

# Crime

## Achievements

- Of the \$16.6m alleged to have been defrauded from Queensland Health by Hohepa Morehu-Barlow, the CMC, with the Office of the Director of Public Prosecutions, restrained property valued at \$12.039m (see page 15).
- Our broader attack on organised crime networks resulted in \$20.858m of property restrained and \$7.007m of property forfeited (see pages 14 and 15).
- The CMC rapidly responded to QPS requests for support in outlaw motorcycle gang (OMCG) and weapons-related criminal investigations, leading to six new investigations and 54 days of coercive hearings (see page 16).
- Crime operations disrupted two high-threat criminal networks involved in manufacturing and distributing drugs in South-East Queensland. As at 30 June 2012, 32 people have been arrested on 125 charges (see page 13).
- The CMC helped protect Queensland children through our expertise in combating online networked criminal paedophilia, charging 11 offenders with 191 charges (see page 16).
- Two of our criminal paedophilia investigations resulted in the first three prosecutions in Queensland of the new Commonwealth Aggravated Networking offence, which carries a maximum penalty of 25 years (see page 16).
- The CMC assisted the QPS in progressing 48 separate major crime operations across the state.
- A discussion paper focusing on the ways in which internet technologies enable serious criminal activities has generated a high level of interest from law enforcement and other government agencies in Australia and overseas.

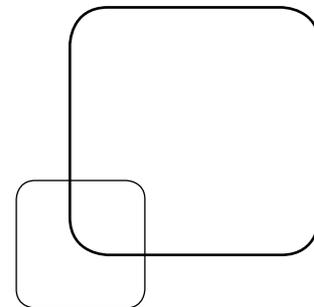
## Challenges

- Attracting and retaining experienced staff to cope with the increasing workload relating to proceeds of crime (see page 14).
- Ensuring adequate support – through hearings, proceeds of crime action and strategic intelligence – for QPS regions beyond South-East Queensland (see page 16).

### Looking forward ►

In 2012–13, while pursuing the priorities listed in the *2012–16 Strategic Plan*, we will:

- Increase our proceeds of crime function to respond to the increasing demand for confiscation action.
- Respond to new policy developments such as the proposed introduction of unexplained wealth legislation.
- Maintain a high state of readiness to respond to major crime matters referred to us by the QPS that could have a significant and unacceptable impact on the community.
- Increase our ability to respond to, or inform a response to, internet-enabled major crime.
- Use our criminal intelligence assets to inform crime prevention priorities where communities are identified to be at risk.
- Ensure that we are responsive to the needs of Queensland's regions.



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## Our role and jurisdiction

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The CMC is not a police agency but a niche layer of Queensland law enforcement focused solely on high-threat or major crime. As a referral-based investigative agency, we add value to the overall law enforcement effort by using our unique powers and specialist skills to support our own and our partners' investigations, and in associated proceeds of crime recovery. We also work with a broad range of stakeholders to implement broader crime disruption and prevention strategies.

### Strategic focus

Major crime is a target-rich environment so our decisions to focus on particular target groups, commodities or crime types are always underpinned by strategic intelligence and research activities and a rigorous methodology. We target those crime areas that pose the greatest potential harm to Queensland. Our aim is to make this jurisdiction as hostile as possible to those who would engage in major crime.

Our partnerships in these activities are critical. They are characterised by a commitment to genuine collaboration, responsiveness and a shared focus on achieving results. Many of our achievements are shared with the Queensland Police Service, with whom we work closely to prioritise and address major crime issues.

The increasingly borderless nature of major crime has also led to more intensive collaboration with interstate, federal and international law enforcement and policy agencies. This collaboration is at the heart of effective investigative support, intelligence dissemination, and the sharing of expertise, research and best practice approaches.

Underpinning all of our work in major crime is the tenet that our contributions are only valuable if they reflect compliance with and respect for the legislative frameworks within which we operate and care in the exercise of powers entrusted to us.

