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# Special Investigations

The Australian Crime Commission Board establishes Special Investigations to disrupt and deter criminal groups by collecting evidence and intelligence about criminal activity. When the Board determines an investigation to be ‘special’ it enables the agency to use its coercive powers (see page 2).

In 2013–14, the Board approved four 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

Almost all organised crime is motivated by profit. Identifying and stopping illicit money flows is one of the most effective ways of disrupting serious and organised crime activities.

In September 2013, the Board approved the Targeting Criminal Wealth No.2 special investigation to continue the agency and its partners’ work into financially motivated crime. The Targeting Criminal Wealth special investigation covers a broad range of criminal activities including, money laundering, serious and organised superannuation and investment fraud, and sophisticated tax evasion.

During 2013–14, the special investigation supported a number of multi-agency task forces or projects, including:

- Australian Crime Commission-led Eligo National Task Force
- Australian Federal Police-led Criminal Assets Confiscation Taskforce
- Australian Taxation Office-led Project Wickenby
- Australian Crime Commission-led Task Force Galilee.

Under the special investigation, 69 examinations were conducted and 419 intelligence products were shared with partners through 1084 disseminations. The intelligence products aim to build a greater understanding of emerging issues including:

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

In 2013–14, the Targeting Criminal Wealth No.2 special investigation contributed or led to the:

- seizure of more than \$21 million cash
- seizure of illicit drugs with a combined estimated street value of more than \$140 million

- seizure of precursor chemicals with an estimated street value of \$6.19 million
- restraint of more than \$132 million worth of assets
- issuing of tax assessments worth \$66 million and recoveries worth \$14.50 million
- disruption of 13 serious and organised criminal groups/networks
- arrest of 105 people on 216 charges.

The Targeting Criminal Wealth No.2 special investigation is authorised until 30 June 2016.

## Following the money—Eligo National Task Force

The Eligo National Task Force is proving to be one of Australia's most successful money laundering investigations. Approved by the Board in December 2012 and extended until 30 June 2015, the Task Force has already achieved significant traditional law enforcement outcomes, including:

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

In 2013–14, law enforcement outcomes included the:

- seizure of more than \$21 million in cash
- seizure of more than \$140 million in drugs and \$6.19 million in precursor chemicals
- discovery of 95 targets previously unknown to law enforcement
- disruption of 12 serious and organised crime entities resulting in 227 charges against 110 people.

However, it is the innovative methodologies the Task Force is using to respond to the identified criminality which has not only resulted in successful operational outcomes, but will also have an ongoing impact in how law enforcement continue to respond to serious and organised crime. Rather than using past methodologies which have focused on a single criminal entity, the Task Force broadened the net to simultaneously track multiple individuals involved in suspicious money movements.

Analysing information drawn from a variety of sources including the Australian Crime Commission-led National Criminal Intelligence Fusion Capability, foreign partners, human sources and the agency's special powers, the Task Force has been able to discover and understand emerging money laundering techniques and methodologies previously unknown to law enforcement.

In addition, the Task Force has been able to monitor the displacement that occurs—who moves in and how they take over—following arrests and seizures, meaning law enforcement does not have to start from scratch after each separate disruption.

The intelligence outcomes from Eligo are creating longer-term prevention options for law enforcement, government and the private sector. For example, with its partners, the Task Force is educating and assisting to drive professionalism in the remittance sector, as well as identifying legislative and other changes to make it harder for money laundering to occur.

The Task Force is also working with international partners to coordinate global efforts against money laundering as a number of identified high risk targets which are impacting Australia are based offshore. The Eligo model is now being replicated overseas.

The operational and intelligence outcomes are assisting the Eligo National Task Force—and more broadly law enforcement—to achieve its aim in making it too hard for money launderers to do business in Australia.

## Think across agencies to fight crime wave

## ATO in crackdown on wealthy tax cheats

### Reducing tax crime—Project Wickenby

In 2004, the Australian Crime Commission established Operation Wickenby to strengthen law enforcement and compliance activities against tax fraud. In 2006, it grew to the multi-agency Australian Taxation Office-led Project Wickenby. Today, Project Wickenby includes unprecedented Australian and international inter-agency cooperation.

The Australian Crime Commission's main contribution is to assist partner agencies by gathering intelligence to disrupt and deter tax fraud of national significance, advance proceeds of crime aspects of partner investigations, and recommend ways to enhance the legal and regulatory environment.

