

Reduced impact of major crime

This year CMC crime achievements centred on the fight against drugs, the protection of those who are vulnerable to harm or exploitation, and the return of money to the State that would otherwise be in the hands of criminals.

Achievements

- A multi-agency organised crime investigation led by the CMC resulted in the dismantling of a high-threat heroin distribution network, including the arrest of 29 people on 193 charges; seizure of 2 kg of heroin, 2 kg of amphetamine and 3 heroin presses; and recovery of stolen and tainted property amounting to \$341 000 (see page 12).
- The CMC helped protect Queensland children from online or networked criminal paedophiles, charging 13 offenders with 744 charges; 2 child sex offenders were sentenced to terms of imprisonment of 5 and 6 years respectively, having been charged by the CMC for the first time in Queensland with a new Commonwealth offence of aggravated networking, with charges pending against two others (see pages 15–16).
- Three investigations have commenced into the suspected murders of or serious harm to babies under our new general referral that enables us to investigate homicide and other serious violence involving children or other vulnerable victims (see page 11).
- Recovery action on the Morehu-Barlow fraud resulted in \$16.690m under proceeds of crime orders and \$11.880m being returned to the State (see page 15).
- We held an unprecedented 201 days of investigative hearings in support of 28 QPS and CMC major crime investigations, including murders, armed robberies, OMCG activity and drug trafficking (see pages 16–18).

Operation Lightning

29 persons on 193 charges
 2 kg of heroin
 2 kg of amphetamine
 3 heroin presses
 \$341 000 of recovered property

Proceeds of crime

\$17.091m property restrained
 \$16.983m property forfeited

Criminal paedophilia

13 offenders
 744 charges

Investigative hearings

201 days of investigative hearings
 28 QPS and CMC major crime investigations

Challenges

- An expanding workload resulting from the need to integrate new confiscation regimes targeting unexplained wealth and serious drug offenders into our current proceeds of crime recovery framework.
- Keeping pace with the exploitation of technologies by organised crime networks.

Performance summary

Our role and jurisdiction

The CMC is a specialist law enforcement agency targeting niche areas of major crime of the highest threat to the community. Our goal is to make Queensland as hostile an environment as possible to major crime, and to reduce its potential impact on the community. Our contribution to the overall law enforcement effort in Queensland is made through our mix of unique powers and specialist resources in investigations, proceeds of crime recovery, strategic intelligence and research. The CMC operates in a framework of strict legal compliance, and a high level of accountability attaches to the use of our special powers.

The components of our major crime role are:

- organised crime (see page 11)
- proceeds of crime (see page 14)
- criminal paedophilia (see page 15)
- major crime hearings (see page 16)
- terrorism (see page 19)
- crime prevention (see page 20).

Reducing the impact of crime: 2012–13

The 2012–13 reporting period saw the CMC invest its resources in several first-time areas, while continuing to pursue ongoing investigations and longer term strategies in crime fighting and prevention.

As a specialised law enforcement agency, the CMC has to choose the areas where it can operate most effectively and efficiently. To this end, intelligence and research helped us identify persons and areas of interest for maximum impact. This year we sharpened our focus on the highest-threat illicit drug market and technology-enabled developments in organised crime. We shared information with the QPS and Commonwealth law enforcement agencies (LEAs) on current and emerging issues to inform investigations, crime prevention initiatives and policy development.

This year we undertook our first joint investigation with the QPS Fraud and Corporate Crime Group, and broke up a million-dollar loan scam based on identity fraud and forgery, involving several banks and financial institutions (see page 12). Also, four child sex offenders were charged with or convicted of the Commonwealth aggravated networking offence introduced in 2010.

In another new direction, we have begun investigating and sharing information about crimes against some of the most vulnerable people in society – children, the elderly and the disabled – through investigations, use of our hearings power and a new research program. We have commenced 3 investigations, held 12 hearing days, and published a research paper on child homicide by parents.

The nature of the criminal justice system means that matters continue well beyond the closure of a tactical operation. This year Operations Warrior, Rebel and Storm – all begun between 2009 and 2012 – were still impacting the criminal milieu, with offenders appearing in court and being sentenced as a result of those operations.

The CMC held more hearings into major crime this year than ever before – a total of 201 days in relation to 28 major crime investigations, representing a 38 per cent increase in the delivery of this service since 2011–12. Significant results were also obtained in relation to “cold cases” of suspected homicides, including those of two nurses at Murphy’s Creek and the deaths of two women on the Atherton Tableland. Both of these matters have now progressed into the courts. Read more about our hearings on pages 16–18.