The various facets of our role are:

- organised crime (see page 13)
- proceeds of crime (see page 14)
- criminal paedophilia (see page 16)
- QPS hearings-related support (see page 16)
- terrorism investigation (see page 18).

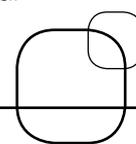
### How crime matters come to the CMC

Under legislation, we have a charter to investigate major crime, comprising organised crime, serious crime (involving offences punishable by at least 14 years imprisonment), criminal paedophilia and terrorism.

As a referral-based investigative body, the CMC investigates major crime matters referred to it by the Crime Reference Committee. The Crime Reference Committee 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 Crime Reference Committee has referred several general areas of major crime, which allows the CMC to investigate particular incidents of suspected criminal activity without a specific referral. This enables us to respond quickly to requests made by the QPS and other agencies, as well as to those issues identified through our own target development.

Currently, we have seven general referrals relating to outlaw motorcycle gang activity, established criminal networks, money laundering, terrorism, internet-related child sex offending, extra-familial child sex offending by networked or recidivist offenders, as well as a more recent referral relating to weapons.



### Performance overview

The following overview assesses our performance against the *2011–15 Strategic Plan* and the service standards and other measures and targets identified in the CMC 2011–12 Service Delivery Statement (see Table 1, next page).

In 2011–12, the CMC had significant achievements in protecting the community from major crime.

Overall, many of our performance targets were met or exceeded. We undertook more tactical operations and, of these, a high percentage (95%) resulted in charges, restraints or seizures. Similarly, \$20.858m in assets were restrained through proceeds of crime action (against a target of \$18m) and \$7.007m in assets were forfeited (against a target of \$6m).

Notwithstanding these outcomes, the proceeds of crime results were affected by continuing difficulties in matching staffing levels with workloads, protracted settlement negotiations, and the disproportionate demand on resources made by the high-profile Morehu-Barlow matter in the second half of the year.

We obtained 64 criminal proceeds restraining orders, substantially more than last year but below the target of 75. Civil confiscation matters finalised were also below target (36 compared with a target of 40). The engagement of temporary staff to meet workloads affected costs per \$1m for both restrained assets and forfeitures. Forfeiture costs

were also affected by the lengthy settlement negotiations already noted.

A substantial portion of the CMC's work is undertaken in support of major crime investigations referred from partner agencies, especially by holding coercive hearings. In 2011–12, 93 per cent of these hearings (just under the target of 95%) were assessed as adding value to those investigations. We achieved our target in the number of research and intelligence projects undertaken.

See Table 1 for more detailed information. Our performance can also be reviewed against results over the previous four years provided in Appendix 1.

**Table 1. Service Area: Crime fighting and prevention**

	2011–12 Target/est.	2011–12 Actual	2012–13 Target/est.
<b>Service standards (SDS)</b>			
Percentage of tactical operations resulting in charges, restraints or seizures <sup>1,2</sup>	95	95	95
Net value of criminal proceeds restrained (\$'000) <sup>3</sup>	18 000	20 858	18 000
Net value of assets forfeited (\$'000) <sup>4,5</sup>	6 000	7 007	7 000
Cost per \$1 million restrained <sup>6,7</sup>	80 000	98 549	115 000
Cost per \$1 million forfeited <sup>7,8</sup>	275 000	293 344	295 000
Percentage of coercive hearings which add value to major crime investigations	95	93	95
<b>Other measures (SDS)</b>			
Number of tactical operations undertaken	25	26	25
Number of research and intelligence projects undertaken <sup>9</sup>	15	15	17
Number of criminal proceeds restraining orders obtained <sup>10</sup>	75	64	75
Number of civil confiscation matters finalised <sup>11</sup>	40	36	40

The following notes are extracted from the Service Delivery Statement and explain significant variations between targets/estimates and actual performance.

