry
- enhance existing knowledge about
 - OMCG leadership
 - club structures and membership
 - activities
 - conflicts
- identify intelligence gaps and further avenues for examination
- improve overall understanding to better target responses to OMCGs.

National Anti-Gangs Squad support

The AGICC provides a dedicated intelligence capability for the National Anti-Gangs Squad, which is led by the Australian Federal Police. Since December 2013, the AGICC has received 83 requests for information from the National Anti-Gangs Squad and other Commonwealth agencies. Through the AGICC, we delivered timely intelligence in support of the coordinated national effort against OMCGs. Intelligence provided by the AGICC enhances understanding of the circumstances that lead to the escalation of gangs into serious and organised crime groups. This in turn informs future initiatives to tackle OMCG and other gang activity. The AGICC has also deployed specialist analysts to support National Anti-Gangs Squad activities. For more details see the feature on the AGICC on page 93.

Looking forward

Proposed work under this special operation is linked to the Highest Risk Criminal Targets special investigation, given the relatively large number of OMCGs with links to the National Criminal Target List.

It also pays particular attention to proceeds of OMCG criminal activities, working in conjunction with our Targeting Criminal Wealth special investigation.

The priority is to ensure more targeted activity against OMCGs to reduce the threat posed to the community.

The AGICC will continue to serve as the central national intelligence centre responding to escalating threats of OMCGs in Australia.

It will continue to generate new intelligence leads through data mining, collect indicators of gang-related activities, capitalise on intelligence collected from partners to improve the National Criminal Target List, and leverage existing ACC intelligence collection and analysis capabilities to acquire new intelligence streams.

OMCG performance scorecard 2013–14

OMCG aim	How we achieved this aim	OMCG contribution to ACC's key performance indicators		
		Discover	Understand	Respond
Contributed to law enforcement agencies' target development and investigations into OMCGs.	Conducted coercive examinations, shared intelligence and responded to requests for information.	✓	✓	✓
Reduce the threat posed by OMCGs.	Produced a national assessment and range of other intelligence and information products about OMCGs, which we shared with partner agencies.	✓	✓	✓
Work with law enforcement, government and industry partners to build an awareness of threats and vulnerabilities and contribute to appropriate legislative and policy responses.				
		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, where their investigations relate to national security impacts from serious and organised crime. We leverage our intelligence collection and analytical capabilities and work with our partners on coercive examinations.

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 NSISOC matters.

This special operation is approved until 30 June 2016.

Achievements

The nature of the intelligence we developed under this special operation is mostly classified and cannot be reported publicly. However, we can report the following highlights.

Collecting, analysing and sharing intelligence

We conducted 29 coercive examinations over 43 sittings to fill intelligence gaps, identify insights and enhance understanding of national security impacts from serious and organised crime.

We collected and analysed intelligence to produce 58 intelligence products which we shared with partners through 123 disseminations—adding to the national picture of serious and organised crime.

Exploitation of the maritime sector

We supported 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) through:

- dedicated intelligence analysts to Polaris, Jericho and Trident (until November 2013)
- contributions to tactical intelligence and strategic assessments and strategic intelligence reporting
- specialist human and technical capability support as needed, for example surveillance
- participation in Joint Management Groups (key decision-making forums to coordinate law enforcement efforts in each jurisdiction)
- access to Fusion tools and holdings.

This year, Polaris recorded the largest ever seizure of paramethoxymethamphetamine (PMMA) in Australia, with an estimated street value of \$18 million. PMMA is an unusual but potentially lethal drug.

Counter terrorism

Through Project Lightfoot, we conducted coercive examinations in relation to the foreign fighters' threat and worked jointly with Queensland-based Joint Counter Terrorism Taskforce investigations. Under Project Advection, we also conducted coercive examinations related to the foreign fighters' threat, undertook specialist capability collection, and contributed to Joint Counter Terrorism Taskforce investigations nationally. We continue to participate in investigations across New South Wales, Victoria and the Australian Capital Territory. Through our work we have provided new insights and enhanced understanding about the foreign fighters' threat to Australia and the nexus between organised crime and terrorism.

People smuggling

We have contributed to the whole-of-government Operation Sovereign Borders effort since November 2013 by providing intelligence and specialist capability support to investigate people smuggling activities in Australia including identifying financial networks. This is through Project Birsham, established to provide advanced analytical support to Operation Sovereign Borders agencies, via a secondment to the Joint Agency Task Force.

