

# Objective:

## Prevent and combat major crime

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**Our guiding philosophy in our work against major crime is to add value to the overall law enforcement effort in Queensland. We do this by using our special powers and our specialist resources in investigations, strategic intelligence and research, as well as by sharing information and resources with our law enforcement partners in Australian jurisdictions and overseas.**

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Overall, 2010–11 was a period of consolidation in our efforts in relation to organised crime and proceeds of crime. The multi-jurisdictional investigation code-named Operation Warrior, which targeted interconnected drug networks operating from Melbourne to Cairns, moved into prosecution phase. Concurrently, we began new investigations of other identified criminal networks assessed as being high-risk crime groups.

In administering Queensland's scheme for civil confiscation of proceeds of crime, we gave priority to finalising matters. A particular highlight was obtaining a proceeds assessment order of \$4.2m against a convicted outlaw motorcycle gang member after long-running and highly contested legal proceedings. However, our longstanding achievements in proceeds of crime faced a new challenge in that many of our specialist financial investigators were recruited by other agencies, leaving us with a temporary shortfall of experienced staff. Steps to restore staffing levels are now well advanced.

Our research and intelligence units collaborated to publish an intelligence digest examining past and current use of the drugs amphetamine and ecstasy by young adults in Queensland. Its findings supported those of our 2009 strategic assessment of illicit drug markets in Queensland, confirming our strategic focus in organised crime remains on the commodities that are most harmful to the community.

We have continued to invest in the skills and expertise of our specialist staff in criminal paedophilia, with direct benefit to our investigations. We also disseminated evidence to agencies in interstate and foreign jurisdictions.

We continued to conduct coercive hearings in support of both our own and external major crime investigations. Although there was some reduction in demand for hearings from the Queensland Police Service (QPS) in the second half of the year, this was a temporary phenomenon associated with the diversion of QPS investigative resources to cope with Queensland's recent natural disasters.

Importantly, a number of our major crime investigations were significantly advanced by the further development of our telecommunications interception capabilities, in accord with our strategic priorities for 2010–11.

## How crime matters come to the CMC

Under the Crime and Misconduct Act, major crime encompasses organised crime, criminal paedophilia, serious crime and terrorism.

Crime matters come to the CMC through referral by 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.

As well as referring specific matters, the committee has referred several general areas of major crime, which allows us to investigate particular incidents of suspected criminal activity without a specific committee referral. This enables us to investigate matters at the request of other agencies as well as those identified through our own target development.

## Performance snapshot

Table 5 shows our performance in preventing and combating major crime in 2010–11, assessed against the service standards and targets outlined in the 2010–11 Service Delivery Statements.

» See the Service Delivery Statements [here](#).

Explanatory notes are provided for any significant variations between our targets and our actual performance. For a comparison with our performance over the last four years, see Table 18 in Appendix B.

**Table 5. Crime fighting and prevention services: 2010–11 performance**

Service standards (SDS)	2010–11		
	Target/estimate	Estimated actual*	Actual
Tactical operations undertaken <sup>1</sup>	25	25	28
Research, prevention and intelligence projects undertaken	15	15	15
Number of criminal proceeds restraining orders obtained <sup>2</sup>	60	45	44
Number of civil confiscation matters finalised <sup>3</sup>	30	50	48
Percentage of operations resulting in charges, restraints or seizures	95	96	96
Net value of criminal proceeds restrained (\$'000) <sup>2</sup>	15 000	15 000	14 116
Net value of assets forfeited (\$'000) <sup>3</sup>	5 000	10 000	9 325
Expenses to achieve strategic objective to 'prevent and combat major crime'	\$16.0m	\$16.2m	\$16.4m

\* 'Estimated actual' figures are a provisional estimate as at 31 March 2011.

Notes:

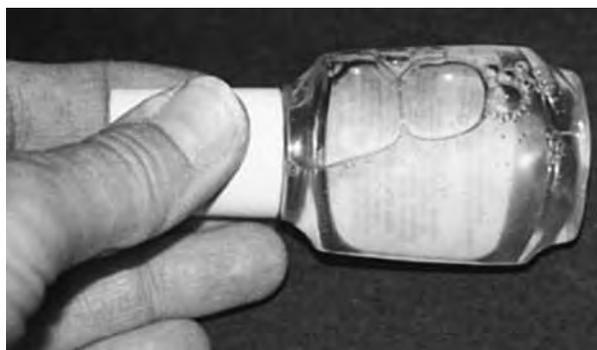
- Increases in internet-based paedophilia investigations using new technology, and the referral of serious and organised crime investigations by police for the conduct of coercive hearings, have led to this target being exceeded in 2010–11.
- As a result of fewer referrals and resource constraints, these annual targets were not achieved.
- In 2010–11, to achieve the best use of limited resources, our proceeds of crime team continued to focus on finalising matters through negotiated settlement. Both the number of civil confiscation matters finalised and the net value of assets forfeited were above target.