1. A successful outcome may include a criminal charge, and/or the restraint or seizure of assets.
2. The wording of this service standard has been changed slightly from 2011–12 to better reflect the nature of this measure. There is no change to the calculation method.
3. As one confiscation matter (Morehu-Barlow) resulted in \$12.039 million being restrained, the 2011–12 Target was exceeded. In the absence of this matter the target would not have been met due to the current focus on finalising matters rather than restraint.
4. The 2011–12 Estimated Actual is higher than the predicted 2011–12 Target due to the current focus in Proceeds of Crime on finalising matters rather than restraint, due to current workloads.
5. The 2012–13 Target for forfeitures is increased to \$7 million to reflect the focus on finalising matters.
6. The 2011–12 Estimated Actual is higher than the predicted 2011–12 Target due to redirection of resources to finalising matters rather than on commencing new matters.
7. The 2011–12 labour cost target was a first-year estimate based on the limited data available at the time. The increased 2012–13 Target reflects the inexperience of staff, the allocation of additional existing internal resources to the proceeds of crime function and the use of more reliable trend data to calculate cost.
8. The 2011–12 Estimated Actual is slightly higher than the 2011–12 Target due to a number of protracted settlement negotiations which prevented forfeiture proceedings in 2011–12 and the redirection of resources to the Morehu-Barlow matter.
9. Future project planning indicates capability for greater effectiveness and conduct of additional projects. This is reflected in the 2012–13 Target.
10. The 2011–12 Estimated Actual is below target due to focus on finalising matters rather than restraint in 2011–12.
11. The number of civil confiscation matters settled has been impacted by lengthy settlement negotiations resulting in a smaller number of matters being finalised than anticipated.

## Combating major crime

The CMC undertook 26 tactical operations in 2011–12. From our operations across all areas of major crime, 76 persons were charged with 396 offences, resulting from investigations commencing either this year or in previous years. The CMC also assisted the QPS to progress 48 separate major crime operations across the state.

### Organised crime

In combating organised crime, the CMC focused on investigating the criminal identities and networks engaged in those illicit commodity markets that are of greatest harm to Queenslanders. This work is undertaken by multidisciplinary teams of police officers, lawyers, financial investigators and intelligence analysts, supplemented by a specialist evidentiary team.

#### Two high-threat drug networks dismantled

This year saw the dismantling of two major drug trafficking networks operating in South-East Queensland. As at 30 June 2012, 32 people have been arrested on 125 charges.

We have also seized significant quantities of dangerous drugs such as heroin, methylamphetamines, MDMA (ecstasy), cocaine and cannabis destined for distribution in the community. These operations have also resulted in the seizure of precursor chemicals, clandestine laboratory equipment, stolen property and cash (see page 14 for more information).

### Operation Warrior continues to yield results

Our crime team members have also been actively involved in brief preparation, trials and other court hearings in relation to Operation Warrior, which closed in 2010. Court results for this year include 14 convictions, with 6 persons receiving sentences of 6 years imprisonment or greater for trafficking in dangerous drugs and associated serious drug offences.

As of 30 June 2012, \$1.529m had been forfeited to the state as a result of confiscation proceedings resulting from Operation Warrior.

See full results for Warrior convictions on the CMC website at [www.cmc.qld.gov.au/warrior](http://www.cmc.qld.gov.au/warrior).

#### Up-to-date reporting

We are committed to up-to-date reporting of our enforcement activities and conviction outcomes, provided that such reporting would not prejudice the right of a person to a fair trial or compromise the covert nature of our ongoing organised crime investigations. See [www.cmc.qld.gov.au/crimeupdates](http://www.cmc.qld.gov.au/crimeupdates).

**Table 2.** Use of CMC powers and results of investigations, 2007–08 to 2011–12

Results of investigations	2007–08	2008–09	2009–10	2010–11	2011–12
Arrests	114	120	101	38	76
Charges laid	561	544	455	330	396
Drugs seized – estimated street value	\$0.284m	\$0.456m	\$4.5m	\$1.6m	\$1.544m

### **Operation Storm – CMC investigation disrupts major heroin trafficking network**

In May 2012, a major crime target believed to be central to a multi-million-dollar heroin ring operating in South-East Queensland was charged with drug offences relating to the trafficking in and possession of dangerous drugs, including heroin, methylamphetamines, ecstasy and cannabis.

