

Public Report to the Parliamentary Crime and Corruption Committee

Activities of the
Crime and Misconduct Commission

for the period
1 April to 30 June 2014



**Crime and Corruption
Commission**

QUEENSLAND

Purpose of the report

This report has been prepared by the Crime and Corruption Commission (CCC) for discussion at its public meeting with the Parliamentary Crime and Corruption Committee (PCCC) on 4 August 2014. The report covers the period from 1 April 2014 to 30 June 2014, and will be the final report on the activities of the Crime and Misconduct Commission (CMC), as the CCC came into operation on 1 July 2014.

About this report

Some investigations undertaken by the CCC cannot be reported on publicly until they are finalised. There would be a significant risk of compromising a current investigation, causing reputational damage to those persons who are under investigation or a risk of breaching legislation. Discussing the progress of an investigation also carries with it a risk that persons who are assisting by confidentially providing information to the CCC could be identified.

Similarly, it is not possible to include detailed reports on short-term or recent performance from the CCC's witness protection program.

The CCC acknowledges there is a public interest in our business and we need to report publicly to our parliamentary oversight committee, the Parliamentary Crime and Corruption Committee. The information in this report strikes a balance between providing information to the public and protecting confidential CMC processes.

More general information about our jurisdiction, work areas, roles and responsibilities can be found at www.ccc.qld.gov.au

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Chairman's report

I am pleased to report on the Crime and Misconduct Commission's (CMC) activities for the period of 1 April to 30 June 2014 to the Parliamentary Crime and Corruption Committee (PCCC).

This report outlines the key activities undertaken by the CMC across the breadth of the organisation.

Acting Chairperson's¹ activity during this period

The following liaison meetings were undertaken in my capacity as Acting Chairperson during the reporting period:

General

- On 3 and 4 June 2014, I attended the Anti-Corruption Commission Forum in Adelaide.

Liaison meetings

- On 7 April 2014, I attended a meet-and-greet with the new Chief Superintendent, Director, Witness Protection and Operations Support.
- On 15 April, and 7 May 2014, I met the Commissioner of Police for our monthly briefing.
- On 16 April 2014, I attended a Legal Affairs and Community Safety Committee public hearing regarding the Draft *Crime and Misconduct and Other Legislation Amendment Bill 2014*.
- On 22 April, 19 May, 2 and 16 June 2014, I provided a briefing to Cabinet regarding a number of Criminal Motor Cycle Gangs (CMG) hearings and resourcing requirements.
- On 5 May 2014, I attended a Joint PCMC/CMC Meeting (public and private).
- On 6 May 2014, I met with the Deputy Commissioner (Strategy, Policy & Performance) to discuss CMC Police Staffing matters.
- On 8 May 2014, I met with Hudson Consultants to discuss the Queensland Education and Training review of the Queensland Police Service.
- On 12 May 2014, I met with the Commissioner of Police to discuss an operational matter.
- On 12 May, 23 May and 24 June 2014, I met with the Deputy Commissioner (Task Force Resolve) to discuss operational matters.
- On 14 May 2014, I, together with the Project Manager and the Records Manager met with the Director of Public Prosecutions, Department of Public Prosecutions and the Executive Director and State Archivist, Queensland State Archives, to discuss categorisation of Fitzgerald documents post the Fitzgerald Inquiry.
- On 16 May 2014, I met with the Acting Chief Executive Officer and the Queensland State Manager, Australian Crime Commission (ACC) to discuss ACC and CMC interface.
- On 29 May 2014, I addressed the Strategic Monitoring Group, Department of Justice and Attorney-General and provided an update on Criminal Motor Cycle Gangs hearings and resourcing requirements.
- On 30 May 2014, I together with the Acting Executive General Manager met with the Chief Executive Officer, Independent Broad-based Anti-corruption Commission, Victoria to discuss management and organisational matters.
- On 5 June 2014, I met with the Director-General, Department of Justice and Attorney-General to discuss a Witness Protection issue.
- On 10 June 2014, I met with the Hon. Jarrod Bleijie, Attorney-General and Minister for Justice to discuss Witness Protection.
- On 11 June 2014, I met with the Auditor-General, Queensland Audit Office to discuss a complaint matter.

¹ As of 1 July 2014, the title of 'Chairperson' of the CMC changed to 'Chairman' of the CCC.

- On 11 June 2014, I attended an Integrity Forum working lunch with the former Integrity Commissioner, the Auditor-General, the Information Commissioner and the Ombudsman to acknowledge Dr Solomon's finishing his role as Queensland Integrity Commissioner.
- On 11 June 2014, I, together with the Official Solicitor attended a meeting at the Department of Justice and Attorney-General to discuss a Witness Protection issue.
- On 13 June 2014, I, together with the Official Solicitor met with the Director-General, Department of Housing.
- On 16 June 2014, I, together with the Acting Executive General Manager met with the Director-General, Department of Natural Resources and Mines to discuss changes to the CMC's jurisdiction and any impacts on the department.
- On 16 June 2014, I, together with the Acting Executive General Manager met with the Chief Executive Officer, Brisbane City Council to discuss changes to the CMC's jurisdiction and any impacts on the department.
- On 17 June 2014, I met with the Manager of Senior Executive Services, Department of Science, Information Technology, Innovation and the Arts to discuss the assessment of the new CCC's Chief Executive Officer role.
- On 17 June 2014, I, together with the Acting Executive General Manager met with the Chief Executive Officer, Queensland Rail to discuss changes to the CMC's jurisdiction and any impacts on the department.
- On 18 June 2014, I met with the new Chief Executive Officer of the Australian Crime Commission to discuss the ACC and CCC interface.
- On 18 June 2014, I, together with the Acting Executive General Manager met with the Director-General, Department of Local Government, Community Recovery and Resilience to discuss changes to the CMC's jurisdiction and any impacts on the department.
- On 19 June 2014, I attended a presentation to public service departments on the changes to the CMC.
- On 24 June 2014, I, together with the Acting Executive General Manager met with the Director-General, Department of Transport and Main Roads to discuss changes to the CMC's jurisdiction and any impacts on the department.
- There has been close liaison with senior officers of the Queensland Police Service and myself about progress of crime investigations where corruption may be involved.
- On 27 June 2014, I attended the Valedictory Ceremony for Chief Justice, the Honourable Paul De Jersey AC.

Update on reviews and inquiries

- Action taken since the PCMC inquiry into the release and destruction of Fitzgerald Inquiry documents includes:
 - On 11 April 2014 the Commission approved the CMC's placing an internal disposal freeze on certain classes of records, to replace the QSA freeze which expired on 14 April 2014, 12 months after its application. QSA offered the CMC the option of renewing the existing QSA freeze or developing an internal process. The State Archivist has been notified of the CMC's decision and has been provided with a draft copy of the suggested process. The freeze took effect from Tuesday 15 April 2014, for a period of 12 months (unless revoked sooner). It will operate to mitigate risk while the CCC further explores its approach to this work.
 - Following consultation with the Office of the Director of Public Prosecutions and Queensland State Archives on 15 May 2014, it was agreed that given the complexity of accurately determining what constitutes a Fitzgerald document as opposed to a CJC document, the Commission resolved that all records with a creation date up to and including 31 December 1996 would be sent to Queensland State Archives and held as permanent CJC records that may hold Fitzgerald Inquiry files.