Key Wickenby highlights for the agency during 2013–14 included:

- providing intelligence to Wickenby partners which advanced their investigations and contributed to Criminal Assets Confiscation Taskforce referrals
- working with partners to develop the intelligence picture on the size and threat of serious financial crime impacting on the Commonwealth, assisting to focus and prioritise operational responses

- the conviction and jailing for seven years of alleged tax scheme promoter, Gregory Dunn for tax fraud in the Perth Supreme Court on 12 November 2013
- the sentencing of Stephen Wharton on three charges of dishonestly causing a loss to the Commonwealth by tax evasion in the District Court of Western Australia on 4 April 2014.

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

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

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

## Highest Risk Criminal Targets No.2

The highest risk serious and organised crime entities pose one of the greatest threats to Australia's national interest. These criminals operate across one or more state borders and often have international links; as a result they have significant influence over illicit commodity markets in Australia.

The highest risk serious and organised criminals are highly skilled and are involved in a diverse range of licit and illicit activities. The risk presented by these entities highlight the importance of a nationally coordinated intelligence and investigative response.

The Highest Risk Criminal Targets No.2 special investigation was approved by the Board in September 2013 and works with Australian Crime Commission partners to:

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

This year, the special investigation focused on highest risk criminal entities involved in criminal finances, illicit markets, firearms and enabling activities and supported and worked with a number of multi-agency task forces and projects, including:

- Project Rosencrantz
- Project Conway
- Project Tricord
- Attero National Task Force.

Under the special investigation, 70 coercive examinations were conducted and 1088 intelligence products were shared with partners through 2955 disseminations. The intelligence products aimed to increase understanding about:

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

During 2013–14, the Highest Risk Criminal Targets No.2 special investigation contributed or led to the:

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

The Highest Risk Criminal Targets No.2 special investigation is authorised until 30 June 2016.

## Targeting the outlaws—Attero National Task Force

The Australian Crime Commission Board approved the Attero National Task Force to strengthen Australia's efforts against the serious and organised crime threat posed by the Rebels outlaw motor cycle gang<sup>2</sup>.

A key feature of the Task Force is the ability for each jurisdiction to have the discretion to respond to the threat in the most effective way for that jurisdiction based on understanding and intelligence provided. As a result, Attero uses a range of tactical, operational and strategic measures to achieve nationally significant outcomes, for example:

- Enhanced cross-jurisdictional coordination, use of resources and capabilities, and alignment of priorities promoting collaboration between traditional and non-traditional partners.
- Overcoming capability gaps and impediments to inter-jurisdictional collaboration and sharing of information and intelligence.
- Creation of mechanisms for ongoing identification and development of measures to target intelligence gaps and maintain an effective national response.
- Strengthened policy, legislative and operational arrangements to support jurisdictional and national efforts.

Key achievements during 2013–14 included:

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

Since December 2013, the Task Force has also worked closely with the Australian Gangs Intelligence Coordination Centre (see page 26) as part of the Government's strategy to combat outlaw motor cycle gangs.

<sup>2</sup> Note, the Queensland Government, agencies and departments within Queensland refer to outlaw motor cycle gangs as criminal motorcycle gangs.





Police raid a drug lab at Willowvale. Courtesy of Gold Coast Bulletin. Picture by Adam Head.

## Disrupting criminal targets—Project Conway

Project Conway was the Australian Crime Commission's contribution to a Queensland Police Service-led operation and is an example of cross-jurisdictional cooperation resulting in tangible outcomes. Project Conway also involved the Australian Customs and Border Protection Service, Australian Federal Police, NSW Police Force and the NSW Crime Commission.

The project provided contemporary intelligence across several high rated targets on the National Criminal Target List and used the Australian Crime Commission's specialist capabilities to further understand opportunities and vulnerabilities associated with the targeted syndicate.

The project culminated in early April 2014, with the arrest of nine targets on the National Criminal Target List and 19 outlaw motorcycle gang members and associates in Queensland. In addition, Project Conway seized over 3.5 kilograms of cocaine as well as other smaller illicit drug seizures totalling an estimated street value of more than \$3.5 million. Six litres of methylamphetamine oil worth an estimated street value of \$11 million, and \$440 000 cash was also seized.

Overall, related Queensland Police Service-led operations (of which Project Conway was part) resulted in the arrest of over 170 people on a range of drug related charges, including importation, trafficking and supply of cocaine, 3,4-methylenedioxymethamphetamine (MDMA) and methylamphetamine.

From an intelligence perspective, the activity also provided significant insight into the infiltration by outlaw motor cycle gang members and other serious and organised crime entities into nightclubs and legitimate businesses. Not only did the intelligence result in several closure and show cause notices regarding liquor licensing and ownership, but also assisted in developing significant understanding of serious and organised criminal financial and business structures.

## Highest Risk Criminal Targets—Victoria

The Highest Risk Criminal Targets—Victoria state-specific special investigation assists to improve existing Australian Crime Commission and Victoria Police intelligence holdings, as well as collects evidence on the nature and extent of the serious and organised crime threat to Victoria, including through the use of coercive powers.

