



**STATEMENT BY MICHAEL PEZZULLO  
CHIEF EXECUTIVE OFFICER  
AUSTRALIAN CUSTOMS AND BORDER PROTECTION SERVICE**

Senate Legal and Constitutional Affairs Legislation Committee

Tuesday 25 February 2014

---

A year ago, in February 2013, I briefed this Committee on the issue of corruption within the Service and on the strengthened integrity measures that I was putting in place to deal with the problem. In May 2013, I advised the Committee that a number of officers had been arrested on corruption-related charges. I also advised the Committee that an extensive 'root-and-branch' reform of the Service was required. In November 2013, I further updated the Committee on these issues and today, I should like to continue my update to the Committee on these matters.

First, I should like to brief the Committee on prosecution action against C&BP officers who are or have been the subject of anti-corruption operations:

- One former officer is serving a sentence of seven years imprisonment with a non-parole period of four years, after being found guilty of conspiring to import border controlled substances, receiving a bribe, and abuse of public office.

- Another former officer has been sentenced to eight years imprisonment after pleading guilty to conspiracy to import border controlled substances, and three and a half years for receiving a bribe earlier this month. Both sentences are to be served concurrently with a non-parole period of four years.
- Another former officer remains remanded in custody after pleading guilty to a variety of charges earlier this month, including inciting the crime of robbery, receiving a bribe and perverting the course of justice. He is due to be sentenced in the coming months.
- Another officer remains remanded in custody and is suspended without pay and will face trial in August 2014 in relation to drug importation and bribery allegations.
- Two others, one former and one current officer who is suspended without pay have been charged with conspiracy to unlawfully import certain goods, and receiving a corrupt benefit, amongst other charges. They have been released on bail, and are due to appear before the courts next month.
- Another former officer has been charged for importing marketable quantities of a border controlled drug and trafficking a marketable quantity of a controlled drug, and was released on bail after a hearing in January. She is appearing before the courts today.

- Finally, another former officer is also due to be sentenced next month after pleading guilty to unauthorised access of an IT system and abuse of public office.
- In addition to those officers who are facing criminal charges, another four officers have resigned while subject to Code of Conduct inquiries. A further two officers have been sanctioned under Code of Conduct proceedings: one of them was terminated in terms of their employment status and the other officer reassigned. These Code of Conduct inquiries were initiated after evidence of misconduct obtained during the course of Operation Heritage, an anti-corruption operation at Sydney Airport, was disseminated to me by the Integrity Commissioner.

Regrettably, in view of current and future operations which are known to me, these are NOT likely to be the last arrests and charges that we will see in relation to officers of the Service.

In the face of these challenges, we have continued to strengthen our integrity and professional standards capability, and to harden the Service against criminal infiltration. As previously advised to this Committee as stated before, we continue to roll out drug and alcohol testing of officers, integrity testing, and mandatory reporting of serious misconduct, corrupt or criminal behaviour by our officers, amongst other measures.

At our last meeting of November 2013, I advised the Committee that I was concerned by the fact that we were encountering 'hard to detect' corruption and serious misconduct, where some officers frankly, think that they can 'lie low' until the

so-called 'heat' passes. I said that we were alert to the risk that some officers may attempt to conceal their corrupt conduct and engage in deception and counter-surveillance. Since the last meeting of this Committee, along with the Minister for Immigration and Border Protection, I, along with Minister Morrison, have announced the commencement of a measure designed to proactively go after such 'hard to detect' corruption, now that we have significant powers and procedures in place for dealing with it - when we find it. Taskforce Pharos, which was announced in November 2013 since the last meeting of this committee, is our latest initiative in relation to corruption in the Service. Any officers who are currently working in the Service and who pose a risk to the organisation due to their *on or off* duty behaviour, their associations outside the workplace, or indeed corrupt or criminal activities, are on notice.

Governance and legal foundations for the Taskforce have been settled, along with inter-agency collaborative arrangements with Australian Commission for Law Enforcement Integrity, Australian Federal Police and the Australian Crime Commission. The Taskforce has multiple lines of inquiry underway. I do not intend to provide details at this time of these operations or the methodologies which are being employed by the Taskforce.

As a complementary measure, we are cracking down on officers with dubious connections to criminal organisations or associates, including by way of strengthened organisational suitability checks and restrictions on outside employment. Having been warned, there will now be zero tolerance shown to officers with undeclared criminal associations - who are 'riding out' what they might perceive to be a 'passing fad' of integrity. If they think that, they are very much

mistaken. We have also instituted a strengthened 'outside employment policy', which identifies a range of high risk secondary employment situations which could potentially compromise our officers, or create perceived or actual conflicts of interest.

As I have previously briefed the Committee on the introduction of our mandatory drug and alcohol testing programme I would like to quickly update the Committee in that area. As at 31 January 2014, 1266 drug and alcohol tests have been undertaken. As at today there have been five verified positive tests.

One officer returned a positive test result for cannabis during the pilot phase of this programme last year. The Officer's employment has since been terminated. Two officers returned verified positive drug tests for cocaine as a result of targeted testing. Both officers have since tendered their resignations. During other testing this month, a further two Officers verified positive results with one resigning and the other being suspended without pay subject to Code of Conduct proceedings.

As I stated at my last appearance before you, the taking of illicit drugs by officers of the Service is completely unacceptable. With random drug and alcohol testing and targeted testing now in place, and testing being conducted in relation to officers at all levels of the Service (me included), the message is very clear: you will be tested; and if you are found to be using illicit drugs you will lose your job.

Lest it be thought that the picture is one of overwhelming doom and gloom, I wish to finish on two positive notes.

First, the vast majority of our officers have embraced the need to Reform and have thrown themselves into various consultative and design processes which are taking place ahead of the launch of our new operating model and reformed workforce practices on 1 July this year. They are participating very fully and whole-heartedly in the design and development of new career models; learning, training and development systems; and a renewed culture and values programme.

Second, as an important component of our renewed focus on culture and values, many of our officers were recently recognised for their outstanding commitment to the community through acts of bravery, conspicuous conduct and other service worthy of recognition. This occurred at the inaugural C&BP Awards, which were presented at Australian Parliament House, in this building on the 13<sup>th</sup> of February 2014. I presided over this ceremony, and was joined by the Minister for Immigration and Border Protection, the Hon Scott Morrison MP, the Assistant Minister Senator Cash, along with the Secretary and other distinguished guests and Mr Ben Roberts-Smith VC MG, who was my special guest, and who delivered a memorable address on teamwork, valour and commitment. It was a very special privilege to recognise our officers in this way, and especially those who had risked their lives at sea to save others, and also those who perform their duty to an exceptional level when protecting our community.

ENDS