## Organised crime

In combating organised crime we focus on the kinds of criminal activity that are most harmful to our communities, as identified by our research and strategic intelligence capabilities. In particular, we focus on identifying and disrupting the importation, manufacture and distribution of illegal drugs, especially by groups or syndicates.

- The year was dominated by the closure of our landmark organised crime investigation, Operation Warrior (described in the last reporting period), and the preparation of associated court material. A record 42 full briefs of evidence were produced, comprising approximately 8000 transcripts, hundreds of witness statements, and thousands of hours of physical and electronic surveillance product and forensic analyses. To date, eight persons have been sentenced to terms of imprisonment for serious drug offences, 14 persons have been committed to trial in the Supreme Court and 13 persons listed for committal hearing. A further 5 persons in Queensland and other states are to be charged with trafficking in dangerous drugs. The compilation of voluminous briefs of evidence and innovations to the CMC e-brief have set new benchmarks for the production of evidence in courts.
- We undertook 28 tactical operations last year, exceeding our target of 25 (Table 5). From our operations across all areas of major crime, 38 persons were charged with 330 offences resulting from investigations commencing either in the 2010–11 year or in previous years. These lower-than-trend figures reflect the unprecedented workload associated with closing Operation Warrior. Nevertheless, drugs were seized to an estimated street value of \$1.6m (see Table 6).

- We produced an inaugural drug commodities and prices guide in 2010–11. The guide includes an overview of illicit substances considered to be available and commonly used among illicit drug users in Queensland. Designed to assist police and law enforcement officers involved in drug investigations, the guide will be updated annually to reflect changes in the market and the introduction of new substances of concern.
- Our strategic intelligence and research areas worked together to publish an intelligence digest, *Ecstasy and amphetamine: young people and social networks*. The study, undertaken in partnership with Queensland Health and the Queensland Alcohol and Drug Research and Education Centre (QADREC) of the University of Queensland, followed a random sample of 'ordinary young adults' over time to examine their drug use history, including their past and current ecstasy and amphetamine use.
- We are also finalising an intelligence digest for the use of law enforcement agencies that examines developments in the illicit market for gamma hydroxybutyrate, colloquially known as GHB or 'fantasy'. This will be published early in the next reporting year.



GHB concealed in a mouthwash bottle

**Table 6.** Use of CMC powers and results of investigations, 2006–07 to 2010–11

Description	2006–07	2007–08	2008–09	2009–10	2010–11
<b>Use of CMC powers</b>					
Investigative hearing days	81	151	157	162	114
Witnesses attending on summons	66	163	174	157	106
Surveillance warrants	28	10	21	10	4
<b>Results of investigations</b>					
Arrests	109	114	120	101	38
Charges laid	433	561	544	455	330
Drugs seized – estimated street value	\$0.318m	\$0.284m	\$0.456m	\$4.5m	\$1.6m

### Organised criminal group disrupted

We investigated the activities of an organised crime network operating throughout the southern areas of Brisbane and extending to the Gold Coast. This group was supplying methamphetamine ('speed' or 'ice') and GHB ('fantasy') to criminal associates and juveniles, with the apparent intention that these juveniles would sell the drugs during 'Schoolies' celebrations on the Gold Coast.

As a result, prosecution action was commenced against four persons on 49 drug and property related offences, including trafficking, supply and possession of dangerous drugs, the possession of weapons, and the receipt and destruction of a stolen motorcycle valued in excess of \$12 000. Assets to the value of \$49 630 were restrained.



Bags of cannabis, part of the \$5m worth of drugs seized during Operation Warrior

### Contributing to Australia-wide strategic intelligence

- We provided detailed submissions to the Australian Crime Commission (ACC) for a series of strategic reports presenting a current picture of criminality in Australia.
- We contributed to a joint intelligence assessment produced by analysts from a range of agencies, including the ACC, the Australian Federal Police, the Australian Customs and Border Protection Service and the QPS. The assessment looked at the involvement of a particular ethnic group in organised crime activity and made recommendations for detecting and deterring that criminal activity.
- A number of crime matters were referred to the ACC, the QPS and other agencies as a result of our target development work.
- We cooperated with the ACC in providing specialised training on recruiting and managing confidential human intelligence sources to CMC, QPS and ACC staff. We also developed and implemented a specialised database allowing for the secure registration and management of information from confidential human intelligence sources.
- We also uploaded documents such as information reports, offender profiles and post-operational assessments to the Australian Criminal Intelligence Database, as well as disseminating intelligence and information to other law enforcement and integrity agencies.