Our previous involvement in combatting people smuggling has primarily been by contributing to investigations led by the Australian Federal Police.

We have also encountered people smuggling activities in other investigation areas, particularly those related to financial crimes.

Looking forward

We will continue to contribute to national efforts to counter the threats posed by foreign fighters and participate in Australia's response to counter terrorism.

Border protection will also continue to be a priority for this special operation.

NSISOC performance scorecard 2013–14

NSISOC aim	How we achieved this aim	NSISOC contribution to ACC's key performance indicators		
		Discover	Understand	Respond
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 NSISOC matters.	Supported multi-agency task forces.		✓	✓
	Contributed to Joint Counter Terrorism Taskforce investigations in three jurisdictions.	✓	✓	
	Contributed to Operation Sovereign Borders.		✓	✓
		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 approved until 30 June 2016.

Achievements

Much of our work under special operation is classified and cannot be reported publicly. However, we can report the following highlights.

Collecting, analysing and sharing intelligence

We conducted 15 coercive examinations to fill intelligence gaps, identify insights and enhance understanding of serious and organised crime threats and targets related to identity crime and card skimming.

We analysed and interpreted intelligence to produce 55 intelligence products which we shared with partners through 349 disseminations—adding to the national picture of serious and organised crime.

Topics included identity crime, cyber and new technology threats, and a strategic assessment to assist Australia Post to mitigate the evolving risks posed by serious and organised crime.

Previously unknown cyber and new technology threats

Through Project Tallowood we have discovered previously unknown cyber and new technology threats posed by serious and organised crime. Intelligence indicates a large global risk, and that Australia is vulnerable and highly exploited.

We collaborated to develop a new approach to discover these threats. This involved using significant field intelligence from our law enforcement partners to focus on a non-traditional area for discovery: particular types of communication profiles, such as encrypted mobile communication devices. Through Fusion, we were able to better harness relevant sources and overlay them with strong indicators of risk.

We were able to highlight correlations between these communications and serious and organised criminals of a high threat to Australia. There is a significant transnational element to this threat.

We needed to be innovative in our approach because the modern communication landscape is outpacing regulation and legislative frameworks.

Through this project we:

- discovered a significant number of high threat criminal targets
- developed a new targeting methodology to discover previously unknown targets
- developed a strong understanding of underlying technologies within this threat environment
- shared intelligence with partners who were unaware of the issue
- coordinated collaboration among all Australian law enforcement agencies and the intelligence community to increase awareness

- developed operational strategies to better discover and understand this threat and worked closely with the Australian Federal Police and other partners domestically to assist aspects of operational responses.

We have distributed reports widely including to key international partners. In addition, we are contributing to a major collaborative approach and significant activity in the countries in which the issue was discovered, where the new threat is being treated as a priority project. We will continue to work with our international partners to maximise the use of intelligence gathered here and overseas.

An ACC staff member is also working in the multi-agency Cyber Security Operations Centre hosted at the Australian Signals Directorate, contributing to the assessment of the scope and scale of the risk posed to Australia by sophisticated cyber threats, the discovery of new cybercrime threats, and the understanding of this rapidly evolving environment.

We are also developing a strategic assessment on the broader issue of secure communications to inform all stakeholders, and have established partnerships to better enable responses on this issue.

Key findings from this project are also driving regulatory and legislative reforms and capability enhancements. For example, this project informed our Cyber Capability Strategy which will enhance ACC capabilities to combat cybercrime (see page 96). It also contributed to our submissions to reform telecommunications interception and access legislation, to enhance the ability to discover, understand and respond to serious and organised crime (see page 33).

Identity crime

Through Project Cumulus we continued our collaboration with the Australian Federal Police and state law enforcement to build further understanding of:

- contemporary identity crime syndicates methodologies
- syndicate structures
- vulnerabilities they are exploiting.

We achieved this by conducting coercive examinations into identity crime and card skimming and by sharing intelligence with partner agencies.

Australia Post collaboration

We continued to collaborate with Australia Post through Project Alysse. We produced a classified strategic assessment to support Australia Post to continue to develop strategies to mitigate the evolving risks posed by serious and organised crime. Our strategic assessment also informed partner agencies.