Although some legal challenges were made to the exercise of our hearings power, the courts held that we had exercised the power appropriately (see page 19).

Key performance indicators

The following overview assesses our performance against the 2012–16 Strategic Plan and the service standards and other measures and targets identified in the CMC 2012–13 Service Delivery Statement.

In 2012–13, the CMC generally met or exceeded its performance targets for the number and effectiveness of tactical operations, value-adding of hearings, and the number of research and intelligence projects undertaken (see Table 1).

We fell short of our targets in some of the proceeds of crime results. We obtained 48 criminal proceeds restraining orders, below the target of 75. Civil confiscation matters finalised were also below target (28 compared with a target of 40). These shortfalls were a result of protracted settlement

negotiations, continuing difficulties in matching staffing levels with workloads, and the loss of experienced staff. Targets were also affected by an unprecedented number of trials being set down during the year, as well as two appeals. However, the cost of operating the Proceeds of Crime team per \$1 million restrained and per \$1 million forfeited was less than the target cost. This means that the value of property being restrained and the value of property forfeited to the State is greater than the cost of running the team. Excluding the Morehu–Barlow matter for statistical purposes, the Proceeds of Crime team is currently returning a 166 per cent return on investment.

See Table 1 for more detailed information. Our performance can also be reviewed against results over the previous four years provided in Appendix 1, page 111.

Table 1. Service Area: Crime fighting and prevention

	2012–13 Target/est.	2012–13 Actual	2013–14 Target/est.
Service standards (SDS)			
Percentage of tactical operations resulting in charges, restraints or seizures ¹	95	100	95
Net value of criminal proceeds restrained (\$'000)	18 000	17 091	18 000
Net value of assets forfeited (\$'000) ²	7 000	16 983	7 000
Cost per \$1 million restrained ³	115 000	112 150	n/a
Cost per \$1 million forfeited ^{3,4}	295 000	112 859	n/a
Percentage of coercive hearings which add value to major crime investigations	95	100	95
Other measures (SDS)			
Number of tactical operations undertaken ⁵	25	37	n/a
Number of research and intelligence projects undertaken ⁵	17	17	n/a
Number of criminal proceeds restraining orders obtained ^{5,6}	75	48	n/a
Number of civil confiscation matters finalised ^{5,7}	40	28	n/a

The following notes 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. A forfeiture order obtained in the Morehu–Barlow matter is valued at \$11.880m.
3. This service standard will be discontinued in 2013–14 due to the enactment of the Unexplained Wealth and Declared Drug Trafficker provisions to be administered by the CMC. It will not be possible to accurately measure and isolate the costs of these new activities from the cost of Civil Confiscation Scheme restraints and forfeitures.
4. The increase in the value of forfeitures directly affects this measure. The cost per \$1 million decreases as forfeitures increase.
5. In 2013–14 this measure will be discontinued for Service Delivery Statement (SDS) reporting purposes. Performance information will be available in the CMC annual report.
6. There has been a 27 per cent reduction in QPS referrals compared with last year.
7. During the year a smaller than anticipated number of matters were resolved because of the need for resource-intensive trials, or protracted settlement negotiations.

Combating major crime

The CMC undertook 37 tactical operations in 2012–13. From our operations across all areas of major crime, 56 persons were charged with 968 criminal offences, resulting from investigations commencing either this year or in previous years. The CMC also assisted the QPS to progress 24 separate major crime operations across the state. Forty-five intelligence disseminations were made to state, Commonwealth and foreign agencies.

Table 2 shows the results of CMC investigations from 2008–09 to 2012–13.

Organised crime: targeting high-threat networks

The CMC focuses on investigating the criminal identities, networks and illicit commodity markets that are of greatest harm to Queenslanders, as identified by strategic intelligence, to dismantle or disrupt their activities. We invest our resources into longer term investigations undertaken by multidisciplinary teams comprising police officers, lawyers, financial investigators and intelligence analysts, and an evidentiary team. Our operations are often conducted jointly with other state and Commonwealth law enforcement agencies.

How crime matters come to the CMC

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

As a referral-based law enforcement agency, the CMC investigates major crime matters referred to it by its Crime Reference Committee. This 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.