The arrest of the 42-year-old Gold Coast man closed the covert phase of an 18-month CMC investigation codenamed Operation Storm. As of 30 June 2012, 20 persons had been arrested on 60 charges.

The operation dismantled a major drug distribution network operating from the Sunshine Coast to the Gold Coast, primarily trafficking heroin. It is conservatively estimated that, since 2006, this network has been responsible for distributing at least 20 kg of heroin (with an estimated street value of \$25m) through multiple distribution points.

The investigation, which began in December 2010, involved collaboration with the QPS, the New South Wales Drug Squad and the Australian Federal Police (Serious and Organised Crime team).

### **Contributing to Australia-wide strategic intelligence on organised crime threat and risk**

CMC intelligence gathering benefits the CMC and other Australian law enforcement agencies, both state and federal. This year we responded to Australian Crime Commission (ACC) requests for information to help develop a national understanding of priority risks and threats to Australia from identified criminal groups and individuals, illicit commodities and crime types.

The CMC also maintains an extensive liaison network with other law enforcement and government agencies throughout the country and overseas. This network supports the frequent exchange of information for law enforcement purposes, in accordance with memoranda of understanding or other arrangements. In 2011–12 we undertook 197 disseminations to 34 different state, Commonwealth and international agencies. See also 'Preventing major crime', page 19.

### **Proceeds of crime**

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

#### **What is non-conviction-based confiscation?**

The CMC administers the non-conviction-based civil confiscation scheme under the *Criminal Proceeds Confiscation Act 2002* (CPCA). 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.

Our proceeds of crime staff work closely with the Queensland Police Service and 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.

In 2011–12, \$20.858m in assets were restrained and \$7.007m in assets were forfeited, exceeding the targets of \$18m and \$6m respectively. (See Table 1, page 12 and Figures 1 and 2, page 15.) In addition, we obtained two proceeds assessment orders in the amount of \$1.099m.

We fell short in the number of restraining orders obtained (64 against a target of 75) and the number of civil confiscation matters finalised (36 against a target of 40). Our performance here was affected by the diversion of resources to the Morehu-Barlow matter, and by the high number of new referrals (see further discussion of resourcing below).

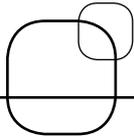
Currently, the proceeds of crime team is litigating 93 matters involving restrained property valued at \$58.010m.

The CMC's proceeds of crime team has struggled to attract and retain experienced staff to meet its current workload of matters and deal with an increasing number of new

### Proceeds of crime results since 2002

Since the *Criminal Proceeds Confiscation Act 2002* came into operation, our team has been instrumental in delivering to the state:

- \$145.843m in assets restrained
- \$38.535m in assets forfeited.



requests for confiscation assistance. The government has also foreshadowed the introduction of unexplained wealth legislation, which is likely to make further demands on the CMC's proceeds of crime capability.

To meet these challenges, the Commission committed to increasing the capacity of the proceeds of crime team in 2012-13, and to contributing the CMC's proceeds of crime expertise to the government's formulation and development of priority policies.

### CMC restrains more than \$12m in assets in the Barlow case

On 8 December 2011, the Fraud and Corporate Crime Group of the QPS received a complaint from Queensland Health about an unauthorised \$11m transfer from Queensland Health accounts into a private business account. Inquiries revealed that the business was registered by Mr Hohepa Morehu-Barlow (Barlow), a Queensland Health employee. On 9 December 2011, a warrant for Barlow's arrest was issued.

