



## Combating major crime

The CMC works in partnership with the Queensland Police Service and other law enforcement agencies to combat and prevent major crime.

The Crime Reference Committee. Membership at June 2007 was (left to right) community representative Johanna Bakermans; CMC Assistant Commissioner, Crime, John Callanan; Commissioner for Children and Young People and Child Guardian Elizabeth Fraser; Acting Commissioner of Police Richard Conder, representing Commissioner of Police Bob Atkinson; and CMC Chairperson Robert Needham.

‘Our strengths are our multidisciplinary teams, our partnerships and sheer doggedness’

John Callanan  
Assistant Commissioner, Crime



The CMC's resources are directed specifically towards major crime, which encompasses organised crime, criminal paedophilia, serious crime such as murder, arson and extortion, and terrorism.

Crime matters may come to us internally through our own target development or through referral from the Crime Reference Committee, which includes community representatives as well as the Assistant Commissioner, Crime (the Chair), the CMC Chairperson, the Commissioner of Police, and the Commissioner for Children and Young People and Child Guardian.

In addition to specific matters, the Committee has referred several broad 'umbrella' areas of major crime, which allows us to investigate individual cases of suspected criminal activity without needing a specific committee referral.

## Our plan in 2006–07

Through the Strategic Plan 2006–10 we undertook the following strategies to combat and prevent major crime:

- Conduct effective multidisciplinary investigations into major crime, including organised crime and paedophilia.
- Undertake high-quality research, intelligence and prevention activities to assist in combating and preventing major crime.
- Maintain close partnerships with the QPS, and cooperative and collaborative arrangements with other agencies.
- Undermine the financial basis of, and incentive for, crime by identifying and targeting the proceeds of crime for confiscation.
- Develop and use state-of-the-art technology to enhance investigative methodologies.
- Collaborate with the Misconduct business unit to identify and target those public officials who may be involved in major crime.

In fulfilling these responsibilities in 2006–07, we focused particularly on:

- multidisciplinary crime investigations into organised crime, criminal paedophilia, serious crime and terrorism
- strategic intelligence
- research and prevention activities
- law enforcement partnerships
- confiscation of the proceeds of crime
- emerging technology.

## Overall performance 2006–07

Indicator	Performance
Total investigations finalised	27
Joint agency investigations	12 commenced 15 finalised
Organised crime investigations	5 commenced 4 finalised
Paedophilia investigations	16 commenced 14 finalised
Serious crime investigations	3 commenced 8 finalised
Counter-terrorism investigations	1 commenced 1 finalised
Number of people charged	105
Number of charges laid	354
Investigative hearing days	81
Intelligence assessments	4
Intelligence disseminations	316
Research, prevention and intelligence projects undertaken	15
Criminal proceeds restraining orders obtained	50
Assets restrained	\$11.74m
Matters finalised	26
Assets forfeited to the state	\$4.24m
Cost for output	\$11.37m

## Multidisciplinary crime investigations

Our multidisciplinary teams comprise CMC police and civilian staff with skills in areas such as investigation, intelligence, forensic computing, law, information technology, accounting, and surveillance and technical disciplines. We frequently conduct joint investigations with the QPS and other law enforcement agencies.

Many of the CMC's organised crime and paedophile investigations are conducted under our broad major crime referrals:

- Freshnet: criminal activity by members of established criminal networks
- Gatekeeper: criminal activity involving money laundering
- Hydra: criminal activity by outlaw motorcycle gang members or associates
- Atrax: criminal activity involving the use of the internet to commit sex offences against children, or offences relating to obscene material depicting children
- Artemis: extrafamilial paedophile activity by networked offenders or people who offend against multiple victims
- Counter-terrorism: criminal activity involving a terrorist act.

Table 1 outlines our overall performance in 2006–07 against the outlook in last year's annual report.