The Australian Crime Commission Board authorised the Highest Risk Criminal Targets—Victoria special investigation in September 2013 until 30 June 2016.

Broadly, the special investigation works with Victoria Police to:

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

Under the special investigation, four coercive examinations were conducted to gather intelligence about criminal networks, methodologies used to facilitate criminal activity, and information and intelligence on unsolved murders. Five tactical information reports were produced and shared with Victoria Police which led to the identification of several leads for investigation.

## Highest Risk Criminal Targets—South Australia

Authorised by the Australian Crime Commission Board in September 2013, the Highest Risk Criminal Targets—South Australia state-specific special investigation works in collaboration with South Australia Police to enhance understanding of criminal threats through the collection of evidence and intelligence about high risk criminal entities impacting the state.

The Highest Risk Criminal Targets—South Australia special investigation complements the work of the Highest Risk Criminal Targets special investigation and the Outlaw Motor Cycle Gangs special operation.

Broadly, the special investigation works with South Australia Police to:

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

During 2013–14, activities relating to high risk criminal entities in South Australia were carried out under the Highest Risk Criminal Targets special investigation and the Outlaw Motor Cycle Gangs special operation because these were determined to be the most appropriate way of enhancing intelligence and identifying evidence relating to serious and organised crime threats to South Australia.

The Highest Risk Criminal Targets—South Australia special investigation remains an important part of the Australian Crime Commission's work with its South Australian partners and will continue to be considered when assessing state-specific activities.



# Special Operations

The Australian Crime Commission Board establishes special operations to gather intelligence on particular criminal activity to assist the decision making processes of the agency and its partners. When the Board determines an operation to be 'special' it enables the agency to use its coercive powers (see page 2).

Through intelligence gathering and analysis, special operations discover and understand the extent, impact and threat of serious and organised crime on Australia. Work conducted under special operations can contribute to operational responses, as well as help determine if a special investigation is warranted.

In 2013–14, the Board approved six special operations:

- High Risk and Emerging Drugs No.2
- Outlaw Motor Cycle Gangs
- National Security Impacts from Serious and Organised Crime No.2
- Making Australia Hostile to Serious and Organised Crime No.2
- National Indigenous Intelligence Task Force (Indigenous Violence or Child Abuse No. 3)
- Child Sex Offences No.2.

## High Risk and Emerging Drugs No.2

The production and supply of illicit drugs is the most profitable organised crime activity. The illicit drug trade generates billions in profit and in the process, ruins the lives of countless individuals and their families. The social impact of illicit drugs costs the Australian community more than \$8 billion a year.

The High Risk and Emerging Drugs No.2 special operation monitors all Australian illicit drug markets and seeks to develop a holistic understanding of the markets through identifying gaps and using a mix of powers and capabilities to further develop intelligence in these areas and inform partners of new and emerging trends.

Intelligence developed under this special operation assists in informing appropriate operational, legal and policy responses, and contributes to the demand, supply and harms reduction strategies in line with the *National Drug Strategy 2010–15*.

In 2013–14, the special operation conducted 17 coercive examinations and produced 85 intelligence products which were shared with partners through 321 disseminations.

Topics included:

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

The special operation is authorised until 30 June 2016 and will continue to work with partner agencies to deepen Australia's understanding of all illicit drug markets.

## Responding to the highest risks—methylamphetamine market

For some time, the Australian Crime Commission has assessed the methylamphetamine market poses the highest risk to the Australian community of all illicit drug and organised crime markets.

During 2013–14, under the High Risk and Emerging Drugs No.2 special operation the Australian Crime Commission contributed to a range of activities, including:

- Project Baystone
  - The agency developed an assessment on the methylamphetamine market assisting to inform the national response. The assessment found that crystal methylamphetamine (ice) was showing signs of resurgence driven by increasing imports of the drug and its precursors, as well as a more diverse range of suppliers generating or tapping into new sources of demand. The assessment was formally tabled at a national Serious Organised Crime Coordination Committee after the reporting period.
  - The agency held examinations about the methylamphetamine, cocaine and precursor chemical markets. The examinations helped to progress strategies to disrupt aspects of these markets contributing to investigations by the Australian Federal Police, Queensland Police Service and Western Australia Police.
- Generating multiple information reports, including one on trafficking of crystal methylamphetamine between Queensland and New South Wales leading to an arrest in New South Wales.
- Contributing to a formal submission to the Victorian Parliamentary Inquiry into the supply and use of methylamphetamines, particularly ice, with two agency officers subsequently providing evidence to the Inquiry.
- Comparing domestic and overseas prices of methylamphetamine contributing to the understanding as to why the Australian drug market is increasingly attractive to transnational crime groups.
- Collaborating with the National Indigenous Intelligence Task Force (see page 29) on examinations concerning crystal methylamphetamine distribution in Western Australia, generating information reports from these examinations.