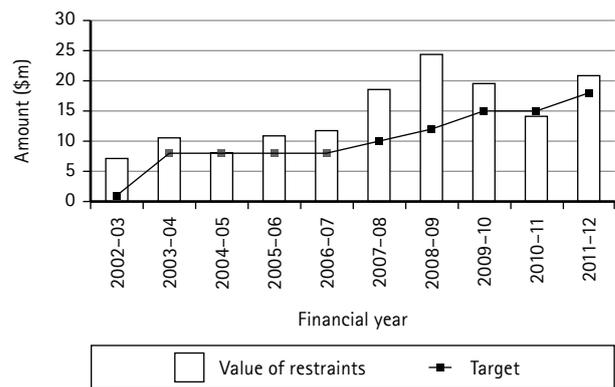
Also on 9 December and within 24 hours of the QPS receiving this complaint, the CMC obtained a Supreme Court restraining order over a substantial number of liquid assets (those assets at greatest risk of disposal) belonging to Barlow. On 13 December 2011, Barlow was charged with fraud pursuant to sections 408C (1)(b) and (2)(d) of the *Queensland Criminal Code 1899*.

As additional property has been identified throughout the course of the investigation, the CMC has moved to obtain an additional six restraining orders. All restrained property is in the possession of the Public Trustee, and at the time of this report the state has restrained assets valued at approximately \$12.039m. The confiscation proceedings are ongoing. (See also page 32 for our related Misconduct investigations.)

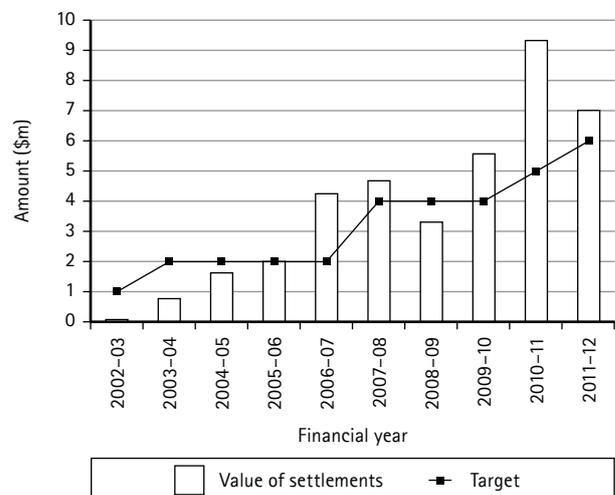
“The Sunshine Coast Criminal Investigation Branch has worked with CMC proceeds of crime in targeting the assets of Sunshine Coast Organised Crime groups ... Recent intelligence ... has indicated that those involved in the drug industry on the Sunshine Coast are complaining about their lack of funds due to the continual seizure of dangerous drugs followed up by the restraint of proceeds of crime by the CMC”

Maurice Carless, Detective Superintendent,  
Regional Crime Coordinator, North Coast Region

**Figure 1.** Estimated net value of criminal proceeds restrained (target compared with actual), 2002-03 to 2011-12



**Figure 2.** Net value of assets forfeited (target compared with actual), 2002-03 to 2011-12



## Criminal paedophilia

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

Our team works closely with QPS Task Force Argos, regional child protection investigation units, Offices of the Commonwealth and Queensland Director of Public Prosecutions, and interstate and foreign law enforcement agencies.

“ I commend you on the extraordinary work you do ... this particular case has opened my eyes to what is involved in your work ... ”

Extract from a letter from a juror forwarded through the Office of the Director of Prosecutions to the CMC criminal paedophilia team after the successful conviction of a person charged with numerous offences relating to child exploitation material

In 2011–12, our team charged 11 persons with 191 offences relating to possessing, distributing and producing child exploitation material. These offenders posed a direct and indirect risk of contact offences against a number of children in Queensland and in other jurisdictions.

Of those arrested, one offender was a convicted child sex offender and on the Australian National Child Offender Register (ANCOR), while another was heavily involved in youth groups in the Brisbane area. Two of the cases involved the first three prosecutions in Queensland of the new Commonwealth Aggravated Networking offence, which carries a maximum penalty of 25 years.

In 2011–12 the CMC's research team completed a long-term project on criminal paedophilia. See 'Preventing major crime', page 19.

