# Chapter 4

## Issues

4.1     This chapter provides an overview of some issues raised during the hearing on the ACC's annual report. Amongst other things it outlines the ACC's current operational focus and some areas of interest for the committee.

4.2     During the public hearing, the committee discussed numerous areas interest. These include the role and effectiveness of numerous task forces targeting outlaw motorcycle gangs, increasing sophistication of money laundering operations and the spread and use of illicit drugs.

4.3     The committee also examined the ACC's relationship with its partners, through the ACC's work to enhance information sharing across Commonwealth, State and Territory law enforcement agencies. These issues are discussed further below.

## Australian Gangs Intelligence Coordination Centre

4.4     The annual report notes the ongoing work of the Australian Gangs Intelligence Coordination Centre (AGICC), as a key part of the Government's strategy to target outlaw motorcycle gangs. The multi-agency AGICC is a key component of the Commonwealth Government's efforts to reduce outlaw motorcycle gang related crime. The AGICC is housed in custom built headquarters within the ACC, and brings together specialist staff from the ACC, AFP, ATO, Australian Customs and Border Protection Service, the Department of Immigration and Border Protection and Centrelink.[1]

4.5     The AGICC has had numerous successes in 2013-14, outlined in detail in the annual report. These include:

- contributing to more than 28 state and territory outlaw motorcycle gang investigations;

- releasing more than 60 intelligence reports to law enforcement partners;

- responding to 83 requests for information;

- providing intelligence leading to the arrest of 10 outlaw motorcycle gang members; and

- coordinating coercive examinations related to outlaw motorcycle gang activities.[2]

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1     ACC, *Annual Report 2013-14*, p. 90.

2     ACC, *Annual Report 2013-14*, p. 93.

## Joint Analyst Groups

4.6     The annual report discusses the role of Joint Analyst Groups (JAGs) as multi-agency intelligence functions in each state whose purpose is to bring together analysts from the ACC, jurisdictional police and other Commonwealth and State agency partners.[3] The JAGs are intended to provide 'a shared understanding of the serious and organised crime threats at the jurisdictional level.'[4]

4.7     The annual report notes that JAGs work closely with other ACC functions, including Fusion and the AGICC, and can use the ACC's special (coercive) powers where their work relates to an ACC special operation or investigation.[5]

## National Criminal Target List

4.8     The annual report also notes the ACC's responsibility to maintain the National Criminal Target List that details the threats posed by Australia's nationally significant organised and serious crime targets. This includes foreign based groups which operate in Australia.[6]

4.9     Prior to the creation of the list in 2010, each jurisdiction maintained a jurisdiction specific target list. The contemporary national list means that a clearer national picture of threats and risks from serious and organised crime targets in Australia is apparent to law enforcement agencies. The ACC makes the National Criminal Target List available to partners through the National Target System.[7]

## Australian Criminal Intelligence Forum

4.10     The ACC chairs and provides secretariat support for the Australian Criminal Intelligence Forum (ACIF), whose membership includes members from community safety, policing, serious and organised crime and national security. The annual report details that one of the advantages of the ACIF has been the provision of a high level national forum on intelligence issues, enhanced collaboration and significantly higher quality criminal intelligence advice to the ACC Board and other stakeholders.[8]

## Australian Criminal Intelligence Model

4.11     The Australian Criminal Intelligence Model (ACIM) was finalised last year with the assistance of the ACC's Board member agencies, representing an agreed national framework for managing knowledge of the criminal environment. The ACIM is also intended to deliver enhanced flow of criminal intelligence within and across numerous sectors (including policing and community safety, serious and organised

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3     ACC, *Annual Report 2013-14*, p. 90.