## Follow the chemicals—Project Alberta

Through Project Alberta the Australian Crime Commission is exploring how chemicals are diverted from legitimate trade for use in illicit drug manufacture focusing on the vulnerabilities being exploited by organised crime groups.

During 2013–14, the Australian Crime Commission provided intelligence to its partners on how lethal drugs can be produced domestically using non-controlled chemicals. The intelligence included information about new drug manufacturing processes and new chemicals—often non-regulated—used in these processes.

Intelligence developed through Project Alberta led to a number of spin-off projects and investigations targeting specific organised criminal activity in several drug markets in four different states.

In addition, Project Alberta engaged with industry seeking support to identify potential diversion of chemicals to illicit drug manufacture. The agency received positive responses leading to the generation of several operational leads for the Australian Crime Commission and its partners. It is likely that industry engagement will increase over the next financial year to drive a more holistic response to some illicit drug markets.

## Outlaw Motor Cycle Gangs

Outlaw motor cycle gangs (OMCGs) are one of the most high profile manifestations of organised crime and have a presence in all Australian states and territories. There are more than 40 OMCGs in Australia with more than 5000 patched members. They are involved in most elements of organised crime including illicit drugs, money laundering, firearms, vehicle rebirthing, extortion, property crime and corruption.

In September 2013, the Australian Crime Commission Board authorised the Outlaw Motor Cycle Gangs special operation to work in partnership with key stakeholders to:

- support target development and investigations into OMCGs through the use of Australian Crime Commission coercive powers
- reduce the threat posed by OMCGs
- build an awareness of threats and vulnerabilities and contribute to appropriate legislative and policy responses, in conjunction with law enforcement, government and industry partners.

In 2013–14, the special operation conducted 20 coercive examinations and produced 238 intelligence products which were shared with partners through 684 disseminations.

The Outlaw Motor Cycle Gangs special operation supports and builds on investigative work through strategic intelligence development based on outputs from the Attero National Task Force (see page 20) and the tactical intelligence, information and data-matching activities undertaken by the Australian Gangs Intelligence Coordination Centre.

The special operation is authorised until 30 June 2016 and will continue to work in conjunction with its partners to reduce the threat posed by OMCGs to the community.



Minister for Justice, the Hon Michael Keenan MP, officially opens the Australian Gangs Intelligence Coordination Centre.

## Responding to gangs—Australian Gangs Intelligence Coordination Centre

The Australian Gangs Intelligence Coordination Centre (AGICC) is part of the Government's strategy to combat outlaw motor cycle gangs. It provides a dedicated intelligence capability for the Australian Federal Police-led National Anti-Gangs Squad and its associated Commonwealth and state strike teams in Queensland, New South Wales, Victoria and Western Australia.

Established within the Australian Crime Commission in December 2013, the AGICC brings together the skills and capabilities from multiple partner agencies and is linking the strategic understanding of the national picture with intelligence that supports operational and tactical responses.

AGICC partners have direct access to all Australian Crime Commission capabilities including Fusion and associated tools, as well as specialist collection assets including national intelligence holdings.

In collaboration with its partners, the AGICC has developed intelligence to improve understanding about gang-related activities such as business operations and facilitators, firearm crime, violence, drug manufacture and supply, and financial crimes. Work has focused on identifying and filling gaps in the intelligence picture, identifying and developing intelligence on high priority and emerging targets, as well as developing a more strategic understanding on the evolving nature of the outlaw motorcycle gang threat.

The intelligence sharing capabilities of the AGICC are already influencing operational decisions and the formation of investigations. For example, since December 2013 the AGICC has:

- contributed to more than 28 state and territory outlaw motor cycle gang investigations, providing leads and filling intelligence gaps
- released more than 60 intelligence reports—providing previously unknown insights into illicit drug and money laundering activity including intelligence against key members of high threat outlaw motor cycle gangs in several jurisdictions
- responded to more than 83 requests for information
- provided intelligence that led to the arrest of 10 outlaw motor cycle gang members, after previous law enforcement efforts to locate them had been exhausted
- coordinated coercive examinations related to outlaw motor cycle gang activities.

### National Security Impacts from Serious and Organised Crime No.2

Serious and organised crime is a threat to the national security of Australia. The National Security Impacts from Serious and Organised Crime No.2 special operation works with law enforcement and national security agency partners to:

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

While the nature of intelligence developed under this special operation is mostly classified, in 2013–14 the special operation conducted 29 coercive examinations and produced 58 intelligence products which were shared with partners through 123 disseminations.

