

UNCLASSIFIED

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Mr Stephen Palethorpe
Committee Secretary
Parliamentary Joint Committee on Law Enforcement
By Email: le.committee@aph.gov.au

Dear Mr Palethorpe

Submission to the parliamentary inquiry into financial related crime

Thank you for your correspondence of 20 March 2014, inviting CrimTrac to make a submission to the parliamentary inquiry into financial related crime.

Attached is the submission of the CrimTrac agency.

I authorise publication of this submission on the committee's website after the committee has examined, accepted and authorised its publication.

If you would like further information on this submission please contact me via the details below.

Yours sincerely

Doug Smith
Chief Executive Officer, CrimTrac

| May 2014

Background

This submission has been prepared according to the following terms of reference:

Pursuant to the committee's functions set out in paragraph 7(1)(g) of the Parliamentary Joint Committee on Law Enforcement Act 2010, the committee will examine the effectiveness of current Commonwealth law enforcement legislation and administrative arrangements that target serious and organised financial related crime including money laundering and identity fraud.

The committee will examine:

- (a) the character, prevalence and impact of financial related crime in Australia;*
- (b) the methods and practices used by the perpetrators of financial related crime (including the impact of new technologies);*
- (c) the involvement of organised crime;*
- (d) in relation to money laundering—the large number of high denomination banknotes in circulation;*
- (e) in relation to identity fraud—credit card fraud in particular*
- (f) the operation and effectiveness of Commonwealth legislation, administrative arrangements and law enforcement strategies;*
- (g) the role of the Australian Crime Commission and the Australian Federal Police in detecting financial related crime;*
- (h) the interaction of Commonwealth, state and territory legislation and law enforcement activity;*
- (i) the extent and effectiveness of relevant international agreements and arrangements; and*
- (j) the need for any legislative or administrative reform;*
- (k) any related matters.*

CrimTrac submission

CrimTrac's submission focusses on paragraph (f) - the operation and effectiveness of Commonwealth legislation, administrative arrangements and law enforcement strategies; and (g) - the role of the Australian Crime Commission and the Australian Federal Police in detecting financial related crime.

The following information seeks to provide background information as context to CrimTrac's responses to the specific questions asked by the Committee.

Introduction – the CrimTrac Agency

The objective of CrimTrac is to enhance Australian policing and law enforcement through the delivery of high quality information services that meet the needs of the law enforcement community. CrimTrac hosts a number of law enforcement systems that provide data storage and matching capabilities, including:

- The National Automated Fingerprint Identification System (NAFIS), which has been hosted by CrimTrac since 2001 and is used continuously by partner law enforcement agencies to perform core duties. It enables police agencies to solve crimes by quickly and reliably establishing a person's identity from fingerprint and palm impressions left at crime scenes. Previous

evaluations of the NAFIS have clearly articulated the benefits of national capabilities delivered across Australian law enforcement agencies;

- The National Criminal Investigation DNA Database (NCIDD) was established by CrimTrac in 2001 to assist police partner agencies across Australia to:
 - compare DNA profiles from crime scenes with profiles from convicted offenders to identify or eliminate them as potential suspects in other crimes;
 - match DNA profiles from two or more unsolved crime scenes, thereby linking seemingly unrelated police investigations; and
 - identify missing persons, unknown deceased persons and disaster victims;
- The National Police Reference Services (NPRS), which is a suite of technology services designed to support Australia's operational police and non-police law enforcement agencies to share policing information across state and territory borders. It focuses on three key needs of law enforcement – persons, vehicles and firearms. This information is collected by police for police; CrimTrac does not own the information. Police use the NPRS to access a range of operational police information held by other jurisdictions to assist them in their investigations. The NPRS currently holds 8.7m person records and 2.8m photographs and allows police to access information, for example, about names and aliases, identity details (including photographs), warnings, warrants, etc. The NPRS provides access to vital information for Australian Government law enforcement and national security agencies. For example, the AFP and ACC rely on information obtained through NPRS to support their investigations. The NPRS also provides a tool for facilitating co-operation between those agencies and their state counterparts, for example, in multi-jurisdictional investigations into high value organized crime targets;
- The National Firearms Identification Database (NFID) was developed and implemented by CrimTrac on 26 February 2013. It provides a national firearm reference table of all known makes, models and variants of firearms in Australia and is used by police, the Australian Crime Commission, Australian Customs and Border Protection Service and the Attorney-General's Department as a reference source to consistently identify, record and register firearms.

CrimTrac's information holdings

CrimTrac's information holdings perform the role of a 'reference library' for policing information. In the policing and law enforcement environments there are a range of different levels and categories of information. These are:

- Reference information, which is a basic detail of a person, object or place that enables identification of a person or object and may contain enough ancillary information, such as police history, warrants or warnings to allow the user an initial action;
- Intelligence information, which is the combination of credible information with quality analysis. It is a process where information is evaluated and conclusions are drawn; and
- Investigation, which enables decision makers to combine critical information and intelligence gleaned from seemingly unrelated sources and incidents into a holistic assessment of the situation.

