



BOARD OF THE AUSTRALIAN CRIME COMMISSION
CHAIR ANNUAL REPORT

2015-16



About this report

This report by the Chair of the Australian Crime Commission (ACC) Board documents the operations of the ACC for 2015–16, as required by the *Australian Crime Commission Act 2002* (ACC Act). The Board does not have its own staff or budget so there are no financial statements to report.

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

The separate annual report by the ACC Chief Executive Officer (CEO) fulfils the requirements of government agencies under the *Public Governance, Performance and Accountability Act 2013* and the Public Governance, Performance and Accountability Rule 2014. It includes information about the ACC's progress against the outcome strategy, deliverables and key performance indicators in the 2015–16 Portfolio Budget Statement and *Corporate Plan 2015–19*, as well as details about the agency's structure, staffing and audited financial statements. It is available at <www.acic.gov.au>.

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

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This report and more information about the ACIC, is available at <www.acic.gov.au>.

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Letter of transmittal

2 July 2017

Michael Keenan MP

Minister for Justice

Minister Assisting the Prime Minister on Counter-Terrorism

Parliament House

Canberra ACT 2600

Dear Minister

On behalf of the Board of the Australian Crime Commission (ACC), I am pleased to present our annual report for the financial year ended 30 June 2016.

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

This report outlines the ACC's operations during 2015–16. It has been prepared in accordance with section 61 of the ACC Act.

During 2015–16, the Board contributed to the ACC's strategic direction, considered key areas of work and supported national initiatives against serious and organised crime.

The Board acknowledges the ACC's achievements this year, including investigative and intelligence outcomes that have contributed to a reduction in the threat and impact of serious and organised crime. The Board also acknowledges the new phase of the organisation, as it merges with CrimTrac to become the Australian Criminal Intelligence Commission from 1 July 2016.

Yours sincerely



Andrew Colvin APM OAM

Chair

Board of the Australian Criminal Intelligence Commission
(formerly the Australian Crime Commission)

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The ACC is Australia's national criminal intelligence agency with specialist investigative capabilities.

Chapter 1

Introduction

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About the ACC Board

Board members

The ACC Board is chaired by the Commissioner of the Australian Federal Police and comprises the heads of a number of Commonwealth, state and territory law enforcement, national security and regulatory agencies. The Chief Executive Officer of the ACC is a non-voting member.

For details about Board members and meetings in 2015–16, see page 12.

Board functions

The ACC Board is responsible for providing strategic direction to the ACC and determining which investigations and intelligence operations are authorised to include the use of the ACC's coercive powers.

The functions of the Board, as set out in the ACC Act, are to:

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

The Board also undertakes other functions as are conferred on the Board by other provisions of the ACC Act.¹

¹ Section 7C of the ACC Act outlines the Board's functions: www.legislation.gov.au/Details/C2016C00713.



Chair's review

Andrew Colvin APM OAM

New agency

This has been a significant year for the ACC. Throughout 2015–16, ACC Board members and staff worked closely with their counterparts at CrimTrac and the Australian Institute of Criminology on plans to merge the three agencies. This is a bold and optimistic move to strengthen the fight against emerging criminal and national security threats.

The Australian Criminal Intelligence Commission (ACIC), combining the ACC and CrimTrac, began operating from 1 July 2016. Further legislative amendments are required to facilitate the merger of the Australian Institute of Criminology into the ACIC.

The merger required significant effort in addition to the daily demands of the ACC's criminal intelligence and specialist investigative work. I congratulate everyone involved in facilitating the successful merger while also continuing to deliver intelligence products and operational results that helped reduced serious and organised crime threats of most harm to Australians and the national interest.

Increased international focus

The year also saw the ACC expand its international presence, deploying analysts to countries of strategic importance in counteracting transnational crime threatening Australia. By 30 June 2016, ACC officers were in Hong Kong, Dubai and the United States, with further deployments planned to Canada, Europe and New Zealand. The ACC works in collaboration with other international networks including those of the Australian Federal Police, the Australian Transaction Reports and Analysis Centre (AUSTRAC) and the Australian Department of Immigration and Border Protection.

The ACC's work to counter money laundering also shifted to a more global focus during the year. The Board approved the Eligo 2 National Task Force, with greater emphasis on offshore as well as domestic money laundering operators who can affect Australia's national economic wellbeing. The Royal Canadian Mounted Police, United Kingdom National Crime Agency, United States Drug Enforcement Administration, United States Federal Bureau of Investigation, United States Immigration and Customs Enforcement, and New Zealand Police have now joined the ACC, Australian Federal Police, AUSTRAC and state and territory police, as Eligo partners.

Strong operational results

During 2015–16 the ACC conducted 202 coercive examinations to fill intelligence gaps, progress investigations with its partners and enhance understanding of serious and organised crime threats and targets.

The ACC's work with partners led to 65 disruptions to criminal entities. A total of 289 people were arrested on 909 charges, while 52 people were convicted during the year.

Illicit drugs and chemicals with an estimated street value of more than \$1.8 billion were seized, as well as more than \$12.59 million in cash. In addition, \$104.87 million worth of assets were restrained, and \$59.42 million worth of assets were forfeited or recovered. The ACC referred 132 entities to the Criminal Assets Confiscation Taskforce, with an estimated value of offending of \$56.01 million.

Enhanced understanding of serious and organised crime

The ACC's intelligence products continued to enrich the national picture of serious and organised crime. During the year the ACC produced a total of 28,133 reports, alerts and intelligence products—comprising 2,618 analytical and tactical products and 25,515 automated alerts on significant criminal targets—that were shared with 176 agencies.

A total of 103 previously unknown criminal entities were identified and 65 new targets were added to the National Criminal Target List, including 45 by the ACC.

The *Organised Crime Threat Assessment 2016* provided an up-to-date analysis of the dynamics of Australia's key illicit markets and the activities that enable serious and organised crime, underpinning the Commonwealth's National Organised Crime Response Plan. The *Illicit Drug Data Report 2014–15* informed Australia's understanding of, and collective response to, the illicit drug threat, once again identifying the methylamphetamine market as the primary concern, and noting a record 105,862 illicit drug seizures and 133,926 national illicit drug arrests during 2014–15. The *Organised Crime 2025* report considered factors that may influence future change in the organised crime environment. Other flagship products are due in 2017, including the *National Criminal Target Report* (now a biennial publication) and the next public report, *Organised Crime in Australia*.

A range of strategic assessments and insights explored topics ranging from illicit firearms and cybercrime to encrypted communications and the Australian heroin market. The ACC also released its first report on the costs of serious and organised crime, estimated to be \$36 billion a year. This includes both the costs of criminal activity to the Australian economy and the cost of prevention and response activities.

Looking ahead

This was a milestone year, culminating in the formation of the ACIC. It has taken initiative, dedication and drive to bring about this new entity in Australian law enforcement that can harness the power of the combined information, intellect and analytical skills. There is no end to the potential to set a standard around how we can handle information and bring together these significant powers and resources to create a safer Australia.

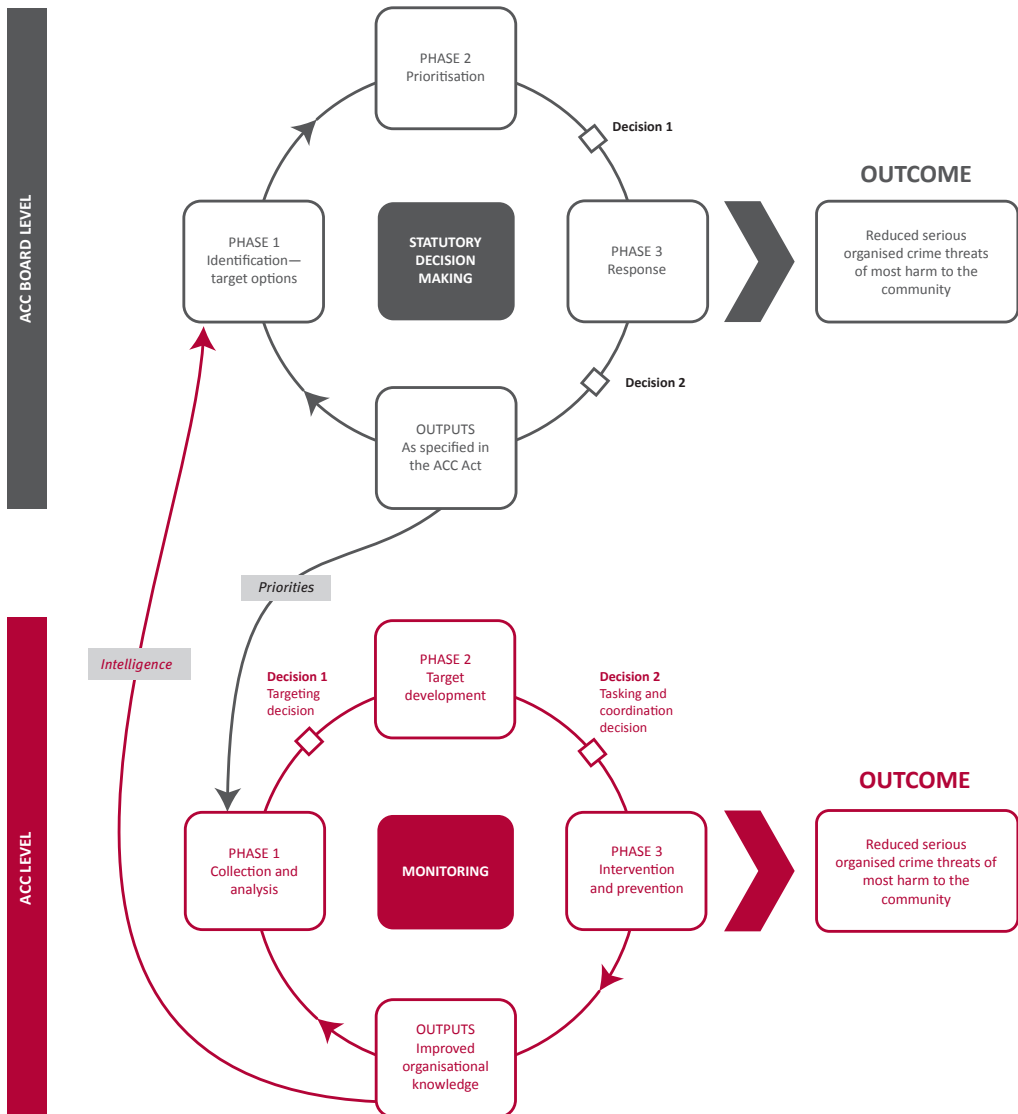


Commissioner Andrew Colvin APM OAM
Chair
Board of the Australian Criminal Intelligence Commission
(formerly, Australian Crime Commission)

Strategic framework and decision-making

The Board carries out its legislative functions under a formal strategic framework that links the ACC’s operating model and the Board’s statutory decision-making responsibilities. There are three decision-making phases that involve confirming targets, priorities and responses. This framework supports effective participation in processes and discussions to identify the ACC’s strategic direction and priorities, and to achieve the ACC’s outcome.

