



Crime and Corruption Commission
QUEENSLAND

Public Report to the Parliamentary Crime and Corruption Committee

Activities of the
Crime and Corruption Commission

for the period

1 July to 12 September 2014

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 13 October 2014. The report covers the period from 1 July to 12 September 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 CCC 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 Corruption Commission's (CCC) activities for the period of 1 July to 12 September 2014 to the Parliamentary Crime and Corruption Committee (PCCC).

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

Acting Chairman's activity during this period

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

Liaison meetings

- On 1 July 2014, I, together with the Acting Chief Executive Officer (CEO), provided a high level overview of changes to the Commission's jurisdiction to the Director-General and representatives from the Department of Communities, Child Safety and Disability Services.
- On 2 July 2014, I met with the Integrity Commissioner for an initial briefing.
- On 3 July 2014, I met with Commissioner of Police for our monthly briefing.
- On 3 July 2014, I met with the Director of Vincents Accountants to discuss expert computer forensic services.
- On 3 July 2014, I met with the Executive Director (Corporate), Australian Crime Commission (ACC) to discuss the National Criminal Intelligence Systems.
- On 4 July 2014, I met with Deputy Commissioner Pointing and Superintendent Niland regarding special investigations.
- On 7 July 2014, I met with the Deputy Commissioner Gollschewski to discuss CCC police staffing matters.
- On 7 July 2014, I, together with the Acting CEO, provided a high level overview of changes to the Commission's jurisdiction to the Director-General and representatives from the Department of Education, Training and Employment.
- On 9 July 2014, I, together with the Acting CEO, provided a high level overview of changes to the Commission's jurisdiction to representatives from the Department of Housing.
- On 10 July 2014, I met with the State Manager, ACC to discuss current ACC / CCC matters.
- On 10 July 2014, I met with Deputy Commissioner Pointing to discuss an operational matter.
- On 11 July 2014, I, together with the Acting CEO, attended the CMC Review - Implementation Panel Meeting.
- On 14 July 2014, I provided a briefing to Cabinet regarding CMGs.
- On 15 July 2014, I attended the Legal Affairs and Community Safety Committee Estimates hearing.
- On 17 July 2014, I met with the Integrity Commissioner to give a familiarisation tour of the CCC.
- On 22 July 2014, I provided a briefing to the PCCC regarding changes to the CCC.
- On 24 July 2014, I, together with the Acting CEO, provided the Director-General, Queensland Health (QH) and representatives a high level overview of changes to the Commission's jurisdiction and the likely impacts on QH.
- On 30 July 2014, I, together with the Acting CEO and Commissioner McMenemy, met with the Victorian Parliamentary Independent Broad-based Anti-corruption Committee to discuss recent developments with the CCC and PCCC.
- On 31 July 2014, I attended a meeting with Superintendent Darryl Johnson, Intelligence Counter-Terrorism and Major Events Command, to discuss QPS research in this area.
- On 31 July 2014, I, together with Acting Deputy Chairman, met with the Attorney-General to discuss a Witness Protection issue.
- On 4 August 2014, I attended the PCCC meeting.
- On 5 August 2014, I, together with Acting Deputy Chairman, met with the Attorney-General to discuss budget and sensitive matters.
- On 7 August 2014, I met with Mr Andrew Chesterman, Commission Chief Executive, Public Service Commission (PSC) to discuss the new definitions of "corrupt conduct".

- On 22 August 2014, I met with the Director Public Prosecutions and Deputy Director Public Prosecutions to discuss Proceeds of Crime.
- On 22 August 2014, I met with Superintendent Niland regarding special investigations.
- On 22 August 2014, I attended an Integrity Committee Meeting.
- On 28 August 2014, I met with Dr David Connery, Australian Strategic Policy Institute to discuss forthcoming work.
- On 1 September 2014, I, together with Acting CEO, met with the Parliamentary Crime and Corruption Commissioner and Principal Legal Officer to discuss investigation of complaints.
- On 2 September 2014, I, together with the Acting CEO, met with the Premier, Deputy Premier, Attorney-General and Premier's Chief of Staff to discuss a sensitive matter.
- On 4 September 2014, I met with Deputy Commissioner Gollschewski, to discuss CCC police staffing matters.