The Commission engaged two contractors to undertake the task of preparing the paperwork and organising the files in preparation for the transfer. It is anticipated that up to 35,000 files will be transferred to Queensland State Archives for permanent archiving.

In line with the new delegations under the CC Act to provide for the Chief Executive Officer to be the authorised officer in relation to the CCC's public records a new QSA access authorisation approval form has been completed. This enables the Chief Executive Officer to determine restricted access periods and approve administrative access to restrictive records held at Queensland State Archives.

Corporate activities and issues report

- The Commission's interim strategic plan for 2014–18 was approved for publication on its website by 1 July 2014. Because of the transition from the CMC to the CCC, and the introduction of the *Crime and Corruption Act 2001*, the Department of the Premier and Cabinet (DPC) approved the interim plan, however it has requested that a revised plan be re-submitted for review and approval, with an intended publication date of 30 September 2014. The Commission will discuss the plan on 4 July 2014.

Matters arising out of previous public meeting on 5 May 2014

There were no matters on which to respond.

Dr Ken Levy RFD
Acting Chairman

Crime

The CMC is a specialist law enforcement agency targeting crime of the highest threat to our community. Its goal is to make Queensland as hostile an environment as possible to major crime and to reduce its impact on Queenslanders. The CMC operates in a framework of strict legal compliance, and a high level of accountability attaches to the use of our special powers.

This report on the crime function addresses the performance of the function over a three month reporting period.

Activities and issues report

Overview

- Nine new major crime investigations commenced, two of which were a specific referral² of a murder and the remaining seven were commenced under the established criminal networks, weapons and vulnerable victims general referrals.
- The CMC's Organised Crime investigation team was engaged in five organised crime investigations of high-risk crime networks engaged in drug trafficking and other illegal activity in Queensland.
- The CMC's Crime hearings teams held a total of 108 days of hearings involving 104 witnesses in support of 24 CMC or QPS investigations of organised and serious crime, or in support of our intelligence function. These matters included 10 homicide investigations.
- 39 persons were called to criminal motorcycle gang (CMG) related hearings, including intelligence hearings, held over 40 days generating 103 intelligence reports.
- The CMC's Proceeds of Crime team obtained 12 restraining orders valued at \$2.741M and one forfeiture order valued at approximately \$56,000 in relation to CMG-related matters.
- More broadly, the Proceeds of Crime team obtained 26 restraining orders over property valued in excess of \$5.75m and forfeited property in seven matters totalling \$0.870m.
- The CMC's Criminal paedophilia team charged two alleged offenders with 18 mostly child exploitation material offences.
- Crime Intelligence completed two current and emerging issues reports (for law enforcement agencies only): on the infiltration by CMGs of the tattoo industry in Queensland and the changing nature and operation of certain Queensland based organised crime groups.

The CMC's Crime Function

The CMC's crime and prevention function is undertaken by the following teams and units:

- Organised Crime investigation team
- Proceeds of Crime
- Criminal paedophilia team
- Hearings unit
- Dedicated intelligence and research officers

² A referral is the mechanism that authorises the CMC to investigate major crime and exercise its powers. There are two kinds of referral of major crime: general or specific. Specific referrals are typically made in response to one-off incidents of serious crime such as homicide. General referrals are broadly based mandates to investigate the following thematic areas: criminal motorcycle gang activity, established criminal networks, money laundering, terrorism, internet-related child sex offending, extra-familial child sex offending by networked or recidivist offenders, weapons and offences of extreme violence against vulnerable victims.

Pursuant to recent amendments to the *Crime and Misconduct Act 2001* the CMC can also now obtain intelligence referrals to exercise its powers to gather intelligence in certain circumstances.

The CMC's major crime function has also received specific funding over the 2013-14 financial year to deliver an increased focus on criminal organisations and particularly CMGs.

An update on the performance of each of these areas follows.

Update: Focus on Criminal Organisations

Since October 2013 extensive CMG related intelligence hearings have been focusing on the membership and activities of Queensland based CMGs. In addition the CMC hearings team has conducted CMG-related major crime hearings where it was assessed that the investigations in question were likely to yield valuable evidence concerning CMG offending in Queensland.

Since the commencement of this initiative a hearings program has been undertaken, exploring a range of CMG-related themes and issues identified by the CMC and QPS Task Force Maxima. During the reporting period, 26 witnesses were called to intelligence hearings held over 25 days and 13 witnesses called to CMG-related hearings undertaken pursuant to the established criminal networks general referral held over 15 days.

During the reporting period the Proceeds of Crime team obtained 12 restraining orders valued at approximately \$2.741m and one forfeiture order valued at approximately \$56,000 in matters considered to have CMG links.

The CMC continues to collect intelligence on issues associated with CMGs in Queensland and produces intelligence reports which are disseminated to partner law enforcement agencies. During the reporting period 103 Intelligence information reports were produced.

In addition to ongoing operational intelligence, during the reporting period an abridged version of a current and emerging issues report on the infiltration by CMGs of the tattoo industry in Queensland was completed and disseminated for government use only. A further strategic intelligence report on the changing nature and operation of certain organised crime groups was finalised. This document is for law enforcement use only and is to be disseminated in early July 2014.

Organised crime

In combating organised crime, the CMC focuses on investigations calculated to dismantle or disrupt the criminal identities and networks engaged in the illicit commodity markets of greatest harm to Queenslanders. In making these assessments, we rely upon our specialist strategic intelligence expertise. To maximise the law enforcement response, the CMC's operations are often conducted jointly with other State and Commonwealth law enforcement agencies.

Activities/outcomes

During the reporting period:

- The Organised Crime team was engaged in five organised crime investigations of high-risk crime networks engaged in drug trafficking and other illegal activity.
- Four of those investigations are in a covert/sensitive phase and no further information can be published at this time.
- The other was an investigation with the Queensland Police Service in respect of an organised car theft network targeting high end imported performance vehicles. The six month operation resulted in the arrest of 8 offenders with 39 auto theft and drug related offences. 12 search warrants were executed resulting in the recovery of approximately \$788,000 in vehicles and parts.

Proceeds of crime

The CMC administers the non-conviction-based civil confiscation scheme (Chapter 2) under the *Criminal Proceeds Confiscation Act 2002* (CPCA). Under Chapter 2, property is liable to be restrained if it belongs to, or is under the effective control of, someone who is suspected of having engaged in serious criminal activity in the past six years.

Restrained property is liable to be forfeited unless a person proves, on the balance of probabilities, that it was lawfully acquired. The CMC is also responsible for administering Chapter 2A of the CPCA, the Serious Drug Offender Confiscation Order Scheme. Under Chapter 2A, property of a person is liable to forfeiture upon conviction for qualifying serious drug offences.