The ACC Board relationship to the ACC



National Criminal Intelligence Priorities

The Board considers advice from the ACC, and draws on Board members' experience as leaders in the law enforcement, national security and regulatory arenas, to endorse the National Criminal Intelligence Priorities (NCIPs). This is a legislated function of the Board.

ACC priorities

The Board receives various intelligence products and information, and considers a range of matters including strategic issues, significant areas of current ACC work and potential new areas of work. It takes all these matters into account to set priorities for the ACC, authorising investigations, intelligence operations and task forces.

Coercive powers

The Board confirms if investigations and operations are deemed 'special', which authorises the use of the ACC's coercive powers where traditional measures are not expected to be, or have not been, effective.

The ACC's coercive powers are similar to those of a Royal Commission and may only be exercised by an ACC Examiner for special operations or special investigations.







The coercive powers allow the ACC to summon a person to give evidence under oath, require the production of documents, demand information from Commonwealth agencies, apply for a search warrant, and apply for an order to produce a passport.

Board members and meetings 2015–16

Under the ACC Act, the Board is required to meet at least twice a year. In practice, however, the Board meets more often.

Attendance at Board meetings 2015–16

	9 Sep 2015	4 Dec 2015	9 Mar 2016	8 Jun 2016
 Commissioner Andrew Colvin APM OAM, Australian Federal Police (Chair)	✓	✓	✓	✓
 Mr Chris Moraitis PSM, Secretary, Attorney-General's Department	✓	✓	✓	✓
 Mr Roman Quaedvlieg APM, Comptroller-General of Customs (Commissioner, Australian Border Force)	✓	✓	✓	✓
 Mr Greg Medcraft, Chairman, Australian Securities and Investments Commission	X	X	X	✓
 Mr Duncan Lewis AO DSC CSC, Director-General Security, Australian Security Intelligence Organisation	✓	✓	✓	✓
 Commissioner Andrew Scipione APM, NSW Police Force	✓	✓	✓	✓
 Chief Commissioner Graham Ashton APM AM, Victoria Police	✓	✓	✓	✓
 Commissioner Ian Stewart APM, Queensland Police Service	✓	X	✓	X
 Commissioner Grant Stevens APM, South Australia Police	✓	✓	✓	✓
 Commissioner Karl O'Callaghan APM, Western Australia Police	X	X	✓	X

	9 Sep 2015	4 Dec 2015	9 Mar 2016	8 Jun 2016
 Commissioner Darren Hine APM, Tasmania Police	✓	✓	✓	X
 Commissioner Reece Kershaw, Northern Territory Police	✓	X	✓	✓
 Assistant Commissioner Rudi Lammers APM, Chief Police Officer, ACT Policing	✓	✓	✓	✓
 Mr Chris Jordan AO, Commissioner of Taxation, Australian Taxation Office	✓	✓*	X	✓
 Mr Paul Jevtovic APM, CEO, AUSTRAC	✓	✓	X	✓
 Mr Chris Dawson APM, CEO, Australian Crime Commission	✓	✓	✓	✓

* Person was represented by someone officially acting in the Board member’s position.

Board authorisations 2015–16

The Board reviewed the ACC’s strategic priorities and, based on an assessment by the ACC, agreed that the current suite of Board-approved determinations was appropriate for the 2015–16 financial year.

Looking forward to 2016–17, the Board replaced the Making Australia Hostile to Serious and Organised Crime No. 2 Special Operation with the Emerging Organised Crime Threats Special Operation and established the Criminal Exploitation of Australia’s Migration System Special Operation.

The following table lists Board authorisations as at 30 June 2016.²

Determination	Type	Status
High Risk and Emerging Drugs No. 2	Special Operation	Next annual review June 2017
National Security Impacts from Serious and Organised Crime No. 2	Special Operation	Next annual review June 2017
Outlaw Motor Cycle Gangs	Special Operation	Next annual review June 2017
Highest Risk Criminal Targets No. 2	Special Investigation	Next annual review June 2017
Targeting Criminal Wealth No. 2	Special Investigation	Next annual review June 2017
Criminal Exploitation of Australia's Migration System	Special Operation	Next annual review June 2017
Emerging Organised Crime Threats	Special Operation	Next annual review June 2017
Eligo 2 National Task Force	Task Force	Next annual review November 2016
National Task Force Morpheus	Task Force	Next annual review November 2016
Highest Risk Criminal Targets—Victoria	State Special Investigation	Ceased 30 June 2016
Highest Risk Criminal Targets—South Australia	State Special Investigation	Ceased 30 June 2016
Making Australia Hostile to Serious and Organised Crime No. 2	Special Operation	Ceased 30 June 2016
Child Sex Offences No. 2	Special Operation	Ceased 30 June 2016

² The Board considers determination papers, including any requirements for amendments to determinations, which are then made at the June meeting.

In addition, in 2015–16 the Board:

- received an update on the Independent Review of the ACC Act, which presents an opportunity to address issues faced by the ACC in performing its role as Australia’s national criminal intelligence agency
- reviewed the ACC’s strategic priority areas and planned ACC activity and response to the identified threats under the determinations
- commended the ACC on its *Organised Crime 2025* report and agreed that the concepts and implications identified should inform the strategic planning for ACC Board agencies, especially with regard to the need for enhanced operational and intelligence collaboration
- considered the key findings of the *Organised Crime Threat Assessment 2016*, which identified the key nationally significant organised crime threats
- considered the findings of Project Sycamore, which focused on public sector corruption
- considered the Defence Abuse Response Taskforce’s *Report on progress operations, and future structure* recommendation for the establishment of a joint investigation into sexual abuse at the Australian Defence Force Academy by the ACC and Australian Federal Police
- received reports from the Chairs of the Serious and Organised Crime Coordination Committee and the Australian Criminal Intelligence Forum
- received a summary of the ACC’s involvement in counter-terrorism activities, including the ACC’s support to partner agencies in the counter-terrorism environment through specific ACC projects primarily involving the use of coercive powers, related operational outputs and future direction
- received an update on the development of the National Criminal Intelligence System, which is envisaged to provide a solid intelligence monitoring platform for law enforcement agencies to de-conflict and share intelligence between jurisdictions
- noted the current and emerging international and domestic criminal opportunities emanating from unregulated offshore bookmakers and the establishment of Project Petram to enable a baseline understanding of the scale of domestic exploitation of the offshore bookmaking industry
- endorsed the merger of CrimTrac and the ACC to form the Australian Criminal Intelligence Commission from 1 July 2016
- noted the progress of the Australian Crime Commission Amendment (Criminology Research) Bill, pursuant to which it is proposed to merge the Australian Institute of Criminology into the Australian Criminal Intelligence Commission.

During the reporting year, the Board welcomed Chief Commissioner Graham Ashton APM AM, Victoria Police, who commenced his appointment on 1 July 2015 and Mr Paul Jevtovic APM, AUSTRAC CEO, as a non-voting observer.

The ACC discovers, understands and responds to federally relevant serious and organised crime.

Chapter 2

Description of activities

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Special investigations

Special investigations are designed to disrupt and deter criminal groups by collecting evidence and intelligence about criminal activity. The ACC Board may determine that an investigation is deemed 'special', enabling the use of the ACC's coercive powers. Before doing so, it must consider whether ordinary police methods of investigation into matters are likely to be effective.

During 2015–16 there were four Board-approved special investigations:

- Targeting Criminal Wealth No. 2
- Highest Risk Criminal Targets No. 2
- Highest Risk Criminal Targets—Victoria
- Highest Risk Criminal Targets—South Australia.

Targeting Criminal Wealth No. 2 Special Investigation

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 special investigation helps tackle money laundering, serious and organised superannuation and investment fraud, sophisticated tax evasion, and also confiscate criminal wealth.

Discover and understand

In 2015–16, through the Targeting Criminal Wealth No. 2 Special Investigation, the ACC:

- conducted 39 coercive examinations to investigate criminal activity and inform law enforcement, national security, regulatory and policy agencies around the country
- added 20 criminal entities to the National Criminal Target List
- identified 103 previously unknown criminal targets related to money laundering (through the original Eligo National Task Force and Eligo 2 National Task Force)
- produced 547 intelligence products, shared with partners through 1,149 disseminations to build greater understanding of emerging issues including:
 - criminal exploitation of encrypted communications
 - offshore investment fraud
 - money laundering typologies
 - previously unidentified professional money laundering syndicates operating transnationally that affect Australia

- legal and regulatory vulnerabilities within the financial sector, including those being exploited by professional facilitators of criminal activity, in particular serious financial crime
- use of alternative banking services and online banking interfaces for covert value movements
- exploitation of online foreign exchange trading for money laundering
- targeting of Australian self-managed superannuation funds for fraud and money laundering
- proceeds of crime and unexplained wealth.