New general referral for offences against vulnerable persons

This year, we sought and obtained from the Crime Reference Committee a new major crime general referral, targeting the victimisation of vulnerable people. This referral enables the CMC to act rapidly in response to QPS requests for hearings assistance in investigating suspected homicides and other life-endangering offences involving specific kinds of "vulnerable victims" (children aged under 16, persons aged over 70, and persons with a physical disability or a mental impairment). The referral covers suspected offences dating back to 1970, which allows the CMC to assist in progressing "cold cases" that remain open but unsolved.

For full details of our referrals, see www.cmc.qld.gov.au/crime-referrals.

Table 2. Results of investigations, 2008–09 to 2012–13

Results of investigations	2008–09	2009–10	2010–11	2011–12	2012–13
Arrests	120	101	38	76	56
Charges laid	544	455	330	396	968
Drugs seized – estimated street value	\$0.456m	\$4.5m	\$1.6m	\$1.544m	\$3.622m

Operation Lightning strikes at the heart of a Balkan heroin network

This year saw the dismantling of a major and longstanding heroin distribution network operating within South-East Queensland. The investigation, codenamed Operation Lightning, also identified members of the network from NSW who were responsible for importing heroin. The 12-month investigation was led by the CMC and supported by the Queensland Police Service State Drug Investigation Unit and the New South Wales Police Drug Squad.

In total, 29 persons, all members of Balkan crime groups operating in both states, were arrested on 193 charges. Of those arrested, 17 persons reside in Queensland; 8 of these face drug trafficking charges and related offences. The operation also led to the seizure of almost 2 kg of heroin, 2 kg of amphetamine and 3 heroin presses as well as the recovery of stolen and tainted property to the value of \$341 000. It is believed that over the past 10 years this network transported approximately 30 kg of heroin (with an estimated street value of \$30m) into Queensland.

The investigation also identified a longstanding criminal identity involved in producing and distributing amphetamines.

The investigation has already seen some court outcomes, with two offenders having pleaded guilty to offences in February and March this year.

Related criminal misconduct investigation

Operation Lightning also uncovered an alleged criminal association between a key organised crime target and an employee of a Queensland regional council. This led to a CMC misconduct investigation based on the initial intelligence gathered from the crime operation. Following the

investigation, a council employee was charged with drug and property-related offences along with offences relating to misconduct in public office. The crime target was also charged with procuring misconduct in public office.

Identity fraud investigation

In August 2012, the QPS Fraud and Corporate Crime Group asked the CMC to jointly investigate a criminal network allegedly involved in fraudulently obtaining loans from banks and financial institutions. The loans were principally applied to the purchase of luxury motor vehicles from dealerships in Brisbane and on the Sunshine Coast.

In conjunction with the QPS (Operation Juliet Endorphin), our Organised Crime team identified organised criminal activity involving the theft of personal identification and the subsequent use of that identification to fraudulently obtain personal loans from financial institutions. The QPS seized equipment included a laminating machine, a computer scanner, a blank credit card embosser, laptop computers, blank Queensland Transport Department driver's licence documents, fake student cards and numerous forged or assumed identity documents.

The total value of the offences, which involved six financial institutions, was over \$1.1m. Approximately \$95 000 worth of assets were seized, and all vehicles relating to these offences were recovered. In December 2012, 9 persons were charged on a total of 87 offences.

Intelligence activity underpins successful organised crime outcomes

Our intelligence capability represents a key element of our fight against organised crime. This work includes strategic assessment and reporting, target development and intelligence-related operational support.

The CMC's work in organised crime is largely shaped and directed by the activities of the Strategic Intelligence Unit (SIU). The SIU informs our understanding of organised crime markets and identifies the priority markets and syndicates of highest risk to Queensland. It then accesses information from a wide variety of sources to identify and assess potential tactical opportunities to ensure our organised crime resources are

focused in the most appropriate areas. The SIU also plays a principal role in the management of human sources by the CMC. The use of appropriate individuals as sources of intelligence and information is an essential strategy in the investigation of organised crime.

Our intelligence specialists also maintain an extensive liaison network with other local, interstate and overseas law enforcement and government agencies. This network supports the frequent exchange of information for law enforcement purposes. In 2012–13 we undertook 45 disseminations to a range of state, Commonwealth and foreign agencies.

