



LEGISLATIVE ASSEMBLY OF QUEENSLAND

PARLIAMENTARY CRIME AND MISCONDUCT COMMITTEE

**A report on a review by the
Parliamentary Crime and Misconduct Commissioner
of the actions of the Crime and Misconduct Commission in its investigation of the
theft of money from a safe at the Maroochydore Police Station**

Report No. 66

March 2005

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CHAIRMAN'S FOREWORD

Sometime between 7 June and 23 August 2002, \$113,000 was stolen from a safe in the Maroochydore Police Station. The theft was investigated by the Crime and Misconduct Commission. In November 2004, the CMC resolved to formally close its investigation, which had proved inconclusive.

On 24 February 2005, the Parliamentary Crime and Misconduct Committee requested the Parliamentary Crime and Misconduct Commissioner, Mr Alan MacSporran, to review the investigation by the CMC.

In light of publicly expressed concerns that the investigation had not succeeded in identifying the person or persons responsible for the theft, Mr MacSporran was asked to report to the Committee regarding:

- whether there are or were any lines of inquiry not pursued by the Commission that ought reasonably to have been pursued; and
- whether the decision by the Commission to close the investigation was reasonable.

The Parliamentary Commissioner has delivered his report to the Committee. In summary, Mr MacSporran has found that:

- He is satisfied, having reviewed all the investigation holdings of the CMC, that there was no failure by the CMC to follow lines of inquiry which reasonably should have been followed; and
- The decision by the CMC to close the investigation was reasonable in the circumstances disclosed.

Geoff Wilson MP
Chairman

22 March 2005

1. INTRODUCTION

The Committee has resolved to table the report of the Parliamentary Crime and Misconduct Commissioner (Parliamentary Commissioner) in the Legislative Assembly. It is the practice of the Committee when tabling such a report to provide some background detail regarding the role and powers of both the Committee and the Parliamentary Commissioner.

The Parliamentary Crime and Misconduct Committee (PCMC or the Committee) monitors and reviews the performance of the functions of the CMC. The Committee is established under the Act as a bipartisan committee of the Queensland Legislative Assembly. It has the following functions:

- to monitor and review the performance of the CMC's functions;
- to report to the Legislative Assembly where appropriate on any matters pertinent to the Commission, the discharge of the Commission's functions or the exercise of the powers of the Commission;
- to examine reports of the CMC;
- to participate in the appointment of commissioners;
- to conduct a review of the activities of the CMC at the end of the Committee's term ("the three year review"); and
- to issue guidelines and give directions to the CMC where appropriate.

The PCMC can also receive complaints and deal with other concerns which it may be aware of about the conduct or activities of the CMC or an officer or former officer of the CMC.

The Committee is assisted in its oversight process by the Parliamentary Commissioner. Mr Alan MacSporran was appointed as the Parliamentary Commissioner in December 2004. Mr MacSporran's appointment is for a period of two years and is on a part-time basis.

The Parliamentary Commissioner has a number of functions under the Act. These include carrying out the following, as required by the Committee:

- conduct audits of records kept by and operational files held by the CMC;
- investigate complaints made about or concerns expressed about the CMC;
- independently investigate allegations of possible unauthorised disclosure of information that is, under the Act, to be treated as confidential;
- report to the Committee on the results of carrying out the functions of the Parliamentary Commissioner; and
- perform other functions the Committee considers necessary or desirable.

To assist in the performance of these functions, the Parliamentary Commissioner has wide powers.

Any decision by the Committee to ask the Parliamentary Commissioner to investigate or review and report on a matter must be made unanimously or by a multi-party majority of the Committee.

2. BACKGROUND

On 7 June 2002, the sum of \$113,000 was placed in a safe in the Maroochydore Police Station. The safe was opened on 21 August 2002, at which stage the money was missing. The theft was investigated by the Crime and Misconduct Commission. In November 2004, the CMC resolved to formally close its investigation, which had proved inconclusive.

Concern was expressed in a number of quarters that the investigation had not succeeded in identifying the person or persons responsible for the theft. (These expressions of concern included comments by both the Premier and the Leader of the Opposition publicly reported on 23 February 2004.)

On 24 February 2005, the Parliamentary Crime and Misconduct Committee requested the Parliamentary Crime and Misconduct Commissioner, Mr Alan MacSporran, to review the investigation by the CMC. In light of the publicly expressed concerns, the Committee specifically asked Mr MacSporran to consider:

- whether there are or were any lines of inquiry not pursued by the Commission that ought reasonably to have been pursued; and
- whether the decision by the Commission to close the investigation was reasonable.

3. THE REPORT OF THE PARLIAMENTARY COMMISSIONER

The Parliamentary Commissioner has delivered his report to the Committee. That report, which is not a report of the Committee, speaks for itself.