Respond

Disruption activities

During 2015–16 the Targeting Criminal Wealth No. 2 Special Investigation led to significant responses this year including:

- 13 criminal entities disrupted
- 132 entities referred to the Criminal Assets Confiscation Taskforce with an estimated value of offending of \$56.01 million
- \$10.02 million cash seized
- \$103.87 million worth of assets restrained
- \$58.51 million worth of assets forfeited or recovered
- \$103.92 million worth of tax assessments issued
- \$742.58 million estimated street value of illicit drugs seized
- 363 charges against 149 people
- 39 people convicted.

Prevention activities

Prevention and reform activities in 2015–16 included:

- uncovering systemic abuse of cheque encashment services to facilitate money laundering—informing possible regulatory change
- producing a strategic assessment on the role of professional facilitators enabling serious financial crime—supporting long-term strategic policy and prevention initiatives
- working with the International Five Eyes Law Enforcement Group—promoting shared understanding of money laundering and proceeds of crime related threats and coordinated approaches to reduce them

- contributing to Australia's first follow-up report to the international Financial Action Task Force, following the 2015 mutual evaluation of Australia's anti-money laundering and counter-terrorism financing regime—outlining actions taken since completion of the mutual evaluation and identifying upcoming priorities.

Task forces and joint projects

Eligo

In September 2015, the Board approved the Eligo 2 National Task Force. Eligo 2 expands on the work of the original ACC-led Eligo National Task Force, to focus on high priority international money laundering operators, as well as domestic operators, who have the potential to seriously affect Australia's national economic wellbeing. The original Eligo partners—the Australian Federal Police, AUSTRAC and state and territory police—are now joined by international agencies including the Royal Canadian Mounted Police, United Kingdom National Crime Agency, United States Drug Enforcement Administration, United States Federal Bureau of Investigation, United States Immigration and Customs Enforcement, and New Zealand Police.

Due to this shifting focus to target money laundering at a more 'upstream' offshore level, the impact is spread more internationally, which means onshore results are different this year. During 2015–16 Eligo outcomes included the seizure of \$9.53 million cash and drugs with an estimated street value of \$742.39 million, and 142 people facing 339 charges. Also this year, earlier Eligo work led to eight people being sentenced for trafficking drugs, receiving sentences totalling a combined 107 years' imprisonment.

Criminal Assets Confiscation Taskforce

In 2015–16 the ACC referred 132 entities, with an estimated value of offending of \$56.01 million, to the Criminal Assets Confiscation Taskforce, which is led by the Australian Federal Police. The Taskforce's results this year included \$96.52 million assets restrained, \$57.41 million assets forfeited, and \$99.42 million tax liabilities raised.

Serious Financial Crime Taskforce and Project Wickenby

The Government established the multi-agency Serious Financial Crime Taskforce in May 2015 so Commonwealth agencies could continue working together to combat serious financial crime once funding for the long-running Project Wickenby ended in June 2015.

Over a decade, Wickenby audited more than 4,000 offshore scheme cases, raised more than \$2 billion in liabilities and obtained more than 44 criminal convictions. During 2015–16 ongoing Wickenby outcomes included a Sydney accountant being sentenced to two years' imprisonment for his role in advising a client about moving money offshore, resulting in tax avoidance totalling \$4.5 million, and another person being sentenced to two-and-a-half years' imprisonment after pleading guilty to taxation fraud totalling \$1.86 million.

ELIGO TASK FORCE

Disrupting an international money launderer

Through Eligo's work investigating suspicious money flows, Pakistani national, Altaf Khanani, was identified as a financial controller moving money offshore for organised crime networks operating in Australia. The ACC worked closely with the Australian Federal Police and United States Drug Enforcement Administration to identify Khanani's money laundering methodologies and scope of operations. He was facilitating illicit money movements between Pakistan, the United Arab Emirates, United States, United Kingdom, Canada, Australia and other countries. His clients included Chinese, Colombian and Mexican organised crime groups as well as Hezbollah, the Taliban and al-Qa'ida.

Khanani was arrested in Panama in September 2015. In October 2015 the United States Department of the Treasury's Office of Foreign Assets Control sanctioned the Altaf Khanani Money Laundering Organisation and his Dubai-based money services business Al Zarooni Exchange, designating them under an executive order that targets transnational criminal organisations.

Highest Risk Criminal Targets No. 2 Special Investigation

The highest risk serious and organised crime entities pose a threat to Australia's national interests. This special investigation provides the umbrella for nationally coordinated investigative and intelligence strategies designed to identify, detect, disrupt and reduce the threat posed by the highest risk serious and organised crime groups impacting Australia.

Discover and understand

In 2015–16, through the Highest Risk Criminal Targets No. 2 Special Investigation, the ACC:

- conducted 33 coercive examinations, generating intelligence that ACC partners could act on regarding serious and organised crime targets that represent the greatest threat and risk nationally

- added 18 criminal entities to the National Criminal Target List
- produced 943 intelligence products, shared with partners through 2,261 disseminations to build greater understanding of emerging issues including:
 - known and previously unknown entities involved in serious and organised crime
 - methodologies used in relation to illicit drugs
 - illicit firearms trafficking
 - activities of entities on the National Criminal Target List
 - criminal enterprises of people linked to serious and organised crime groups involved in the illicit tobacco trade
 - laundering proceeds of crime
 - use of self-storage facilities by serious and organised groups
 - use of professional facilitators by serious and organised groups
 - vulnerabilities in currently unregulated industries being exploited by serious and organised crime groups
 - use of encrypted communications by serious and organised groups.

Respond

Disruption activities

The Highest Risk Criminal Targets No. 2 Special Investigation led to significant responses this year including:

- 30 criminal entities disrupted
- 542 charges against 140 people
- 11 people convicted
- \$1,069.56 million estimated street value of drugs seized
- \$1 million worth of assets restrained
- \$2.2 million cash seized.

Also this year, proceeds of crime action was finalised against a former Finks outlaw motor cycle gang president in the Brisbane Supreme Court. Cash and property currently valued at around \$1.7 million were forfeited to the State of Queensland, following a long legal process dating back to 2003 and involving multiple challenges.

Task forces and joint projects

Through the Highest Risk Criminal Targets No. 2 Special Investigation, the ACC maintains a contemporary view of the serious and organised crime landscape in Australia. It does this through work under the interrelated Projects Rosencrantz, Iceberg and Macrobust.

Project Rosencrantz

Project Rosencrantz monitors and improves understanding of Australia's most significant serious and organised criminal risks. Also through Project Rosencrantz the ACC provided 25,515 automated alerts to relevant partners regarding financial transactions, company events or travel movements linked to entities on the National Criminal Target List.

Project Iceberg

Project Iceberg delivers intelligence to partner agencies, identifying leads on serious and organised criminal groups on the National Criminal Target List. This year through Project Iceberg the ACC produced 100 products that provided new information to partners—generating new insights, improving understanding of criminals' methods and creating opportunities for the ACC's partners to respond.

Project Macrobust

Project Macrobust develops state and territory intelligence highlighting the highest risk targets both regionally and transnationally, and supporting law enforcement to address serious and organised crime. During the year, Project Macrobust led to Joint Analyst Groups (see page 40) disclosing 146 intelligence products to partner agencies on issues such as professional facilitators in New South Wales, an increase in identity related organised crime activity in the Northern Territory, vulnerabilities in currently unregulated industries being exploited by serious and organised crime, use of encrypted technologies, illicit drug methodologies, illicit firearms trafficking, money laundering and other activities of entities on the National Criminal Target List.

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

PROJECT ICEBERG

Investigating Panama papers organised crime links

Through Project Iceberg the ACC is assisting the Australian Taxation Office to identify the nature and extent of serious and organised crime entities included in the 'Panama papers'.

In April 2016 around 11.5 million leaked documents from the Panamanian law firm, Mossack Fonseca, exposed how the world's rich and powerful can exploit secretive offshore tax regimes to hide money offshore and evade tax. Among the names in the papers were more than 1,000 Australians, including 80 matches with ACC criminal intelligence holdings and several names on the National Criminal Target List. The ACC conducted examinations on individuals linked to the Panama papers, providing valuable intelligence that will shape future audit and criminal investigation activity.

The ACC is continuing to work with the Australian Taxation Office, Australian Federal Police and other Commonwealth partners on the Serious and Financial Crimes Taskforce, to analyse and contextualise the Panama papers information.

State-based joint responses

Through the Highest Risk Criminal Targets No. 2 Special Investigation the ACC supports other state-based joint responses, including the:

- Victorian Joint Organised Crime Task Force—this task force supported a joint investigation with the Australian Commission for Law Enforcement Integrity during the year, leading to drug and money laundering charges against three people
- New South Wales Joint Organised Crime Group—results this year included the seizure of a total of 720 litres of liquid methylamphetamine, effectively removing 3.6 million hits of ice from the streets
- Western Australia Joint Organised Crime Task Force—results this year included the seizure of more than 200 kilograms of crystal methylamphetamine, with 14 people charged.

Highest Risk Criminal Targets—Victoria Special Investigation

This state-specific special investigation provided support to Victoria Police investigations through disseminations of intelligence derived from the use of 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 the state.

During 2015–16 the ACC held six coercive examinations that provided: intelligence around a criminal network and relationships across the wider criminal environment in Victoria; targeted intelligence that significantly advanced investigations and established further useful avenues of enquiry; and intelligence suitable for sharing between Victoria and several other states around criminal networking and activities.

This special investigation ceased on 30 June 2016. Further activities regarding highest risk criminal targets in Victoria will be carried out under the most appropriate authorised investigation or operation as required, noting this is limited to cases that involve Commonwealth offences or state offences with a federal aspect.

