

02

crime

This year the CCC focused its strategic intelligence, investigative powers and partnerships on the fight against ice, online child exploitation and cold-call investment fraud.

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About our work in crime

As a specialist agency, the CCC’s focus is on investigating major crime most harmful to Queensland. Potential crime targets come to our attention in many ways:

- Strategic intelligence can identify people, networks or activities warranting investigation.
- The CCC may be asked to partner in major crime investigations undertaken by other law enforcement agencies, particularly the QPS.

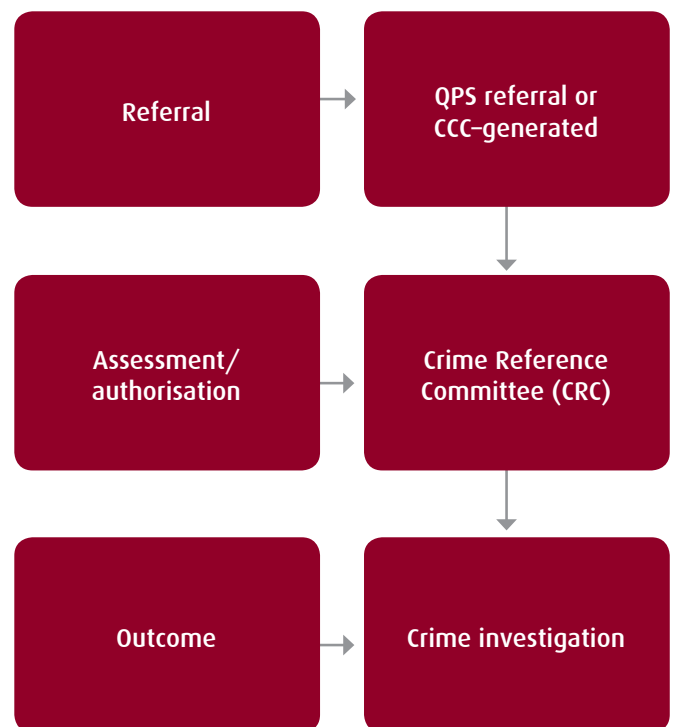
The CCC investigates major crime referred to it by the Crime Reference Committee (CRC), a statutory body established under the *Crime and Corruption Act 2001*. A system of general and specific referrals enables the CCC to investigate particular incidents of major crime without the need for a specific referral from the CRC. General referrals include:

- Organised Crime
- Organised Crime (Facilitators)
- Serious Crime (Vulnerable Victims)
- Serious Crime (Sexual Offences)
- Criminal Paedophilia
- Terrorism.

The CRC also provides independent oversight of the CCC’s use of powers and crime operations as they progress.

CCC investigation teams include specialists in intelligence, forensic computing, law, forensic accounting, surveillance and technical disciplines. Investigations are often conducted in partnership with law enforcement agencies (predominantly the QPS).

Figure 1. How crime matters progress to a CCC investigation



The crime environment in 2015–16

The 2015–16 Queensland Organised Crime Assessment

Since 1999, the CCC has undertaken regular intelligence collection and strategic assessments of organised crime activity and illicit commodity markets in Queensland. We do this to identify current and emerging trends, or gaps in law enforcement knowledge of the criminal environment, enabling us to prioritise operational and strategic activity.

During 2015–16 our intelligence collection focused on:

- illicit drug markets in Queensland
- high-risk organised crime groups
- the impact of technology on organised crime
- current and emerging methodologies that enable organised crime.

Characteristics of the criminal environment

Our strategic assessments have shown that Queensland organised crime groups are collaborating with each other to facilitate criminal activity, and are pooling skills and resources to maximise market presence and profits. In the last performance period we observed increased activity in regional centres by both Queensland and interstate-based organised crime groups. Queensland organised crime groups are also extensively using and seeking out new technologies to operate more securely, quickly and efficiently, exploiting opportunities in the e-commerce environment to avoid law enforcement attention, and continuing to engage both professional and blue-collar facilitators.

Response to organised crime

This performance period saw the report handed down by the Queensland Organised Crime Commission of Inquiry in October 2015 and the report of the Taskforce on Organised Crime Legislation which was delivered in March 2016. Both reports contained recommendations that impact on our future priorities.

Consistent with these reports the CCC continues to monitor some outlaw motorcycle gangs (OMCGs). We also continue to increase our understanding of the organised crime groups and crime types impacting on Queensland — these include illicit drugs, cold-call investment frauds and criminal paedophilia.

Outcomes and outputs 2015–16

Table 1. Crime investigation results

Outcome	Number
People charged	81
Charges laid	655
Drugs seized (estimated street value)	\$1.59M
Assets restrained ¹	\$2.074M

1. Assets restrained in 2015–16 were from one operation (Operation Amulet). For other Proceed of Crime figures (which include assets restrained from Crime investigations) see page 35.