<b>Table 1. Performance 2006–07 against outlook in last year's annual report</b>	
<b>Last year we said we would:</b>	<b>In 2006–07 we:</b>
Continue to dismantle and disrupt organised crime networks operating in Queensland.	<ul style="list-style-type: none"> <li>Finalised 18 organised crime and criminal paedophilia investigations; 17 operations resulted in arrests, charges or restraints.</li> </ul>
Proactively identify and investigate networked extrafamilial child–sex offenders, or extrafamilial child–sex offenders who offend against multiple victims, and offenders who use the internet to aid in the commission of child–sex offences.	<ul style="list-style-type: none"> <li>Commenced 16 paedophilia investigations, 14 in relation to internet offenders and 2 concerning networked offenders, resulting in the arrests of 16 offenders on 40 charges.</li> <li>Enhanced software and adapted innovative investigative methodologies to enable successful, intensive online child–sex offender investigations to continue.</li> </ul>
Obtain approximately 42 restraining orders, resulting in the restraint of assets valued at approximately \$8m. Finalise 20 matters to a value of \$2m to be forfeited to the state.	<ul style="list-style-type: none"> <li>Obtained 50 restraining orders and restrained assets worth \$11.74m, bringing the total value of assets restrained since the legislation was enacted in January 2003 to \$48.38m; in 2006–07 finalised 26 matters resulting in the forfeiture of \$4.24m in assets to the state.</li> </ul>
Produce strategic assessments in relation to cocaine use and distribution patterns.	<ul style="list-style-type: none"> <li>Produced a detailed strategic assessment identifying the extent of the cocaine market in Queensland and determining the level of risk posed by that market. The report for law enforcement agencies was finalised in June 2007. A more general Crime Bulletin will be released publicly later in 2007.</li> </ul>
Deliver Human Source Operations (HSO) courses.	<ul style="list-style-type: none"> <li>Delivered four HSO courses; three were joint CMC–ACC (Australian Crime Commission) courses for officers of both agencies; the fourth was a Misconduct-specific course for CMC Misconduct officers.</li> </ul>
Report on the prevalence and patterns of illicit drug use among emergency room patients.	<ul style="list-style-type: none"> <li>Surveyed 1200 patients in 2005 and entered data into a database; these will be analysed and a public report published during the next reporting period.</li> </ul>
Publish a major report on trends in illicit drug use between 1999 and June 2005 in Queensland and elsewhere, using data from the Drug Use Monitoring in Australia (DUMA) project.	<ul style="list-style-type: none"> <li>Drafted a report on the DUMA project, which investigates drug use among watch-house detainees in Queensland, New South Wales, South Australia and Western Australia; it will be published during the next reporting period.</li> </ul>
Publish research findings on trends in the general population regarding the use of illicit drugs.	<ul style="list-style-type: none"> <li>Our report, <i>Illicit drug use in Queensland: a survey of households 2002–05</i>, was released in February 2007.</li> </ul>
Review the recommendations of the 2003 report <i>Seeking justice: an inquiry into how sexual offences are handled by the Queensland criminal justice system</i> .	<ul style="list-style-type: none"> <li>Sought and received submissions concerning the implementation of recommendations in the <i>Seeking justice</i> report. The report of the review will be published during the next reporting period. See 'Engaging in public policy', page 50.</li> </ul>
Take part in a coordinated, cross-government sexual victimisation prevention program for Indigenous children.	<ul style="list-style-type: none"> <li>The Child Safety Directors Network has now sponsored this program. We continue to work with the network to progress the project.</li> </ul>
Continue to promote the advantages of electronic court briefs for complex criminal issues.	<ul style="list-style-type: none"> <li>Made progress in configuring database, with identification of original information sources, interaction between information, automatic population of interrelated information, and manipulation of data for brief preparation finalised to date.</li> </ul>

Table 2 summarises the crime referrals to the CMC that were current during 2006–07. Table 3 details the use of our powers in investigations into organised crime, criminal paedophilia, serious crime and counter-terrorism.