The Proceeds of Crime staff work closely with the Queensland Police Service (QPS) and the Director of Public Prosecutions (DPP) in identifying and litigating proceeds of crime matters, as well as with the Public Trustee of Queensland, who is responsible for the property restrained and held by the state.

Activities/outcomes

As at 30 June 2014, work in progress was as follows:

- 97 current civil confiscation matters involving restrained property valued at \$54.010m
- 39 referred matters awaiting restraint involving property valued at \$16.375m.

Since the last report we achieved the following results:

- 26 restraining orders were obtained over property valued in excess of \$5.751m
- The State was the recipient of seven forfeitures of property totalling \$0.870m.
- Settlement negotiations were being undertaken in 39 matters involving property valued at \$13.385m.

Proceeds of crime results since 2002

Since the *Criminal Proceeds Confiscation Act 2002* came into operation, the team has been instrumental in delivering to the state:

- \$176.733m in assets restrained
- \$63.173m in assets forfeited.

During the reporting period 28 new referrals were received. For the period 1 July 2013 – 30 June 2014, 111 referrals were received. This significantly exceeded the number of referrals received for the 2012/13 financial year.

Value of restraints

In the last financial year the Commission restrained \$13.8 M (against a target of \$18.0 M).

As a result of the new legislation an increased number of matters have been referred to the Commission by the police. New staff have been recruited to manage the work and training of these staff is proceeding satisfactorily, although it has affected the productivity of the Proceeds of Crime team.

The implementation of unexplained wealth and serious drug offender confiscation provisions involve more complex matters, it taking longer to obtain restraining orders and finalise matters.

It was anticipated that, while restraints would not reach the \$18 million target, they could reach a revised target of \$15 million. This revised target was not achieved due to three matters (totalling \$1.2 million) set down to be heard in the final week of the year being adjourned by the Court.

The following chart depicts restraints as at 30 June 2014.

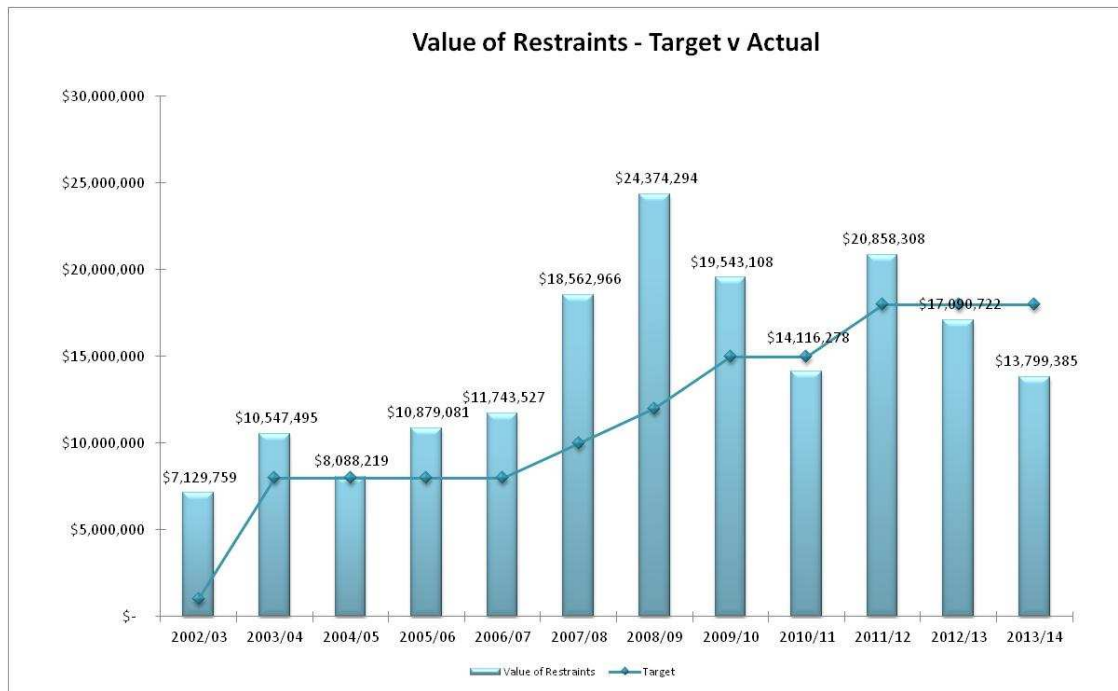


Figure: Estimated value of criminal proceeds restrained (target compared with actual), 2002–03 to 2013–14

Value of forfeitures

The value of forfeitures has been met as at 30 June 2014, largely due to a significant cash forfeiture of \$4.3m. As discussed above, forfeiture results are likely to be affected in the medium term as new staff become proficient in proceeds of crime recovery.

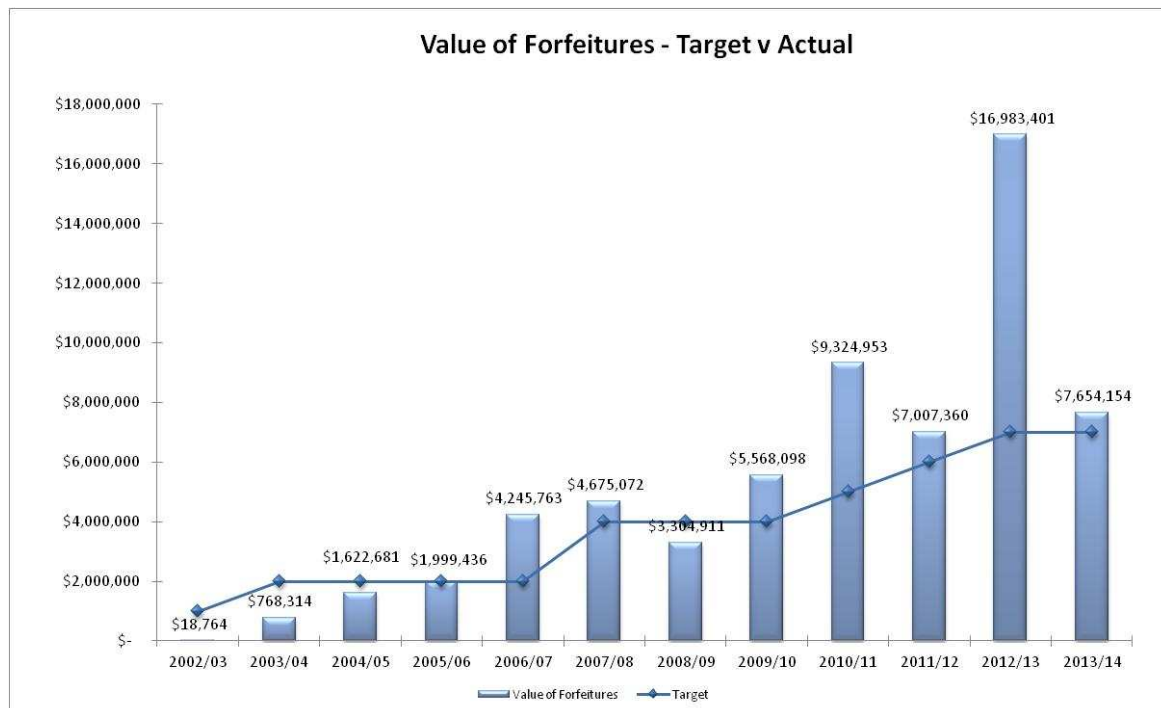


Figure: Net value of assets forfeited (target compared with actual), 2002–03 to 2013–14

Criminal paedophilia

Although our jurisdiction relates to all child sex offending, the CMC focuses on internet-based offending and networked, recidivist extra-familial offending. This ensures that our work complements, rather than duplicates, the work of others. The CMC works closely with QPS Task Force Argos, regional Child Protection Investigation Units, Offices of the Commonwealth and Queensland Director of Public Prosecutions, and interstate and foreign law enforcement agencies.