Highest Risk Criminal Targets—South Australia Special Investigation

This state-specific special investigation provided support to South Australia Police investigations through disseminations of intelligence derived from the use of ACC coercive powers, to improve existing ACC and South Australia Police intelligence holdings and collect evidence on the nature and extent of the serious and organised crime threat to the state.

This special investigation was not used in 2015–16, as activities related to highest risk criminal targets in South Australia were carried out under the authority of the Highest Risk Criminal Targets No. 2 Special Investigation (see page 21) and Outlaw Motor Cycle Gangs Special Operation (see page 29).

This special investigation ceased on 30 June 2016. Further activities regarding highest risk criminal targets in South Australia will be carried out under the most appropriate authorised investigation or operation as required, noting this is limited to cases that involve Commonwealth offences or state offences with a federal aspect.

Special operations

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

During 2015–16, the ACC gathered intelligence under five special operations:

- High Risk and Emerging Drugs No. 2 Special Operation
- Outlaw Motor Cycle Gangs Special Operation
- National Security Impacts from Serious and Organised Crime No. 2 Special Operation
- Making Australia Hostile to Serious and Organised Crime No. 2 Special Operation
- Child Sex Offences No. 2 Special Operation.

High Risk and Emerging Drugs No. 2 Special Operation

The production and supply of illicit drugs is the major activity of organised crime in Australia. This special operation monitors all Australian illicit drug markets and develops an increasingly holistic understanding of those markets, both domestically and internationally. Through this special operation, the ACC fills intelligence gaps about these constantly evolving markets and contributes to demand, supply and harm reduction strategies in line with the National Drug Strategy.

Discover and understand

In 2015–16, through the High Risk and Emerging Drugs No. 2 Special Operation, the ACC conducted 24 coercive examinations to fill intelligence gaps, identify insights and enhance understanding of serious and organised crime and high risk and emerging drugs, covering issues such as:

- diversion of chemicals to manufacture 3,4-methylenedioxymethamphetamine (MDMA) and 3,4-methylenedioxyamphetamine (MDA)
- manufacture of synthetic cannabis and importation of precursors and other substances for this purpose
- techniques used by organised crime groups in an attempt to defeat Australian border controls
- identification of methylamphetamine trafficking syndicates with links to a number of states.

WASTEWATER

National waste water analysis program

In May 2016 the Minister for Justice approved \$3.59 million over three years for a national waste water analysis program.

The National Ice Taskforce report recommended adding waste water analysis to the tools used to improve understanding of Australian drug markets.

The ACC has long advocated waste water analysis as an important tool in measuring the level of demand for and use of drugs in the community. It will work with entities that successfully deliver services of this type and task them with producing regular data and research reports from collected samples from each Australian capital city and additional regional cities and towns of interest. The ACC expects to derive regular reports from the data, which it will share widely through both public and classified publications.

Through the High Risk and Emerging Drugs No. 2 Special Operation in 2015–16, the ACC also produced 93 intelligence products, shared with partners through 270 disseminations, building a greater understanding of issues such as the:

- methylamphetamine market in Australia
- purchase of illicit drugs on the Darknet
- trends in the non-medical use of pharmaceuticals in Australia
- changes to the MDMA market
- factors that might influence the Australian heroin market over the next five years, including the link between heroin and pharmaceutical opioid use, the type and availability of heroin in Australia, and patterns of poly-drug use
- use and supply of steroids and other performance and image enhancing drugs
- continued efforts to reduce the organised crime threat to sports.

Poly-drug use and trafficking

ACC examinations and operational activity during 2015–16 identified examples of poly-drug imports, trafficking and local supply. This reflects the trend by drug users to consume a series of substances simultaneously. Together with the National Ice Taskforce and other law enforcement agencies, the ACC has identified a need for a more agile response to illicit drug markets—to target multiple drug markets simultaneously while remaining mindful of the impact on other markets, including to prevent demand from one market transferring to another.

Innovative drug manufacture

Intelligence derived from an examination under the ACC's Project Alberta, as well as human source reporting, led to the seizure in Queensland of 30 kilograms of precursor chemicals and the discovery of an active drug laboratory. It will be alleged that the laboratory was being used to manufacture border controlled drugs through an innovative technique that solely uses chemicals not controlled by Commonwealth, state or territory legislation.

Precursor Chemicals Information Resource

In April 2016 Minister the Hon Michael Keenan MP and ACC CEO Chris Dawson released the updated ACC *Precursor Chemicals Information Resource*. The resource informs law enforcement agencies, regulators, policy officers and industry about chemicals at risk of diversion for illicit drug manufacture. It has been distributed to domestic and foreign law enforcement agencies, forensic services and industry.

Respond (prevention activities)

Diversion of pharmaceuticals

The ACC is concerned about the non-medical use of pharmaceutical opioids such as oxycodone and fentanyl. Successful disruption requires close relationships with the medical sector and the pharmaceutical industry to identify points of vulnerability in the legitimate supply chain that can be exploited by organised crime groups. As with the performance and image enhancing drugs market, a small number of medical and health professionals are profiting by acting as professional facilitators for organised crime groups. Highlighting examples of this practice is important to harden the environment against organised crime. During 2015–16 the ACC enhanced relationships with the pharmaceutical industry and health sector, identified stages in the supply chain that may require scrutiny to reduce diversion of pharmaceuticals to the illicit market, enhanced knowledge of poly-drug use and supply in some rural and regional areas, and collaborated with other Commonwealth agencies and drug squads around the country to monitor and disrupt suspicious chemical transactions.

Methylamphetamine market

During 2015–16 the ACC’s response to the ice problem shifted away from producing strategic products to informing policy responses, collecting intelligence and developing targets in specific areas of concern. This change means the ACC will be able to conduct an updated assessment of the methylamphetamine market during 2017. Following the release of the ACC’s unclassified methylamphetamine report in early 2015, an ACC officer was embedded in the National Ice Taskforce’s secretariat. The Taskforce delivered a report to Government in late 2015, and the Council of Australian Governments subsequently agreed to recommendations in the National Ice Action Strategy.

Outlaw Motor Cycle Gangs Special Operation

Outlaw motor cycle gangs (OMCGs) are highly visible crime entities, with a presence in all Australian states and territories and overseas. They are resilient and opportunistic about adapting, evolving to expand into new criminal markets. Through this special operation the ACC works with partners to improve understanding of OMCGs and cause effective disruption of criminal gang activity.

Discover and understand

In 2015–16, through the Outlaw Motor Cycle Gangs Special Operation, the ACC:

- conducted 39 coercive examinations that:
 - generated intelligence and informed proactive targeting of OMCGs
 - helped reduce conflict or duplication between the activities of different jurisdictions
 - further developed the national picture of membership of the Rebels, Hells Angels, Mongols (Finks), Bandidos and Comanchero motor cycle clubs
- produced 609 intelligence products, shared with partners through 1,851 disseminations, building greater understanding of issues such as:
 - OMCGs’ state/territory criminal and wealth footprints
 - drug importation and distribution
 - money laundering
 - firearms distribution
- responded to 418 requests for information from partner agencies, supporting their intelligence development and investigations into OMCGs
- deployed intelligence analysts to support national and international OMCG operations.

Standardised definition

The ACC has also worked with partners to develop a nationally consistent, standardised definition of what constitutes an OMCG, its membership and associates. This definition is strengthening law enforcement reporting. These gangs that see themselves as the ‘one percenters’ who operate outside the law, as opposed to the 99 per cent who operate within the law.

Respond (disruption activities)

During 2015–16 the ACC’s work under the Outlaw Motor Cycle Gangs Special Operation influenced or contributed to responses that resulted in 18 disruptions.

Australian Gangs Intelligence Coordination Centre

The ACC-led Australian Gangs Intelligence Coordination Centre (AGICC) operates under Project Legion to build and coordinate an intelligence-led response to OMGCs and other known gangs. It links strategic understanding of the national picture with intelligence that supports operational and tactical responses. The AGICC provides a dedicated intelligence capability for the National AntiGangs Squad led by the Australian Federal Police, and intelligence and assistance to state and territory police gang squads.

During 2015–16 the AGICC:

- provided 628 intelligence products to fill gaps in knowledge and provide leads for action
- responded to 418 requests for information from 22 international, Commonwealth, state and territory partners, disseminating 378 responses with information.

The AGICC also strengthened law enforcement understanding of Australian-based gangs through delivery of the National Gangs List, and provided insights into gangs and their activities by delivering operational and strategic intelligence reporting.

National Task Force, Operation Morpheus

The multi-agency national Task Force, Operation Morpheus, is a joint initiative of all law enforcement agencies and Commonwealth partners that facilitates collaborative targeting of the highest outlaw motor cycle gang risks to Australia.

In 2015–16 Morpheus achievements included:

- 1,076 arrests
- 2,650 charges
- 1,943 legal and other notices served, involving millions of dollars, for failing to comply with obligations such as lodging tax returns and correctly declaring income

- the seizure of:
 - more than \$1.58 million cash
 - approximately 4.29 kilograms of cocaine
 - approximately 38 kilograms of MDMA
 - approximately 112 kilograms of cannabis and 45 cannabis plants
 - 181 vials and 538 tablets of steroids
 - 140 firearms
 - 11,936 rounds of ammunition
 - six motor vehicles, one boat, eight motorcycles and a collection of jewellery, luxury handbags and shoes.

National Security Impacts from Serious and Organised Crime No. 2 Special Operation

Serious and organised crime is a threat to national security. Through this special operation the ACC works closely with law enforcement and national security agency partners to reduce this threat by focusing on those areas where serious and organised crime converges with other national security activities.

Due to the nature of this special operation, it is not possible to report many specific details and achievements. However, key stakeholders have acknowledged the benefits of the ACC's work in this area.