## Hearings in support of partner agencies

In addition to the investigations undertaken by the CMC's organised crime and paedophilia teams, a substantial portion of our work is conducted in support of investigations referred from partner agencies – mainly the QPS.

### Why hearings support is requested

These requests for assistance are made to use our coercive hearings power – to gather information and evidence not available by other investigative means.

The use of the coercive powers may relate to any category of major crime, but these powers are most often used in relation to serious crime or organised crime offences such as murder, drug trafficking and serious fraud.

A matter that does not fall within one of our existing general referrals may be specifically referred by the 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 (see 'How crime matters come to the CMC', page 11).

We strive to provide this hearings service statewide to ensure that regional QPS investigations receive a similar level of support to those in metropolitan areas.

### Hearings held in 2011–12

This year we saw a sustained demand from the QPS for hearings assistance in support of a range of investigations, including the following:

- 8 homicides and 1 attempted homicide
- 4 drug trafficking
- 4 weapons-related
- 2 OMCG-related
- 1 fraud.

Overall, we conducted investigative hearings over 145 days in Brisbane, Bundaberg, Mount Isa, Rockhampton and Cairns (see Table 3). A total of 132 witnesses were called to give evidence to assist these major crime investigations.

The number of hearing days in 2011–12 was 27 per cent greater than those for 2010–11 (see Table 3). The data suggest that hearing requests numbers are returning to those occurring before the 2010–11 summer of natural disasters.

### Significant court outcomes from past hearings

This year saw a number of court outcomes in relation to some of our past joint QPS–CMC investigations where coercive hearings were conducted, including the following matters:

- The Court of Appeal has recently upheld the convictions of two men charged with the extortion of a third man on the Gold Coast in 2006, for which they had been jailed for 4½ and 6 years respectively. The CMC had held extensive hearings in support of this investigation in 2007 and 2008.
- In 2008, we held hearings in relation to the large-scale commercial cultivation of a cannabis crop at Inglewood, undertaken by a family syndicate. The family 'patriarch' who was the prime mover of the criminal enterprise was recently tried and sentenced to 13 years imprisonment, all other family members already having pleaded guilty and been sentenced for their roles in the undertaking.
- In 2010, CMC hearings were held in relation to the murder of a homeless man, who was attacked while asleep in a Fortitude Valley street. The hearings yielded significant evidence implicating a suspect in the murder (reported on in our 2009–10 annual report). In May 2012, the offender was found guilty of the murder and sentenced to life imprisonment.

“The Crime Reference Committee provides sound oversight of what investigations ought properly to be referred to the CMC for the use of its coercive hearings power. The value of these hearings in progressing major crime investigations where QPS investigative efforts have been stymied is a very valuable aspect of the CMC’s role”

Bob Atkinson APM, Commissioner of Police

### Hydra general referral enables rapid CMC response to murder

In April 2012, a 22-year-old man was fatally shot in the car park of a Brisbane shopping centre. The QPS investigation of the murder soon established that persons of interest to the investigation were members or associates of an outlaw motorcycle gang.

Because of the Hydra general referral relating to specified criminal activity on the part of members and/or associates of OMCs, the CMC was able to respond rapidly to the QPS request for assistance, and hearings began in May. The investigation is ongoing.

The Hydra referral has also supported the CMC’s rapid response to assisting the QPS in investigating escalating incidences of violence in South-East Queensland in 2012 related to conflict within or between OMCs.

### CMC–QPS partnership investigates spate of armed robberies and police officer murder

Using its new weapons general referral, the CMC in October 2011 commenced a partnership with QPS Task Force Resolve to investigate a series of armed robberies of hotels and clubs on the Gold Coast, dating back to 2006, that culminated in an armed robbery in May 2011 during which a police officer was murdered.

Multiple hearings held since November 2011 have secured considerable evidence in relation to the reported armed robberies, previously unreported 'home invasions', Weapons Act offences and the source of many firearms used in criminal activity. The hearings have thrown a spotlight on a number of intersecting criminal networks active in South-East Queensland over several years.