Activities/outcomes

During the reporting period and as a result of the CMC's ongoing internet-based investigations pursuant to one of our general referrals, an alleged child sex offender from Brisbane was charged with a total of three offences under Queensland and Commonwealth law, including:

- possession of child exploitation material
- using a carriage service to access child exploitation material.

The CMC also charged another male with 15 offences under Queensland and Commonwealth law, including:

- possession of child exploitation material
- producing child exploitation material
- using a carriage service to access child exploitation material
- using a carriage service to make available child exploitation material (7 offences)
- drug related offences

The CMC reported last period on the dissemination of an evidence package to an interstate jurisdiction. The jurisdiction has advised subsequent to the receipt of the material they have charged a male person with a number of Commonwealth child exploitation offences.

Coercive hearings

With the advent of legislative changes enabling the holding of intelligence hearings relating to criminal organisations, coupled with a spike in QPS requests for hearings assistance in major crime investigations (primarily murder investigations), the CMC has continued to hold an increased number of hearings during the reporting period.

Activities/outcomes

The Crime Hearings team held a total of 108 days of hearings in Brisbane, Coolangatta, Caloundra, Bundaberg, Rockhampton, Proserpine, Bowen, Ayr and Townsville in support of 28 CMC or QPS investigations of organised and serious crime, or in support of the CMC's intelligence function. A total of 104 witnesses were called to these hearings. (See also focus on criminal organisations at page 8).

Major crime hearings were held in support of a range of investigations. They include the following:

- 10 homicide investigations
- Nine investigations of drug trafficking and associated money laundering
- Three investigations under our Weapons general referral
- Two fraud and/or money laundering investigations.

Contempt Proceedings

- A key witness in a murder investigation was sentenced to six months imprisonment in May for refusing to take an oath at a CMC hearing. The witness had already served six months in custody as a result of the contempt, resulting in an effective 12 month sentence for the contempt. This represents the highest contempt sentence to date arising from CMC hearings.
- A witness was called to a CMC hearing in April relating to an alleged weapons trafficking network but refused to answer questions. In May he was sentenced to seven months imprisonment for being in contempt of the CMC.

New Major Crime referrals

Nine new major crime investigations commenced during the reporting period as detailed below.

We received two new specific referrals of major crime, both of which are murder investigations. Hearings will commence in both matters in July.

Three new investigations (relating to suspected drug trafficking network, fraud and money laundering) also commenced under our Freshnet organised crime general referral. Two further investigations commenced under the CMC's Weapons general referral, and two investigations were initiated under our Cronos general referral relating to vulnerable victims of crime.

Intelligence

The CMC's work in major crime is largely shaped by its strategic intelligence activity. This informs our understanding of organised crime markets, identifies the priority markets and syndicates, and helps to ensure that resources are allocated towards those areas that pose the highest risk. In this way, strategic intelligence products inform and drive our investigative activities. The intelligence function also contributes significantly to our crime prevention function.

Intelligence staff engage with a wide range of clients, stakeholders and partners to ensure the CMC maintains a strategic awareness of developments in the crime environment in Queensland and other jurisdictions.

Activities/outcomes

During the reporting period:

- The CMC completed a current and emerging issues report titled "CMG infiltration into the Queensland tattoo industry". This classified product was disseminated to Australian law enforcement agencies in March 2014. Additionally, an abridged version was produced for government use only and was distributed to relevant entities in April 2014. The products discuss the increasing influence of some CMGs in the tattoo industry in Queensland. It considers matters such as the extortion and intimidation of business owners by CMGs and also how such businesses may be used to facilitate criminal activity. The papers aim to further build on law enforcements understanding of CMG methodologies.
- The CMC completed a current and emerging issues report focused on the changing nature and operation of certain organised crime groups. This classified product (for law enforcement use only) has been finalised and is to be disseminated in early July 2014. Several successful CMC operations targeting the trafficking of illicit drugs in Queensland identified the involvement of certain organised crime groups and noted changes in the behaviour of these groups, both criminally and socially. The paper explores aspects of these organised crime groups and the implications for law enforcement in Queensland.
- The CMC has been collecting information to assist with an assessment of the new and emerging psychoactive substances (NPS) market. The project examines trends in the market, key drivers, the level of involvement of organised crime groups in the market, marketing techniques, sources (e.g. online drug marketplaces and regional supply chains) and the implications for law enforcement. A draft of the paper has been completed and is expected to be finalised and disseminated in July 2014.

Research

Legislative review of the *Child Protection (Offender Prohibition Order) Act 2008*

The CMC's review of the *Child Protection (Offender Prohibition Order) Act 2008* is in progress. This legislation allows police officers to apply to a Magistrate for an order prohibiting certain previously convicted child sex offenders from engaging in certain conduct that poses a risk to the lives or sexual safety of one or more children, or of children generally.

As required by the Act, the review commenced in June 2013 (five years after the Act commenced).

Misconduct

The role of the CMC's Misconduct function is to promote a trustworthy public sector in Queensland and reduce the incidence of misconduct. Our wide-ranging jurisdiction includes all state government departments, the QPS, local governments, public sector agencies and statutory bodies, government-owned corporations, universities, prisons, courts, tribunals and elected officials.

This report on the Misconduct function emphasises the most current and/or critical information.

Activities and issues report

Overview

- The CMC finalised 16 misconduct investigations and substantiated a total of 32 disciplinary offences and referred them back to the QPS or public sector agencies for the purpose of disciplinary action. The offences involved unauthorised disclosure of confidential information, inappropriate relationships with members of criminal organisations, failing to comply with statutory obligations/policies and inappropriate use of authority for the purpose of a personal benefit.
- The CMC issued a former State Government employee with a Notice to Appear in Court on one charge of demands with menaces upon agencies of government, following a CMC investigation into allegations that after the former employee was terminated in November 2012, he threatened to release information and make a complaint to police unless he was re-employed in another role in Government.
- Following an investigation into allegations that an officer from Queensland Health's payroll division had claimed a significant amount of overtime that had been paid but was not authorised, the CMC charged the officer with 46 offences of fraud pursuant to the *Criminal Code*.
- The CMC charged a public servant with 59 offences of receiving secret commissions following a CMC investigation into allegations that a Senior Manager of a facility on the Gold Coast operated by the former Department of Innovation, Information, Economy, Sport and Recreation, had received secret commissions in excess of \$130,000 from a private cleaning/maintenance contractor.
- A police officer from the South Eastern Region was issued with a Notice to Appear in court on one charge of Abuse of Office, contrary to Section 92 of the *Queensland Criminal Code*.

