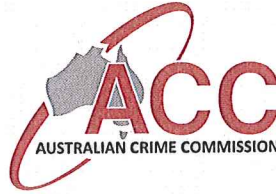


UNCLASSIFIED



OFFICE OF THE
CHIEF EXECUTIVE

Our ref: 14/53983

Stephen Palethorpe
Committee Secretary
Parliamentary Joint Committee on the Australian Commission for Law Enforcement
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Mr Palethorpe

**Inquiry into the jurisdiction of the Australian Commission for Law Enforcement
Integrity
Australian Crime Commission Submission**

1. The Australian Crime Commission (ACC) welcomes the opportunity to make a submission to the Parliamentary Joint Committee on the Australian Commission for Law Enforcement Integrity (ACLEI) with regard to its inquiry into the jurisdiction of the ACLEI.
2. This submission is unclassified and may be published in the public domain.

Introduction to the Australian Crime Commission

3. The ACC is Australia's national criminal intelligence agency with a specialised investigative remit and capabilities. The ACC is governed by the ACC Board, and works in partnership with Board member agencies, international law enforcement agencies, as well as other Australian Public Service agencies under task force, joint operations and intelligence-sharing arrangements, to gather intelligence and investigate serious criminal activity.
4. The ACC maintains national criminal intelligence holdings, produces strategic intelligence assessments, and coordinates national operational responses to disrupt, deter, degrade and prevent organised crime impacting on Australia.
5. To undertake its work, the ACC employs combinations of coercive powers and traditional law enforcement techniques such as telephone interception, physical and technical surveillance, controlled operations and covert human intelligence sources (informants) as a composite approach to the gathering of criminal intelligence. It uses these capabilities to support partner agencies and to provide government with an independent assessment of the risk, threat and impact of serious and organised crime on the community and national interests.

Public Sector Corruption

6. The ACC's unclassified *Organised Crime in Australia 2013* assessment identified that organised crime groups continually probe for weaknesses in systems and will take

UNCLASSIFIED

UNCLASSIFIED

advantage of any opportunities to corrupt public officials. Organised crime groups benefit from public sector corruption primarily through access to public funds and assets, rights and permissions, information, protection and other services that facilitate other criminal activity. Even the best regulatory systems can be undermined by corruption, so constant monitoring by anti-corruption and other agencies is required to mitigate the threat that corruption poses.

7. Public sector officials are attractive targets for corruption by organised crime. An official from any agency that has access to information, the ability to facilitate or can potentially conduct fraudulent activities that benefit organised crime groups are potential targets for corruption.
8. Public sector officials who have access to information or intelligence on criminal groups, methodologies and Government responses are especially at risk of being exploited by organised crime groups.
9. Corruption can undermine the fundamental trust of the public in government, and in the legitimacy of the instruments of government. Corruption can work insidiously to protect the business of serious and organised crime, and to prevent the identification of criminal behaviour.
10. An intelligence gap remains with regard to the scope and depth of organised crime involvement in public sector corruption in Australia. There are a range of measures that could be implemented to address this gap including the introduction of criminal intelligence in security vetting procedures and support for ACLEI in education and prevention programs. These measures could provide deeper insight to the background and vulnerabilities of public officials as well as hardening the public sector against corruption.
11. Public officials who work in areas such as bio-security at the Department of Agriculture and areas with access to border security measures within the Australian Customs and Border Protection Service (ACBPS) and the Department of Immigration and Border Protection (DIBP) are at particular risk to being targets by organised crime groups. Officers in high risk areas from the Australian Securities and Investments Commission (ASIC), the Attorney-General's Department (AGD) and the Australian Taxation Office (ATO) are also at risk of being targeted by organised crime groups.

The ACC and ACLEI

12. ACLEI has responsibility for investigation of incidents of alleged corruption by members of the ACC. ACLEI provides independent assurance to the Australian Government of the integrity of the ACC.
13. The ACC is a strong supporter of the role and remit of ACLEI. During investigations that do not relate to the ACC, the ACC provides support to ACLEI in the form of direct assistance with surveillance and the provision of examinations, telecommunications interception and specialist human source capabilities, including assistance from ACC operational psychologists and analytical support.
14. It is likely that an expansion of ACLEI's jurisdiction will correspond with an increase in the need for capability that underpins integrity investigations, both within ACLEI and within agencies that support ACLEI. Consideration would need to be given to the impact an increase in jurisdiction would have not only on the resources of ACLEI, but also to partner agencies including the ACC.

UNCLASSIFIED

Jurisdiction of ACLEI

15. At present, ACLEI has integrity oversight of the ACC, ACBPS, the Australian Federal Police, AUSTRAC, CrimTrac and prescribed aspects on the Department of Agriculture.
16. ACLEI was created to detect, disrupt and deter corrupt conduct in law enforcement agencies. An increase to ACLEI's jurisdiction to include ASIC, AGD, the ATO and DIBP would alter ACLEI's remit given these are non-core law enforcement agencies. While the identified departments are not core law enforcement agencies, these departments do contain high risk areas that would be susceptible to corruption.

Activity Based Approach to ACLEI's Jurisdiction

17. There is an ongoing threat of corruption of employees who work in specific high risk areas of the public sector that provide the opportunity to facilitate the illegal activities of organised crime groups.
18. To mitigate the risk in these specific high risk areas, an intelligence-led activity based-approach to ACLEI's jurisdiction would be an alternative model to the existing jurisdiction-based approach. The ACC considers an intelligence-led activity-based approach a more efficient use of resources. It would also ensure ACLEI focused on high risk areas of these public sector agencies rather than entire departments, which could increase the work load of ACLEI to unsustainable levels and reduce the overall effectiveness of ACLEI in identifying corruption.
19. Moving to an activity-based model would require ACLEI to have an understanding of the high risk areas of agencies. Complementary internal anti-corruption processes will also be required within each agency to enable ACLEI's jurisdiction to be effectively implemented.

Method of Implementing Change

20. Any further changes to ACLEI's jurisdiction should only be considered after consultation and consideration of the risks, benefits, operational and resourcing impacts on ACLEI and the agencies which support ACLEI in their investigations.

ACC Contact

21. On behalf of the ACC, I thank you for this opportunity to make a submission to the Parliamentary Joint Committee on the Australian Commission for Law Enforcement Integrity with regard to its inquiry into the jurisdiction of ACLEI. Should you wish to discuss any aspect of this submission further, please contact

Yours sincerely

Chris Dawson APM
Chief Executive Officer
16 May 2014

UNCLASSIFIED