Discover and understand

In 2015–16, through the National Security Impacts from Serious and Organised Crime No. 2 Special Operation, the ACC:

- conducted 41 coercive examinations to fill intelligence gaps and develop the national picture on current and emerging threats
- produced 159 intelligence products, shared with partners through 491 disseminations, building greater understanding of issues including:
 - the evolving threat posed by foreign fighters
 - previously unknown potential threats
 - terrorism financing and associated serious and organised crime
 - vulnerabilities in the aviation sector that may be open to exploitation by serious and organised crime.

Respond

Foreign fighters

During 2015–16 work under the National Security Impacts from Serious and Organised Crime No. 2 Special Operation supported the whole-of-government response to combating the foreign fighters' threat through Project Ridgeline and its sub-projects. The ACC used its intelligence collection capabilities and supported counter-terrorism and serious and organised crime investigations and intelligence activities regarding foreign fighters, domestic terrorism threats, terrorism financing and associated serious and organised crime.

Monitoring and disruption

The ACC contributed to domestic monitoring and disruption activities and applied its Fusion specialist data analytics tools (see page 39) to proactively identify persons of potential interest to national security partners.

Lone actors

Work also continued this year under Project Ridgeline-Pinecrest, which aims to proactively identify individuals in the community who display behavioural characteristics consistent with the profile of lone actor. During the year, the model for this project moved from a proof of concept to business as usual, for the ACC and all involved partners.

Making Australia Hostile to Serious and Organised Crime No. 2 Special Operation

As serious and organised crime becomes ever more diversified, sophisticated and complex, Australia must find more innovative ways of identifying and preventing such criminal activity before it gains a foothold. Through this special operation the ACC works closely with partners to help make Australian society, institutions, industries and economy hostile to serious and organised crime.

Discover and understand

In 2015–16, through the Making Australia Hostile to Serious and Organised Crime No. 2 Special Operation, the ACC:

- conducted 20 coercive examinations
- produced 199 intelligence products, shared with partners through 995 disseminations, building a greater understanding of issues such as:
 - cybercrime impacting Australia
 - visa and migration fraud methodologies
 - firearms and the serious and organised criminal environment
 - encrypted communications
 - exploitation of virtual currencies
 - offshore unregulated bookmaking
 - public sector corruption
- added six criminal entities to the National Criminal Target List.

Cybercrime

Through Project Longstrike, the ACC contributes insights, awareness and intelligence on cybercrime, which domestic and international partners can act on. For example, during 2015–16 this included authoring the cybercrime section of the Australian Cyber Security Centre’s annual threat assessment, providing monthly high level summaries of the known cybercrime environment, producing a joint report with the United States Federal Bureau of Investigation on characteristics of cybercrime activity, engaging with industry and sharing information as appropriate with private sector partners, which it did on 31 occasions this year.³

The ACC also contributed to the successful Australian Cyber Security Centre conference in April 2016. The conference identified many new opportunities for industry collaboration on cybercrime threat intelligence.

In addition, three ACC analysts were seconded to the International Cyber Crime Coordination Cell (IC4) during the year (one long-term and two short-term placements). IC4 is a collaborative effort to identify, target and apprehend the most significant cybercriminals and disrupt key enablers of the cyber underground.

During 2015–16 the ACC secured additional funding of \$16 million over four years, as part of Australia’s Cyber Security Strategy announced on 21 April 2016. This will strengthen the ACC’s ability to combat the persistent and increasing threat of cybercrime by delivering a comprehensive expansion of the ACC’s cybercrime intelligence capability.

Australian Cybercrime Online Reporting Network (ACORN)

The ACC is responsible for the administration of the Australian Cybercrime Online Reporting Network (ACORN). This national policing initiative by the Commonwealth, state and territory governments allows the public to securely report cybercrime incidents. The ACORN also provides advice to help people recognise and avoid common types of cybercrime.

From 1 July 2015 to 30 June 2016 there were 41,341 ACORN reports on incidents ranging from online scams to cyber bullying. By developing a deeper understanding, it is possible to identify new and emerging threats and provide actionable intelligence to response partners, including law enforcement, to ultimately make cybercrime harder to commit and less rewarding.

Visa and migration fraud methodologies

As a result of intelligence briefs developed under Project Sinis, the Australian Border Force stood up an investigation to explore the issues highlighted. In addition, as a result of intelligence briefs developed under Project Sinis the new Board-approved Criminal Exploitation of Australia’s Migration System Special Operation commenced on 1 July 2016.

³ Under s59AB of the ACC Act, the ACC is permitted to disclose specific information to bodies corporate. For further information see Appendix A.

Firearms and the serious and organised criminal environment

During the year projects Kardinia and Nox closed, with work consolidated into Project Mylonite. The ACC produced a number of classified assessments in relation to firearms including the National Illicit Firearms Assessment, assisting partners to better understand vulnerabilities of the licit and illicit firearms markets. The firearms trace dataset includes some 1.8 million firearm transactions and importation records. This year the ACC responded to 872 firearm trace requests, disseminating 209 responses with information.

Encrypted communications

A strategic assessment, produced under Project Muskwood, provided a national perspective on the quality and prevalence of commercially available data communications encryption in the Australian market, and explored the implications of serious and organised crime use of encryption for law enforcement intelligence collection.

Exploitation of virtual currencies

The threat to Australia posed by serious and organised crime and virtual currencies was the topic of a strategic assessment produced under Project Longstrike. Criminals use virtual currencies for illicit trade, including of malicious software, hacking services, stolen identity and financial information, illicit drugs, weapons and child exploitation material.

Offshore unregulated bookmaking

This year under Project Petram the ACC began examining the nature and extent of domestic criminal exploitation of offshore unregulated bookmakers. This is an ongoing project funded by the Office of Sport in the Department of Health.

Public sector corruption

Through Project Sycamore, in collaboration with the Australian Institute of Criminology, the ACC provided advice on Commonwealth public sector bribery and whether there is intelligence to support concerns of systemic corruption.

Wildlife and Environmental Crime Team

The Making Australia Hostile to Serious and Organised Crime No. 2 Special Operation also supported work of the Wildlife and Environmental Crime Team, which operated between July 2014 and June 2016, collecting intelligence to better understand the nature and extent of serious and organised crime involvement in wildlife and environmental offences.

Overall, during its two years in operation, the Wildlife and Environmental Crime Team:

- conducted 63 visits to 43 regional towns

- conducted eight examinations to fill intelligence gaps, identify insights and enhance the broader understanding of wildlife and environmental crime in Australia
- produced 65 tactical intelligence products, provided to partner agencies through 235 disseminations.

As a result of the team's intelligence, the Queensland Department of Environment and Heritage Protection and Queensland Police Service executed six search warrants resulting in the seizure of over 160 protected reptiles, seven guilty pleas to offences, and three Penalty Infringement Notices issued under the *Nature Conservation Act 1992*. The Victorian Department of Environment, Land, Water and Planning also executed a search warrant, recovering 13 protected reptiles, and plans further investigative actions. Partner agencies will continue investigations into the future as a result of intelligence gleaned.

The team was funded for two years through the Department of the Environment as part of the Australian Government's *Reef 2050 Plan* and associated *Dugong and Turtle Protection Plan*. A core element of this plan was the ACC's investigation into the extent of illegal poaching and trade of turtle and dugong meat occurring in far North Queensland and Torres Strait.

Child Sex Offences No. 2 Special Operation

Child sex offenders are becoming increasingly sophisticated in their networking activities and more able to access information to facilitate their crimes. In particular, advances in technology and the expansion of the internet are enabling online child sex offending. This special operation received referrals on issues relating to child sex offenders involved in online exploitation, sharing child pornography and child exploitation material, grooming children and child sexual exploitation in travel tourism.

The ACC used its coercive powers to:

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

This special operation ceased on 30 June 2016. Overall, it produced five information reports, including one in 2015–16, shared with partners through 17 disseminations. The ACC will now undertake work relating to the sexual exploitation of children through the new Emerging Organised Crime Threats Special Operation.

Strategic information provided to law enforcement

The ACC's intelligence products, advice and recommendations enhance national understanding of the organised criminal environment to inform collaborative responses, both immediate and longerterm.

The ACC builds up the national picture by fusing and analysing intelligence from its investigations and operations and from intelligence feeds from partner agencies.

Much of the intelligence is classified and only shared with partner agencies. However, the ACC increasingly engages with the private industry to share its understanding of the threat picture and releases unclassified information to the public to help prevent or harden the environment against serious and organised crime threats.

Flagship publications

The ACC's flagship publications, collectively called the *Picture of Criminality in Australia*, are the:

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

Organised Crime Threat Assessment

This market-based risk assessment examines Australia's key illicit markets and the activities that enable serious and organised crime. Markets include illicit drugs, economic crime (such as cybercrime and investment and financial market fraud), specific crime markets (such as firearms and environmental crime), and crimes against the person (such as human trafficking and slavery and sexual exploitation of children). Key enablers include money laundering, technology, professional facilitators, identity crime, public sector corruption, and violence and intimidation.

Organised Crime in Australia

This is a biennial, unclassified version of the *Organised Crime Threat Assessment*. It highlights the widespread impact of organised crime on everyday Australians—informing government, industry, the private sector and the community about key crime markets and enablers, and how they pose a threat to the Australian community. The next *Organised Crime in Australia* report is due in 2017.

INTELLIGENCE

Sharing intelligence

During 2015–16 the ACC shared 28,133 products with 176 agencies. This included one flagship intelligence publication, 21 strategic assessments, strategic insights products and discussion papers, 39 operational analysis products, 63 intelligence briefs and issues reports, 1,859 information reports, 635 other tactical information products and 25,515 automated alerts.

National Criminal Target Report

This biennial classified report provides decision-makers with a consolidated national picture of the risk posed by serious and organised crime groups affecting Australia. It informs both operational law enforcement work and strategic measures to combat serious and organised crime. The schedule for this classified report has changed from annual to biennial, with the next report to be released in 2017.