Statistics for the period 1 April to 30 June 2014

- Received 941 complaints of official misconduct
- Assessed 966 complaints
- Closely monitored and reviewed 54 public sector and police matters
- Continued to investigate 28 serious misconduct matters
- Commenced 12 new investigations
- Finalised 16 investigations.

Preparation for changes to the CMC's jurisdiction

The *Crime and Corruption Act 2001* establishes the Crime and Corruption Commission (CCC) which commenced on 1 July 2014. The changes to the legislation introduce a new definition of 'corrupt conduct' to replace the term 'official misconduct' and its definition. The legislation states that the Commission, in performing its corruption function, must focus on more serious cases of corrupt conduct and cases of systemic corrupt conduct within a unit of public administration.

In introducing a new definition of corrupt conduct, the threshold for what falls within the CCC's jurisdiction is raised. Lower level allegations are the responsibility of the relevant public sector agency, thereby leaving the CCC's resources to focus on investigating the most serious and systemic corruption and to fulfil a strong audit program to ensure matters dealt with by public sector agencies are being managed appropriately.

Another important change to the legislative framework is the requirement for complaints to be made by way of a statutory declaration, unless the Commission decides, because of exceptional circumstances, that a declaration is not required.

As part of significant preparatory work conducted by the CMC to support the changes to the Commission's jurisdiction, the CMC conducted an information session on 19 June 2014 for senior executive officers in the public service, other executive leaders in the broader public sector and CMC liaison officers from the public sector, to introduce them to the changes that the commencement of the *Crime and Corruption Act 2001* would bring about.

The session was well attended (over 280 people) and was targeted at those who manage or regularly deal with complaints. A copy of the presentation can be found on our website at www.ccc.qld.gov.au.

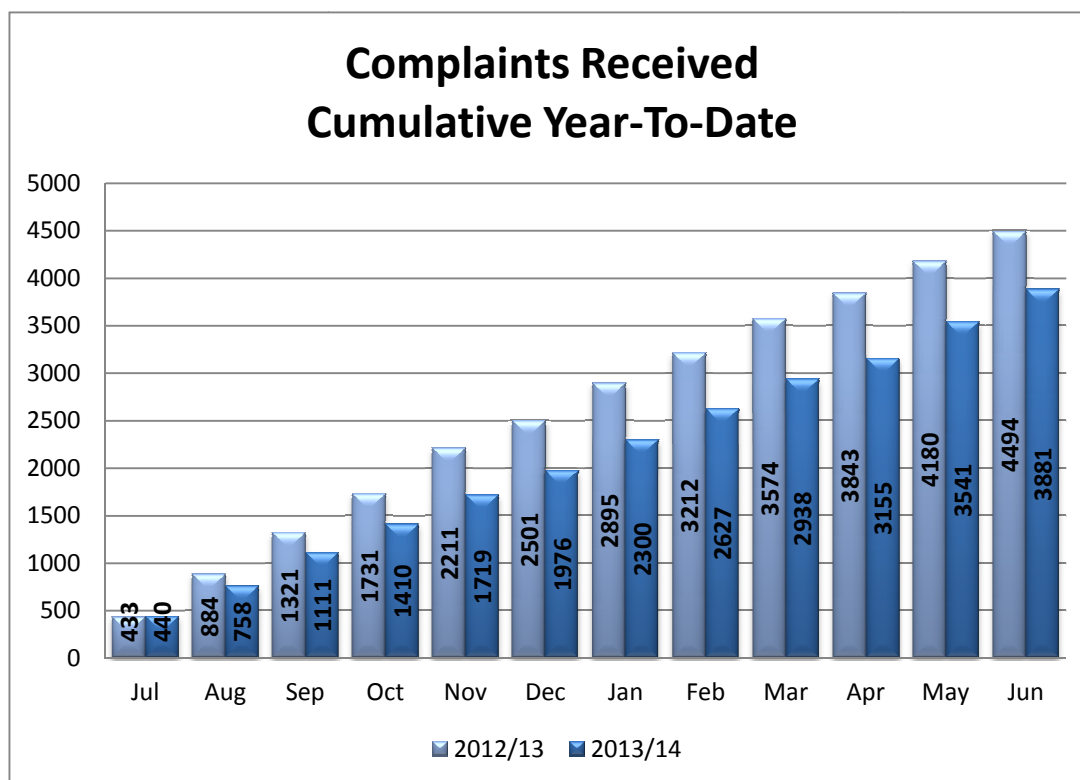
In addition, the CMC's Guide to Dealing with Official Misconduct – *Facing the Facts* has been updated to reflect the change in jurisdiction and also contemporary investigative practice (noting the last update was in 2007) and re-badged as '*Corruption in Focus*'.

Complaints

For the reporting period 1 April to 30 June 2014, the CMC received 941 complaints. The number of complaints received represents a 2% increase when compared to the same period in the previous year. For the financial year to date, the CMC has received 3,881 complaints (a 13.6% decrease from the previous year of 4,494 complaints). This continues the downward trend from the previous financial year.

The 941 complaints received in the reporting period contain a total of 2,056 allegations of misconduct. (A complaint may contain multiple allegations.) Of these allegations:

- 46% (937) related to police
- 36% (751) related to public sector agencies (including Government-Owned Corporations)
- 16% (322) related to local government
- 2% (46) related to other agencies.



The CMC assessed 966³ complaints in the reporting period:

- 744⁴ (77%) were referred to the appropriate agency to deal with, subject to the CMC's monitoring
- 12 (1%) were retained for investigation by the CMC (including investigations conducted cooperatively with agencies)
- 210 (22%) were assessed as requiring no further action.

How the CMC monitors complaints⁵

The CMC adopts different levels of monitoring depending on:

- the seriousness of the allegations to be investigated;
- the capacity of the originating agency to undertake the investigation independently and
- the public interest.

The CMC's monitoring function also includes random audit activities focussed on high risk activities or agencies.

Examples of audits completed in the reporting period include:

- A compliance and integrity audit of the way in which complaints related to inappropriate associations between public service officers and Criminal Motorcycle Gangs (CMGs) have been dealt with by the Queensland Police Service and other public sector agencies. The findings of this audit indicate that public sector agencies appropriately dealt with complaints of this nature.
- An audit of matters referred to public sector agencies and reviewed by the CMC in the 2012/13 financial year that were outsourced to an external investigator by the agency dealing with the matter. The purpose of this audit was to comment on whether the outsourcing of investigations by agencies is an efficient use of resources and to determine under what circumstances an agency might use the services of an external consultant or investigator. While findings

³ The number of complaints assessed differs slightly from the number received because somewhat different time periods apply.

⁴ Of the 744 complaints referred to the appropriate agency to deal with, 54 (7%) were subject to close monitoring.

⁵ The CMC's monitoring role is set out in sections 35, 47 and 48 of the Crime and Misconduct Act.

to date indicate that external investigators generally met the standards of the CMC's publication *Facing the Facts*, more work will be undertaken by the CCC to finalise the audit.