4     ACC, *Annual Report 2013-14*, p. 90.

5     ACC, *Annual Report 2013-14*, p. 90.

6     ACC, *Annual Report 2013-14*, p. 91.

7     ACC, *Annual Report 2013-14*, p. 91.

8     ACC, *Annual Report 2013-14*, p. 91.

crime, national security). It is intended that ACIM will provide a pathway between jurisdictions for more effective collaboration of law enforcement agencies:

> [The ACIM]... is a significant step towards treating criminal intelligence as a national asset—something that is collected once and used for the benefit of many.[9]

### *Support from stakeholder agencies and subscribers*

4.12    The ACC explained that the National Criminal Intelligence System (NCIS) will largely replace the Australian Criminal Intelligence Database (ACID) that currently serves as Australia's national criminal intelligence and information system.[10]

4.13    ACID is currently subscribed to by 24 Commonwealth and state agencies. The ACC noted that ACID and its associated Australian Law Enforcement Intelligence Network (ALEIN) require replacement, and suggested broad support from partner law enforcement agencies for the new system:

> ALEIN is very useful right across the Commonwealth but both systems combined need to be replaced. So we have done a detailed scoping study and we have consulted with the Department of Finance and every agency that subscribes to ACID and ALEIN to get their feedback on what they want. They have all indicated very strong support for what we are terming the National Criminal Intelligence System, NCIS, which will be an electronic based information management system that will contain within it sophisticated and contemporary databases upgraded from what I described ALEIN as having. It will have classified level connectivity with a cascading set of security spaces that accredited users can enter into providing they have the electronic accreditation. It will enable the Commonwealth to host, on behalf of the Federation, criminal intelligence data and raw information which is drawn from the wide variety of sources that the Crime Commission currently draws data from for use by the states and every agency that currently subscribes or in the future might wish to.[11]

4.14    Further, the ACC details the ACIF's focus on three critical 'success factors' for the ACIM, that are discussed below.

### *Technology*

4.15    The ACIF has agreed to work collaboratively with respect to federated technologies and supports the development of a National Request for Information Capability, a National Criminal Intelligence Product Directory and the National Criminal Intelligence System.[12]

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9    ACC, *Annual Report 2013-14*, p. 91.

10    ACC, *Annual Report 2013-14*, p. 91.

11    Mr Paul Williams, Executive Director Corporate Services, ACC, *Committee Hansard,* 11 February 2015, p. 6.

12    ACC, *Annual Report 2013-14*, p. 92.

*Policy and legislation*

4.16    The ACIM has been used as a benchmark in the development of the Australia New Zealand Policing Advisory Agency (ANSPAA) Education and Training Guidelines for Police Intelligence. According to the annual report, the guidelines have been accepted and endorsed by the Australasian Police Professional Standards Council.[13]

*Culture*

4.17    The ACIF's role as a forum for heads of intelligence across Australia has contributed to greater intelligence sharing across agencies, while raising the profile of intelligence across Australia. The annual report suggests that collaboration between ACIF and the Serious Organised Crime Coordination Committee (SOCCC) and the subsequent strengthening of the Joint Management Group and Joint Analyst Group Frameworks has been pivotal to improved intelligence sharing:

> This collaboration has cemented the link between intelligence and operations, and is processing the ACIM's vision of intelligence partnerships for a safer Australia.[14]

## National Criminal Intelligence Priorities

4.18    The annual report details the role of National Criminal Intelligence Priorities (NCIPs) to determine nationally significant criminal intelligence issues at the Commonwealth, state and territory level. Development of NCIPs is a legislative function of the ACC Board and the annual report notes that in the preceding year the ACIF has reviewed the NCIP development process:

> ...to ensure more active Commonwealth, state and territory collaboration and alignment with the ACIM. The collaboration resulted in a set of national priorities of relevance to all agencies.[15]

## Eligo National Task Force

4.19    The ACC have previously raised the importance of the Eligo National Task Force, noting the effective and close cooperation between partner agencies. Eligo was targeted to reduce incidences of money laundering, through engagement with both the formal and informal banking systems, as well as the remittance industry. The ACC noted that Eligo had identified an additional 95 criminal targets that were previously unknown to law enforcement agencies. Significantly, Eligo had resulted in large financial seizures, including:

> …a seizure of $21 million in cash; drugs estimated in excess of $140 million in street value; and also precursors, valued at more than $6 million. That has resulted in 227 charges against 110 people.[16]

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13    ACC, *Annual Report 2013-14*, p. 92.