Operations Storm, Warrior and Rebel still putting offenders behind bars

In 2011–12, Operation Storm disrupted a multi-million-dollar drug distribution network operating between Sydney and South-East Queensland. The network was alleged to have distributed at least 20 kg of heroin with an estimated street value of \$25m. This year our Proceeds of Crime team restrained a principal target's interest in a range of assets including two Gold Coast properties, five cars and a boat, and 11 witnesses were examined in coercive hearings about their knowledge of and involvement in the drug network. Court proceedings are now pending.

Operation Warrior, CMC's landmark organised crime investigation, which targeted a large-scale organised drug distribution network based on the Gold Coast, continues to yield results. Although it was completed in 2010, a number of significant court outcomes were achieved this year. Operation Warrior targets have now been sentenced to a cumulative total of more than 100 years imprisonment.

Recent outcomes include:

- In May 2013, a high-level target of Operation Warrior, a 34-year-old man from Kangaroo Point, was sentenced to 13 years imprisonment, after being found guilty of 14 charges relating to the production and trafficking of dangerous drugs. He was first arrested in March 2010, when he was located in possession of methylamphetamine, MDMA tablets, GBL, and more than \$47 000 in cash. He was arrested again in August 2010 in possession of more than 3 kg of methylamphetamine.
- In August 2012, a 56-year-old man from Eight Mile Plains was sentenced to 9 years imprisonment on 8 charges of trafficking, supplying and possessing cannabis. Over a period of 5½ years the target made 177 return interstate trips and used couriers to transport substantial quantities of cannabis into Queensland for distribution. It was alleged he circulated approximately 2.5 tonnes of cannabis throughout Queensland and profited by at least \$900 000 from his trafficking activities.

- In July 2012, the principal target of Operation Warrior was sentenced to 14 years imprisonment for illicit drug offences after entering a plea of guilty on a total of 20 charges. They comprised 4 counts of trafficking in dangerous drugs – cannabis, methylamphetamine, MDMA ("ecstasy") and GHB ("fantasy") – and a further 16 drug-related charges, including the supply of dangerous drugs (MDMA and cocaine) and possession of dangerous drugs. The Court of Appeal has recently dismissed the target's appeal against this sentence.

This year also saw a target from Operation Rebel, an organised crime investigation commenced in 2010, sentenced to 4½ years imprisonment. The target was heavily engaged in the supply of methylamphetamine and fantasy to young persons in the Beenleigh–Logan area, and pleaded guilty to charges including trafficking dangerous drugs, receiving stolen property with a circumstance of aggravation, supplying a dangerous drug, and unlawful possession of a weapon.

Details of arrests and prosecution outcomes from Operations Storm and Warrior are on our website. See www.cmc.qld.gov.au/crime-investigations.

Up-to-date reporting

The CMC is 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.

Proceeds of crime

Our proceeds of crime activity enables the recovery of illegal gains by criminals for the benefit of the people of Queensland. Confiscation also deters and prevents crime by attacking its profitability and removing funding for further criminal activity. Most proceeds of crime activity begins after a suspect has been charged – the team will move to restrain the illegally derived property of targets with a view to its ultimate forfeiture to the State.

The CMC works in partnership with the Queensland Police Service and the Director of Public Prosecutions in identifying and litigating proceeds of crime matters. It also deals extensively with the Public Trustee of Queensland, who is responsible for managing restrained property.

In 2012–13, \$17.091m in assets were restrained and \$16.983m in assets were forfeited. In addition, we obtained two proceeds assessment orders totalling \$16.759m. Although the annual target for restraints for this financial year of \$18m was not achieved, our target for forfeitures of \$7m was greatly exceeded. This was due to the forfeiture order granted in the Morehu-Barlow matter, which resulted in property to the value of \$11.880m being forfeited to the State (see Table 1, page 10 and Figures 1 and 2).

We fell short in the number of restraining orders obtained (48 against a target of 75) and the number of civil confiscation matters finalised (28 against a target of 40). Our performance here was affected by a high turnover of staff during the financial year and the resulting diversion of resources to train new employees (see discussion below on resourcing). Further, there was a 27 per cent reduction in requests by the QPS for confiscation assistance in comparison with the previous year. Five trials totalling 14 days and involving intensive pre-trial preparation (including the Morehu-Barlow matter) also limited our ability to commence new matters or to finalise other matters.

Currently, the Proceeds of Crime team is litigating 88 matters involving restrained property valued at \$64.916m.