Outputs

- In 2015–16 the CCC produced 108 classified intelligence reports on major crime in Queensland, with the majority disseminated to a range of state, commonwealth, and international agencies. We also disseminated six strategic intelligence reports on emerging crime trends and issues to both law enforcement and government audiences. Additionally, 132 operational intelligence documents produced by the CCC were uploaded to national law enforcement intelligence databases.
- During 2015–16 our intelligence area provided significant input to the CCC's submissions to the Queensland Organised Crime Commission of Inquiry and the Taskforce on Organised Crime Legislation.
- The CCC published two crime research reports (see pages 33 and 35).

Key focus areas

2015-16

Illicit drug markets

The sale and distribution of illicit drugs remains the most pervasive form of organised crime in Queensland. Though difficult to quantify, its high cost to the state is clear in the toll it takes on individuals, families and communities, the impost on the state health system and related services, and the increasing pressures on law enforcement.

Of these drugs, the CCC focuses on those that are most dangerous to the community, either through their harmful effect on individuals or the presence of organised crime associated with them. While this year's case studies are focused on two principal commodities — ice and cocaine — they also show that crime networks engage in trafficking multiple commodities at any one time, and that action taken to disrupt a drug-trafficking network can also uncover other serious illegal activity.

Illicit drug markets report warns Queenslanders about organised crime

In June 2016 the CCC published a report titled *Illicit drug markets in Queensland: 2015-16 intelligence assessment* to alert the community to the changing dynamics within Queensland drug markets.

The demand for illicit drugs and the potential profits from supplying them has made Queensland an attractive market for interstate and international crime groups. Since 2012, there has been greater targeting of regional areas such as Toowoomba, Mackay, Rockhampton, Gladstone, Townsville and Cairns, especially by interstate groups.

As part of our crime prevention function, following publication of the report, the Executive Director, Crime undertook media interviews to help raise awareness about the risks associated with illicit drug use and the role of organised crime in producing and supplying many of the dangerous drugs in Queensland. The message was targeted especially at people who use drugs on a social or occasional basis because intelligence indicates drugs have varying purities and are often cut with substances that are very harmful.

Table 2. Comparative assessment of the principal illicit drug markets in Queensland and the presence of organised crime in that market

Drug	Threat ¹	Organised Crime Presence
Crystal methylamphetamine (ice)	Very High Very high with an increasing market trend	Significant
MDMA (ecstasy)	High High with an increasing market trend	Significant
Cannabis	High High with a stable market trend	Significant
Heroin	High High with a stable market trend	Significant
Cocaine	High High with a stable market trend	Significant
New and emerging psychoactive substances (synthetic cannabis)	Medium Medium with a stable market trend	Limited
Illicit pharmaceuticals	Medium Medium with a stable market trend	Limited
Performance and image enhancing drugs (steroids)	Medium Medium with an increasing market trend	Limited - increasing

1. **Threat** relates to the likelihood that a person or group will successfully undertake an activity that may cause harm. The likelihood of this success is dependent on their intent and capability.

Methylamphetamine

Methylamphetamine is a harmful synthetic substance that is part of a larger group of amphetamine-type stimulants (ATS). In Queensland methylamphetamine is available in powder, capsule, pill, crystal (ice), paste or liquid forms. Since 2012 there has been a shift in the form of methylamphetamine, with increased supply and demand for high-purity ice rather than powder, and an increase in imported drugs compared with locally produced crystal methylamphetamine. As drug importation does not fall within the CCC's (state-based) jurisdiction, the CCC focuses its efforts on local production and cross-border and intrastate traffickers.

In the CCC's view, methylamphetamine continues to be the illicit drug market that poses the highest level of risk, due to the high level of organised crime involvement and the significant harms the drug causes to individual users and the community.

Methylamphetamine has been linked to extreme weight loss, mood disturbances (including psychosis), insomnia, violence and deaths. The number of deaths, overdoses, and drug-related episodes associated with methylamphetamine continues to grow. The purity of methylamphetamine has increased significantly since 2012, which creates greater risk for the user and increases the likelihood of addiction. Health services, particularly hospital emergency departments, are seeing an increasing number of ice-related presentations. Several hospitals throughout Queensland have introduced new policies and procedures to help reduce the number of assaults on staff by people under the influence of ice.

The very high threat posed by the drug has made it a focus of the CCC's investigations since 2012.

The CCC recognises that the ice problem needs to be attacked on multiple fronts and in partnership with other agencies. For that reason, it conducts investigations, takes proceeds of crime action, and assists QPS with cross-jurisdictional matters, as shown below.

Operations

This year **Operations Gloss and Amulet** were finalised and resulted in 136 and 94 charges respectively, relating to trafficking, production and supply of dangerous drugs.