A .357 hand gun seized during Operation Warrior

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## Criminal paedophilia

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Although our jurisdiction relates to all child sex offending, our multidisciplinary team dedicated to the investigation of criminal paedophilia focuses on internet-based offending and networked, recidivist offending. This ensures that our work complements, rather than duplicates, the work of the Queensland Police Service.

- Our investigators continued to develop their knowledge and technical skills, attending training courses in South Australia and conferences in Sydney and the United States. The application of these skills saw 12 persons charged with 122 offences relating to possessing, distributing and producing child exploitation material.
- Our investigation of allegations of networked child sex offending by a small group based in North Queensland concluded because of the death of a person of interest and a lack of sufficient evidence in relation to other persons of interest. Nevertheless, there were valuable outcomes in terms of community support and crime prevention.
- We continued to expand our operational capability within Australia and internationally through our active partnerships with other law enforcement agencies. These include Queensland Corrective Services, the Office of the Commonwealth Director of Public Prosecutions and the Australian Federal Police (AFP); and the Federal Bureau of Investigation and the United States Immigration and Customs Enforcement Agency.
- Our Probe Asia, which seeks to identify local offending by Queensland-based residents suspected of engaging in child sex tourism, remains an important portal through which intelligence is shared between the AFP and the CMC. Probe Agitate targets high-risk networked paedophiles released from correctional institutions.
- The Research team is producing a series of internal information papers on a range of topics relating to criminal paedophilia, which are intended to inform the CMC's Crime function. Some of these papers may be disseminated to other appropriate agencies and government departments.



### Rapid identification and arrest of alleged recidivist offender

CMC investigators, using skills and software programs obtained during recent training in South Australia, discovered a suspect sharing child exploitation material online. They identified that the suspect was using free Wi-Fi connectivity in the precincts of a Brisbane library.

The offender was arrested almost immediately, and was found to have a number of USB storage devices with more than 15 GB of data containing child exploitation material. He had only recently been released from imprisonment for child sex offences, and admitted to portraying himself as an 11-year-old boy in order to actively groom young girls in various chatrooms. To date, it has been established that his paedophile network and victims extended to various states in Australia, the United States, the United Kingdom and Namibia.

The person has been remanded in custody and charged with possessing and distributing child exploitation material and using a carriage service to access child pornography material.

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## Hearings in support of partner agencies

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In addition to the investigations undertaken by our organised crime and criminal paedophilia teams, a substantial portion of our work is conducted in support of investigations referred from partner agencies – predominantly the Queensland Police Service but also other agencies such as the Australian Federal Police and the Australian Crime Commission.

### Why our hearings are requested

These requests for assistance are made to use our special investigative powers – and, in particular, our coercive hearings power – to gather information and evidence. The investigations can relate to any category of major crime, but are most often employed in relation to serious crime or organised crime offences such as murder, drug trafficking and fraud.

A matter that does not fall within one of our existing general referrals (which relate to organised crime, money laundering and criminal paedophilia) may be referred by our Crime Reference Committee, provided that a police investigation has not been, and is not likely to be, effective using powers ordinarily available to police officers, and that it is in the public interest to do so.

We attribute the reduction in requests by the QPS for assistance in the second half of the year to the natural disasters of the 2010–11 summer and the diversion of police resources in response.

Overall, we conducted investigative hearings over 114 days in Brisbane, Maroochydore, Bundaberg, Gladstone and Cairns (Table 6); 106 witnesses were called to give evidence in relation to 23 major crime investigations, including murders, drug trafficking, money laundering and child sex offending. Examples of our involvement in partner agencies include:

- the disappearance and suspected murder of a woman in Innisfail in 2010
- a \$10m fraudulent investment scheme operating on the Gold Coast from 2006 to 2009
- a major amphetamine trafficking network operating from the Gold Coast into New South Wales and Victoria
- ongoing investigations in relation to organised paedophilia in North Queensland
- the suspected murder of a 15-year-old girl in Brisbane in 2006
- the strangulation murder of a woman in Brisbane in 2010
- the murder of a Brisbane man in 2010.

### Vital evidence secured in hearing

At the request of the QPS we became involved in an investigation into an organised property offending group responsible for the systematic theft of copper wire from power substations in south-east Queensland in early 2010.

Over a period of about two months, 13 power substation break-ins took place and over two tonnes of copper wiring was stolen and on-sold to scrap metal yards – at an estimated total cost of \$500 000.

The hearings program yielded significant information that assisted in identifying specific offenders. As a result, seven persons were charged with a total of 82 offences in relation to the thefts. Charges were also laid for perjury offences arising out of the evidence of two witnesses given during the course of the hearings.