Misconduct Investigations

The CMC investigates only the most serious or sensitive allegations of misconduct. Investigations undertaken in Misconduct Operations are generally not reported on publicly until finalised. There would be a significant risk of either compromising a current investigation or causing reputational damage to those persons who are under investigation otherwise. Discussing the progress of an investigation also carries with it a risk that persons who are assisting by confidentially providing information to the CMC would be identified.

As at 30 June 2014, Misconduct Operations has 28 matters under investigation (including 2 cooperative investigations). The full breakdown for the 28 investigations outstanding, and a guide as to the duration of the investigations, is as follows:

8	(29%)	< 3 months
8	(29%)	3–6 months
7	(25%)	6–9 months
3	(10%)	9–12 months
2	(7%)	> 12 months
28	(100%)	

Improving the timeliness of our investigations

In July 2013, the CMC reported to the PCMC that as part of continuous improvement, we had implemented a number of initiatives aimed at improving the timeliness of investigations.

Those initiatives have resulted in a marked reduction in the number of matters under investigation which exceed 12 months. As at the end of this reporting period Misconduct Operations had two (7%) investigations on hand which exceeded 12 months, which is a considerable improvement from the same time last year at which time there were eight (28%) investigations exceeding 12 months. The significant reduction of older matters will place the CMC in a better position in the future to meet its target of finalising investigated matters within 12 months. For the period 1 July 2013 to 30 June 2014, 77% of the investigations were finalised within 12 months.

Oversight of the Queensland Police Service

QPS complaints

During the reporting period, the CMC received 438 complaints containing 937 allegations against police. This represents a 8% decrease when compared with the same period last year. For the financial year 2013-14, the CMC has received 1,839 complaints against police, compared to 2,190 in the corresponding period in 2012-13.

Indigenous complaints increased slightly for the reporting period, when compared to the previous reporting period, comprising 6% of the total complaints made against police.

Reviews of matters dealt with by the QPS

For the reporting period 1 April to 30 June 2014, 34 police matters have been the subject of close monitoring through a case review. The CMC was satisfied with the way in which the QPS dealt with those matters in all cases.

Discipline reviews and appeals

In the reporting period, we examined 10 'reviewable decisions' (involving 17 disciplinary matters). For further information in relation to Police discipline matters in QCAT or other Courts, refer to page 21.

Oversight of police-related deaths and ‘significant events’

The CMC is informed of all police-related deaths and also of ‘significant events’ involving police. It may elect to attend an incident if there is concern regarding the public interest (for example, where a police officer has shot at someone, regardless of whether there have been injuries or deaths).

In the reporting period the CMC received notification in relation to one police-related death and 10 significant events across the state. The incidents were in relation to police pursuits, traffic incidents and discharge of firearms.

Investigating allegations of serious misconduct

For the reporting period 1 April to 30 June 2014, the CMC finalised 11 investigations into 36 serious allegations of police or official misconduct. As a result of these investigations, we recommended that 20 disciplinary charges be instituted against six officers.

For the financial year 2013-14, the CMC commenced 26 new investigations (including three co-operative investigations) and finalised 28 investigations into allegations against police.

Another noteworthy outcome in this period is the CMC issued a police officer from the South Eastern Region with a Notice to Appear in court on one charge of Abuse of Office, contrary to Section 92 of the Queensland Criminal Code. The CMC will allege that the Detective Sergeant abused his position as a police officer during a criminal investigation. The matter is now before the courts.

Public Sector (including Local Government)

Complaints

During the reporting period, the CMC received 438 complaints containing 751 allegations related to public sector and other agencies (including government-owned corporations and members of Parliament). The number of complaints received is 11% higher than the same period last year.

For the financial year 2013-14, the CMC received 1,818 complaints related to public sector and other agencies, compared to 2,010 for the corresponding period in 2012-13.

In the local government sector, for the reporting period the CMC received 109 complaints (containing 322 allegations) of official misconduct involving local governments, which is an increase of 31% when compared to the same period last year. For the financial year 2013-14, the CMC received 355 complaints about local governments, compared to 417 in the corresponding period in 2012-13.

Monitoring

For the reporting period 1 April to 30 June 2014, the CMC reviewed 36 complaints investigated and or dealt with by public sector agencies (including local governments). The CMC was satisfied with the way in which agencies dealt with the matters in all of the cases.

As a result of our reviews, 8 procedural recommendations to agencies were made. The recommendations focussed on areas such as regular auditing of procurement processes and amendments of policies and procedures.

Investigating allegations of serious misconduct

For the reporting period 1 April to 30 June 2014, the CMC finalised 5 investigations into 57 serious allegations of official misconduct in the public sector (including local government). As a result of these investigations, we recommended 12 disciplinary charges be instituted against 5 officers.

For the financial year 2013-14, the CMC commenced 27 new investigations (including three co-operative investigations) and finalised 33 investigations into allegations against public sector employees (including local government).

Other noteworthy outcomes in this period include:

Allegations of fraud by Queensland Health employee

In June 2012, the CMC commenced an investigation referred to it by Queensland Health, in relation to allegations that a coordinator of Queensland Health's payroll division had claimed a significant amount of overtime that had been paid but was not authorised. It was alleged that some of the subject officer's overtime was not being worked, and or, was not approved by the respective Line Managers.

In March 2014, a brief of evidence was delivered to ODPP for consideration of commencing a criminal prosecution for fraud related offences. In May 2014, the DPP advised that criminal charges were warranted and that each false claim should be separately charged. On 28 June 2014, the subject officer was served with a notice to appear for 46 offences of Fraud pursuant to section 408C of the Criminal Code. This matter is now before the courts.

Allegations that a public servant received secret commissions

In December 2010, the CMC completed an investigation into allegations that a Senior Manager of a facility on the Gold Coast operated by the former Department of Innovation, Information, Economy, Sport and Recreation, had received secret commissions in excess of \$130,000 from a private cleaning/maintenance contractor at the facility.

A cleaning, maintenance and security contractor has already been sentenced to 18 months imprisonment wholly suspended for two years and was ordered to pay \$18,345.90 in restitution in as a result of the CMC's investigation.

In addition, the CMC's investigation identified 59 separate payments totalling \$133,664.45 allegedly made from contractors to the public servant. In May 2014, the CMC served the former public servant with a Notice to Appear in court on 59 charges of receiving secret commissions contrary to Section 442B(a) of the Criminal Code. This matter is now before the courts.

Allegations of demands and threats on government

In December 2012 the CMC commenced an investigation into allegations that after a state government employee's employment was terminated in November 2012, he threatened to release information and make a complaint to police unless he was re-employed in another role in the Government.

In June 2014, after having referred the matter to the DPP for consideration, the CMC issued the former State Government employee with a Notice to Appear in Court on one charge of demands with menaces upon agencies of government, contrary to section 54A of the Queensland Criminal Code. The matter is now before the courts.