Operation Gloss dismantled an interstate network alleged to be producing and trafficking ice in New South Wales and on the Gold Coast. It commenced in September 2013 and focused on the syndicate's Queensland-based activities. Since January 2016, seven offenders from Queensland and New South Wales have been arrested and charged with serious drug offences including trafficking, production and supply of dangerous drugs. The operation has also resulted in laboratories being seized in both states as well

as significant drugs seizures in both Queensland and New South Wales including cocaine, ice and precursor chemicals with a street value in excess of \$3.9 million.*

As a result of **Operation Amulet**, the CCC and QPS have seized more than one million dollars in cash, three automatic weapons, five hand guns, a quantity of drugs and mobile phones. Operation Amulet targeted a criminal syndicate allegedly trafficking ice, cocaine, MDMA and other drugs throughout the Gold Coast region and South East Queensland over an extended period of time. Its main target was allegedly a patched member of the Hells Angels OMCG. He faces 31 charges including the serious drug offence of trafficking which carries a maximum penalty of 25 years imprisonment. The CCC has also launched proceeds of crime action against its main target with the Supreme Court granting restraining orders over property valued in excess of \$2.074M. As at 30 June the action is ongoing.

Under CCC **Operation Vanguard**, the CCC provides hearings and investigative support to matters where someone with the experience to manufacture ice is identified by the QPS. Since the commencement of this operation on 25 August 2015, there have been three such referrals. This is likely to reflect the increased availability of low-cost high-purity imported ice in Queensland.

Alleged million-dollar fraud uncovered through ice-trafficking investigation

Operation Juliet Wave was an investigation of a network trafficking ice and other drugs between Sydney and Brisbane. To date, 66 people have been charged with 472 offences, including 16 individuals with the serious offence of drug trafficking. (For more information on Operation Juliet Wave see: <http://www.ccc.qld.gov.au/crime/results/case-studies/operation-juliet-wave>)

In addition to charging 16 people with serious drug offences, a joint CCC and QPS investigation led to a former member of the Bandidos OMCG Centro Chapter facing one count of fraud for allegedly dishonestly obtaining a \$1M loan from a financial institution for the purpose of funding the construction of townhouses and refinancing another mortgage. Following an extensive investigation by the CCC's financial and organised crime investigators and the QPS, it will be alleged that pre-sale contracts for the townhouses were fraudulently completed and that other records submitted to support the loan application including financial documents were also fraudulent. The matter is now progressing through the courts.

* All drugs in relation to Operation Gloss were seized in the previous reporting period (2014-15).

Table 3. At a glance – statistics from ice operations

	Operation Gloss		Operation Amulet		Operation Juliet Wave		Total
	Previously ¹	2015–16	Previously ¹	2015–16	Previously ¹	2015–16	
No. of people charged	5	7	2	9	63	3	89
No. of charges	36	136	2	94	468	4	740
Drugs seized – estimated street value	\$3.943M	\$0	\$0.084M	\$0.158M	\$2.901M	\$0	\$7.085M
Other significant seizures (weapons, cash, labs)	.22 rifle 2 drug labs 1 operating drug lab	–	–	4 x motor vehicles \$1.067M cash 2 automatic firearms Submachine gun 3 semi-automatic pistols 2 revolvers Gold and jewellery including a \$20K Rolex watch	.22 handgun Motor vehicle Jetski \$0.303M cash	–	7 x firearms (including automatic weapons) 3 x drug labs \$1.37M cash Gold and jewellery including a \$20K Rolex watch Jetski
Proceeds of crime action	\$0	\$0	\$0	\$2.074M	\$1.791M	\$0	\$3.865M
No. of hearings days	–	–	–	12	12	3	27
No. of witnesses attending hearings	–	–	–	13	13	3	29

1. Prior to 2015–16.

Cocaine

The cocaine market in Queensland has grown slightly over the past three years but remains smaller than other traditional illicit drug markets. None the less, there has been an increasing trend in the number of detections of cocaine in Queensland and an increase in the number of users reporting that cocaine is “easy” to access.

The number of people using cocaine has increased in some areas of Queensland, particularly on the Gold Coast, however, it continues to be used mainly within higher socio-economic groups and as a “special occasion” drug. In the past three years, the Gold Coast policing district accounted for the largest number of cocaine seizures in Queensland.

This lucrative market is likely to continue to attract organised crime groups attempting to establish a greater foothold in Queensland, particularly in the south-east.

Closing down a cocaine trafficking syndicate: Operation Quaker

In March 2016 the CCC closed a 24-month organised crime investigation that dismantled a cocaine-trafficking syndicate. **Operation Quaker** targeted a syndicate that was allegedly transporting significant quantities of cocaine from Sydney to the Gold Coast, from where it was distributed throughout south-east Queensland.

In total, 36 persons were charged in Queensland and New South Wales with over 300 offences, including the offence of trafficking. The operation also seized drugs with an estimated street value of \$1.49M. This included 1.1 kg of cocaine found during a vehicle intercept in northern New South Wales in December 2014. It is alleged these drugs were destined for Queensland.

Cold-call investment fraud

Cold-call investment fraud, also known as “boiler room” fraud, is a type of organised crime in which a group of criminals set up complex business structures which appear legitimate in order to defraud people by getting them to invest in business opportunities and companies.