Migration program

Through Project Chives we collaborated with the Australian Customs and Border Protection Service and the Department of Immigration and Border Protection to identify new insights about the exploitation of a regional sponsored visa migration program.

In May 2014, we briefed the Heads of Commonwealth Operational Law Enforcement Agencies (HOCOLEA) on the key findings and lessons learnt from multi-agency Project Waterspout. This project was established to identify and assess organised criminal and other risks associated with student visa applicants wishing to study in Australia. Our briefing highlighted the value and efficiencies to be gained from multi-agency bulk data matching in search of previously unknown criminal targets and threats. It also provided HOCOLEA agencies with the opportunity to consider opportunities for further collaboration with the ACC, particularly the Fusion capability, and our partners.

Looking forward

Cybercrime is a priority for this special operation. Over the next 12 months we will continue to work to discover, understand and inform responses to cybercrime including virtual currencies, online fraud and malicious software. This work will inform an updated National Cybercrime Intelligence Assessment.

MAHSOC performance scorecard 2013–14

MAHSOC aim	How we achieved this aim	MAHSOC contribution to ACC's key performance indicators		
		Discover	Understand	Respond
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.	Discovered previously unknown cyber and new technology threats and related high threat criminal targets.	✓	✓	
	Informed response strategies to previously unknown cyber and new technology threats and related high threat criminal targets.	✓	✓	✓
	Conducted coercive examinations to improve understanding of contemporary identity crime syndicates.		✓	
	Provided strategic assessment to Australia Post and partner agencies and supported mitigation of evolving risks.		✓	✓
	Identified migration risks.	✓	✓	
		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 Indigenous Intelligence Task Force (Indigenous Violence or Child Abuse No. 3)

Context

The National Indigenous Intelligence Task Force (NIITF) worked collaboratively with law enforcement agencies, other Commonwealth, state and territory government agencies, and local service providers. It was established in 2006 following the Intergovernmental Summit on Violence and Child Abuse in Indigenous Communities.

The Indigenous Violence or Child Abuse No. 3 special intelligence 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.

This special intelligence operation ceased on 30 June 2014.

Achievements

Collecting, analysing and sharing intelligence

During the year, the NIITF collected intelligence through visiting 10 Indigenous communities and six regional towns, and holding more than 150 meetings.

We also conducted 38 coercive examinations to enhance understanding of the nature and extent of violence and child abuse affecting vulnerable Indigenous communities and contributed to investigations.

We produced 91 intelligence products which we shared with partners through 374 disseminations—adding to the national picture of these issues. This included classified intelligence reports on the nature and extent of child abuse and violence in the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands, South Australia; Arnhem Land, Northern Territory; the Barkly region, Northern Territory; the Kimberley region, Western Australia; and western New South Wales.

To mark the closure of this special intelligence operation this year, we produced a final report. It summarises the NIITF's journey since inception, outlining key achievements, intelligence findings and issues for consideration (see feature on page 79).

Improving national understanding and information sharing

Identifying factors that enable criminal behaviour

Since 2006, the NIITF has identified factors that enable and facilitate criminal behaviour in Indigenous communities. These include:

- non-disclosure and under-reporting of offences
- challenges to information sharing
- abuse of power
- financial crime and exploitation
- alcohol and substance abuse
- links to organised crime.

Establishing a Cross Border Domestic Violence Information Sharing and Intelligence Desk

The NIITF assisted in the development of the Cross Border Domestic Violence Information Sharing and Intelligence Desk, which was established in January 2013. The aim is to reduce instances of family violence in the cross border region of the Northern Territory, South Australia and Western Australia by providing timely and targeted intervention and protection to victims.

The Desk is staffed by two civilian members of the Northern Territory Police with Commonwealth funding. It has been supported by a working group comprising the ACC, Northern Territory Police, South Australia Police, Western Australia Police and the Ngaanyatjarra Pitjantjatjara Yankunytjatjara Women's Council. The Desk also has a reference group of the same stakeholders with the addition of the Department of the Prime Minister and Cabinet.

This dedicated resource enables the collation, coordination and analysis of intelligence holdings between law enforcement, criminal justice and a dedicated victim advocacy agency, working across the three jurisdictions. It also provides a central coordinating role linking it to the Cross-border Justice Scheme. This mechanism for the effective use of criminal intelligence supports responses to issues of domestic violence and community safety.