Misconduct prevention and anti-corruption activities

Under its legislation the CMC has a function of helping to prevent misconduct. Prevention officers are attached to investigation teams, enabling ongoing reviews of the systems, policies, procedures and work practices relevant to the matter under investigation. Prevention officers focus on the systemic causes of misconduct, rather than the individual who has been involved, to identify weaknesses and gaps and make recommendations to reduce opportunities for misconduct within the agency and, where relevant, across the public sector.

Agencies responded to 33 of our recommendations within the reporting period and they accepted/implemented 100% of them. Recommendations related to reviews of organisational structures to ensure clear lines of approval and authority, staff training, sufficient controls and mechanisms to prevent fraud and reviews or amendments of policies and procedures.

Research

Police use of force monitoring program

In January 2013, the CMC improved its capacity to monitor aggregate trends in Queensland Police Service use of force incidents. The CMC established an ongoing use of force monitoring program, which monitors the type, frequency and basic characteristics of recorded QPS use of force incidents over time, to:

- identify any notable trends in police use of force to inform possible further work by the CMC

- enable timely internal advice about the frequency of police use of force.

The data is analysed biannually and two internal reports are prepared. The second report for 2014 was published in April 2014.

Audit of community safety plans in discrete Indigenous communities (Action 49 of Restoring order)

The CMC's Restoring Order report recommended that efforts to reduce crime and violence in remote and other discrete Indigenous communities must be guided by strong local-level planning. In 2013–2014 the CMC reviewed local-level crime and safety planning, known as community safety planning, in a sample of Queensland's discrete Indigenous communities. The CMC visited nine communities to talk to people about the processes for developing community safety plans. The CMC also reviewed community safety plans and local policing plans to explore the potential for identified strategies to prevent crime and violence. The report, *Community safety planning in Queensland's Indigenous communities: A follow up to Restoring Order*, was published on the CMC's website on 27 June 2014.

This review is the last in a series of activities undertaken by the CMC specifically in response to Restoring order's recommendations on crime prevention, community safety and police–community relations in remote Indigenous communities.

Police interviewing police

This project examines the extent of compliance with the QPS investigative interviewing model when police interview police subject officers. This project seeks to measure the nature and extent of non-compliance in police interviews of police subject officers, and determine whether a range of factors affect the level of compliance. Findings from this review will inform the debate about the appropriateness of internal investigations and may assist the QPS in the development of policies, procedures and training in investigative interviewing of police subject officers and generally.

The project is expected to be finalised in the next reporting period.

Witness protection

For reasons that include preserving the safety of witnesses it is not possible to include reports on short-term or recent Witness Protection performance.

However, in the reporting period all witnesses in our program were kept safe and were able to give their evidence in court.

Additionally, the target for performance against the witness protection service standard in the CMC's Service Delivery Statement was exceeded, with the median time taken to conduct an initial witness protection assessment at 18 hours against a target of 48 hours for the period 1 July 2013 to 30 June 2014.

General Counsel and Legal Services

Significant issues

Police disciplinary reviews

The CMC had a number of QCAT reviews in relation to police discipline under way. These cover a range of different aspects of police misconduct.

In total, over the relevant period the CMC was involved in three police disciplinary review applications before QCAT, one of which has now finalised, and two appeals in relation to disciplinary matters before QCAT which are ongoing.

Judicial Reviews

The CMC has been involved in six judicial review matters over the relevant period, four of which are ongoing and two of which were recently resolved prior to hearing. Of the total, four involve witnesses who were required to attend at crime/intelligence hearings, one matter relates to an official misconduct investigation conducted by a unit of public administration and the final matter relates to an application in relation to a s.75 notice.

Section 195 appeals

The CMC has been involved in three appeals pursuant to s. 195 of the CM Act, relating to witness' claims of "reasonable excuse" in relation to requirements to answer questions at CMC hearings. One of these matters is currently before the High Court.

Contempt Applications

There have been five contempt applications on behalf of the CMC over the relevant period, one of which is still ongoing. Some of these relate to criminal motorcycle gang (CMG) matters arising from CMC intelligence hearings.

Telecommunications (Interception and Access) Act 1979 (Cth)

The CMC became an "enforcement agency" after the enactment of the *Telecommunications (Interception and Access) Amendment Act 2007* (Cth) in November 2007. Until the enactment of the *Telecommunications Interception Act 2009* (Qld) (Qld TI Act) in June 2009, the CMC utilised telecommunications data and stored communications information as part of its investigative strategies.

Under the Qld TI Act, the CMC was declared to be an interception agency for the purposes of the *Telecommunications Interception and Access Act 1979* (Cth) (TIA Act) on 8 June 2009. From this point, CMC investigative teams have increasingly used telecommunications interception (TI) capabilities as part of their investigative strategies, to great effect. The TI regime imposes a number of stringent obligations upon the CMC; accordingly, the agency has developed formal policies and procedures and provides ongoing TI training to assist relevant CMC officers in appropriately discharging those obligations.

TI warrant powers are utilised regularly, adopting the compliance procedures established by General Counsel and the Legal Services Unit and approved by the Commission. The updated procedures adopted in relation to using, communicating and destroying lawfully intercepted information are subject to ongoing review to ensure compliance with legislative requirements.

TIA Act Reform

It has been recognised that the TI landscape is constantly changing and that the interception of data has become increasingly important in the management of criminal and corruption operations. Given the complexity of the TIA Act and its inability to keep pace with technological advances in telecommunications, the former Commonwealth

Government sought to embark upon TIA Act reform — in particular, principles-based TI legislation that would be flexible enough to encompass new technologies and provide a more streamlined approach for agencies who use TI as an investigative tool.

On 16 December 2013, the CMC was invited by the Senate Legal and Constitutional Affairs References Committee (the Committee) to lodge a submission to the Inquiry into Comprehensive Revision of the TIA Act, with specific regard to:

- (a) The recommendations of the Australian Law Reform Commission *For your Information: Australian Privacy Law and Practice* report, dated May 2008, particularly recommendation 71.2; and
- (b) Recommendations relating to the TIA Act from the PJCS *Inquiry into the potential reforms of Australia's National Security Legislation* report, dated May 2013.

The CMC lodged a submission to the Committee on 27 February 2014, which was accepted on a confidential basis. The Committee was originally due to release its report on 10 June 2014. On 14 May 2014, an extension of time for reporting was granted by the Senate to 27 August 2014.

Reporting and Compliance Obligations

The Parliamentary Crime and Misconduct Commissioner has continued to report favourably in relation to the CMC's procedure on obtaining TI warrants and managing TI warrant information. The CMC has also been assessed as compliant by the Commonwealth Ombudsman with regard to stored communications obligations under the TIA Act, and Commonwealth surveillance device obligations under the *Surveillance Devices Act 2004* (Cth).

Our people

The CMC recognises that committed and capable employees are central to our success in achieving our goals and objectives. It continues to review, develop and implement human resource management practices and programs to provide a supportive and stimulating environment for all staff.