The investment opportunity is fraudulent and there is no possibility that it will ever deliver the promised results. The frauds involve a person receiving an unsolicited contact, usually a telephone call or email out of the blue (a cold call), connecting them with a salesperson. The salesperson uses various techniques designed to induce the person to invest in what is claimed to be a highly profitable money-making venture. Once the criminal group has obtained money from a number of investors, they shut down the particular company, with the investor usually losing all the money they handed over.

Cold-call investment fraud is a complex crime type involving criminal, consumer and corporate law, making it difficult to pursue and prosecute. Law enforcement agencies, financial regulators and other bodies have all worked both independently and collaboratively across Australia to tackle the problem.

The operations described in the following case studies led to 11 separate boiler rooms being identified and closed.

Operation Lima Violin II

Operation Lima Violin II was a major 20-month investigation that focused on serious cold-call investment fraud on the Gold Coast, and resulted in 15 people being charged with a range of offences including fraud and money laundering.

It was conducted by a joint CCC–QPS taskforce, a multi-disciplinary team that included detectives, lawyers, financial investigators, intelligence officers and forensic computing specialists.

The CCC–QPS taskforce focused on those people who facilitated the frauds. Some of those facing charges were directors or senior employees of a private investigation firm and it will be alleged that they were involved in perpetrating frauds against members of the community via a number of different companies and schemes over an extended period of time.

Given that the offences occurred some years before the establishment of the taskforce, there was a substantial amount of financial analysis required during this investigation.

The frauds have had an enormous impact on many of the victims, who suffered substantial financial losses. The investigation demonstrated that joint law enforcement agency investigations — in particular, between the CCC, QPS, Australian Taxation Office and other national law enforcement agencies — are most successful against crimes such as these.

Operation Unwind

The CCC commenced **Operation Unwind** in March 2015 to investigate an alleged crime syndicate known as the Irish Boys, a Gold Coast-based syndicate suspected of operating cold-call investment frauds.

It is alleged that the syndicate was selling bogus computer software and managed investment schemes throughout Australia that were incapable of producing the high yields promised by the syndicate and had been designed to defraud victims of their savings.

A taskforce was established with the QPS to conduct the investigation. In August 2015 the taskforce shut down two active boiler rooms and charged six people with aggravated fraud offences. It is alleged that approximately 390 victims across Australia were defrauded of approximately \$7M. It will be alleged that a range of misleading and dishonest techniques were used to deceive members of the public, including:

- the use of false names by all sales and support staff
- the use of virtual offices to deflect any face-to-face engagement and to provide a veneer of legitimacy to the operation
- use of long-standing companies to provide an impression of an established company with no complaints history
- false representations to customers about limited availability of the products
- only providing customers with licensed documentation containing a fine-print warning of the high risk nature of the investments after the deal had been closed and the money paid over.

To date Operation Unwind has resulted in 12 people being charged with 19 offences including fraud.

Operation Sterling: Intelligence-gathering to combat cold-call investment fraud

The CCC and the QPS commenced Operation Sterling to gather intelligence on the activities of 11 cold-call investment fraud operations and criminal organisations that have operated on the Gold Coast, in Brisbane and overseas.

Intelligence hearings revealed that some of the 11 networks examined have been active in Australia from 1994 to the present day. It is estimated that more than 113 separate fraudulent schemes have been conducted in Queensland by these syndicates over this time — not including schemes controlled by these syndicates and located offshore.

The total loss to victims from these 11 networks is conservatively valued at \$175.715 million. Eight of the 11 syndicates were identified as having significant overseas connections (as shown in Figure 2). These included:

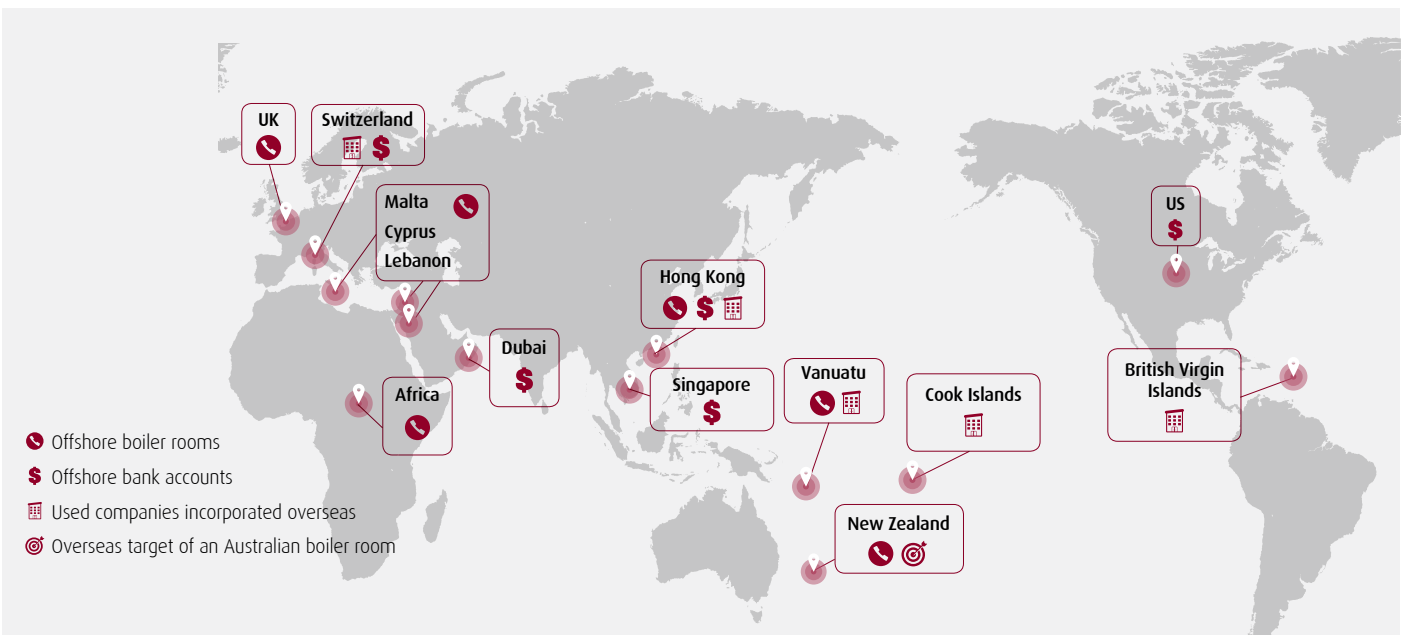
- having offshore boiler rooms targeting various countries including Australia
- using companies incorporated overseas
- having offshore bank accounts and facilitators through whom it is suspected that the laundering of cold-call investment fraud profits occurs
- targeting another country from an Australian boiler room.

Operation Sterling showed that there are well established links between cold-call investment fraud operations and traditional organised crime. It is believed that some cold-call operations are controlled by criminal entities linked to OMCs and other established organised crime syndicates.

Five of the 11 syndicates have been identified as having direct links with established Australian organised crime identities or OMCs involved with the importation and distribution of illicit drugs. Money obtained through cold-call investment fraud was also identified as being used to fund loan-sharking and other organised crime activities.

Operation Sterling also included a major research component that analysed the various phases of the fraudulent schemes (preparation, operation, close down and re-emergence) and, by doing so, identified crime prevention opportunities. Following Operation Sterling, the CCC has been developing a public awareness campaign to alert Australians to the risk posed by cold-call investment fraud, which will be launched in the next reporting period (2016–17).

Figure 2. Overseas connections of Queensland cold-call investment fraud found by **Operation Sterling**



Paedophilia and child exploitation

The CCC targets criminals who engage in the online distribution and sharing of child exploitation material (CEM) because they are responsible for creating a market for images and movies that depict very serious offending against children. Moreover, experience suggests that a proportion of the people engaged in this activity are also physically offending against children.

CEM describes or depicts a child or young person (under 16) in a sexual context, including for example, engaging in a sexual activity; or in an offensive or demeaning context; or being subjected to abuse, cruelty or torture. In Queensland, it is an offence to make, distribute, possess or involve a child in making CEM.

Every child depicted in CEM, whether living in Australia or overseas, is a victim of crime. The CCC works with law enforcement in Australia and overseas to identify and prosecute these criminals.

Maximising efficiency through law enforcement partnerships

The CCC has a team of experienced investigators, forensic computing experts and intelligence analysts who specifically target offenders active in committing child sex offences in the online peer-to-peer (paedophile to paedophile) environment.

The CCC works closely with the QPS to target criminal paedophilia. To progress its own investigations and those of the QPS, the CCC can use its coercive hearings powers to identify passwords to encrypted material (see textbox *Accessing electronically stored evidence of CEM offences* on the following page) or identify children depicted in CEM produced in Queensland. The CCC liaises with members of the QPS Child Protection Investigation Units (CPIUs), particularly when carrying out investigations into suspects located in regional Queensland.

Recommendations of the Queensland Organised Crime Commission of Inquiry

In October 2015, the Queensland Organised Crime Commission of Inquiry recommended that:

The Queensland Police Service and the Crime and Corruption Commission be properly resourced to undertake a “blitz” and tackle to a greater degree known Queensland-based offenders sharing child exploitation material on peer-to-peer platforms. (Recommendation 4.14)

The CCC subsequently received \$485,000 over 2015–16 and 2016–17 to enable it to tackle child exploitation by recruiting additional forensic computing specialists into the CCC to work on these investigations.

This funding, along with retained earnings up to \$510,000, will also be used for capital equipment acquisitions and upgrades.

Investigations

Search warrants have been executed by the CCC and the QPS in Brisbane, Rockhampton, Cairns, Bundaberg, Longreach, Ningi and Airlie Beach. Seventeen people were charged with 252 offences relating to possessing, accessing, producing and or making available CEM; two people were charged with rape and one person was charged with indecent dealing with a child under 16. Those charged have included a recidivist child sex offender with three prior convictions for similar crimes.