In summary the Parliamentary Commissioner has found that:

- He is satisfied, having reviewed all the investigation holdings of the CMC, that there was no failure by the CMC to follow lines of inquiry which reasonably should have been followed; and
- The decision by the CMC to close the investigation was reasonable in the circumstances disclosed.

APPENDIX A

**REPORT ON A REVIEW OF THE ACTIONS OF
THE CRIME & MISCONDUCT COMMISSION
IN ITS INVESTIGATION OF THE THEFT OF
MONEY FROM A SAFE AT THE
MAROOCHYDORE POLICE STATION**



**OFFICE OF THE
PARLIAMENTARY CRIME & MISCONDUCT COMMISSIONER**

MARCH 2005

TABLE OF CONTENTS

1.	BACKGROUND.....	1
2.	TERMS OF REFERENCE.....	2
3.	RESULTS OF REVIEW.....	3
4.	ANNEXURE	5

1. BACKGROUND

On 7 June 2002, Detectives and other police officers from the Sunshine Coast District Criminal Investigation Branch executed a search warrant at premises at Mooloolaba. The search of those premises revealed 115 ecstasy tablets and \$113,000 in cash which was then seized by the police.

The property was taken back to the Maroochydore Police Station and the money was lodged in a safe situated in the office of the then Superintendent of Police. This safe was not a designated property point for the holding of exhibits from investigations. There was another safe in the property office within the same station which was so designated however it was not used for that purpose on this occasion. The cash was in a heat-sealed plastic bag when it was placed inside the safe. The safe was locked and, so far as can be ascertained, was not opened again until 21 August 2002 when the money was found to be missing. The Superintendent formally reported the money as missing on 23 August 2002 and an official investigation by the Crime and Misconduct Commission immediately commenced.

In March 2003 the Commission provided the Ethical Standards Command of the Queensland Police Service with a written report addressing a number of disciplinary issues arising from the investigation. The report recommended consideration of disciplinary action against three police officers involved in the storage of the money in the safe. The report further recommended managerial guidance be provided to a fourth officer.

Accompanying the Commission's disciplinary report was a report prepared by the Commission's Research and Prevention area entitled "*Evaluating Internal Controls: Queensland Police Service; Handling of High Risk Property – Money*". This report contained a series of recommendations aimed at tightening the Queensland Police Service's property handling procedures.

On 5 November 2004, on the basis of a report from the investigating officer, the Commission resolved to formally close the investigation.

2. TERMS OF REFERENCE

At a meeting on 24 February 2005, the Parliamentary Crime and Misconduct Committee resolved in accordance with section 295(3) of the *Crime and Misconduct Act 2001*, that:

Pursuant to section 295(2)(f) of the Crime and Misconduct Act 2001 (the Act), the Parliamentary Crime and Misconduct Commissioner be asked to:

- 1. review the actions of the Crime and Misconduct Commission in its investigation of the theft of money from a safe at the Maroochydore Police Station ("the investigation"), and in particular examine:*
 - (a) whether there are or were any lines of inquiry not pursued by the Commission that ought reasonably to have been pursued; and*
 - (b) whether the decision by the Commission to close the investigation was reasonable; and*
- 2. report to the Committee on the results of such review.*

The Committee asked that I finalise the review and report as a matter of high priority.

3. RESULTS OF REVIEW

Bearing in mind the request to report as a matter of high priority it was determined to access the relevant files of the Crime and Misconduct Commission as a matter of urgency. Together with my Principal Legal Officer, Mitchell Kunde, I spent two days at the Crime and Misconduct Commission's premises reviewing all files in existence with respect to this particular investigation. A complete list of these files is annexed.

It should be said immediately that the investigation faced considerable obstacles from its inception. As can be seen from the above recital of the background, the money was lodged on 7 June 2002 and not discovered to be missing until 21 August 2002. It has been impossible from the investigation carried out to ascertain exactly when, between those dates, the money was actually stolen. Furthermore the investigation revealed that the security of the station generally, the Superintendent's office, the safe and its combination were all particularly lax revealing that there were many people who had, either directly or indirectly, access to the contents of the safe. Nevertheless, in my view, a very thorough painstaking investigation into all available information was carried out by the investigative team.