CMC Establishment

(as at 30 June 2014)

People

		Employment type					
Functional Area	Data	Permanent	Temporary	Casual	Grand Total	Mar-14	Differential
Executive, Office of the Commission	Headcount	15	5	0	20	20	0
	FTE	15	5	-	20	20	0
Strategy & Service	Headcount	47	11	0	58	61	-3
	FTE	44.9	10.2	-	55.1	57.89	-2.79
Crime	Headcount	52	19	3	74	72	2
	FTE	51.3	18.8	-	70.1	68.1	2
Intelligence	Headcount	30	2	19	51	49	2
	FTE	27.4	2	-	29.4	28.95	0.45
Misconduct	Headcount	78	13	0	91	91	0
	FTE	76	12	-	88	88.2	-0.2
Research	Headcount	13	4	0	17	18	-1
	FTE	12.5	3.6	-	16.1	16.5	-0.4
Witness Protection & Operations Support	Headcount	51	0	0	51	50	1
	FTE	50.4	0	-	50.4	49.4	1
Total Count of Actual Staff		286	54	22	362	361	1
Total Sum of Staff FTE		277.5	51.6	0	329.1	329.04	0.06

Permanent positions

Functional Area		Jun-14	Mar-14	Differential (Actual)	Differential (FTE)
Executive, Office of the Commission	Actual	15	15	0	
	FTE	15	15		0
Strategy & Services	Actual	56	56	0	
	FTE	55.4	55.4		0
Crime	Actual	54	51	3	
	FTE	54	51		3
Intelligence	Actual	34	35	-1	
	FTE	32.8	33.8		-1
Misconduct	Actual	88	88	0	
	FTE	87.8	87.8		0
Research	Actual	19	19	0	
	FTE	19	19		0
Witness Protection & Operations Support	Actual	52	52	0	
	FTE	52	52		0
Total	Actual	318	316	2	
Total	FTE	316	314		2

- Crime: 3 temporary positions in the Evidentiary team made permanent after review of ongoing workload
- Intelligence: 1 position in Electronic Collections abolished as a budget saving

Police Service Reviews

Commissioners for Police Service Reviews (Review Commissioners) arbitrate on any grievances that police officers may have about promotions, transfers or disciplinary action. To ensure the transparency and independence of the review process, Queensland Police Union of Employees representatives have a standing invitation to attend promotion, transfer and disciplinary review hearings as observers.

When a review matter progresses to a hearing, the Review Commissioner is empowered to consider the material presented and prepare written recommendations for the attention of the Commissioner of Police (Commissioner), who makes the final decision. If a recommendation is not accepted, the Commissioner must provide the Review Commissioner with a statement of reasons for this.

During the reporting period, the following statistical information applies:

Status	Promotion	Transfer	Unapplied Transfer	Disciplinary	Non-appointment
Matters lodged	4	2		2	
Matters withdrawn before hearing				1	
Matters out of jurisdiction					
Matters awaiting hearing at 30/06/2014	3	2		1	
Matters heard	1				
Matters progressing (awaiting papers)	3	2		1	
Matters referred for Judicial Review					
Matters lapsed					
Matters awaiting outcome from hearings held in previous reporting period					

Media

30.06.2014	Former State Government employee to appear in court – Statement announcing that the Crime and Misconduct Commission (CMC) had issued a former State Government employee with a notice to appear in court over alleged demands and threats made to the Government.
28.06.2014	Former QHealth employee to face 46 fraud charges – Statement announcing that a former Queensland Health payroll employee had been issued with a notice to appear in court on 46 counts of fraud for allegedly claiming fraudulent overtime and penalty payments.
26.06.2014	CMC media statement – A statement following comments made by Senator Larissa Waters – Statement clarifying facts surrounding the CMC’s assessment of complaints about the approval of coal seam gas projects, following comments made by Senator Larissa Waters in Federal Parliament.
23.06.2014	Cairns man charged with child exploitation offences – Statement announcing that a 45-year-old Cairns man had appeared in court on child exploitation material offences, following a CMC investigation.
26.05.2014	Former police officers sentenced for leaking confidential information – Statement announcing that two former police officers had been sentenced after a CMC investigation found they accessed confidential information and released it to a relative who was a private investigator.
15.05.2014	Police officer to appear in court over alleged abuse of office – Statement announcing that the CMC had issued a police officer from the South Eastern Region with a notice to appear in court for allegedly abusing his position as a police officer during a criminal investigation.
12.05.2014	Public servant to appear in court over alleged kickbacks totalling \$130K – Statement announcing that a public servant was due to appear in court on 59 counts of receiving secret commissions for allegedly requesting and receiving fees from contractors for doing part of the contractors’ invoicing to the former Department of Innovation, Information, Economy, Sport and Recreation.

Media interviews

The CMC did not do any media interviews during the reporting period.

Communications

External presentations

PRESENTER AND TITLE		AUDIENCE	TOPIC
June 2014			
19/06/14	Paxton Booth Acting A/C Misconduct	CMC's Information Session to – Public Sector Departments, Statutory Authorities, Local Government and University Sector	The jurisdiction of the Crime and Corruption Commission (CCC) – the definition of 'corrupt conduct'
	Mark Docwra Acting Director, Office of the Assistant Commissioner, Misconduct		Section 38 Referral Obligation – what is a 'reasonable suspicion'? Section 48A – Policy re: complaints about the 'public official'
	Mark Pollock Acting Assistant Director (Legal) Misconduct Operations		Section 36 – the requirement for a Statutory Declaration and the exemptions
	Diana Mulcahy Acting Assistant Director, Public Sector Program		The CCC's Monitoring Role
	Melanie Mundy Principal Complaints Officer, Integrity Services		Section 40 directions
	Kylee Rumble Acting Director, Integrity Services		Transitional arrangements for existing complaints
	Paxton Booth Acting A/C Misconduct Kylee Rumble Acting Director, Integrity Services Melanie Mundy Principal Complaints Officer, Integrity Services		Workshop – CMC and Public Service Commission (PSC) Joint Session
	Paxton Booth Acting A/C Misconduct Mark Docwra Acting Director, Office of the Assistant Commissioner, Misconduct Diana Mulcahy Acting Assistant Director, Public Sector Program		Workshop –Local Government and University
04/06/14	I x Senior Witness Protection Officer	Police Prosecutors Course Prosecution Corps Brisbane	The use of witness protection in court proceedings.
3/6/14	Darren Brookes Assistant Director Police Program	Abu Dhabi Police	Organisational structure and work of the Crime and Misconduct Commission (CMC). Obligations for reporting official

PRESENTER AND TITLE		AUDIENCE	TOPIC
			misconduct and police misconduct.
May 2014			
23/05/14	Paxton Booth A/Assistant Commissioner, Misconduct	Critical Infrastructure Resilience Conference – The trusted insider. Commonwealth Attorney- General.	QHealth Fraud
06/05/14	Angela Pyke Director Financial Investigations	Phase 2 Detective Training, QPS Academy	Proceeds of Crime
	David Goody Manager Proceeds of Crime		
	Detective Sergeant Cory Schmidt Crime (Cerberus)		Cerberus
	Simon Kupec A/Principal Lawyer Crime		Crime Hearings
	A/Detective Inspector John Diggle Misconduct		Misconduct Investigations
April 2014			
Nil			