The information facilitated by CrimTrac is information collected by police. The information and information systems hosted by CrimTrac perform a niche function that complements and contributes to the activities undertaken by policing and law enforcement agencies.

CrimTrac does not provide value added intelligence product to policing and law enforcement agencies, nor does CrimTrac know the specific value of the information it holds. The CrimTrac reference information provides what can be called 'opportunistic' information – the value of which is fully capitalised (and therefore, known and quantifiable) when used by, or linkages are made by, the police and law enforcement agencies.

Adding value with regard to financial related crime - a National approach

A. Resolution of identities of people of interest to police

Identity crime, which encompasses both identity fraud and identity theft, is becoming more prevalent given the growth in the pervasiveness of the internet and email¹. In addition to being an enabler of fraud-related offences, identity crime can also underpin organised criminal activities such as money laundering, and the funding of terrorist organisations.

The current lack of a national approach to resolving identity of individuals of interest to law enforcement has a significant impact on operational policing and on national information sharing initiatives. A consistent and improved national approach to identity resolution would enable an improved capability to link and match multiple records across jurisdictions. Further, this would enable improved capability for police to respond efficiently and effectively to incidents with improved operational confidence as a result of improved data integrity. Finally, improvements in the accuracy of recording and verifying identity would assist to prevent fraud, enhancing the ability of law enforcement and policing agencies to detect and resolve financial related crime.

B. Value of single data source

CrimTrac meets the need to provide all police agencies, subject to relevant controls and audit requirements, access to data sharing tools on a national basis rather than a disaggregated local basis. This role is complimentary to that of other law enforcement and policing agencies, facilitating the sharing of policing information to achieve local, national and international policing outcomes.

This model provides an opportunity to shift the cost and risk of data hosting, database management and identified information tools from police and law enforcement agencies to CrimTrac. In addition, by providing its law enforcement partners with data services and tailored tools at a single cost met by CrimTrac, the agency is able to provide a cost benefit by avoiding multiple costs spread across all jurisdictions and many agencies.

CrimTrac is well placed to act as the provider of financial crime reference data to investigative bodies such as the AFP and ACC, decreasing the cost and risk to those agencies. This model underpins the National Automated Fingerprint Identification Services and the National Criminal Investigation DNA Database. It also underpins the new Australian Ballistics Information Network and is the rationale for CrimTrac hosting the Australian Cybercrime Online Reporting Network.

CrimTrac has adopted three approaches that address the key elements of our role in providing data to the nation's police forces and law enforcement agencies:

- CrimTrac ICT Blueprint for police information sharing (which establishes a new information sharing model to satisfy our partners' need for a range of additional data items about people, places, property and events. The Blueprint identifies a need to have the ability to source data from new information providers and to allow national searching and analysis of information,

along with flexible adoption paths by partner agencies, and the need to better support mobile solutions);

- The related Identity Resolution Strategy and action plan (identifies key activities for the agency to undertake in partnership with police agencies to improve data integrity within the NPRS and to further assist in improving the capability for matching and linking records); and
- The adoption of the National Information Exchange Model (a standards-based approach to sharing information that provides a common vocabulary and framework to facilitate information exchange. The NIEM includes: established governance processes; support and resources such as tools, training and implementation support; together with technical infrastructure and an active user community).

By adopting this approach CrimTrac continues to work with its partners to strengthen the national view of a person and the development of the concept of single person, single identity.

C. The emergence of biometric technology

Within an environment that is increasingly concerned with identity fraud and theft, governments are acknowledging the critical importance of investing in the development of biometric technology to ensure the mechanisms are in place to verify identity.

In our 2012 submission to the *Parliamentary Joint Committee on Law Enforcement into the gathering and use of criminal intelligence*, CrimTrac supported the use of fingerprints in conducting a criminal history check to resolve the identity of the person who is presenting themselves. The submission supported the use of fingerprints to overcome the vulnerabilities of name based checking such as names not being matched correctly or fraudulently obtained documents.

The legislative and policy context for the delivery of person identification services in Australia is complex. Both Ministers for Justice and Police in the states and territories have legislative and policy responsibility for the use of biometric and other technology in the identification of persons. A complex decision making environment such as this without the national cohesion on direction for biometric services for Policing in Australia introduces the risk that “point solution” projects are delivered which cannot be leveraged by other areas.

With our biometric capability, CrimTrac would be a natural choice for the provision of biometric based identity checking, to improve the measurement of identity crime, strengthen identity verification processes and to increase biometric interoperability.

ⁱSteel, A. *The True Identity of Australian Identity Theft Offences: A Measured Response or an Unjustified Status Offence?* UNSWLawJl 22; (2010) 33(2) University of New South Wales Law Journal 503.