**Table 2. Referrals from Crime Reference Committee current or completed in 2006–07**

Referral	Date	Status	Type	Description
Abina	Feb. 2003	Completed	Serious crime	Murder
Alpha Cobra	Sept. 2003	Current	Serious crime	Murder
Alpha Washington	June 2005	Current	Organised crime	Fraud
Artemis	July 2003	Current	Criminal paedophilia	An umbrella reference relating to networked extrafamilial offenders or non-networked extrafamilial offenders who offend against multiple victims
Atrax	Jan. 2002	Current	Criminal paedophilia	An umbrella reference relating to internet-based child-sex offending
Bravo Laurel	Feb. 2004	Current	Serious crime	Murder
Bravo Settler	Apr. 2006	Current	Serious crime	Multiple murders
Bravo Vada	Dec. 2004	Completed	Serious crime	Murder
Caviar	Nov. 2002	Reopened	Serious crime	Murder
Charlie Caravan	June 2005	Completed	Serious crime	Attempted murder
Charlie Caribou	Mar. 2005	Completed	Serious crime	Attempted murder
Charlie Dove	Dec. 2005	Completed	Organised crime	Fraud
Charlie Raze	June 2005	Completed	Serious crime	Double murder
Counter-terrorism	Dec. 2002	Current	Organised crime	An umbrella reference relating to terrorist activities
Counter-terrorism	Sept. 2004	Current	Terrorism	An umbrella reference relating to terrorist activities
Delta Fluid	Oct. 2006	Completed	Serious crime	Suspected unlawful homicide
Delta Note	April 2005	Completed	Serious crime	Unlawful killing
Diehard	Jan. 2006	Current	Serious crime	Fraud
Distant Thunder	Feb. 2007	Completed	Serious crime	Rape
Echo Praise	Feb. 2007	Current	Serious crime	Unlawful killing
Foxtrot Crest	June 2007	Current	Serious crime	Suspected murder
Freshnet	Aug. 1998	Current	Organised crime	An umbrella reference relating to established criminal networks
Gatekeeper	April 2000	Current	Organised crime	An umbrella reference relating to money laundering
Have	Aug. 2000	Reopened	Serious crime	Murder
Hydra	Dec. 2006	Current	Serious crime	Criminal activity by outlaw motorcycle gang members or associates
Ink	Oct. 2003	Completed	Serious crime	Murder
Napier	Sept. 2002	Current	Serious crime	Suspected murder
Samian	Feb. 2001	Reopened	Serious crime	Murder and rape
Tiber	Nov. 1998	Current	Serious crime	Murder

**Table 3. Use of CMC powers for major crime investigations, 2005–06 and 2006–07**

Description	Organised crime		Criminal paedophilia		Serious crime		Counter-terrorism	
	2005–06	2006–07	2005–06	2006–07	2005–06	2006–07	2005–06	2006–07
Hearing days	26	51	3	–	75	28	–	2
Notices to attend hearing	28 issued 25 served	58 issued 48 served	3 issued 3 served	– issued – served	88 issued 84 served	49 issued 24 served	– issued – served	2 issued 2 served
Witnesses legally represented	3	20	1	–	12	3	–	1
Witnesses who applied to the Attorney-General for financial help	–	2	–	–	1	5	–	–
Witnesses giving evidence	23	44	3	–	66	21	–	2

*Note:* Differences between numbers of notices issued, notices served and witnesses attending relate to instances in which the attendance of witnesses was rendered unnecessary, either before service or subsequently; and in one instance a series of arrests rendered a hearings program unnecessary.

### Organised crime

We bring wide-ranging expertise and resources to the investigation and prevention of organised crime in Queensland, which we undertake in partnership with other law enforcement agencies.

Investigative priorities are based on a risk-assessment method according to the threat that criminal markets pose to the people of Queensland. This entails an ongoing evaluation of criminal markets and the rating of networks and individuals operating within those markets, with a view to dismantling and disrupting organised crime networks and preventing crime. This entails not merely convicting key individuals, but financially incapacitating the networks by confiscating crime-related assets.

Our organised crime investigations resulted in 88 arrests and 313 charges laid during 2006–07 (see Tables 4 and 5) and included the dismantling of two major organised crime syndicates. See page 24 for more detail.

**Table 4. Organised crime investigations 2006–07**

Operations	Arrests	Charges laid	Drug seizures (\$)	Notices to produce	Assets restrained	Hearing days	Witnesses
Alpha Submission Barrier	2	14	–	–	–	–	–
Alpha Washington	–	–	–	–	–	17	12
Danson	38	101	162 340	6	–	2	1
Diehard	1	2	–	–	–	3	2
Echo Prawn	2	5	–	–	–	5	5
Echo Slam	4	30	–	–	–	4	3
Foxtrot Condense	–	–	–	–	–	11	13
Navan	16	78	–	1	\$0.38m	–	–
Sabre	13	64	29 350	19	\$0.765m	–	–
Shock	6	6	–	–	–	2	4
Smoke	6	13	15 000	3	–	7	2
<b>Total</b>	<b>88</b>	<b>313</b>	<b>206 690</b>	<b>29</b>	<b>\$1.145m</b>	<b>51</b>	<b>42</b>



The CMC's Egret Team investigates internet paedophilia. Pictured here are team members Inspector Sue Dawson and Detective Senior Sergeant Carey Stent.

## Criminal paedophilia

In investigating criminal paedophilia we focus on the niche areas of networked or recidivist extrafamilial child-sex offenders, and the use of the internet as a tool for locating and grooming potential child victims.

The multidisciplinary Egret Team is responsible for the CMC's paedophile investigations. It comprises four police officers, an intelligence analyst, an assistant intelligence analyst and a lawyer, and its work is supported by forensic computing, technical, surveillance and other investigative resources within the CMC.