A number of people have already been charged with serious criminal offences. The investigation is continuing.

**Table 3.** CMC investigative hearings, 2007–08 to 2011–12

Use of CMC hearing powers	2007–08	2008–09	2009–10	2010–11	2011–12
Investigative hearing days	151	157	162	114	145
Witnesses attending on summons	163	174	157	106	132

## The courts uphold the integrity and appropriate use of the CMC hearing power

In 2011–12, contempt proceedings were brought in the Supreme Court of Queensland against four people who refused to answer questions at Crime hearings. All charges were proved and periods of imprisonment were imposed. For example:

- In October 2011, a man was jailed for one year, cumulative upon another sentence, after having given false evidence at a CMC hearing in 2010 relating to our investigation of the systematic theft of copper wiring from electricity substations in South-East Queensland (reported on in our 2010–11 annual report).
- In February 2012, a man was jailed for 2 years, to be suspended after 6 months, after pleading guilty to one count of perjury for having given false evidence at a CMC hearing in 2007. The man was sentenced on the basis that he had sought to thwart the CMC's investigation of serious criminal activity on the Gold Coast – the matters under investigation in our broader operation included illegal drug activity, abductions, torture, home invasions and murder.
- In early 2012, a 23-year-old man was charged with perjury arising from alleged false evidence given by him in the course of our hearings held in connection with the Task Force Resolve investigations (see page 17). This matter is still pending in the courts.

Two of our hearings-related investigations were challenged in judicial reviews this year:

- One matter was an investigation of suspected organised fraud involving a Gold Coast-based company engaged in arbitrage betting on sports events, after more than 250 people complained to the QPS of having been defrauded of a total of almost \$10m.

One of the suspects in the investigation challenged the Crime Reference Committee's decision to refer this matter to the CMC at the request of the Commissioner of Police and a subsequent decision to call him to a CMC hearing. The application was dismissed by the Supreme Court, which ruled that the decisions in question were made properly and with appropriate regard to all relevant aspects of the public interest:

The evidence establishes that the respondents approached their tasks of making the relevant decisions in accordance with the statutory provisions and the decision of Applegarth J in *Accused A v Callanan*. It has not been shown to my satisfaction that they failed to take relevant considerations into account or took into account irrelevant considerations or improperly exercised their powers or erred in law. To the contrary, they conducted a careful examination of the evidence and the relevant legal issues in reaching an appropriate conclusion.

QSC BS7937/11, unreported, Douglas J, 19 June 2012

The investigation has now resumed.

- The second judicial review relates to a murder investigation and the matter is still pending in the Supreme Court.

## Terrorism investigation

Our role in terrorism investigation is one of rapid response capability, primarily in the form of hearings support. Although we have no dedicated resources in this area of major crime, we have obtained a general referral from the Crime Reference Committee to streamline our ability to deal quickly with requests from the QPS or other agencies for terrorism-related hearings assistance. There was no activity in this area in 2011–12.

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## Preventing major crime

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The CMC's function encompasses both combating and preventing major crime.

In preventing crime, we identify possible sources of harm – such as drugs, weapons or online technologies that may facilitate criminal activity – and, as far as possible, act to remove or minimise these threats.

We share information with the law enforcement community and, where possible, with the public, particularly those groups who may be vulnerable to exploitation. At the same time, our research findings enable us to recommend educative or preventative strategies to policy makers and legislators.

Listed below is our work in crime prevention this year.

### Minimising the harm from dangerous drugs

- In September 2011, with Schoolies Week imminent, the CMC sought to alert parents and students to the dangers of the 'club drug' fantasy/GHB (gamma-hydroxybutyrate). Radio and television interviews, as well as articles in the press and on our website, stressed the narrow margin between a common dose and a fatal overdose (particularly given the variation in substance quality and strength). In early 2012, a CMC intelligence digest containing specialist technical information on fantasy in Queensland was disseminated to law enforcement and policy agencies.
- The CMC provided intelligence to state and national agencies to increase their understanding of the threats posed by the diversion and misuse of prescription drugs such as opioids, and by a range of illicit and licit substances such as steroids and analogue stimulants (derivatives of a parent compound that is typically prohibited or a scheduled drug). A declassified version is being prepared for use in specific communities throughout Queensland, to alert them to the harms associated with the use of these substances.