Raising awareness

In October 2013 the NIITF presented to the Australian Government's Business Integrity Cross Agency Working Group regarding financial crime and associated exploitation affecting Indigenous communities. The working group aims to identify and discuss high risk organisations at an early stage, share relevant organisation intelligence and collaborate with best practice information and tools. The Department of the Prime Minister and Cabinet's Northern Territory-based Business Integrity Unit facilitated a cross-agency meeting and said our presentation 'generated a great deal of discussion and will influence the way many of us consider non-compliance and governance-related issues in the future'.

Also in October 2013, the National Manager responsible for NIITF participated in media interviews on ABC Radio Kimberley and the National Indigenous TV Network. The interviews answered questions about what the NIITF did, how it worked with stakeholders and the types of issues examined.

In November 2013 the NIITF gave a presentation titled 'Financial vulnerabilities and exploitation affecting Indigenous communities' to the Australian Public Sector Anti-Corruption Conference in Sydney.

Contributing to investigations

- In June 2013, Commonwealth and South Australian authorities began a major operation in a community that had been the subject of considerable NIITF work to inform government of the problems there. In 2014 legal action was taken against a person of interest identified by the NIITF.
- In October and November 2013 the NIITF briefed the NSW Police Force and participated in a workshop with NSW Police Force members of the Department of Family and Community Services' Joint Investigation Response Teams regarding our work in western New South Wales. The findings of the NIITF's two-year program in this region also contributed to or initiated 11 child protection investigations or referrals by stakeholders.
- In November 2013 the Department of the Prime Minister and Cabinet reported that search warrants had been executed on private residences of board members of an Aboriginal corporation in South Australia. They were found to be in the unlawful possession of property belonging to the corporation and were conditionally bailed to appear in court in March 2014. One person pleaded guilty to section 134 of the Criminal Law Consolidation Act (SA). They were sentenced to an 18 month good behaviour bond and ordered to pay court costs. Inquiries are ongoing regarding other people linked to the organisation. The department noted that the outcomes achieved would not have been possible without the NIITF's support.

- In March 2014 the NIITF assisted Western Australia Police to better understand the criminal supply of amphetamine-type stimulants into the Kimberley. This included identifying major suppliers, the frequency and size of supply, methodologies used and people of interest previously unknown to police.
- In April 2014 we investigated and seized 22 kilograms of kava that was destined for sale in Arnhem Land, Northern Territory. The kava had an estimated street value of \$22 000. Kava is a prohibited substance in the Northern Territory, managed under the Kava Management Act (NT). The amount seized is considered a trafficable quantity with a maximum penalty of 100 penalty units or imprisonment for two years.
- NIITF information reports provided to the Department of the Prime Minister and Cabinet supported compliance activities and investigation of matters concerning the use of grant funding by Indigenous organisations.
- In April 2014 the NIITF provided a submission to the House of Representatives Standing Committee on Indigenous Affairs Inquiry into the Harmful Use of Alcohol in Aboriginal and Torres Strait Islander Communities. In our submission we outlined key findings on the significant association between alcohol and child abuse and violence in Indigenous communities. For example, some people travel from remote communities to regional centres or alcohol outlets to consume alcohol, and sometimes also to traffic alcohol back to communities. This behaviour transfers alcohol-related crime to those communities and contributes to serious child neglect, harms and other disadvantages.
- Acting Director General of the Western Australia Department for Child Protection and Family Support, Kay Benham, said our analytical intelligence products 'identified several areas of social policy relevant to the Department [and] will help steer future strategic policy directions'.

Informing policy, program and law reform

- In October 2013 the NIITF participated in the National Consultation Workshop in Alice Springs for Proposed Perpetrator Intervention Outcome Standards for Australia. This was part of the implementation of the National Plan to Reduce Violence against Women and their Children.
- In November 2013 the NIITF briefed Western Australia Police about our work in the Kimberley region. In April 2014, Western Australia Police advised us that the Kimberley District Office and Broome Detectives Office agreed with the findings in NIITF reports on the Kimberley and that the information raised their level of concern. They also advised that our intelligence products helped support the formation of Operation Trindade in the Dampier Peninsula. The operation is building community capacity and resilience to combat child abuse recently uncovered during another operation.