We strive to stay abreast of new technologies for investigating online child exploitation, which makes it possible to target paedophiles operating through internet chat rooms and other media.

During 2006–07 our paedophile investigations resulted in the arrest of 16 people and the laying of 40 charges (see Table 5). This included several arrests using innovative methodologies, and the first arrest by the CMC of an offender for procuring a child aged under 12 years. See page 25 for more detail.

## Serious crime

The CMC helps police with serious crime investigations that have not resulted in sufficient evidence to enable prosecutions with reasonable prospects of success. In addition to receiving three new referrals for investigation, we were involved during 2006–07 in investigations arising from an old referral. Operation Abina was referred several years ago but new developments led us to revive this referral and hold further hearings during the year. As a result, the main suspect was charged with one count of murder.

**Table 5. Arrests and charges in 2006–07**

Type	Offenders	Charges
Organised crime	88	313
Paedophilia	16	40
Serious crime	1	1
Terrorism	–	–
<b>Total</b>	<b>105</b>	<b>354</b>

**Table 6. Serious crime hearings 2006–07**

Operation	Hearing days	Witnesses	Offences
Abina	1	2	Murder
Bravo Settler	24	15	Murder
Delta Fluid	1	1	Suspected unlawful homicide
Distant Thunder	2	3	Rape
<b>Totals</b>	<b>28</b>	<b>21</b>	

## Terrorism

As for other types of major crime, we are able to use our special powers (particularly the hearings power) to assist in the investigation of terrorist threats and terrorist-related activity in Queensland. Any CMC investigation of terrorism, acts preparatory to the commission of terrorism, or acts undertaken to avoid detection of or prosecution for terrorism, will occur in response to a request from the QPS.

We maintain a high state of readiness to respond to any such request. In 2006–07, following an urgent request for assistance from the QPS, we were able to immediately institute hearings in relation to a suspected terrorism-related incident. See pages 24–25 for more detail.

## Strategic intelligence

Our Strategic Intelligence Unit monitors various crime markets in Queensland to identify emerging trends or changes in threat levels. We take a multidisciplinary approach which integrates strategic intelligence, research and financial investigation.

We share relevant intelligence with other agencies and, where appropriate, with the public. We also produce substantial strategic intelligence assessments on specific issues that could affect law enforcement in Queensland. We research and analyse past and current developments and assess the current and future threat, or risk level, posed by the issue. These findings set our investigative priorities.

Significant activities this year included the following.

- During 2006–07 the CMC completed an assessment of the cocaine market in Queensland, which identified current trends and issues for cocaine use and determined the status of the market in Queensland. The report found minimal expansion in the Queensland cocaine market over recent years, with the most prevalent areas for cocaine activity being south-east Queensland and, to a lesser extent, Cairns. Demand for cocaine outstrips supply, suggesting the market is supply driven.

The assessment also found the market is limited by the comparatively high price of cocaine, as against other illicit substances, and sporadic availability. The CMC assessed the cocaine market as a 'medium' risk in Queensland. This risk level is likely to remain static in the short term but may increase in the next three to five years, and for that reason we will continue to monitor the market closely.

- CMC officers prepared a submission to, and gave evidence before, the Parliamentary Joint Committee Inquiry on the Australian Crime Commission's Inquiry into Future Trends in Serious and Organised Crime in Australia. Apart from strategic reporting, we respond regularly to requests from the ACC for contributions to their strategic assessments of organised crime matters of national importance.

## Target development

Target development involves identifying indicators of potential significant criminal activity by one or more individuals, and collecting and analysing data. This frequently involves close liaison with a number of partner law enforcement agencies such as the QPS, the ACC, the Australian Federal Police (AFP) and other interstate agencies.



Our Strategic Intelligence staff monitor crime markets in Queensland. Pictured are Director, Intelligence, Chris Keen and Executive Assistant Robyn Nuttall.

- During 2006–07 a number of organised crime matters were referred by the CMC to agencies, including the QPS, primarily for intelligence purposes. Information reports were also uploaded to the Australian Criminal Intelligence Database to enhance intelligence sharing across Australian law enforcement agencies.

## Human source program

An important investigatory and intelligence tool is the use of individuals who are in a position to provide confidential information. These 'human sources' have the potential to provide timely and accurate information that is not available from other sources. However, finding, recruiting and handling such sources is difficult, and poses risks to both the individuals and the officers involved.