14    ACC, *Annual Report 2013-14*, p. 92.

15    ACC, *Annual Report 2013-14*, p. 92.

4.20    The ACC noted that since the commencement of the task force, Eligo had been responsible for the seizure of $54 million in cash and over a tonne of illicit drugs.[17]

## From Attero to Morpheus

4.21    The ACC submitted that it had expanded its taskforces in relation to outlaw motorcycle gangs, from Attero that targeted the Rebels Outlaw Motorcycle Gang to a broader outlaw motorcycle gang task force, named Morpheus. The annual report notes that task force Attero has resulted (cumulatively) in more than 2 276 arrests, the seizure of 39 firearms and raised more than $15.5 million in tax liabilities.[18]

4.22    The ACC explained why they had broadened the task force beyond the Rebels gang, noting that the Rebels were the most prolific and fastest growing gang:

> ...but we have broadened it out to a broader remit including other outlaw motorcycle gangs. That has resulted in 4,200 charges, searches of more than 430 premises, seizure of weapons, firearms and drugs, and ongoing tax liability notices.[19]

4.23    During questioning at the hearing the ACC undertook to provide a breakdown of Attero related arrests by state and territory.[20] The ACC provided this information in an answer to a Question on Notice as follows:

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16    Mr Chris Dawson APM, Chief Executive Officer, ACC, *Committee Hansard*, 11 February 2015, p. 1.

17    Mr Chris Dawson APM, Chief Executive Officer, ACC, *Committee Hansard*, 11 February 2015, p. 2.

18    Mr Chris Dawson APM, Chief Executive Officer, ACC, *Committee Hansard*, 11 February 2015, p. 2.

19    Mr Chris Dawson APM, Chief Executive Officer, ACC, *Committee Hansard*, 11 February 2015, p. 2.

20    Mr Chris Dawson APM, Chief Executive Officer, ACC, *Committee Hansard*, 11 February 2015, p. 5.

**Table 1—Attero related reports and arrests, ACC Annual Report 2013-14[21]**

| State/Territory | Number of reports/arrests |
|---|---:|
| Australian Capital Territory | 7 |
| New South Wales | 364 |
| Northern Territory | 43 |
| Queensland | 1630 |
| South Australia | 34 |
| Tasmania | 82 |
| Victoria | 80 |
| Western Australia | 36 |

## ACC's key publications

### *Serious and organised crime threats*

4.24     The annual report acknowledges the sophisticated, globalised and increased threat to national security posed by serious and organised crime. Notwithstanding that it is becoming 'more pervasive, powerful and complex,' the ACC noted:

> The traditional business of serious and organised crime now operates alongside new and emerging forms, including exploitation of the cyber environment and increased targeting of key economic assets and markets.[22]

4.25     The ACC submitted that the economic costs of serious and organised crime remains high, while increasing in sophistication and reach:

> The threat and scourge of serious organised crime is growing in sophistication and reach. The Australian Crime Commission, together with our partner agencies, conservatively estimate that organised crime costs the Australian community in excess of $15 billion per annum.[23]

4.26     The ACC continues to provide its flagship publications, which seek to detect, disrupt and understand serious and organised crime. The publications include the *Organised Crime Threat Assessment*, *Organised Crime in Australia*, *National*

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21     Please note, these figures include both arrests and reports, which is more detail than was initially asked by committee members at the public hearing on 11 February 2015.

22     ACC, *Annual Report 2013-14*, p. 28.

23     Mr Chris Dawson APM, CEO, ACC, *Committee Hansard,* 11 February 2015, p. 1.

*Criminal Target Report*, *Illicit Drug Data Report* and *Organised Crime 2020*.[24] The details of the publications are discussed below.