Illicit Drug Data Report

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

Organised Crime 2025

This report, released in late 2015, is the third in the ACC's series of strategic foresight products that examine factors likely to affect the Australian criminal environment over the next decade. It discusses key elements of change and interprets emerging patterns of behaviour that may result in significant change in the organised crime environment. This includes trends in demographics, economics, technology, globalisation, employment and illicit markets.

Strategic assessments

In addition to its flagship publications, the ACC also produces strategic assessments that provide Board member agencies and other relevant agencies with assessments of crime types, markets or criminal issues of national importance. These products support and influence a range of intelligence, operational and response decisions, and inform government consideration of future strategies including policy development.

In 2015–16 strategic assessments topics included:

- the costs of serious and organised crime⁴
- abuse of the cheque encashment industry
- illicit firearms
- encrypted communications
- criminal exploitation of the virtual currency market
- potential vulnerabilities in Australia's Emissions Reduction Fund
- counterfeit food in Australia.

Strategic insights

The ACC's strategic insights products provide new insights into serious and organised crime threats, groups, vulnerabilities, methodologies or markets. They inform and influence appropriate operational, regulatory and policy responses.

In 2015–16 strategic insights topics included:

- exploitation of online foreign exchange trading
- organised crime threat to good governance
- the Australian heroin market.

⁴ The ACC released two draft consultative versions of this product to private sector organisations under section 59AB of the ACC Act. For further information see Appendix A.

National assets

In 2015–16 the ACC continued to provide its unique capabilities and support to partners to complement and maximise national responses to serious and organised crime. It also continued to bring different partners together whose varied expertise and capabilities can be combined to combat the common threat.

National Criminal Intelligence System

In 2015–16 the ACC began work on the National Criminal Intelligence System (NCIS) Pilot Program. The aim is for NCIS to replace the 30-year-old national asset, the Australian Criminal Intelligence Database (ACID, see page 40), that underpins the collection, collation, analysis and sharing of ever increasing amounts of data. NCIS will deliver a federated intelligence and information sharing platform for collaboration and intelligence sharing with partners, common and improved analytical tools, near real-time monitoring, deconfliction, alerts and indicators, and effective management tools to support activities such as tasking and reporting. The pilot began in July 2015 and runs for two years. It includes proof of concept activities, with additional funding required to complete the development of the full NCIS.

Fusion capability

Established in 2010, the ACC-led National Criminal Intelligence Fusion Capability (Fusion) has evolved from a standalone capability to become integrated into business-as-usual across the ACC. Fusion brings together specialist people, tools and data from more than 20 Commonwealth, state and territory agencies to develop insightful intelligence about serious and organised crime in Australia. Fusion is integral to results achieved across many areas of the ACC's work and increasingly in demand by partners.

Australian Gangs Intelligence Coordination Centre

The multi-agency Australian Gangs Intelligence Coordination Centre (AGICC) has been operating at the ACC since December 2013. Housed in a custom-built operations room within ACC headquarters, the AGICC brings together specialist staff from the ACC, Australian Federal Police, Australian Taxation Office, Department of Immigration and Border Protection, and Centrelink. This is a key government initiative to combat the growing threat of OMCs. See more details on page 29.

Joint Analyst Groups

Joint Analyst Groups (JAGs) are multi-agency intelligence functions located in each state and territory. They bring together analysts from the ACC, jurisdictional police and other Commonwealth and state partner agencies. The JAGs identify, coordinate and prioritise intelligence about targets and threats at a jurisdictional level. They provide this intelligence to Joint Management Groups (forums of senior managers) to inform the coordination of operational and intelligence decision-making. Established in 2013, the JAGs are continuing to develop and provide increasingly mature and timely advice to the Joint Management Groups.

Australian Criminal Intelligence Model

The Australian Criminal Intelligence Model is an agreed national framework to ensure quality intelligence supports tactical, operational and strategic decision-making via common standards, processes and protocols. This ACC Board-endorsed model is improving the flow of criminal intelligence within and across the three operating domains of: policing and community safety; serious and organised crime; and national security. This is a significant step towards treating criminal intelligence as a national asset—something that is collected once and used for the benefit of many.

Australian Criminal Intelligence Forum

Australian heads of intelligence collaborate on implementing the Australian Criminal Intelligence Model and formulating national advice to the ACC Board and other stakeholders through the Australian Criminal Intelligence Forum. The forum consists of agencies from the three operating domains of policing and community safety, serious and organised crime, and national security.

National database and tools

The ACC maintains the Australian Law Enforcement Intelligence Network (ALEIN). There are currently 27 international, Commonwealth, state and territory law enforcement agencies connected to ALEIN. This secure extranet that provides a gateway for partners to access the:

- Australian Criminal Intelligence Database (ACID)—this national criminal intelligence and information system, mandated in section 7A(a) of the ACC Act, includes much of the intelligence the ACC assembles as well as intelligence uploaded by partners.
- National Criminal Target List—this list details the risk posed by Australia’s nationally significant serious and organised crime targets, including those based offshore but active in Australia’s criminal markets. Analysis of the list informs strategic decisions, directing resources towards the targets posing the highest level of threat and risk. It also informs major policy initiatives.

- National Target System—this secure online data repository contains information on nationally significant organised crime groups. This system houses both the National Criminal Target List and the National Gangs List.
- Automated alerting service—this service monitors entities on the National Criminal Target List and automatically reports new activities to relevant partners.
- Gangs Intelligence Hub—this central and secure hub of OMCG and criminal gang information and intelligence supports the capability to share information among partner agencies about gang activity in Australia and overseas.
- National Gangs List—this nationally accessible, secure and validated database contains gang and membership details for 38 Australian-based ‘one percenters’ OMCGs (see *Standardised definition* on page 30).
- National Clandestine Laboratory Database—this is a national repository of data and intelligence about seized clandestine laboratories.
- Violent and Sexual Crime Database—this database is used to capture information about violent and sexual crime.

ACC partners can access intelligence products stored within a ‘desk’ based structure within ALEIN. ALEIN is also a secure messaging channel for sharing criminal information and intelligence between Commonwealth, state and territory partners.

The ACC maintains the national intelligence picture on current and emerging threats. ACC partners contribute to and use this picture to guide responses to serious and organised crime.

Chapter 3

Identified criminal activity

Nature, scope, trends and patterns of organised crime page 44

Nature, scope, trends and patterns of organised crime

The ACC delivers a current intelligence picture of the serious and organised crime environment in Australia through its strategic intelligence production. By continually updating the national intelligence picture of the nature and extent of serious and organised crime threats affecting the Australian community, the ACC aims to inform national and state-based responses to the highest priority threats. During 2015–16, the ACC released a number of classified and unclassified publications. This section highlights key unclassified findings.

Key characteristics of serious and organised crime

Serious and organised crime is constantly evolving and adapting, seeking new markets to exploit for illicit profit and capitalising on advancing technologies to enable a truly global reach in its operations. Some priority crime threats are:

- the ongoing risk to the Australian community posed by the entrenched and resilient methylamphetamine market, as highlighted in the 2015 Final Report of the National Ice Taskforce
- the ongoing and significant threat posed by cybercrime and technology-enabled crime, acknowledged nationally and internationally, with implications for law enforcement, governments, business and the community
- the increasing risk of serious financial crime, which demonstrates how serious and organised crime groups are using technology to facilitate a global reach, create an appearance of legitimacy and obscure their true identities and locations.

Key enablers of organised crime

Key enablers are illicit activities (which can be crimes themselves) that underpin and contribute to the effectiveness of serious and organised crime, and therefore are key areas of risk.

Money laundering

Money laundering remains a fundamental enabler for almost all serious and organised criminal activity, as well as being a significant criminal activity in itself. Serious and organised crime entities increasingly engage the services of highly sophisticated professional money laundering syndicates, which use a variety of methodologies to launder money out of and into Australia. Methodologies include the use of alternative remittance services, informal value transfer systems, and trade-based money laundering.

Technology-enabled crime

Serious and organised crime entities use technology to extend their reach across jurisdictions and avoid detection. The majority of serious and organised criminal activities are now enabled, to some extent, by technologies. Technology is attractive to serious and organised crime, as it can provide anonymity to the criminals responsible for the crimes, obscure their activities and location, and increase their global reach, connecting them to potential victims and information around the world. The use of technology to enable criminal activities has also permitted entrepreneurial individuals with technology skills to enter illicit markets that might once have been dominated by serious and organised crime.

Professional facilitators

Serious and organised crime groups are using a range of professional facilitators to launder the proceeds of crime, hide illicit wealth and enhance their criminal activities. Professional facilitators are individuals with specialist skills and knowledge, who are used knowingly or unknowingly to facilitate criminal activities. The variety of professions that are enabling serious and organised crime is growing, as is the requirement, in an increasingly complex and global organised crime environment, for criminal groups to engage professional expertise.

Identity crime

Identity crime remains a key enabler of a wide range of nationally significant serious and organised crime markets. Identity crime enables serious and organised crime groups to use stolen personal identifying information to facilitate criminal activities. Identity crime will increasingly occur online due to an increased reliance on recording personal identifying information in online services. The ACC report, *The costs of serious and organised crime in Australia 2013–14*, estimates the cost of identity crime to be around \$1.2 billion a year.

Corruption

While the proportion of overall public sector corruption in Australia attributable to serious and organised crime is small, it is particularly harmful. Corruption provides a mechanism for serious and organised crime to conduct crime with relative impunity from the law. By promoting corruption, organised crime creates a vicious cycle, weakening the instruments of government and strengthening criminal networks. It can undermine public confidence in government and public office, leading to a generalised questioning of the credibility and legitimacy of governments and the withdrawal of public support.

Violence and intimidation

Violence and intimidation continue to enable serious and organised criminal activity in Australia. Victims of violence and intimidation by serious and organised crime members or groups may be reluctant to report their experiences to police or health professionals, particularly if they have not experienced serious physical harm and if they fear retribution for reporting the incident. Violence committed by organised crime in the public domain also increases the likelihood of harm to innocent members of the public.