Further charges for contact offences are expected to be preferred in three other Australian jurisdictions in relation to these investigations.

Fifteen Queensland children have been identified in a harmful environment to date.

The CCC used its coercive hearings powers on two occasions to obtain passwords for encrypted devices and to identify children appearing in child exploitation images.

Ipswich man sentenced to four years imprisonment for child exploitation offences

In March 2016, an Ipswich man was sentenced to four years imprisonment, with a non-parole period of one year and nine months, after pleading guilty to six counts of accessing and possessing CEM, and to the serious criminal offence of aggravated networking, a charge that relates to conduct that involves offending on three or more occasions and involves two or more users online.

In September 2014, the CCC executed a search warrant at the offender's address after identifying that the man was using computer software to access and share CEM. The CCC seized numerous computer and storage devices, and discovered over 4000 image and movie files that were categorised as CEM.

Bundaberg man charged with multiple child exploitation and indecent treatment offences

In May 2016, a Bundaberg man was charged with multiple child exploitation offences and indecent treatment of a child following a joint CCC-QPS investigation. He was initially identified by the CCC during an ongoing investigation that was focused on individuals accessing and distributing CEM online using peer-to-peer software.

It will be alleged that a search of the man's home located computer and electronic storage devices, on which were found a large amount of CEM including image and video files. Upon further analysis of the material seized, he was also charged with indecent treatment of a child under the age of 16.

The man was charged by the CCC with possession of child exploitation material, use of a carriage service to access child pornography material, and use of a carriage service to make available child pornography material.

He has been remanded in custody and charged with an additional 29 offences. The matter is currently before the courts.

Rockhampton man charged with child exploitation offences, rape and indecent dealing

In May 2016, a Rockhampton man was charged with child exploitation offences after he was identified during an ongoing CCC investigation focused on individuals accessing and distributing CEM online. The CCC was assisted by a member of the QPS Rockhampton CPIU. After forensic analysis of the computer equipment seized in May by the CCC and further investigations by the Rockhampton CPIU, on 29 June 2016 the man was charged with additional offences including indecent treatment of a child under 16 being the guardian, rape and making child exploitation material. These matters are now before the court.

Accessing electronically stored evidence of CEM offences

There is growing international concern that technological advancement is facilitating the online exploitation of children. It is common for CEM to be stored electronically, with offenders becoming increasingly skilled in data encryption and secure data storage to conceal evidence of their involvement in offences. Encryption and other security measures make it difficult for law enforcement to access evidence of suspected CEM on an electronic storage device without information such as login details and passwords. If police cannot access this information, evidence of these offences remains concealed and may be destroyed. Further, police are unable to identify, locate and remove from harm the children involved in the CEM. Being able to access protected storage devices suspected of containing electronic evidence of CEM is therefore critical to efforts to tackle child exploitation.

In October 2015, the CCC published a research paper examining certain legislative limitations to police accessing protected data, and how these may impact on investigation of CEM offences. The paper, entitled *Accessing electronically stored evidence of child exploitation material offences: An examination of the legislative limitations of section 154 of the Police Powers and Responsibilities Act 2000*, is available on the CCC website at <www.ccc.qld.gov.au/>.

The value of forensic computing

Additional funding has allowed the CCC to increase the number of investigations undertaken and to ensure that a forensic computing expert is present for the execution of all search warrants in relations to these matters.

Since November 2015 the CCC's Forensic Computing Unit has examined 302 devices totalling 79TB of data examined at the scene of search warrants for 13 operations. 124 of the 302 devices (totalling 58.3TB of data) were excluded at the scene and no further work was required. 174 devices totalling 20.5TB of data were seized for further examinations. Some 54 per cent of suspects employed anti-forensic techniques such as encryption and data cleansing, all of which required Forensic Computing Unit to locate and identify CEM.

By identifying CEM material at the scene, CCC investigators are able immediately to show suspects the material they have located. Suspects will often confess to possessing CEM when confronted with the material. This has resulted in efficiencies in brief preparation and subsequent court processes, and freed investigators to conduct more investigations.

Table 4. At a glance – statistics from paedophilia investigations

Paedophilia investigations		
	Previously ¹	2015–16
No. of investigations commenced	10	17
No. of people charged	11	17
No. of charges	151	252
No. of contact offences charged	3	40
No. of children identified in or removed from a harmful environment	1	15
No. of hearings days	1	2
No. of witnesses attending hearings	1	2

1. Prior to 2015–16.

Update on the review of the *Child Protection (Offender Prohibition Order) Act 2008*

On 19 December 2014, the CCC tabled its review of the operation of the *Child Protection (Offender Prohibition Order) Act 2008* (the CPOPO Act). The report made 17 recommendations aimed at improving the way offender prohibition orders are used to protect children from people who have been convicted of sexual or other serious crimes against children and are living in the community.