Looking forward

The NIITF ceased on 30 June 2014. Our final report will be provided to key stakeholders accompanied by presentations as appropriate.

NIITF performance scorecard 2013–14

NIITF aim	How we achieved this aim	NIITF contribution to ACC's key performance indicators		
		Discover	Understand	Respond
Collect and analyse information and criminal intelligence to provide government with an understanding of the nature and extent of violence and child abuse affecting vulnerable Indigenous communities. Contribute to investigations, inform policy, program and law reform, and improve national intelligence collection and information sharing about these issues.	Collected intelligence through community engagement and coercive examinations.	✓	✓	
	Produced intelligence products, shared with partners and other stakeholders.	✓	✓	✓
	Supported the Cross Border Domestic Violence Information Sharing and Intelligence Desk.	✓	✓	✓
	Contributed to investigations.	✓	✓	✓
	Contributed to policy, program and law reform considerations and inquiries.	✓	✓	
		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.



Maintaining relationships of trust with Indigenous communities and people delivering services to Indigenous communities was fundamental to the NIITF's success.

CASE STUDY

NIITF: unique task force delivers unique results

The National Indigenous Intelligence Task Force (NIITF) concluded on 30 June 2014. While the ACC is involved in many successful task forces, the NIITF was different in both purpose and approach.

The NIITF was established in July 2006 as an outcome of the Australian Government's Intergovernmental Summit on Violence and Child Abuse in Indigenous Communities.

Approach

As the issues are unique, the NIITF's approach also had to be unique: a combination of working in a culturally sensitive way, using our special capabilities (including coercive powers) to access information otherwise not available, and engaging across jurisdictions and with a wide range of stakeholders for broad-based responses that involve law enforcement, governments, service providers and Indigenous communities.

Establishing trust

Our approach was informed by and respectful of Indigenous people and cultures. Maintaining relationships of trust with Indigenous communities, and people delivering services to Indigenous communities, was fundamental to the NIITF's success. Staff received cross-cultural training and were sensitive to the cultural dynamics of the 145 communities and 58 towns we visited nationally.

In addition, the NIITF did not make arrests or prosecutions. This enabled us to build confidence and trust and encouraged people to discuss issues that affected their communities.

Accessing information

Inter-generational tacit acceptance and denial, fear of blame, threats of social and violent retribution, and lack of privacy and confidentiality in small communities can discourage reporting. Through the NIITF, we could protect people who were otherwise fearful of coming forward, by offering the security and anonymity provided to ACC witnesses.

Building a national picture

During the past eight years the NIITF has built a national understanding of the nature and extent of violence and child abuse in some Indigenous communities.

Violence is a significant issue for some Indigenous communities, which also impacts on the safety and security of children within these communities. Poor information sharing, non-disclosure, under-reporting and abuse of power enable criminal behaviour in these communities. These factors impede the capacity to understand and respond effectively to the nature and scale of domestic violence and child abuse—inhibiting service delivery and effectively normalising criminal behaviour within communities.

Community violence occurs as a result of family feuds, retribution/payback, conflicts over allocation of resources, inappropriate relationships, jealousy or accusations of wrong doing. The use of alcohol and illicit substances are also major contributors.

In addition, with billions in government expenditure each year, there is a risk of organised crime targeting Indigenous communities for profit, at the cost of service delivery. Direct theft of funding and assets is the most common type of financial crime and associated exploitation, enabled by poor governance, inadequate financial management and lack of probity checking.

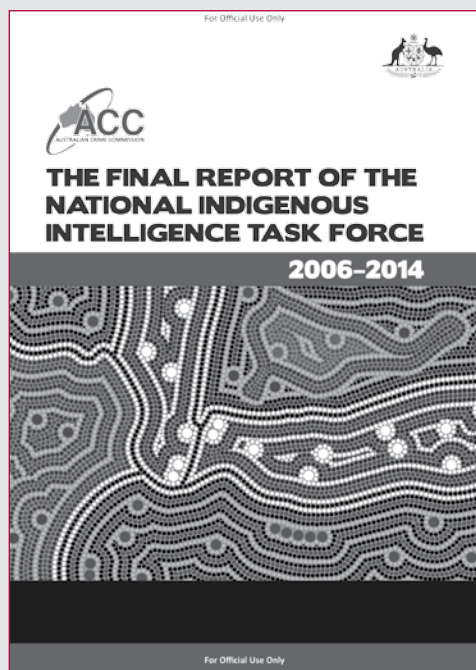
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CASE STUDY (CONTINUED)

NIITF: unique task force delivers unique results

Emerging issues creating opportunities for criminal groups include:

- the increasing use of information technology to facilitate crimes
- changing demographics
- frequent movements between remote communities and regional and urban centres
- criminal activity related to land use agreements
- the targeting of Indigenous communities by organised crime groups for financial gain.