*Organised Crime Threat Assessment*

4.27    The *Organised Crime Threat Assessment* is the ACC's biennial market based assessment that examines Australia's key illicit markets and activities that enable organised and serious crime. The ACC has continued to assess and monitor crimes within its remit, including drugs, firearms, superannuation and financial fraud and crimes against the person (human trafficking and maritime people smuggling).[25]

4.28    The annual report notes the next *Organised Crime Threat Assessment* is due in mid-2016.[26]

*National Criminal Target Report*

4.29    The annual report notes the ACC is updating its *National Criminal Target Report* that provides a thorough picture of threats and risks posed by nationally significant serious and organised crime targets.[27] The 2014 report was presented to the ACC Board in June 2014.[28]

**Illicit drugs**

4.30    The ACC noted that its work against the illicit drug trade continues, and expects to present an updated *Illicit Drug Data Report* in 2015. The ACC also noted the growing trends of illicit drug use in Australia and restated its focus:

> The trend continues to greatly concern us, particularly in regard to crystal methylamphetamine, which has been subject to quite a bit of attention by both law enforcement and governments around the country.[29]

4.31    The ACC noted it has significantly disrupted the illicit drug trade, including the seizure in 2013-14 of three tonnes of illicit drugs, including 900 kilos of crystal methylamphetamine, together with MDMA or ecstasy.[30]

*Illicit Drug Data Report*

4.32    The annual report details the ACC's ongoing support for its *Illicit Drug Data Report*, having received positive feedback from stakeholders. Specifically, previous reports focused on numerous records for the ACC, noting that the reporting period saw nearly all drug types reach decade or record highs:

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24    ACC, *Annual Report 2013-14*, p. 28.

25    ACC, *Annual Report 2013-14*, p. 28.

26    ACC, *Annual Report 2013-14*, p. 28.

27    ACC, *Annual Report 2013-14*, p. 29.

28    ACC, *Annual Report 2013-14*, p. 29.

29    Mr Chris Dawson APM, CEO, ACC, *Committee Hansard,* 11 February 2015, p. 2.

30    Mr Chris Dawson APM, CEO, ACC, *Committee Hansard,* 11 February 2015, p. 2.

- A record seizure of 86 918 drugs, weighing 19.6 tonnes and 101 749 national illicit drug arrests; and

- The highest record of seizures of cannabis and amphetamine type stimulants.[31]

4.33    The CEO noted that the ACC is planning to release its next *Illicit Drug Data Report* in the coming months. The new report will provide further analysis and understanding of the challenges facing law enforcement with respect to illicit drugs, including crystal methamphetamine:

> The trend continues to greatly concern us, particularly in regard to crystal methylamphetamine, which has been the subject of quite a bit of attention by both law enforcement and governments around the country. The committee may also be aware that there was a very large seizure several months ago—up to nearly three tonnes of illicit drugs. That was a mixture of drugs, including MDMA and ecstasy, but there was nearly 900 kilos of crystal methylamphetamine. That is not in this annual report. This is just to let you know that the problem is still there.[32]

*Crystal methamphetamine (ice)*

4.34    Increasing use the illicit drug crystal methamphetamine or ice was also raised by the ACC as an ongoing area of concern. The ACC submitted that it was continually monitoring illicit seizures, and foreshadowed current operations had seized record amounts of MDMA (ecstasy) and ice, noting that intelligence provided by the ACC had assisted NSW Police in seizing 30 kilograms of methamphetamine.[33]

## Collaboration with external agencies

4.35    The ACC's relationship with its external partners continues to develop, and the ACC specifically mentioned the numerous arrests and intelligence products it provided to its law enforcement partners in 2013-14. These included producing a total of 2164 intelligence outputs with 254 agencies.[34] The ACC noted that in 2013-14:

> [The ACC] were involved in coordinating and collaborating primarily with the Australian Federal Police, the state and territory police but also with quite a number of Commonwealth agencies with 18 joint operations and investigations.[35]

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31    ACC, *Annual Report 2013-14*, p. 30.