Key illicit markets

Illicit drugs

The Australian illicit drug market remains highly lucrative, with growing demand for a wide variety of substances.

Poly-drug use is a feature of the market, with some serious and organised crime groups capitalising on the demand for multiple drug types by importing, cultivating, manufacturing or trafficking several drug types simultaneously. Law enforcement and health agencies face increasing challenges from poly-drug use, poly-drug trafficking, and illicit drug use and supply within social groups. These trends complicate investigations by law enforcement agencies, simplify and diversify illicit drug supply by organised crime groups, and substantially increase the harms posed by drug use to society as a whole. Use and supply within social groups normalises illicit drug use and consolidates demand for illicit substances: drug use becomes synonymous with social events, the serious implications of drug supply rationalised away.

The **methylamphetamine** market poses the highest level of risk to Australia. Since 2010, the methylamphetamine market, in particular the crystal methylamphetamine component of the market, has continued to grow rapidly. The methylamphetamine market continues to be assessed as the highest risk illicit drug market in Australia, and transnational organised crime groups continue to be involved in this market. According to available data, in 2014–15 there was a significant decrease in detections of methylamphetamine precursors at the Australian border, coupled with a significant increase in border detections of finished product, particularly crystal methylamphetamine. Despite the decrease in methylamphetamine precursor detections at the Australian border, there is still a significant level of domestic methylamphetamine production.

The **cocaine** market in Australia remains entrenched. In 2014–15 there was an increase in both the number and weight of cocaine detections at the Australian border, with a record number of national cocaine seizures and arrests. The high profit margin for cocaine in Australia compared with international markets means that cocaine will continue to be trafficked into Australia.

The **illicit pharmaceutical opioid market** is inextricably linked to the heroin market because of the similar effects of these substances. While most indicators suggest that the heroin market has remained relatively stable, there is potential for the increasing non-medical use of pharmaceuticals such as oxycodone and fentanyl to drive demand for opiates and cause regeneration of the domestic market. The ACC will continue to monitor this market for indications of change.

An area of increasing threat is the **performance and image enhancing drug market**. This market appears to be growing rapidly in Australia and consists of users from an increasingly diverse demographic who are using a wide range of substances. One of the key drivers of the market is a strong youth culture, particularly prevalent among young males, which is focused on a muscular and athletic physical appearance. In 2014–15, the number and weight of national steroid seizures were at record highs, with a record number of national steroid arrests also reported.

The Internet—particularly Darknet marketplaces—remains an ongoing source for all illicit drugs, particularly for illicit pharmaceuticals performance and image enhancing drugs and new psychoactive substances.

Economic crime

Cybercrime is a pervasive threat to Australia’s national interests and economic prosperity, which will continue to increase over the next two to five years. The global cybercrime market is a low risk, high return criminal enterprise, with cyber-related goods and services in strong supply and demand. These goods and services are easily accessible through online marketplaces (Darknets). Most of the cybercrime threat affecting Australia originates offshore, and the significant financial gains for serious and organised crime groups will ensure the persistence of the global cybercrime threat.

Investment and financial market fraud can be a complex, sophisticated and transnational activity that generates significant illicit profits with minimal risk of disruption, making it attractive to organised crime. This type of fraud refers to fraudulent investment schemes, manipulation or exploitation of legitimate share markets and the exploitation of financial securities to commit fraud or launder proceeds of crime. Domestic and overseas-based serious and organised crime groups involved in investment and financial market fraud continue to target Australia because of the relatively stable economy and high subscription to share purchases.

Revenue and tax fraud involves the intentional and dishonest evasion of taxation obligations. Identity crime and the use of professional facilitators are key enablers of revenue and tax fraud. Online tax returns remain a risk in tax refund fraud, which also demonstrates the importance of technology in enabling serious and organised crime in this market. Revenue and tax fraud is demonstrated through illegal activities such as fraudulent phoenix behaviours, offshore tax evasion, abusive use of trusts, and research and development tax incentive fraud.

The Australian **superannuation** industry maintains investments totalling \$2.1 trillion, which means this sector is a highly attractive target for serious and organised crime. The continual increase in value of the Australian superannuation sector provides an attractive target for organised crime, and changes in the superannuation environment provide opportunities for such groups to use new methodologies. Increasingly, technology is enabling fraudulent activities in this sector, as the move to online platforms increases. Losses to individual superannuation funds through the fraudulent activities of serious and organised crime groups have the potential to increase financial hardship due to greater reliance on welfare payments.

The **card fraud** market continues to be dominated by overseas-based groups. Card-not-present fraud currently represents 80 per cent of all frauds committed on Australian cards, and this figure continues to increase. Despite tightened security measures, technology is enabling card fraud activities. Card details stored on mobile payment platforms may be vulnerable to compromise, as a result of smartphone malware, access to public unsecured Wi-Fi and weak user passwords. As Australia becomes an increasingly cashless society, it is likely that card fraud offences will increase.

Serious and organised crime remains entrenched in the **illegal tobacco market**. Organised crime involvement in the illegal tobacco trade results in significant loss of government revenue.

Criminals continue to acquire and use **firearms** to enable their criminal business, to protect their interests, intimidate and commit acts of violence. The use and distribution of illegal firearms by criminals is not only a serious national threat, but also a significant safety concern for the Australian community.

Visa and migration fraud continues to threaten the integrity of the Australian migration system, serving as a profit-making illicit industry for serious and organised crime. Visa and migration fraud can be complex, systemic and organised, involving a range of complicity individuals and criminal groups.

Crimes against the person

Serious and organised crime entities remain involved in crimes against the person. These crimes include sexual exploitation of children and human trafficking and slavery. They can result in serious harms to the individuals who are exploited.

The ACC builds the national picture and breaks the business of serious and organised crime.

Chapter 4

Appendices

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Appendix A: Reporting requirements index

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

Compliance with Section 61 of the ACC Act

Section of the ACC Act	References in this report
Section 61(2)(a) a description of any investigation into matters relating to federally relevant criminal activity that the ACC conducted during the year and that the Board determined to be a special investigation	<i>Section 2: Description of activities</i>
Section 61(2)(b) a description, which may include statistics, of any patterns or trends, and the nature and scope, of any criminal activity that have come to the attention of the ACC during the year in performance of its functions	<i>Section 3: Identified criminal activity</i>
Section 61(2)(c) any recommendations for changes in the laws of the Commonwealth, of a participating State or of a Territory, or for administrative action, that, as a result of the performance of the ACC's functions, the Board considers should be made	<i>Appendix B: Recommendations for legislative change</i>
Section 61(2)(d) the general nature and the extent of any information furnished by the CEO during that year to a law enforcement agency	<i>Section 2: Description of activities</i>
Section 61(2)(da) the general nature and the extent of any information disclosed by the CEO during that year to a body corporate under section 59AB ⁵	<i>Pages 33 and 38</i>
Section 61(2)(e) the extent to which investigations by the ACC have resulted in the prosecution in that year of persons for offences	<i>Appendix C: Court proceedings</i>
Section 61(2)(ea) the extent to which investigations by the ACC have resulted in confiscation proceedings	<i>Appendix C: Court proceedings</i>
Section 61(2)(g) particulars of the number and results of: (ii) applications made to the Federal Court of the Federal Magistrates Court under the <i>Administrative Decisions (Judicial Review) Act 1977</i> for orders of review in respect of matters arising under this Act; and (iii) other court proceedings involving the ACC; being applications and proceedings that were determined or otherwise disposed of, during that year.	<i>Appendix D: Judicial decisions</i>

5 Under s59AB of the ACC Act, the ACC is permitted to disclose specific information to bodies corporate. This has been the case since an amendment to the ACC Act in 2012. However, no specific reporting on this as per section 61(2)(da) has occurred to date, due to an oversight. During 2012–13 there were 18 such disclosures, mainly a presentation to banking representatives, and four alerts on card skimming activities. In 2013–14, one disclosure was made regarding encrypted data. In 2014–15, one disclosure was made in relation to cybercrime.

Appendix B: Recommendations for legislative change

Merger of CrimTrac with the ACC

On 5 May 2016 the *Australian Crime Commission Amendment (National Policing Information) Act 2016* and the *Australian Crime Commission (National Policing Information Charges) Act 2016* received Royal Assent.

The legislation commenced on 1 July 2016, and effectively merged the CrimTrac agency with the ACC. The amendments enable the ACC to carry out CrimTrac's functions, provide for governance of the merged agency, and allow the CrimTrac Special Account to continue.

The Australian Crime Commission Amendment (National Policing Information) Regulation 2016 also commenced on 1 July 2016. The Regulation prescribes:

- a. bodies from which the merged agency will be able to collect 'national policing information' (intended to capture all bodies from which CrimTrac currently collects information)
- b. kinds of information for the purposes of the definition of 'national policing information' (intended to capture all information that is currently collected and disseminated by CrimTrac through its existing systems, to enable the merged agency to carry out its new national policing information function)
- c. the name by which the merged agency may also be known, which is the Australian Criminal Intelligence Commission (ACIC).

While the merged agency may also be known as the ACIC, the ACC Act retains its existing title, and the ACC Board continues in existence, taking on the additional functions previously performed by the CrimTrac Board of Management. Both CrimTrac, and the CrimTrac Board of Management, effectively ceased to exist on 1 July 2016. The Governor-General made an order to abolish the CrimTrac agency as an Executive Agency on 1 September 2016.

The *Australian Crime Commission (National Policing Information Charges) Determination 2016* was also made on 5 May 2016, and prescribes the amount the merged agency is able to charge for the provision of criminal history checks. The Determination provides a legislative basis for the current CrimTrac charging regime.