The National Security Impacts from Serious and Organised Crime No.2 special operation supported and participated in a number of activities, including:

- providing support to the 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), including through a dedicated intelligence analyst to Polaris and Jericho (and Trident until November 2013)

- supported Joint Counter Terrorism Taskforce investigations into the threat of foreign fighters
- contributed to the whole-of-government Operation Sovereign Borders effort since November 2013 by providing intelligence and specialist capability support to investigate people smuggling activities in Australia including identifying financial networks.

The special operation is authorised until 30 June 2016 and will continue to work in conjunction with its partners to provide intelligence on the convergence between serious and organised crime and national security.

### Making Australia Hostile to Serious and Organised Crime No.2

As serious and organised crime becomes increasingly diversified, sophisticated and complex, law enforcement must become more innovative at identifying and preventing criminal activity before it gains a foothold in Australia.

Authorised by the Board in September 2013, the Making Australia Hostile to Serious and Organised Crime No.2 special operation works and collaborates with a broad cross-section of partners, including national and international law enforcement, regulatory and policy agencies, as well as industry to harden Australia's society, institutions, industries and economy against serious and organised crime.

While the nature of intelligence developed under this special operation is mostly classified, in 2013–14 the special operation conducted 15 coercive examinations and produced 55 intelligence products which were shared with partners through 349 disseminations.

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

The special operation is authorised until 30 June 2016. During 2014–15, the special operation will focus on cybercrime, seeking to discover, understand and inform responses on a range of issues including virtual currencies, online fraud and malicious software which will feed into an updated National Cybercrime Intelligence Assessment.

## Responding online—Project Tallowood

Through Project Tallowood the Australian Crime Commission collaborated with its law enforcement partners to develop a new approach to discovering previously unknown cyber and new technology threats posed by serious and organised crime.

Using field intelligence from law enforcement partners to focus on non-traditional areas of discovery—including particular types of communication profiles such as encrypted mobile communication devices—and through harnessing Fusion capabilities, Project Tallowood was able to use relevant sources and overlay them with strong indicators of risk. As a result, correlations between these communications and serious and organised criminals of high threat to Australia were highlighted.

Through Project Tallowood, the Australian Crime Commission:

- discovered a significant number of high threat criminal targets
- developed a new targeting methodology to discover previously unknown targets
- developed a strong understanding of underlying technologies within this threat environment
- shared intelligence with partners who were unaware of the issue
- coordinated collaboration among all Australian law enforcement agencies and the intelligence community to increase awareness
- developed operational strategies to better discover and understand this threat and worked closely with the Australian Federal Police and other partners domestically to assist aspects of operational responses.

The intelligence gathered through Project Tallowood indicates a large global cyber risk and that Australia is vulnerable to exploitation by serious and organised entities through the cyber environment. Findings from this project are not only contributing to national understanding, but also driving regulatory and legislative reforms, and capability enhancements.



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

The National Indigenous Intelligence Task Force was established in 2006, following the Intergovernmental Summit on Violence and Child Abuse in Indigenous Communities, and ceased on 30 June 2014.

The Task Force worked with law enforcement, Commonwealth, state and territory agencies, as well as local service providers to collect and analyse information and criminal intelligence about the nature and extent of violence and child abuse affecting vulnerable Indigenous communities. The Indigenous Violence or Child Abuse No.3 special intelligence operation was established to support and enhance the Task Force's work through the use of coercive powers.

The Task Force contributed to investigations, informed policy, program and law reform, and improved national intelligence collection and information sharing about violence and child abuse affecting Indigenous communities.

During 2013–14, the Task Force collected intelligence through visits to 10 Indigenous communities and six regional towns, and held more than 150 meetings. Under the special intelligence operation, the Australian Crime Commission conducted 38 coercive examinations and produced 91 intelligence products which were shared with partners through 374 disseminations.

Classified intelligence products included reports on the nature and extent of child abuse and violence in:

- the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands, South Australia
- Arnhem Land, Northern Territory
- the Barkly region, Northern Territory
- the Kimberley region, Western Australia
- western New South Wales.

To mark the closure of the Task Force and special intelligence operation a final report was produced summarising the journey since inception, outlining key achievements, intelligence findings and issues for consideration. The Task Force's final consolidated classified report was released to relevant stakeholders in late 2014 (outside reporting period).



National Indigenous Intelligence Task Force team members at work.

## Bringing the issues front and centre—Cross Border Domestic Violence Information Sharing and Intelligence Desk

The National Indigenous Intelligence Task Force assisted in the development of the Cross Border Domestic Violence Information Sharing and Intelligence Desk.