In recognition of the importance of using such sources, and the risks involved, we provide specialised training for our officers. Our successful Human Source Operations (HSO) course, developed and run in partnership with the ACC, has been presented 15 times since it began in 2002 – most recently in March 2007. The course has attracted the interest of a number of police services from other jurisdictions.

In October 2006, we provided HSO courses tailored specifically to the CMC's Misconduct function.

## Research and prevention activities

Within the Crime program, research focuses particularly on:

- illicit drug use
- crime prevention.

### Illicit drug use

Given the relevance of illicit drug use to law enforcement activities, strategic research and policy development, we undertake a range of monitoring activities to assess illicit drug use in Queensland. These monitoring activities include both independent and collaborative research activities. For example:

- A detailed overview of current and changing drug-use patterns, *Illicit drug use in Queensland: a survey of households 2002–05*, was published in February 2007. Population-level information from a sample of approximately 13 000 Queenslanders in 2002–05 was compared with survey results of other populations.



- In December 2006 we published a report focusing on law enforcement and health-related aspects of the Queensland amphetamine market. *Profiling the Queensland amphetamine market* provides evidence that law enforcement strategies do affect the dynamics of the amphetamine market, and that there are benefits and limitations to both demand- and supply-reduction strategies.

The report builds on a 2002 study (Amphetamines in Queensland I, or AIQ I), which will be repeated in 2007–08 by Queensland Health to assess any changes in the characteristics, usage patterns, behaviours and socio-economic environment of amphetamine users in the



intervening period (AIQ II). The CMC has participated on the reference group for the study and will receive a copy of the dataset for future analysis and report writing.

- We conducted data analysis and reviewed relevant literature for a major report on the use of alcohol and illicit drugs among emergency department attendees. Data for the project is drawn from an initial study in 2002, undertaken with the Queensland Alcohol and Drug Research and Education Centre (QADREC), and a later comparative survey, undertaken with QADREC and the Australian Centre for Pre-hospital Research. The report will be released in 2007–08.
- We had continuing involvement in the national drug research project conducted by the Australian Institute of Criminology (AIC), and referred to as DUMA. Using data collected quarterly from detainees in police watch-houses, we worked on a report which will identify trends in illicit drug use among watch-house detainees in Queensland between 1999 and 2005, as well as provide state comparisons with New South Wales, Western Australia and South Australia for 2004–05. The report will be published in 2007–08.
- In September 2006 we were invited to collaborate with the AIC on a project to assess the rates of recidivism (charges and convictions) among male inmates who participated in the DUCO (Drug Use Career Offending) study conducted by the AIC in 2001. The project has the potential to deliver a unique recidivism study, with vital information about the links between illicit drug use and criminal careers amongst a sample of Queensland prisoners.
- In 2007 we submitted a successful partnership bid with Queensland Health and QADREC to the Australian

Research Council to conduct a longitudinal study of 400 young amphetamine users in south-east Queensland over a period of two years. Unlike previous studies, this study will focus on amphetamine users who have not had contact with health services or law enforcement agencies, and will assess the impact of such contact on their drug use patterns and attitudes towards drug use. The project aims to produce informed, evidence-based policies and practices for addressing amphetamine uptake and use, health-service approaches, and law enforcement strategies.

## Crime-prevention programs

- We have completed preparation of a major report, to be published early in 2007–08, which studies the relationship between the negative early life experiences (e.g. sexual victimisation) of 480 offenders serving community supervision orders and their experiences and outcomes later in life (e.g. education, employment, crime). A Research and Issues paper will also be published.

Based on a 2003–04 study, these reports will provide, for the first time, comprehensive information about the lives of offenders serving community supervision orders in Queensland. The results suggest that there may be considerable benefits associated with early intervention and treatment strategies that aim to 'break the cycle' of both victimisation and offending.

- We assisted the Child Safety Directors Network to design an early intervention and prevention program to address sexual abuse among Indigenous children. The focus of the program will be a school-based education program that aims to encourage the disclosure of sexual abuse. The program is based on the findings of research conducted for a CMC Research and Issues paper (no. 5) called *Child-focused sexual abuse prevention programs: how effective are they in preventing child abuse?*
- The CMC's Egret Team regularly conducted internet safety lectures for high school students and their parents. These lectures promote safe internet use by children and increase parental awareness of the potential dangers for children and how to safeguard them.

## Law enforcement partnerships

To combat major crime, which crosses state and national boundaries, we forge enduring strategic partnerships with a wide range of other agencies. We maintain regular liaison with state, federal and international law enforcement agencies, participate in state and national law enforcement

forums, and share intelligence and operational resources to achieve significant results.