The Minister, on recommendation from the Board, may determine new charges if appropriate. This provides flexibility for the ACIC if it wishes to charge for additional services in the future. The Determination will enable the ACIC to continue CrimTrac's current funding model.

Merger of Australian Institute of Criminology into the ACC

The Australian Crime Commission Amendment (Criminology Research) Bill 2015 was passed by the House of Representatives on 10 November 2015 and debated in the Senate on 30 November 2015, but debate was adjourned before a vote. The Bill would repeal the *Criminology Research Act 1971* (abolishing the Australian Institute of Criminology) and transfer the Australian Institute of Criminology's functions and financial powers and responsibilities (including administration of the Criminology Research Special Account) to the ACC. The Bill lapsed on the dissolution of Parliament on 9 May 2016.

Changes and clarifications to the ACC Act

The *Law Enforcement Legislation Amendment (Powers) Act 2015* commenced operation on 28 July 2015. The new laws significantly amended the ACC Act to clarify:

- when coercive examination powers may be used
- the circumstances in which examination material and information derived from examination material may be disclosed, shared or used, including by prosecuting agencies.

In particular, the new laws:

- authorise the ACC to examine a person after they have been charged with a related criminal offence and to ask questions about the subject matter of the charge
- authorise the ACC to conduct examinations after confiscation proceedings have commenced against an examinee
- authorise the derivative use of examination material to find evidence that may be used in criminal proceedings against the examinee
- clarify and strengthen safeguards to protect the examinee's fair trial, including limiting when examination material and some types of derivative material may be provided to the prosecutor.

Appendix C: Court proceedings

Prosecutions

During 2015–16, ACC-related court results included convictions for offences such as illicit drug offences, fraud and deception, prohibited weapons and explosives offences, theft and ACC Act offences. The ACC achieved these results by working closely with its partners.

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

Where a matter has several results, all convictions are represented by the head sentence and other withdrawn or dismissed results are listed.

Court results

	Offence	Outcome
1	Illicit drug offences Theft and related offences (proceeds of crime and money laundering)	Custodial sentence 10 years or more
2	Illicit drug offences Prohibited and regulated weapons and explosives offences	Custodial sentence 10 years or more
3	Illicit drug offences Theft and related offences (proceeds of crime and money laundering)	Custodial sentence 10 years or more
4	Theft and related offences (proceeds of crime and money laundering)	Custodial sentence 10 years or more
5	Theft and related offences (proceeds of crime and money laundering)	Custodial sentence 10 years or more
6	Illicit drug offences	Custodial sentence 10 years or more
7	Illicit drug offences	Custodial sentence 10 years or more
8	Illicit drug offences	Custodial sentence 10 years or more
9	Illicit drug offences	Custodial sentence 10 years or more
10	Illicit drug offences	Custodial sentence 10 years or more
11	Illicit drug offences	Custodial sentence 10 years or more
12	Illicit drug offences	Custodial sentence 10 years or more
13	Illicit drug offences	Custodial sentence 10 years or more
14	Illicit drug offences	Custodial sentence 10 years or more
15	Illicit drug offences	Custodial sentence 10 years or more
16	Illicit drug offences	Custodial sentence 10 years or more

	Offence	Outcome
17	Illicit drug offences	Custodial sentence 10 years or more
18	Illicit drug offences	Custodial sentence 10 years or more
19	Illicit drug offences	Custodial sentence 10 years or more
20	Illicit drug offences Theft and related offences (proceeds of crime and money laundering)	Custodial sentence of six years— less than 10 years
21	Fraud, deception and related offences	Custodial sentence of six years— less than 10 years
22	Illicit drug offences	Custodial sentence of six years— less than 10 years
23	Illicit drug offences	Custodial sentence of six years— less than 10 years
24	Illicit drug offences	Custodial sentence of six years— less than 10 years
25	Illicit drug offences	Custodial sentence of six years— less than 10 years
26	Illicit drug offences	Custodial sentence of six years— less than 10 years
27	Illicit drug offences	Custodial sentence of six years— less than 10 years
28	Theft and related offences (proceeds of crime and money laundering)	Custodial sentence of three years— less than six years
29	Fraud, deception and related offences	Custodial sentence of three years— less than six years
30	Illicit drug offences	Custodial sentence of three years— less than six years
31	Illicit drug offences	Custodial sentence of three years— less than six years
32	Illicit drug offences	Custodial sentence of three years— less than six years
33	Illicit drug offences	Custodial sentence of three years— less than six years
34	Theft and related offences (proceeds of crime and money laundering)	Custodial sentence of less than three years
35	Theft and related offences (proceeds of crime and money laundering)	Custodial sentence of less than three years
36	Theft and related offences (proceeds of crime and money laundering)	Custodial sentence of less than three years
37	Theft and related offences (proceeds of crime and money laundering)	Custodial sentence of less than three years
38	Theft and related offences (proceeds of crime and money laundering)	Custodial sentence of less than three years
39	Theft and related offences (proceeds of crime and money laundering)	Custodial sentence of less than three years

	Offence	Outcome
40	Theft and related offences (proceeds of crime and money laundering)	Custodial sentence of less than three years
41	Theft and related offences (proceeds of crime and money laundering)	Custodial sentence of less than three years
42	Theft and related offences (proceeds of crime and money laundering)	Custodial sentence of less than three years
43	Theft and related offences (proceeds of crime and money laundering)	Custodial sentence of less than three years
44	Fraud, deception and related offences	Custodial sentence of less than three years
45	Theft and related offences (proceeds of crime and money laundering)	Custodial sentence of less than three years
46	Theft and related offences (proceeds of crime and money laundering)	Custodial sentence of less than three years
47	Theft and related offences (proceeds of crime and money laundering)	Custodial sentence of less than three years
48	Illicit drug offences	Custodial sentence of less than three years
49	Illicit drug offences	Non-custodial sentence
	Theft and related offences (proceeds of crime and money laundering)	
50	Theft and related offences (proceeds of crime and money laundering)	Non-custodial sentence
51	Theft and related offences (proceeds of crime and money laundering)	Non-custodial sentence
52	Illicit drug offences	Non-custodial sentence

Note: People charged in a financial year may not have appeared before a court by 30 June of that year, and convictions may be for people charged in previous years.

Also during the year charges for two fraud deception and related offences, two illicit drug offences, two theft and related offences and one ACC Act offence were either withdrawn, dismissed or acquitted.

Offences

Offence types are described at: <http://www.abs.gov.au/ausstats/abs@.nsf/PrimaryMainFeatures/1234.0?OpenDocument>

Confiscations

During 2015–16 the ACC, in conjunction with its partners, achieved:

- \$104.87 million proceeds of crime restrained
- \$59.42 million proceeds of crime forfeited.

No pecuniary penalty orders were recorded as recovered.

Appendix D: Judicial decisions

The ACC is subject to legal challenge as a normal part of its operations. This may occur in the context of applications in the Federal Court for judicial review under the *Administrative Decisions (Judicial Review) Act 1977* or section 39B of the *Judiciary Act 1903*, or as part of the criminal justice process, such as in a contested subpoena or application for a stay of criminal proceedings.

In 2015–16 the ACC was involved in a range of matters including judicial review applications that sought to challenge the breadth of ACC determinations and decisions of ACC Examiners to issue summonses under those determinations.

Bartlett, Sayers, Grace and Dunn

On 15 August 2013 Justice Heenan of the Supreme Court of Western Australia dismissed the applications for a permanent stay of the prosecutions of each of the accused (*Bartlett v The Queen [No.6]* (2013) WASC 304). His Honour held that the absence of any reference to any tangible evidence or any use of particular evidence as a form of potential prejudice left the applicants' submissions without foundation. At trial, Dunn was convicted, Grace was acquitted, and the jury was unable to reach a verdict in relation to Bartlett and Sayers. The charges against Bartlett and Sayers were subsequently discontinued in August 2014. Dunn appealed his conviction and on 19 June 2015 the Western Australia Court of Appeal dismissed the appeal. Dunn subsequently sought leave to appeal to the High Court, which was refused on 12 February 2016.⁶

XX v Australian Crime Commission

XX was summoned to attend an ACC examination, but sought orders to prevent the examination from proceeding on a number of administrative law grounds. In particular, XX challenged the validity of the ACC determination under which XX was summonsed (Highest Risk Criminal Targets No. 2 Special Investigation determination), and consequently the summons itself. The matter was heard before Justice Perry in the Federal Court (Sydney).

On 29 April 2016, the Court ruled in favour of the ACC, dismissing the application. Justice Perry found that the application sought to re-litigate issues that had been resolved by the decision of Justice Wigney in *XCIV v ACC & Sage*,⁷ and upheld the validity of the Highest Risk Criminal Targets No. 2 Special Investigation determination. The Court held that XX failed to establish that XCIV was wrong and therefore affirmed that it was correctly decided.

6 See *Dunn v The Queen* [2016] HCATrans 19 (12 February 2016).

7 Referred to in the *Board of the Australian Crime Commission Chair Annual Report 2014–15*.

LX v Commonwealth of Australia and LXXXVI v Commonwealth of Australia

LX and LXXXVI were summonsed to attend separate ACC examinations but, like XX, sought orders to prevent their examinations from proceeding on administrative law grounds. Like XX, both applications ultimately turned on whether the Highest Risk Criminal Targets No. 2 Special Investigation determination was valid. The matter was heard before Justice Besanko in the Federal Court (Adelaide).

LX and LXXXVI sought similar relief on the same grounds, and made the same submissions when their matters were heard. As the result in both matters was the same, the court delivered one set of reasons for both applications.

On 29 April 2016, the Court found in favour of the ACC and dismissed both applications, holding that none of the grounds of challenge to the determination were made out.

Contempt of the ACC

ACC Examiners have the power to apply for a witness to be dealt with for contempt of the ACC in certain circumstances. These applications are heard in either the Federal Court or relevant state or territory Supreme Court. No contempt proceedings were finalised in 2015–16.

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