Established in January 2013, the Desk aims to reduce instances of family violence in the cross border region of the Northern Territory, South Australia and Western Australia by providing timely and targeted intervention and protection to victims.

The Desk is staffed by two civilian members of the Northern Territory Police, and is funded by the Commonwealth and supported by a working group comprising of the Australian Crime Commission, Northern Territory Police, South Australia Police, Western Australia Police and the Ngaanyatjarra Pitjantjatjara Yankunytjatjara Women's Council.

These same stakeholders, as well as the Department of the Prime Minister and Cabinet also form a reference group for the Desk.

This dedicated resource enables the collation, coordination and analysis of intelligence holdings between law enforcement, criminal justice and a dedicated victim advocacy agency, working across the three jurisdictions, as well as providing a central coordination role in linking it to the Cross-border Justice Scheme.

The Cross Border Domestic Violence Information Sharing and Intelligence Desk provides a mechanism for the effective use of criminal intelligence in supporting responses to domestic violence and community safety.

## Delivering unique results—outcomes from the National Indigenous Intelligence Task Force

The National Indigenous Intelligence Task Force concluded on 30 June 2014 and was different in both purpose and approach to other more traditional task forces the Australian Crime Commission has been involved in.

Due to the uniqueness of the issues being tackled, the Task Force had to take a unique approach by using a combination of working in a culturally sensitive way, the agency's specialist capabilities to access information otherwise not available, and engaging across jurisdictions and with a wide range of stakeholders including law enforcement, governments, service providers and Indigenous communities.

Building and maintaining trust with Indigenous communities, as well as service providers was fundamental to the Task Force's success. Task Force staff received cross-cultural training to assist in developing sensitivity to the cultural dynamics of the 145 communities and 58 towns visited over the course of the Task Force. In addition, as the Task Force did not make arrests or prosecutions, staff were able to build confidence and trust, encouraging people to discuss issues affecting their communities.

The Task Force built a national understanding of the nature and extent of violence and child abuse in some Indigenous communities. Over its life time, the Task Force produced 844 intelligence products, provided to partners through 2182 disseminations.

Better understanding based on intelligence developed by the Task Force is helping to make Indigenous communities safer by informing policy and program design, improving service delivery, and informing law enforcement decision-making leading to significant operational outcomes. Work undertaken by the Task Force over the past eight years has:

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

## Child Sex Offences No.2

Advances in technology and ubiquitousness of the internet have enabled child sex offenders to become increasingly sophisticated in their networking activities and access to information.

Authorised by the Board in September 2013, the Child Sex Offences No.2 special operation relies solely on referrals from partner agencies to identify potential targets where the use of coercive powers would contribute to developing the national criminal intelligence picture. The aim of this special operation is to:

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

During 2013–14, the special operation conducted one coercive examination and produced two intelligence products about child sex tourism and alleged child sexual abuse which were shared with partners through four disseminations.

The intelligence developed under the special operation supported Victoria Police and Australian Federal Police investigations into high-risk Victorian Registered Sex Offenders, as well as assisted with the prosecution of a child sex offender in the United States.

Through the Child Sex Offences No.2 special operation, the Australian Crime Commission continues to engage with the Australia New Zealand Policing Advisory Agency Child Protection Working Group, to assist with policy responses and advice to support an effective national response to the threat from child sex offenders.

The special operation is authorised until 30 June 2016 and will continue to assist partner agencies as referrals are received, as well as inform international partners, through the Australian Federal Police network where intelligence collection is relevant to child sex offences occurring in other countries.

# Strategic information provided to law enforcement

Australian Crime Commission intelligence products inform and enhance the national understanding of traditional serious and organised crime activities, as well as new and emerging threats and trends. In addition, intelligence products assist to inform collaborative law enforcement, regulatory and policy responses.

Intelligence products are developed through analysis of information gathered from investigations and intelligence operations, and intelligence feeds from partner agencies.

While most intelligence produced by the Australian Crime Commission is classified and shared only with partner agencies, the agency is increasingly sharing information with private industry (under section 59AB of the ACC Act) and releasing unclassified information to the public to help harden the environment against serious and organised crime.

During 2013–14, the Australian Crime Commission produced 2164 intelligence products which were shared with 254 agencies; this included 12 strategic assessments on a range of topics including the outlaw motor cycle gang threat, methylamphetamine, cocaine, cannabis and superannuation fraud.

Strategic intelligence products—together with advice and recommendations from a range of sources—provide Board members, their agencies and other partners and stakeholders with enhanced understanding of the serious and organised criminal environment. This assists to support and influence the intelligence and operational response decision making process, as well as inform government in the consideration of legislative, policy and regulatory responses.