Recent amendments to the *Criminal Proceeds Confiscation Act 2002* will introduce new confiscation regimes targeting unexplained wealth and serious drug offenders. We will seek to integrate these regimes into our current proceeds of crime recovery framework.

The CMC's Proceeds of Crime team faces an ongoing challenge in attracting and retaining experienced staff to meet its current workload of matters and deal with new requests for confiscation assistance. In attempting to meet these challenges, we have converted two temporary positions to recurrent positions to increase the team's capacity. We will continue to explore other ways to build our capacity to meet current and future demands.

Figure 1. Estimated net value of criminal proceeds restrained (target compared with actual), 2003–04 to 2012–13

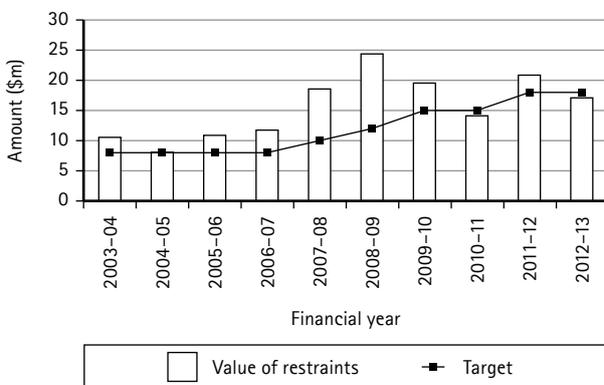
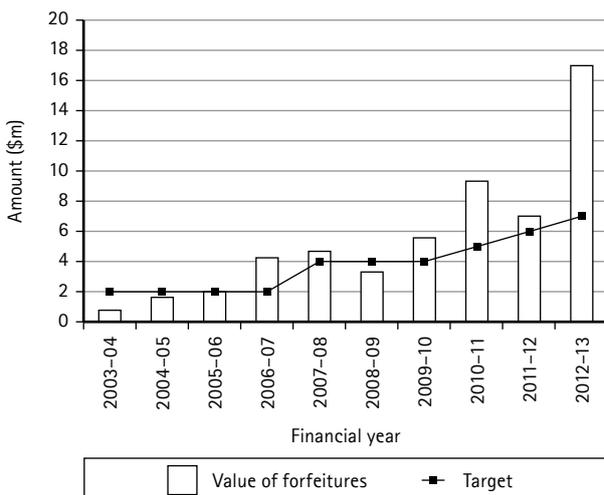


Figure 2. Net value of assets forfeited (target compared with actual), 2003–04 to 2012–13



Morehu-Barlow update

In June 2013, the CMC, in conjunction with the Office of the Director of Public Prosecutions and the Public Trustee of Queensland, was successful in obtaining court orders in the confiscation proceedings against Hohepa Morehu-Barlow, which has resulted in property to the value of \$11.880m being forfeited to the State. The State was also awarded a proceeds assessment order in the amount of \$16.690m, being the amount of the fraud Mr Morehu-Barlow committed against Queensland Health, plus an additional amount of \$3.368m which represents the interest owed on the money fraudulently obtained.

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 this 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.

Recent amendments to the CPCA create additional confiscation schemes relating to unexplained wealth and serious drug offenders, for which the CMC will also be responsible.

Proceeds of crime results since 2002

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

- \$162.934m in assets restrained
- \$55.519m in assets forfeited.

Criminal paedophilia: focusing on online threats to children

To add value to the overall law enforcement effort against paedophilia and prevent child sex offending, the CMC Cerberus Team targets internet-based offending and networked or recidivist extra-familial offending. The CMC 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. We place particular priority on disseminating any information uncovered by our investigations to other jurisdictions worldwide, with the aim of identifying offenders in advance of any contact offending with children.

Our Forensic Computing Unit examines any computer seized during investigations. In this way, additional charges, often numbering in the hundreds, may be able to be laid against suspects.

In 2012–13, 13 persons were charged with 744 offences relating to the possession, production or transmission via the internet of child exploitation material. Since the CMC was established in 2002, its criminal paedophilia investigations have resulted in 173 offenders being charged with a total of 3914 offences.

Blue card holder identified as distributor of child exploitation material

In November 2012, a joint CMC and QPS Task Force Argos investigation identified an offender in the Wide Bay-Burnett area using a Peer to Peer (P2P) program to share child exploitation material with a closed group of contacts. The suspect was a current "blue card" holder who had access to children via a martial arts academy. A search of the suspect's house located computers, hard drives and storage devices containing child exploitation material, and the offender was arrested.