We also engage with other key agencies such as Queensland Corrective Services, the Australian Transaction Report and Analysis Centre (AUSTRAC), the New South Wales Crime Commission, and other interstate law enforcement agencies. In particular, we often seek to involve national and interstate law enforcement agencies that have the capacity, not presently available to Queensland law enforcement agencies, to intercept telecommunications between suspected criminals.

### CMC partnerships with state and national agencies

The CMC actively collaborates with many state and national law enforcement forums including:

- **National Criminal Intelligence and Operations Forum**, which works towards developing a 'picture of criminality' in Australia
- **Queensland Joint Intelligence and Operations Group**, which facilitates the sharing of intelligence and investigative resources by law enforcement agencies operating in Queensland
- **Law Enforcement Advisory Committee**, which ensures that law enforcement and security are not compromised in the regulation of the telecommunications industry by the Australian Communications and Media Authority
- **Operational Management Board of the QPS**, which determines priorities for operational resources within the QPS State Crime Operations Command (SCOC), and approves joint investigations by the QPS and the CMC
- **QPS–CMC Joint Executive Team**, which facilitates and oversees the partnership between SCOC and the Office of the Assistant Commissioner, Crime, on major crime issues
- **Queensland Joint Senior Law Enforcement Liaison Group**, which brings together at a strategic level senior officers of the CMC, QPS, ACC, AFP and Australian Customs Service
- **Paedophile Investigation Coordination Committee**, which facilitates the effective partnership between the QPS and the CMC on criminal paedophilia investigations
- **Human Source Working Group**, which brings together key people in Australasian law enforcement with a background in human source management, with the aim of creating an extended human source intelligence network that will ultimately be capable of operating across the region.

## Proceeds of crime

Through our Proceeds of Crime staff, the CMC works to remove the financial incentive for crime by identifying and recovering assets gained through illegal activity. We undertake proceeds of crime restraint and forfeiture action in relation to criminal activity investigated by us and by other law enforcement agencies.

The CMC has responsibility for administering the civil confiscation scheme under the *Criminal Proceeds Confiscation Act 2002*. Under the Act, property may be restrained if it belongs to, or is under the effective control of, someone who is suspected of having engaged in serious criminal activity in the past six years.

Property suspected of having been derived from serious criminal activity can also be restrained even if the particular person suspected of having engaged in the activity cannot be identified. Restrained property is liable to be forfeited unless a person proves, on the balance of probabilities, that it was lawfully acquired.

During the reporting period, 50 proceeds of crime restraining orders were obtained, restraining assets valued at \$11.74 million, which well exceeded our target of \$8 million for the year.

- Since 1 January 2003, when this Act came into operation, \$48.38 million in assets have been restrained as a result of civil confiscation procedures. These restraining orders arose from investigations carried out by the CMC, or were the result of matters referred to the CMC by the QPS and other law enforcement agencies operating within Queensland, including Commonwealth agencies.
- During 2006–07 the CMC finalised 26 matters (exceeding the target by 6), resulting in \$4.24 million being forfeited to the state. The making of a restraining order by the Supreme Court represents the initial step in confiscation proceedings under the civil confiscation scheme. As with any other form of litigation there is a time lag between the initiation of proceedings and the final determination.
- Additional funding has been provided in the CMC 2007–08 budget allocation to enable recruitment of additional staff to meet expanding workloads.

Table 7, showing proceeds of crime data since this Act commenced on 1 January 2003, illustrates the progressive increase of restrained and forfeited funds through activity by the CMC and partner agencies.

**Table 7. Proceeds of crime comparative data**

	2002–03 (half year)		2003–04		2004–05		2005–06		2006–07		Total
	Number	Amount (\$m)	Number	Amount (\$m)	Number	Amount (\$m)	Number	Amount (\$m)	Number	Amount (\$m)	Amount (\$m)
Restraining orders	10	7.12	33	10.55	37	8.09	28	10.88	50	11.74	48.38
Forfeitures/settlements	1	0.02	2	0.77	15	1.62	25	2.00	26	4.24	8.65



Since the Criminal Proceeds Confiscation Act came into operation in January 2003, we have restrained a total of \$48.38 million in assets.

## Emerging technology

The emergence of e-crime and identity crime requires that law enforcement agencies like the CMC, both alone and in strategic partnerships, maintain a level of technical sophistication which at least matches that of offenders. Particularly in the area of internet offending by paedophiles, the willingness of offenders to adopt new technology and use newly developed encryption devices presents a constant challenge. The CMC has responded by continual training of its staff and enhancement of its technical capabilities, together with its pursuit of telecommunications interception powers.