## Picture of Criminality in Australia

The *Picture of Criminality in Australia* (PoCA) is the Australian Crime Commission's flagship suite of strategic criminal intelligence products, which form the basis for the agency's contribution to the national intelligence priority setting process. During 2013–14, the following products under the PoCA suite were provided to the Board for consideration and disseminated to partner agencies:

- **Organised Crime Threat Assessment 2014**—this biennial, classified market-based assessment examines Australia's key illicit markets and the activities that enable serious and organised crime.

It is based on an analysis of all available and relevant information and intelligence from within the agency, as well as from international, Commonwealth, state and territory partners and underpins the Commonwealth's Organised Crime Strategic Framework. The assessment was provided to the Board for consideration in June 2014.

- **National Criminal Target Report 2014**—this annual classified report provides a consolidated picture of the threat and risk posed by Australian-based and offshore serious and organised crime entities on the National Criminal Target List. The report was provided to the Board in June 2014.
- **Illicit Drug Data Report 2012–13**—this unclassified annual report provides a national picture of the illicit drug market in Australia. It provides an annual statistical overview of national illicit drug arrests, seizures and purity levels, based on data from the agency's Commonwealth, state and territory partners, as well as academic and health data. The 11th edition of the report was launched at Melbourne's Alfred Hospital on 29 April 2014.

In addition, the unclassified *Organised Crime in Australia 2013* report was considered by the Board in the previous reporting period, but released publicly in July 2013. The next *Organised Crime in Australia* report is due for release in 2015.

The final product under the PoCA suite is *Organised Crime 2020*, which will be updated and released in 2015 as *Organised Crime 2025*.

### Other strategic intelligence work

In addition to the PoCA suite, the Australian Crime Commission produced a number of strategic intelligence products on a range of topics to provide Board member agencies and other partners with assessments of specific crime types, markets or criminal issues of national importance.

#### Organised crime groups involved in the Australian cocaine market

This strategic assessment focused on the nature of the Australian cocaine market including identifying the Australian-based and transnational organised crime groups involved in the market. Based on Australian Crime Commission and partner agency intelligence, the assessment confirmed that:

- a significant number of Australia's highest risk criminal targets are involved in the cocaine market

- cocaine enters Australia through a diverse range of international routes
- transnational criminals seek out relationships with Australian crime groups to distribute cocaine domestically.

Ongoing cooperation between Australian and foreign law enforcement agencies is enhancing the Australian Crime Commission's ability to monitor the cocaine market and provide intelligence information to its partners to assist in decision making.

#### 3D printing: more than just firearms

While media reporting has focused around the use of 3D printing technology by organised crime groups to develop firearms, the Australian Crime Commission examined the broader potential for exploitation of this technology by organised criminals.

The report found that due to the current limitations of the technology and the expertise required to use it, 3D printing poses a low threat to law enforcement. However, as the technology becomes more accessible organised crime groups may seek to use it for criminal acts. The report recommends law enforcement continues to monitor the technology for indicators of criminal use.

#### Illicit tobacco in Australia

The illicit tobacco market costs millions in lost revenue and is dominated by serious and organised crime groups. The Australian Crime Commission produced a strategic assessment of the illicit tobacco market in partnership with Australian Customs and Border Protection Service, the Australian Federal Police and the Australian Taxation Office, and with assistance from the Attorney-General's Department and the Commonwealth Director of Public Prosecutions.

The report found the illicit tobacco market involves similar levels of organisation to the illicit drug market, and the organised crime groups involved in the market are also involved in other illicit markets. The assessment also identified opportunities and challenges for law enforcement and regulatory agencies seeking to tackle the illicit tobacco market.

The assessment has directly informed a senior Commonwealth Working Group that is developing strategies to tackle this illicit market through enhanced legislation and regulation.



# National assets

The Australian Crime Commission's *Strategic Plan 2013–18* has a strong focus on capability development to support and complement the agency's partners in order to maximise national responses to serious and organised crime.

Through 2013–14 the Australian Crime Commission continued to develop national assets.

## Australian Criminal Intelligence Model and Forum

Finalised in the previous reporting period, the Australian Criminal Intelligence Model represents an agreed national framework for managing knowledge of the criminal environment and better exploiting intelligence capabilities nationally. The Model will deliver enhanced flow of criminal intelligence within and across all three operating domains (policing and community safety, serious and organised crime, and national security), and represents a significant step towards treating criminal intelligence as a national asset and will assist and influence decision-makers nationally.

The Australian Criminal Intelligence Forum oversees the implementation of the Model and identifies ways to promote common standards, processes and protocols for managing national intelligence assets. It provides Australian heads of intelligence with a national forum to collaborate on high-level strategic intelligence issues and to

strengthen their ability to provide coordinated national advice to the Australian Crime Commission Board and other stakeholders.