Subsequent forensic investigations revealed that the offender was sharing with a group of contacts in Russia, Germany and Spain, and creating hand-drawn sketches of child sex images ordered by email and sent to users on demand.

In May 2013 the offender was further charged with 557 child sex offences, including 2 Commonwealth aggravated networking offences, and the making and distribution of child exploitation material. Information has been forwarded to international law enforcement agencies for ongoing investigation.

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“Society owes a great debt to investigators who involve themselves in this kind of investigation, particularly, as I have observed some of the extremely distressing material that they must come across every day.”

Sentencing remarks of Justice Atkinson, Brisbane Supreme Court, in the sentencing of a child sex offender in March 2013

Offenders from past CMC investigations sentenced to substantial jail terms

Two offenders identified and charged in the previous reporting year were sentenced to 5 and 6 years imprisonment respectively.

- The first, a 38-year-old recidivist child sex offender who was arrested in February 2011, came to the attention of the CMC by using the State Library of Queensland's free WI-FI connection to share child exploitation material. The man, who was on the Australian National Child Offender Register (ANCOR), had posed as a 13-year-old boy in a bid to groom victims on social networking sites, ultimately persuading a 12-year-old girl to provide naked images of herself. Between December 2010 and February 2011, the man accessed approximately 1150 child exploitation images and videos and shared up to 40 child exploitation files with a network of other paedophiles. Appearing before Brisbane's Supreme Court in March 2013, the man pleaded guilty to 5 charges and was sentenced to 5 years imprisonment.
- The second, a 27-year-old man with close ties to local community youth groups, used an internet chat forum to groom a 13-year-old boy for contact sex offences. He was arrested in February 2012 and was charged with possessing almost 3800 child exploitation images and videos. He had shared more than 1450 images and videos with up to 94 contacts in an online paedophile network between November 2011 and February 2012. In the same period he transmitted more than 850 child exploitation files via two internet messaging programs. Appearing before Brisbane's Supreme Court in March 2013, the man pleaded guilty to 8 charges and was sentenced to 6 years imprisonment.

Major Crime hearings: getting results

Our coercive hearings are used to gather information and evidence not available by other investigative means. Our hearings powers are most often used in relation to serious crimes such as murder, arson or rape, or in the course of organised crime investigations of networks involved in drug trafficking, armed robberies or weapons-related activity. The CMC holds hearings across the state to ensure that regional QPS investigations receive a similar level of support to those in metropolitan areas.

Hearings held in 2012–13

This year we achieved record results in relation to our hearings work, owing to continuing demand by the QPS for hearings in support of its investigations, and our ability for much of the year to make two presiding officers available, enabling frequent concurrent hearings.

Our hearings team conducted an unprecedented 201 days of hearings in relation to 28 major crime investigations. This represents a 38 per cent increase in the delivery of our hearings service since 2011–12. Hearings were held in Brisbane, Bundaberg, Gympie, Mackay, Cairns and Chinchilla. All of our finalised hearings programs during 2012–13 were formally assessed by our QPS stakeholders as adding value to the major crime investigation in question, exceeding our current annual target of 95 per cent.

Our hearings spanned the areas of serious crime, organised crime and criminal paedophilia and included the following matters:

- 13 homicide investigations (including two suspected baby murders)
- the doing of grievous bodily harm to a baby
- 2 OMCG-related investigations (one of which also involved a murder)
- 5 armed robbery or weapons-related investigations
- 4 drug trafficking investigations
- a criminal paedophilia investigation.

Two persons arrested for murder on rural property

In July 2012, the QPS commenced a murder investigation after receiving a report that a man had been shot on a remote rural property. The investigation was hindered by the absence of a body or murder weapon and by limited eyewitness evidence. In September 2012 the investigation was referred to the CMC and hearings were held over two consecutive weeks in October in both Cairns and Brisbane, including concurrent hearings held in both cities at the same time. In late October two persons were charged with murder. The matter remains before the courts.

Third person charged in "cold case" murder

In September 2012, a man and a woman were committed to the Supreme Court to stand trial for a murder committed at the Gold Coast in 2001 but which did not come to light until the skeletal remains of the deceased were uncovered by flooding in the hinterland in 2008. The CMC conducted hearings into this case over a period of 35 days between August 2011 and July 2012. In September 2012, after CMC hearings in Brisbane and Bundaberg, a second man was charged with the murder.