Emerging trends in crime require the CMC to maintain a high level of technical sophistication.

In 2006–07, the CMC developed further capability in applying new technology to the production of complex briefs, particularly in relation to organised crime investigations where briefs can consist of thousands of pages of evidence and hundreds of exhibits. We started producing briefs in electronic form, thereby reducing their volume dramatically. We continued to contribute on the reference group established to assist the Office of the Director of Public Prosecutions (ODPP) Case Management System Project in relation to technical and operational matters.

The continual adoption of time-saving technology is crucial to the CMC's commitment to preparing high-quality court briefs in joint agency investigations.

# Major crime case studies 2006–07

## Investigative hearings

The CMC's Crime Reference Committee may refer major crime to the CMC for investigation at the request of the Commissioner of Police where:

- the QPS has carried out an investigation that has not been effective
- further investigation is unlikely to be effective using powers ordinarily available to police officers
- it is in the public interest to do so.

The purpose of referral is so that the CMC may use its coercive hearings power to require witnesses to attend closed hearings and be examined on oath. Legal mechanisms are available to enable the CMC to require a witness to answer questions even where the answers would normally tend to incriminate the witness.

The CMC's hearings power can be particularly useful in obtaining evidence from witnesses who have themselves been involved in criminal activity. Accordingly, they may be reluctant to disclose information relevant to the offence under investigation because to do so would expose them to the risk of prosecution for their own criminal conduct.

The CMC held investigative hearings over 81 days between 1 July 2006 and 30 June 2007, to which 67 witnesses were called. These hearings were held in connection with 13 major crime investigations, including unsolved murders, rape, fraud, drug trafficking, dealing in stolen goods, and suspected terrorist activity. Examples include:

- 15 witnesses were examined over 24 days in relation to an ongoing multiple murder investigation, resulting in significant additional information being obtained
- 12 witnesses were examined over 17 days in relation to an ongoing fraud investigation involving \$6 million, culminating in several of the persons involved making full admissions of their involvement in the alleged conspiracy and implicating others.

## Organised crime

### Operation Danson

This operation evolved as a CMC major crime investigation targeting, conjointly with the ACC and QPS, drug trafficking in south-east Queensland. During an earlier investigation, the supplier of methylamphetamine to the targets was identified as a senior member of a south-east Queensland chapter of an outlaw motorcycle gang. Operation Danson was developed to target this person and his associates, resulting in the dismantling of this network.

Various forms of electronic surveillance combined with physical surveillance identified that the target was supplying substantial quantities of drugs to Queensland-based customers as well as being involved in interstate drug trafficking and distribution.

In July 2006 the NSW Police Force agreed to the proposal for a joint task force targeting the NSW and south-east Queensland chapters of the gang. The NSW Crime Commission agreed to provide telecommunications interception on identified targets. A memorandum of understanding was formulated, the CMC and the NSW Police Force exchanged investigation plans, and the covert phase of the operation continued to gather intelligence and evidence. That phase was closed in February 2007.

At 30 June 2007 the total number of offenders arrested was 38, facing 101 charges including 21 of trafficking in a dangerous drug and 17 of supplying a dangerous drug.



Drug-making equipment seized during a crime operation.

### Operation Sabre

This operation concentrated on a suspected European ethnic-based drug syndicate, and successfully dismantled it.

The CMC's interest in this network arose out of the execution of a search warrant by members of a regional CIB unit in March 2005. The subject of the warrant had previously been convicted and imprisoned in relation to drug-trafficking charges.

The search was initiated after credible information was received suggesting the individual was involved in trafficking heroin in the greater Brisbane area. It also appeared that the target was a 'cook' and had an associate who was linked to a business based in Melbourne and Brisbane. Intelligence received through the use of covert surveillance confirmed that the target and his associates were engaging in drug trafficking.

Staff finalised the target profiles and closed the covert phase of the operation in March 2007. A total of 13 offenders were arrested on 64 charges including 13 trafficking charges and 34 charges of supplying a dangerous drug.

## Terrorism

### Operation Echo Sherlock

This operation demonstrated the CMC's ability to respond rapidly to a QPS request for assistance in a counter-terrorism investigation.

In November 2006, a confidential report was received by the QPS from a member of the public who suspected that a male person might be engaged in terrorist activities. The person of interest with respect to this investigation entered Australia via Sydney International Airport under a United Kingdom passport on a three-month tourist visa. Inquiries conducted with Interpol indicated he was criminally recorded in the United Kingdom.