- We produced the *Drug commodities and prices guide 2012* for police and law enforcement officers involved in drug investigations and/or education programs. The guide describes illicit substances commonly trafficked in Queensland, giving common street names, photographs and prices. It also includes information on new and emerging drugs on the market. Originally produced for internal use only, this publication is now more widely distributed because of strong demand and positive feedback from members of the QPS.
- In September 2011, the CMC joined the Queensland Pharmaceutical Misuse Stakeholder Group, which includes Queensland Health, QPS, Medicare, the Australian Crime Commission, Mundipharma and the Australian Customs and Border Protection Service. Its goals include promoting awareness of the risks and harms associated with the misuse and diversion of controlled drugs and some restricted drugs, and early identification of pharmaceutical misuse and diversion in rural, remote and Indigenous communities.
- The CMC has contracted University of Queensland researchers to conduct scientific analysis to measure community-wide use of illicit drugs such as methylamphetamines, cocaine and MDMA (ecstasy). The data from the analysis will be used to inform a range of intelligence products in 2013.

### Investigating how new technologies enable major crime

We produced a discussion paper on the means by which internet technologies enable serious criminal activities such as money laundering and drug and weapons trafficking, and the implications for law enforcement. The discussion paper generated a high level of interest from law enforcement and other government agencies in Australia and overseas, as this issue has received increasing media attention.

Presentations based on this research were made to agencies including the Australian Federal Police, the Australian Crime Commission, state and territory police services, the Australian Customs and Border Protection Service, the Australian Taxation Office, the Australian Securities and Investments Commission, Australia Post, the Australian Computer Emergency Response Team and the US Federal Bureau of Investigation.

## Recovering stolen firearms

Under our weapons general referral, we can investigate the theft of licensed weapons and their distribution within criminal environments. Our aim is to either recover such weapons before they are used to commit crimes, or locate and recover firearms that have been used in committing criminal offences. As of 30 June 2012, we had undertaken four investigations with that focus. These include:

- In February 2010, 22 licensed firearms were reported stolen from a Gold Coast residence at Upper Coomera. Hearings were conducted in Rockhampton and Brisbane in 2011 and 2012, and identified the persons involved in purchasing the stolen firearms. A number of the firearms were sold to a single person with significant links to organised crime. Investigations are ongoing.
- In early 2012, we held hearings in relation to the armed robbery of a sporting shooters club in Brisbane in late 2010, during which 24 firearms were stolen, with 10 remaining unrecovered after a lengthy police investigation. The hearings yielded specific evidence about the initial sale and distribution of the missing firearms among criminal elements.

## Paedophilia and child sex offences

We completed a long-term research project on criminal paedophilia, resulting in papers on paedophile offender and victim characteristics, offender behaviour, impacts on victims, disclosure by victims, prevention of offending, and new technologies used by networked paedophiles. These have been provided to Australian police services and several state government agencies with a professional interest in child safety. The research also formed the basis of the CMC's submission to the Commonwealth Government Cyber White Paper process on developments in online paedophilia.

This research also informed the CMC's written submission to a review of the sentencing of child sex offenders by the Sentencing Advisory Council in late 2011. The council's final report reflected a number of our recommendations for legislative amendment, including:

- that the *Penalties and Sentences Act 1992* be amended to require a court to take into account whether the offender was in a position of trust or authority in relation to the victim
- that the Act be amended to say that good character cannot be taken into account as a mitigating factor if the court is satisfied that this assisted the offender in committing the offence (as in the case of a Sunday school teacher/scout leader who gains access to their victim because of their church/scout work).