In December 2015, the Government tabled its response, in which it supported all of the CCC’s recommendations (four in principle), including that of combining the CPOPO Act and the *Child Protection (Offender Reporting) Act 2004*. The Government will now progress implementation of the recommendations.

Proceeds of crime

In 2015–16, 119 referrals were made to the CCC for proceeds of crime recovery. QPS referrals made up 66 per cent of the total number of referrals received. The balance came from the ODPP or Commonwealth law enforcement agencies, or arose out of CCC investigations.

During this financial year, the CCC:

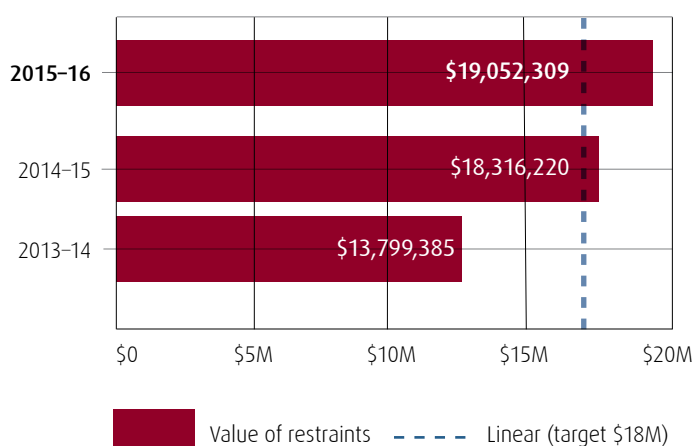
- obtained 73 restraining orders over property valued at \$19.052M against an annual target of \$18M
- secured the forfeiture of assets to the value of \$10.010M, exceeding the annual target of \$7M
- finalised 42 civil confiscation matters.

We also obtained 4 proceeds assessment orders valued at \$0.443M. During the financial year 12 applications for unexplained wealth orders were filed totalling \$3.524M and 3 unexplained wealth orders totalling \$0.210M were granted.

As at 30 June 2016, a total of 28 restraining orders valued at \$6.369M had been granted under this scheme. At the time of writing this report, one application for a serious drug offender confiscation order was before the courts.

Since the CPCA came into effect in 2003, the CCC has restrained assets to the value of \$214.102M and secured the forfeiture of \$81.558M.

Figure 3. Value of restraints (million) - Target vs actual



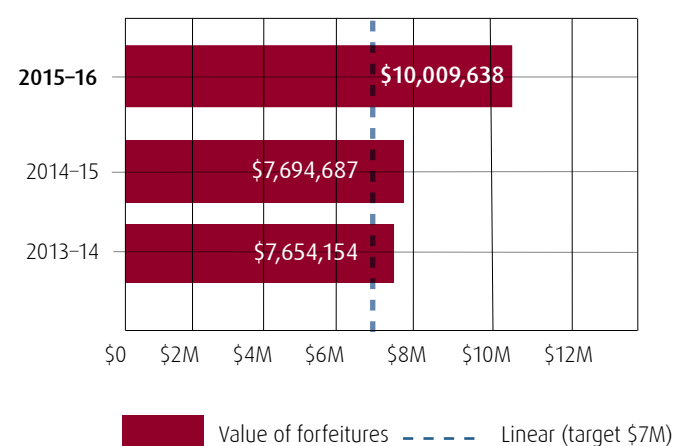
Proceeds of crime data informs law enforcement about drug offenders' assets

The CCC analysed its proceeds of crime data to determine whether there are any differences in asset ownership between different kinds of drug offenders (e.g. depending on drug type or the offender's position in the supply chain) and whether there have been any changes in drug offenders' assets over time. The findings of this research may be used to inform processes for targeting and prioritising law enforcement investigations and inform decision-making about which drug offenders should be referred for proceeds of crime action.

The report, titled *Assets of Queensland drug offenders: An analysis of Crime and Corruption Commission proceeds of crime data, 2009–14*, was published in September 2015, and is available on the CCC website.



Figure 4. Value of forfeitures (million) - Target vs actual



Coercive hearings

This year the CCC held a total of 334 crime-related hearings days across the state, from Southport to Cairns. These included hearings that concerned:

- 28 organised crime investigations involving, among other things, drug trafficking, weapons trafficking, fraud and money laundering
- 13 homicide investigations (as specific referrals of major crime)
- 6 investigations under the Vulnerable Victims general referral involving 3 homicides, a grievous bodily harm and torture (see textbox on page 37)
- 2 investigations involving criminal paedophilia.