In 2013–14, the Forum focused on three critical success factors for the Model:

- Technology—the Forum agreed to work more collaboratively on federated technologies and support the development of a National Request for Information Capability, a National Criminal Intelligence Product Directory and the National Criminal Intelligence System (see page 37).
- Policy and legislation—the Model was used as a benchmark in developing the Australia New Zealand Policing Advisory Agency Education and Training Guidelines for Police Intelligence. The guidelines have been accepted and endorsed by the Australasian Police Professional Standards Council.
- Culture—the establishment of the Forum has contributed to an improved intelligence sharing culture. Collaboration between the Forum and the Serious Organised Crime Coordination Committee and strengthening of the Joint Management Group and Joint Analyst Group frameworks has been pivotal to the improved intelligence sharing.

## National Criminal Intelligence Fusion Capability

Established in 2010, the Australian Crime Commission-led National Criminal Intelligence Fusion Capability 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.

Over the past four years, Fusion has evolved from a standalone capability to a way of doing business across the agency.

Fusion effectively joins the agency's intelligence and investigative work, as well as its information technology and analytics capabilities. Through advanced analytic tools, innovative data mining and risk modeling techniques, Fusion is able to:

- discover previously unknown intelligence about organised criminal activity and targets
- monitor Australia's highest risk criminal targets to identify new intelligence and investigative opportunities.

During 2013–14, Fusion produced 981 intelligence products and discovered 109 criminal targets previously unknown to national law enforcement.

Since its establishment in 2010, Fusion has developed 4460 intelligence products and identified more than 200 organised criminal targets previously unknown to national law enforcement.

While 2014 marks an end to the original four-year funding and development program for Fusion, the focus now turns to developing a more integrated capability across the agency's work, including with the Australian Gangs Intelligence Coordination Centre, Joint Analyst Groups and working with partners to improve connections with other Fusion-style capabilities in Australian law enforcement. For example, a Fusion analyst is part of the National Border Targeting Centre within the Australian Customs and Border Protection Service providing opportunities to access a broader range of data and capabilities.

### **Fusion firearms capability**

The Australian Crime Commission's firearm tracing service was established in 2004 and is now fully embedded in Fusion. The firearms trace data set includes 1.8 million firearm transaction and importation records dating back to the 1800s, and complements jurisdictional firearm registration data which are not accessible to law enforcement through any other means.

During 2013–14, the service received 571 firearm trace requests and was able to disseminate intelligence to partner agencies 246 times. Partner agencies include Commonwealth, state and territory, and international agencies.

The firearms capability improves understanding of the Australian illicit firearms market and supports Australian Crime Commission and partner agency investigations.

### **Australian Law Enforcement Intelligence Network/Australian Criminal Intelligence Database**

The Australian Law Enforcement Intelligence Network (ALEIN) is the secure extranet that provides a gateway for agency partners to access the:

- Australian Criminal Intelligence Database (ACID)
- National Clandestine Laboratory Database
- Violent and Sexual Crime Database
- ALEIN information desks (partners can access intelligence products stored within a 'desk' based structure)
- the National Target System.

There are currently 29 international, Commonwealth, state and territory law enforcement agencies connected to ALEIN. In 2013–14, there were 2896 active users (an increase from 2817 users in 2012–13) who made 38 240 visits to 1192 intelligence desks within ALEIN.

Under section 7A(a) of the ACC Act, the Australian Crime Commission is to maintain a national database of criminal information and intelligence. The current system, ACID, provides 24 Commonwealth, state and territory law enforcement agencies and other regulatory authorities with the ability to securely share, collate and analyse criminal information and intelligence nationally.

While ACID continues to offer analysts and investigators functionality and tools to assist with identifying, analysing and sharing critical pieces of information, the system is now 30 years old. In 2013–14 the Australian Crime Commission completed a major scoping study into how the system needs to evolve to meet the dynamic and expanding needs of modern law enforcement. The scoping study and recommendations were considered by the Australian Crime Commission Board in April 2014.

## National Criminal Intelligence System

The National Criminal Intelligence System (NCIS) is the proposed replacement for ACID and ALEIN. It will enable the Australian Crime Commission to continue to deliver requirements under section 7A(a) of the ACC Act.

The NCIS will be a federated national law enforcement capability facilitating real-time collaboration and intelligence, and improved technical capabilities through an agreed national interoperable framework which will be aligned to the Australian Criminal Intelligence Model.

It is proposed the NCIS will be implemented through a phased modular approach, and—in a similar way to the National Criminal Intelligence Fusion Capability—it is expected the NCIS will deliver process improvement and efficiency gains through automating the most labour-intensive tasks.