On a Sunday in November, following an urgent request for assistance from the QPS, the Assistant Commissioner, Crime determined to commence this investigation under the umbrella referral. On the same day we applied to the Supreme Court for approval to issue an immediate attendance notice to a witness. The approval was granted, and an immediate notice was issued and served on the witness, who was called before a CMC hearing later that day. Another witness was called to a hearing later in the same week.

The hearings were highly useful in providing a forum in which the suspects could be debriefed (despite claims of self-incrimination) as to their recent suspicious activities.

In the event, no cogent evidence of terrorist-related planning emerged, and it appeared that the person of interest's suspicious activities were related to his involvement in international credit card fraud.

Several days after his attendance at the CMC, the suspect was sentenced in the Southport Magistrates Court in respect of a tainted property charge and immediately deported to the United Kingdom.

The CMC will continue to maintain a high state of readiness to engage in terrorism-related investigations.

## Criminal paedophilia

CMC investigations have been very effective in targeting persons who possess and distribute 'high end' child exploitation material, particularly highly graphic material. Several of the offenders were identified as possessing extensive libraries of child exploitation material, including encrypted hard drives/discs to prevent location and prosecution.

In February 2007, investigators executed a search warrant on an offender in relation to online chat investigations. He undertook a record of interview, during which he made full admissions to exposing girls of 11 and 12 years respectively (in reality, covert police operatives) to indecent matter and procuring to engage in a sexual act. This offender was the first arrested by the CMC for procuring/exposing a child under the age of 12 years; where the child concerned is under 12 years (or believed by the offender to be a child under 12 years), the offender is liable to an increase in penalty from five years' to 10 years' imprisonment.

In addition to these operations, presentations were delivered by Egret Team members to QPS Detective Training and the QPS Child Protection Investigation Unit training courses. Numerous lectures on internet safety and cyber bullying were also presented to a number of secondary schools and community agencies in the Brisbane area.

## Proceeds of crime

### Restraining orders

Following large cash seizures by police in two investigations, CMC proceeds of crime officers obtained restraining orders over property valued at approximately \$2.8 million.

The first matter resulted in restraining orders on property valued at \$1 million, including \$564 000 in cash seized from a Toowoomba storage shed. The second matter resulted in restraining orders over property valued at \$1.8 million following the seizure of \$668 000 cash buried at a Townsville address.

### Settlements

*State of Queensland v. Brown.* This long-running matter arose from a joint ACC/QPS investigation into organised criminal activity in south-east Queensland. Property valued at \$800 000 was initially restrained in 2003 and was finally resolved in July 2006 with forfeiture to the state of property valued at \$710 000.

*State of Queensland v. Wallace.* This matter arose from a QPS investigation in North Queensland which culminated in the arrest of the respondent on serious drug charges. A restraining order over all of the respondent's property was made in July 2006 and was settled in February 2007. The settlement terms will see property valued in excess of \$700 000 forfeited to the state.

*ACC/QPS Operation Charlie Thatch.* During 2006–07 settlements were reached with a number of parties arrested as a result of a protracted ACC/QPS joint investigation into large-scale drug production and trafficking in Far North Queensland. The settlements reached have resulted in the forfeiture to the state of property valued at almost \$700 000.

## Outlook 2007–08

In 2007–08 we will:

- Continue to dismantle and disrupt organised crime networks operating in Queensland.
- Proactively identify and investigate networked extrafamilial child–sex offenders, or extrafamilial child–sex offenders who offend against multiple victims, and offenders who use the internet to aid in the commission of child–sex offences.
- Obtain approximately 45 restraining orders under the *Criminal Proceeds Confiscation Act 2002*, resulting in the restraint of assets valued at approximately \$10 million.
- Finalise 20 matters to a value of \$4 million to be forfeited to the state.
- Continue to produce assessments of organised crime markets.
- Continue to deliver Human Source Operations courses.
- Undertake crime–prevention projects especially in relation to drugs and criminal paedophilia.
- Continue to produce a range of strategic intelligence reports, including strategic assessments, crime bulletins, digests and briefing papers.
- Implement amendments to the Chapter 2 (Confiscation without conviction) provisions of the *Criminal Proceeds Confiscation Act* as a result of the review of the Act.
- Continue to monitor trends in the use of illicit drugs.
- Continue to produce research reports and papers on crime–related issues.
- Continue to promote the advantages of electronic court briefs for complex criminal cases.