Witness to OMCG-related murder pleads guilty to perjury charges

A 22-year-old man pleaded guilty in the Brisbane District Court to two counts of perjury arising from false evidence given by him at a CMC hearing in June 2012. The investigation, conducted under our Hydra OMCG general referral, concerned the fatal shooting of a young man at a Brisbane shopping centre in April 2012 (see last year's report for further details). The witness, who had links to an OMCG, falsely swore that he was not an occupant of the motor vehicle from which the fatal shot was fired, and that he was not the owner of a mobile phone used to arrange a drug deal with the deceased man. The man was sentenced to 27 months imprisonment.

The investigation is continuing.

"Peeping Tom" criminal paedophilia investigation

A CMC hearing held in February 2013 was successful in securing an admission from a male suspect in relation to spying on a sleeping girl. The evidence enabled police to identify the victim and lay additional charges in the case.

The man from the South Burnett had already been charged in September 2012 by QPS Task Force Argos with four offences in relation to the possession and distribution of child exploitation material. Forensic examination of the suspect's computer revealed self-recorded videos depicting the offender filming unsuspecting adult female victims inside their homes. Police were able to identify five complainants who had been secretly filmed.

In October 2012 the suspect was interviewed and admitted having engaged in "peeping Tom" style activity concerning a number of adult women, including engaging in unlawful sexual activity with sleeping women. He was then charged with 15 further offences that included stalking, burglary, stealing, sexual assault, and burglary to commit attempted rape.

Further forensic examination of the suspect's computer identified similar offending in relation to a young girl, who could not be identified, but the suspect denied having engaged in any such activity in relation to children.

In the CMC Crime hearing in February 2013, the suspect ultimately admitted having spied on a sleeping girl and provided sufficient information to enable the police to identify the child victim. Further charges were then laid against the suspect.

Court outcomes from past hearings

This year saw a number of court outcomes in relation to some of our past joint QPS–CMC investigations in which CMC hearings provided vital evidence, including the following:

- The High Court upheld the conviction of a man charged with extortion on the Gold Coast in 2006, for which he and a co-offender had been jailed for 4½ and 6 years respectively. The CMC had held extensive hearings in support of this investigation in 2007 and 2008.
- A man and woman were found guilty of the murder of a man in Gladstone in 2010 by administering a “hotshot” of heroin to him. Both were sentenced to life imprisonment. The CMC had gathered significant evidence in support of this prosecution during hearings held in Gladstone in early 2011.
- During 2012 the CMC held extensive hearings in Brisbane and Gympie concerning the murder of a man at Maryborough in 2009, suspected of having been committed by two men and a woman, who then allegedly severed the deceased’s penis. In this reporting period one man was found guilty of the murder and sentenced to life imprisonment. The second man pleaded guilty to manslaughter and was sentenced to 12 years imprisonment. The Court of Appeal also upheld a 9-year sentence in relation to the female co-accused, who had previously pleaded guilty to manslaughter.

- In 2008 we held hearings in relation to the alleged murder by neglect of 18-month-old twins, whose parents were committed for trial in 2009.
- A woman charged with armed robbery and attempted murder on the Gold Coast was committed to the Supreme Court for trial, following hearings held by the CMC in late 2012.

Also during the reporting period, the State Coroner conducted three inquests which relied, in part, upon evidence obtained in hearings by the CMC, namely:

- The CMC held hearings in 2010 into the 1974 murder of two nurses at Murphy’s Creek near Toowoomba. Evidence obtained during these hearings played a significant part in the examination of witnesses during the inquest.
- Hearings were held in 2011 into the suspected hanging murder of a 15-year-old girl in Brisbane. A witness was sentenced to 6 months imprisonment for contempt for refusing to answer questions during the inquest.
- We held hearings in Cairns in 2008 concerning the deaths of two women on the Atherton Tableland in 1991. In March 2013, the State Coroner committed a man to trial for the murder of both women.

Table 3. CMC investigative hearings, 2008–09 to 2012–13

Use of CMC hearing powers	2008–09	2009–10	2010–11	2011–12	2012–13
Investigative hearing days	157	162	114	145	201
Witnesses attending on summons	174	157	106	132	182

Significant legal issues this year

Four offenders charged with or convicted of Commonwealth aggravated networking offence

As noted on page 16, this year saw significant court outcomes in two matters that commenced and were reported on in 2011–12. Following CMC investigations and extensive liaison with the Commonwealth Office of the Director of Public Prosecutions, two offenders were charged in 2011–12 with a Commonwealth aggravated networking offence for the first time in Queensland. The offence was introduced in 2010 and carries a maximum penalty of 25 years imprisonment. Both offenders pleaded guilty and received terms of imprisonment of 5 and 6 years respectively.