In brief summary the significant steps in the investigation included the following:

- Interviews with approximately 52 witnesses;
- Forensic examination of the Superintendent's office, the safe and its contents by QPS scenes of crime officers;
- The obtaining of relevant property handling documentation;
- A search of the relevant Maroochydore Police Station building property office;
- Searches of the dwellings and motor vehicles of those persons identified as having knowledge of the safe's combination and opportunity to steal the money. These places and vehicles were entered and searched pursuant to warrants issued under the *Crime and Misconduct Act* or with the consent of the occupiers of those places and vehicles;
- A search of the Maroochydore Police Station building conducted pursuant to sections 73 and 172 of the *Crime and Misconduct Act*;
- Forensic examination of the safe itself by a private locksmith specifically brought in to the investigation;
- Issue of Notices to Discover under section 75 of the *Crime and Misconduct Act* upon financial institutions related to those persons identified as likely suspects in respect of the theft;
- Using the data obtained from those notices referred to above to carry out detailed financial profiling of those persons;
- Intelligence gathering in respect of the relevant identified persons;
- The investigation of information received from the public even where the source of such information was anonymous. (Even in these cases considerable time and effort was

expended to identify the possible source so that the investigation of the information provided could be advanced);

- Investigative hearings were conducted in respect of identified persons; and
- Covert surveillance of certain identified persons.

In a media release issued on 12 November 2002 the Commission took the extraordinary step of calling for public assistance in the investigation.

As is usual in such investigations, a detailed running sheet was compiled of every step taken by every investigator during the course of the gathering of information and looking into information received. This document is predictably thorough and detailed and runs to some 202 pages of closely typed material. It gives a very useful overview of the direction of the investigation together with a ready reference to the fate of lines of inquiry that were followed from time to time. The running sheet document itself contains detailed reference to persons of interest and identifies those that investigated information in respect of them together with references to hard copy holdings in files which have also been accessed and reviewed by either myself or my Principal Legal Officer.

As mentioned earlier, one of the difficulties in identifying the person or persons responsible for the theft was the fact that there were numerous people who had legitimate access to the premises including the office of the Superintendent. Although the combination of the safe had been changed by the Superintendent when he took over the position in 2001, the combination was initially kept by the Superintendent in a drawer of his desk written on a yellow post-it note. Ultimately that post-it note was transferred or copied onto another post-it note which was stored not in the drawer but stuck to the inside back cover of the Superintendent's diary which itself was readily available on top of his desk within his office. It doesn't require much imagination to presume that any number of people who were legitimately inside the Superintendent's office from time to time may have become aware of the combination to the safe. The note itself contained detailed instructions as to how the safe could be opened.

The thoroughness of the investigation is possibly best demonstrated by the fact that during the course of the inquiries evidence was uncovered which gave rise to a suspicion that a relatively senior officer may be guilty of acts of Official Corruption or Official Misconduct. This in turn led the investigation to a completely separate operation which concentrated on those aspects leading to the gathering of significant evidence by the use of surveillance and telephone interception devices. This, for a time, looked to be a promising lead into information that may have identified those responsible for the theft of the money from the station. However the listening device evidence in particular made it clear that the particular officer concerned and those he was conversing with had no relevant information as to the theft and were certainly not themselves responsible for it. Nevertheless this separate operation yielded very worthwhile evidence itself of other misconduct.

Dealing specifically with the questions asked:

- (a) I am satisfied, having reviewed all of the investigation holdings, that there was no failure by the Commission to follow lines of inquiry which reasonably should have been followed; and**
- (b) That the decision by the Commission to close the investigation was reasonable in the circumstances disclosed.**

I feel confident in saying that should further, compelling information emerge as to the identity of those responsible for the theft, the Commission would consider re-opening the investigation file.

4. ANNEXURE

Complaint by Senior Sergeant Mark David Williams (Parts 1 and 2)

Complaint by Senior Sergeant Mark David Williams (Documents Seized/Produced)

Operation Enterprise / Management and Correspondence (Parts 1 to 4)

Operation Enterprise / Management Working Papers

Operation Enterprise / Statements and Statutory Declarations

Operation Enterprise / Intelligence Reports

Operation Enterprise / Investigator's Report

Operation Enterprise / Property

Operation Enterprise Running Sheet (202 pages)

Folder of papers concerning internal controls on handling high risk property within the QPS

Large bundle of documents summarising financial transactions conducted by persons of interest

175 page draft investigation report dated 25 August 2004

Large bundle of documents relating to Drug and Property Audits at Maroochydore Police Station

45 page transcript of Investigative Hearing dated 24 September 2004

Operation Fire / Project Management

Operation Fire / Management and Correspondence

Operation Fire / Target Profiles

Operation Fire / Analysis - Querymaster Reports

Operation Fire / Analysis – Call Charge Records

Operation Fire / Analysis – Information Retrieval Requests

Operation Fire / Records of Interview

Operation Fire / General Intelligence and E-mails

Operation Fire / Financial Investigation (Parts 1 to 4)

Operation Fire / Investigator's Report

Operation Fire / Running Sheets and Logs

Operation Fire / Brief of Evidence – Hearing Working Papers (Parts 1 to 3)