32    Mr Chris Dawson APM, CEO, ACC, *Committee Hansard,* 11 February 2015, p. 2.

33    Mr Chris Dawson APM, Chief Executive Officer, ACC, *Committee Hansard*, 11 February 2015, p. 2.

34    Mr Chris Dawson APM, CEO, ACC, *Committee Hansard,* 11 February 2015, p. 1.

35    Mr Chris Dawson APM, CEO, ACC, *Committee Hansard,* 11 February 2015, p. 1.

## Security, Integrity and Misconduct

4.36    The annual report notes the ANAO conducted a cross agency audit on management of physical security at the ACC and two other agencies. The ANAO found that the ACC was compliant with seven of the sixteen mandatory Protective Security Police Framework requirements, and partially compliant with the remaining nine.[36] The ACC noted:

> There were two recommendations to strengthen the design and application of physical security assurance and monitoring activities, and security risk management practices. The ACC has agreed to these recommendations, noting that our security policy and plans reflect the outcome of security risk assessments and are updated when required, and that we will review our security risk management process to ensure it aligns with Protective Security Policy Framework requirements.[37]

4.37    The annual report notes that integrity and security are critical for the use of its coercive and other powers, as well as its ability to deliver the outcomes required of it by Government and the general public.[38]

4.38    The annual report notes that the ACC has a dedicated Integrity Assurance Team, who are responsible for the prevention, detection and investigation of misconduct, fraud and corruption at the ACC.[39]

4.39    Further the ACC has received three internal disclosures under the *Public Interest Disclosure Act 2013* (PID Act), one of which was completed under the PID Act requirements, and then recommenced under the *Public Service Act 1999*. As at 30 June 2014, two disclosures remain under investigation.[40]

4.40    While the ACC has no carry over misconduct cases from 2012-13, the Integrity Assurance Team received 14 referrals alleging ACC staff had breached the *Australian Public Service Code of Conduct*. As at 30 June 2014, 3 referrals remained under investigation, 7 were deemed not to require a formal investigation, 1 was discontinued due to the employee's resignation, 2 were substantiated and 1 resulted in no finding.[41]

4.41    The ACC also maintains a Fraud and Corruption Control Plan 2013-15, but notes it did not receive a fraud allegation in 2013-14. The annual report mentions a misconduct allegation that was referred to the Australian Commission for Law

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36    ACC, *Annual Report 2013-14*, p. 133.

37    ACC, *Annual Report 2013-14*, p. 133.

38    ACC, *Annual Report 2013-14*, p. 124.

39    ACC, *Annual Report 2013-14*, p. 125.

40    ACC, *Annual Report 2013-14*, p. 125.

41    ACC, *Annual Report 2013-14*, p. 125.

Enforcement Integrity regarding a potential corruption issue relating to a former or current ACC staff member.[42]

4.42    Further, one carry-over investigation case from 2012-13 remains open as an ACLEI investigation.[43]

4.43    The committee notes the ACC previously provided (in answers to questions at the public hearing) detail regarding staff security breaches in the ACC. This information is not included in the annual report, and the committee believes it would be helpful in determining the success of the ACC's security and integrity framework.

4.44    The committee will continue to monitor the ACC's security, integrity and misconduct frameworks and internal investigations in the next reporting period, and the effectiveness of measures in place to raise security awareness.

## Committee view

4.45    The committee acknowledges the important work that the ACC has undertaken over the review period and recognises the ACC's efforts in areas including joint taskforces such as the Eligo National Task Force, which have helped reduce money laundering risks in the alternative money remittance sector and other informal value exchange systems.

4.46    The committee also notes that the ACC has recently finalised its 2013-14 illicit drug data report. The committee has recently commenced an inquiry into crystal methamphetamine (ice) in Australia, and recognises the difficulties for law enforcement agencies in combatting the increasing use of illicit substances. The committee believes this is an important area and commends the ACC on its work in this regard.

**Mr Craig Kelly MP**
**Chair**

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42    ACC, *Annual Report 2013-14*, p. 125.

43    ACC, *Annual Report 2013-14*, p. 125.