Two further offenders were charged with aggravated networking charges this year and court proceedings remain pending.

The courts uphold the integrity and appropriate use of the CMC hearings power

As noted on page 17, a 22-year-old man pleaded guilty in the Brisbane District Court to two counts of perjury arising from false evidence given by him at a CMC Crime hearing held in June 2012, and was sentenced to 27 months imprisonment.

In 2012–13, contempt proceedings were brought in the Supreme Court of Queensland against 4 witnesses who refused to answer questions at Crime hearings. Of these, 2 witnesses who were remanded in custody pending the hearing of the contempt charges chose to purge their contempt and return to the CMC to answer relevant questions. In the third case, the alleged contempt was proved and the witness was sentenced to 3 months imprisonment (having already been in custody for a month). Contempt proceedings against the fourth witness remain pending in the Supreme Court.

In addition, a witness was charged with disclosing evidence she had given at a closed CMC hearing to an associate without the CMC's consent, contrary to section 202 of the Crime and Misconduct Act. The charge is currently before the Magistrates Court.

In other court matters:

- In an interlocutory matter, the Court of Appeal upheld a claim of public interest immunity by the CMC over operational documents sought in the context of a judicial review, and awarded the CMC costs.
- A second judicial review in a murder investigation was discontinued by the applicant after a suspect pleaded guilty to the murder, making further CMC hearings unnecessary.
- The Court of Appeal heard an appeal by the CMC against a Supreme Court judgment ruling that two witnesses in a CMC hearing had a reasonable excuse to refuse to answer a question. The court upheld the original ruling of the presiding officer that neither witness had a reasonable excuse for failing to answer the question posed, and awarded costs to the CMC.

Terrorism: rapid response capability

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 2012–13.

Crime prevention

The CMC has statutory functions to both investigate and prevent major crime. Our prevention efforts aim to 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 intelligence with the law enforcement community and, where possible, with the public, particularly those groups who may be vulnerable to exploitation. Our research findings enable us to recommend educative or preventative strategies to policy makers and legislators. This year some of our work in crime prevention included:

- 45 classified intelligence disseminations to the QPS and Commonwealth LEAs
- classified and declassified public versions of papers on organised crime markets (including organised property crime in Queensland) for law enforcement, government and public audiences
- specific law enforcement products: one on the growth of the drugs precursor market in Queensland, and an updated drug commodities and prices guide for police and law enforcement officers
- a paper on the diversion and misuse of fentanyl (a powerful synthetic opiate analgesic) produced by the CMC/ACC and provided to the Intergovernmental Committee on Drugs and to Commonwealth and state health officials
- publications on a range of issues, including technology trends affecting organised crime in Queensland; child homicide by parents; and child sexual victimisation offences under Queensland and Commonwealth criminal law
- current collaboration with the National Research Centre for Environmental Toxicology (Entox), based at the University of Queensland, on the Wastewater Drug Analysis Project, to monitor the prevalence of illicit drug use in the general community and identify emerging drug markets.

Crime intelligence and research documents available on the web

The CMC is committed to sharing information with the community in order to keep people informed of current issues in law enforcement and crime prevention. All our declassified intelligence and research publications are available on our website.

See www.cmc.qld.gov.au/crimepublications

Looking forward

In 2013–14 we will pursue our objective of reducing the impact of major crime in Queensland, using the strategies outlined in our *2013–17 Strategic Plan*. This will include to:

- Target and prevent crime in our highest-threat illicit drug market.
- Gain maximum impact from proceeds of crime activity, consistent with available resources.
- Enhance our internet investigative capabilities and skills through global and national networking and training.
- Use the intelligence priorities identified in the 2012–13 crime markets assessment to determine our operational activities and inform law enforcement and the community on organised criminal markets, trends and networks.
- Examine the criminal enterprises of outlaw motorcycle gangs and how to effectively respond to these threats.
- Finalise a review of the *Child Protection (Offender Prohibition Order) Act 2008*, a key part of Queensland's legislative framework regarding child sex offenders.