### Financial investigation revealed the network

In response to a request by the QPS, we also conducted a series of hearings in relation to a major drug trafficking operation in Bundaberg. The network was distributing substantial quantities of amphetamines, cocaine, heroin and ecstasy along the eastern seaboard of Australia and into the Northern Territory.

The hearings were conducted in parallel with Australian Crime Commission hearings, with the CMC hearings focusing on financial aspects of the trafficking network and alleged money laundering by the principal target. Identifying and quantifying assets helped to define the size and scope of the network and was a vital step in the investigation.

The evidence gathered through hearings also provided substantial information for confiscation proceedings brought against the principal target; well over \$1.7m is currently under restraint.

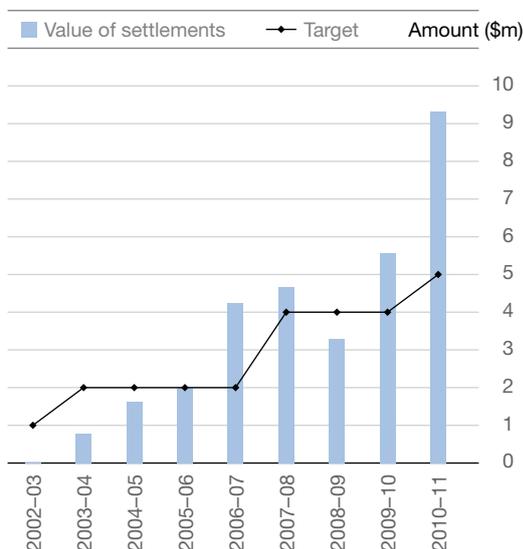
## Proceeds of crime

Confiscation of the proceeds of crime deters crime by attacking its profitability and removing funding for further criminal activity. Successful proceeds of crime work means that illegal gains by criminals can be recouped for the people of Queensland.

Our proceeds of crime staff work closely with the Queensland Police Service and the Office of the Director of Public Prosecutions in identifying and litigating proceeds of crime matters, as well as with the Public Trustee of Queensland, who is responsible for the property restrained and held by the state.

- Our proceeds of crime team is presently litigating 99 matters involving restrained property valued at \$53.19m. Since the commencement of the Criminal Proceeds Confiscation Act in 2003, our team has recovered \$31.5m of criminally derived property.
- Last year the CMC indicated that we would focus our proceeds of crime resources on increasing the rate of matters finalised. As a result we concluded 48 matters, resulting in the forfeiture of property valued at \$9.32m (well above our targets of 30 matters finalised and \$5m forfeited, see Figure 3). In addition we obtained five proceeds assessment orders for a total value of \$4.96m, including \$4.2m in relation to a former member of an outlaw motorcycle gang.
- During the year a number of factors beyond our control – including an unusually high staff vacancy rate and the natural disasters affecting Queensland combined with our increased focus on finalising matters – meant we were not able to achieve our targets for the number of restraining orders obtained and the value of restraining orders. We obtained 44 restraining orders (falling short of our target of 60) over property with a net value of \$14.12m (against a target of \$15m, see Figure 4).

**Figure 3.** Net value of assets forfeited (target compared with actual), 2002–03 to 2010–11



**Figure 4.** Estimated net value of criminal proceeds restrained (target compared with actual), 2002–03 to 2010–11





2.2 kg of cocaine seized

### **Civil confiscation – restraint and forfeiture of property acquired illegally or to satisfy proceeds assessment orders**

The CMC administers the non-conviction-based civil confiscation scheme under the *Criminal Proceeds Confiscation Act 2002*. Under the Act, property is liable to 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. Restrained property is liable to be forfeited unless a person proves, on the balance of probabilities, that it was lawfully acquired.

## **Other crime-related research**

In June 2011 the CMC tabled a review of the effectiveness of the *Prostitution Act 1999* pursuant to section 141 of that Act. In so far as one of the underlying principles of the Act is 'to safeguard against corruption and organised crime', the CMC concluded in its review that there is little evidence of corruption or organised crime in the legal prostitution industry. This is discussed in the chapter on our public policy area (pages 49–50).

### **Looking ahead**

In 2011–12 we will pursue our objective of having a telling impact on the incidence of major crime in Queensland, using the strategies outlined in our *Strategic Plan 2011–15*. This will include the following:

- Expand the capacity and scope of our telecommunications interception capability
- Design and implement a stakeholder engagement plan to identify key stakeholders and engage more effectively with law enforcement agencies
- Work closely with partner agencies to identify appropriate hearings matters for the CMC
- Prepare for a legislative review of the *Child Protection (Offender Prohibition Order) Act 2008*, required for 2013.