Outcomes from hearings

Examples of significant law enforcement outcomes during the reporting period to which coercive hearings contributed are as follows:

- Hearings held in October and November 2015 led to the arrest of three members of a Gold Coast-based syndicate involved in skimming over a million dollars in cash from automatic teller machines and forwarding the proceeds overseas, primarily to Bulgaria. A total of six people have been charged.
- Hearings held in late January and early February 2016 led to the arrest of 15 people on 54 charges under the *Drugs Misuse Act 1986*, including trafficking, production and possession of synthetic cannabis. This included the arrest and extradition from Victoria to Queensland of the proprietor of a chain of adult stores in Queensland through which the drugs were allegedly distributed.
- Hearings conducted in Townsville in September 2015, arising out of an investigation into a Townsville-based drug trafficking network, led to the seizure of 52 pounds of cannabis (with a street value of approximately \$215,000) and \$30,000 in cash. A number of people were charged with trafficking and related offences.

- In July 2015 a two-week trial concluded in the Cairns Supreme Court with the murder convictions of a husband and wife. The pair had been charged with the shooting murder of a gold prospector on their remote cattle property at Palmerville Station in Cape York in July 2012. The body of the prospector has never been found. In October 2012 the CCC conducted an extensive hearings program in the matter. Responding rapidly to a QPS request for hearings, the CCC held hearings simultaneously in Cairns and Brisbane to which nine witnesses were called.
- In February 2016, two men were charged with the drug-related murder of a man and woman in Rockhampton in 2013. The arrests were the culmination of 55 days of intelligence hearings involving 75 witnesses, held primarily in Central Queensland.
- In March 2016, an urgent hearing was held into the fatal shooting of a man at Booval during the course of a suspected drug-related "home invasion" in order to recover a semi-automatic weapon used in the shooting. The investigation resulted in charges against three people who it was alleged were associated with the deceased and identified the location of the semi-automatic firearm. The matter will be referred to the coroner.

Table 5. Crime hearings (including intelligence hearings)

Description	Number
Notices to attend hearing	552
Notices to produce	238
Search warrants	146
Notices to discover information	n/a
Hearing days	334
Witnesses attending	403

Hearings into crimes against vulnerable victims

The CCC investigates and holds coercive hearings in relation to QPS investigations into violent crimes involving “vulnerable victims” – children under 16, elderly people aged over 70, and those in a position of particular vulnerability because of a physical disability or mental impairment. Under a general referral (see page 24) which has been in place since 2013, the CCC can fast-track assistance to the QPS in cases of suspected homicide, manslaughter and grievous bodily harm.

According to QPS statistics, 20 per cent of 55 suspected homicides reported to police in the 2015–16 financial year involved vulnerable victims. Investigations into these crimes often prove particularly complex and challenging when using only conventional law enforcement powers. Suspected homicides and other violent crimes involving vulnerable victims are more likely to occur at a private location, such as within a household. For that reason, there is often limited scope for eyewitness accounts, with investigations frequently involving a small group of suspects who often know or are related to each other and are consequently reluctant to assist police with their inquiries.

This year significant outcomes were achieved in charges and prosecutions arising from crimes against vulnerable victims.

- In August 2015, following a CCC hearings program, a woman and her former partner were charged with the murder and torture of her four-year-old son at the Gold Coast in 2009. The man was charged in 2009 but the charges had been withdrawn. Eight witnesses gave evidence in hearings which were held from mid-June to early July.
- In November 2015 a husband and wife were charged with grievous bodily harm and torture of a two-week-old infant after hearings on the Gold Coast and in Brisbane.
- In November 2015, a woman who pleaded guilty in the Supreme Court to manslaughter of her newborn child was sentenced to five years in prison, suspended after three years. Her husband, who pleaded guilty to being an accessory to the crime, was sentenced to three years jail suspended after nine months.

Case study

The CCC assisted the QPS in an investigation into the grievous bodily harm of an 11-week-old child under the vulnerable victims general referral in December 2014.

The child had suffered serious head injuries, which have rendered him permanently disabled, unable to communicate, walk, talk or eat independently. The child was at home with both of his parents and his two year-old sibling at the time of the injury. It was not known who was responsible for the injuries to the child, and the family declined to assist police with their inquiries.

Hearings conducted established that the father of the child was responsible for the causing the injuries to the baby. The father pleaded guilty in the District Court to one count of grievous bodily harm and was sentenced to five years imprisonment, to serve a minimum of 20 months. Both children are now in permanent care.

“The CCC’s Vulnerable Victims general referral is an invaluable asset in the investigation and resolution of incidents of child homicide and serious trauma. The referral enables the QPS to seamlessly engage the CCC, and access its coercive hearings power, at early phases of the investigative process when time is critical. Since the referral came into being in 2013, CCC coercive hearings held pursuant to it have been effective in progressing a number of investigations by, for example, identifying the perpetrator/s and the mechanism by which the death or serious injuries occurred, enabling persons to be charged and the investigations to be finalised.”

Operations Leader, Child Trauma and Sexual Crime Unit, QPS.

Looking forward

Building on the work undertaken this year, in 2016–17 we will use our investigations, intelligence and research, proceeds of crime and hearings capabilities to:



Target the criminal networks and illicit commodity markets that pose the highest threat to Queenslanders



Increase our focus on criminal paedophilia investigations in the online environment



Continue to investigate, and develop strategies to combat, cold-call investment frauds.