The NIITF's final consolidated report.

Supporting broad-based responses

Over its lifetime, the NIITF produced 844 intelligence products, provided to partners through 2182 disseminations.

Better understanding based on this intelligence is helping to make Indigenous communities safer by informing policy and program design, improving service delivery, and informing law enforcement decision-making, leading to significant operational outcomes.

For example, the NIITF's work has:

- prompted a range of government compliance and regulatory investigations and law enforcement investigations
- supported better compliance around funding programs and informed compliance and assurance work within Commonwealth funding bodies
- contributed to the National Framework for Protecting Australia's Children 2009–2020, the National Plan to Reduce Violence against Women and their Children 2010–2022, and a range of community safety and education initiatives
- informed policy development, such as the Alice Springs Transformation Plan and the Cross Border Domestic Violence Information Sharing and Intelligence Desk
- strengthened probity and due diligence processes for employment, and informed funding guidelines and agreements to support mandatory reporting and appropriate checks for people working with children
- contributed to the New South Wales Ombudsman report on responding to child sexual assault in Aboriginal communities.

The NIITF's final consolidated report is due for release to relevant stakeholders in early 2014–15.



NIITF team members and community contacts at work in the field.

Child Sex Offences

Context

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

Purpose

This special operation relies solely on referrals from partner agencies. Since its inception, we have received referrals on issues relating to child sex offenders involved in online exploitation, sharing child pornography and child exploitation material, grooming children and child sex tourism.

We use our coercive powers to:

- assist in intelligence collection 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.

In September 2013 the ACC Board approved the Child Sex Offences (CSO) No. 2 special operation until 30 June 2016.

Achievements

Collecting, analysing and sharing intelligence

We conducted one coercive examination to help collect intelligence about child sex tourism.

We produced two intelligence products about child sex tourism and alleged child sexual abuse that we shared with our partners through four disseminations.

Assisting in reducing the impact of child sex offences

Our work under this special operation supported Victoria Police and Australian Federal Police investigations in relation to identifying, assessing, disrupting and prosecuting high risk Victorian Registered Sex Offenders who commit child sex offences.

Information obtained during the coercive examination was considered to be valuable by Victoria Police and the Australian Federal Police. It has contributed to police investigations and corroborated intelligence on emerging trends.

Intelligence developed under this special operation also assisted with the prosecution of a child sex offender in the United States.

Supporting a national response

We also continued to engage with 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.

In addition, this year we researched and consolidated intelligence from various sources to highlight the threat and harms of child sex offences in a serious and organised crime context, for a chapter in the *Organised Crime Threat Assessment* (see page 28).

Looking forward

We will continue to assist partner agencies where referrals are received. This is likely to include developing intelligence on the increasing use of technology to facilitate child sex offences. We also anticipate assisting with emerging trends, such as the exploitation of young people who are deceived into providing sexually compromising images and then coerced into providing more material under the threat of exposure.

Where our intelligence collection is relevant to child sex offences occurring in other countries, we will continue to inform international partners, through the Australian Federal Police network, to help reduce and disrupt these activities, including overseas production of exploitation material.

CSO performance scorecard 2013–14

CSO aim	How we achieved this aim	CSO contribution to ACC's key performance indicators		
		Discover	Understand	Respond
Use our coercive powers to assist in intelligence collection about, and reducing the impact of, child sex offences. Support a national response to the threat and harms of child sex offenders.	Conducted coercive examination to contribute to partner agency investigations.	✓	✓	
	Shared intelligence products.	✓	✓	
	Provided advice to inform policy and national responses.	✓	✓	✓
	Provided intelligence that assisted with a United States prosecution.	✓	✓	✓
		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.