Update on reviews and inquiries

- Action taken since the PCMC inquiry into the release and destruction of Fitzgerald Inquiry documents includes two transfers of CCC operational files to Queensland State Archives on 12 August and 10 September 2014.

Section 40 progress

The CCC issued 36 draft section 40 directions for Directors-General and Chief Executive Officers of departments and Hospital and Health Services to consider. The section 40 directions identify categories of corrupt conduct which are considered less serious and enable agencies to commence dealing with these immediately without having to first report the suspected corrupt conduct to the CCC. The new directions also allow agencies to deal with some matters without reporting the matter to the CCC at all. To date the CCC has finalised 21 directions. The CCC has commenced liaison with the local government sector.

Corporate activities and issues report

- The CMC interim 2014–18 strategic plan was published on the Commission's website by 1 July 2014. Following the implementation of the Crime and Corruption Act 2001 from 1 July 2014, the Commission has revised the interim plan to reflect the agency's new structure and priorities. Consultation is still occurring with the Department of the Premier and Cabinet (DPC) and with the Queensland Treasury on the performance indicators in the draft plan. The new strategic plan will be published on the CCC's website.
- The CMC Annual Report 2013-14 was submitted to the Attorney-General on 1 September 2014 (for tabling by 30 September 2014). This was the final annual report of the CMC, reflecting the structure, operations and administrative arrangements of the agency for the full 2013–14 financial year.

Matters arising out of previous public meeting on 4 August 2014

I have provided a formal response to these matters to the Committee.

Dr Ken Levy RFD
Acting Chairman

Crime

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

Activities and issues report

Overview

- Four new major crime investigations commenced, two of which were a specific referral¹ of homicides and the remaining two were commenced under the established criminal networks and vulnerable victims general referrals respectively.
- The CCC's Organised Crime investigation team were engaged in five organised crime investigations of crime networks engaged in drug trafficking and other illegal activity in Queensland.
- The CCC's Crime hearings teams held a total of 83 days of hearings involving 80 witnesses in support of 19 CCC or QPS investigations of organised and serious crime, or in support of our intelligence function. These matters included 8 homicide investigations.
- 45 persons were called to criminal motorcycle gang-related hearings, including intelligence hearings, held over 38 days generating 73 intelligence reports.
- The CCC's Criminal Paedophilia team charged two alleged offenders with 16 mostly child exploitation material offences.
- Crime Intelligence completed a current and emerging issues report (for law enforcement agencies only) on the new and emerging psychoactive substances market.

The CCC's Crime Function

The CCC's crime and prevention function is undertaken by the following:

- Organised Crime investigation team
- Criminal Paedophilia team
- Hearings unit
- Dedicated intelligence and research officers.

The CCC's major crime function received specific funding over the 2013-14 and 2014-15 financial years to deliver an increased focus on criminal organisations and particularly criminal motorcycle gangs (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 CCC 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.

¹ A referral is the mechanism that authorises the CCC 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 violence against vulnerable victims. The CCC can also obtain intelligence referrals to exercise its powers to gather intelligence in certain circumstances.

Since the commencement of this initiative a hearings program has been undertaken, exploring a range of CMG-related themes and issues identified by the CCC and QPS Task Force Maxima. During the reporting period, 35 witnesses were called to intelligence hearings held over 31 days and 10 witnesses called to CMG-related major crime hearings held over 7 days.

During the reporting period the Proceeds of Crime team obtained 8 restraining orders valued at approximately \$3.527m and two forfeiture orders valued at approximately \$1.623m in matters considered to have CMG links.

The CCC 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 73 Intelligence information reports were produced.

Organised crime

In combating organised crime, the CCC 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 CCC'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. As at 12 September 2014, all of those investigations are in a covert/sensitive phase and no further information can be published at this time.

Outcomes from earlier CMC investigations:

- *Operation Storm (2011–12)*: During the reporting period, an *Operation Storm* target pleaded guilty to a trafficking charge and received a 2.5 year term of imprisonment.
- *Operation Lightning*: During the reporting period a target was sentenced to a total period of imprisonment of 6.5 years for drug trafficking.
- *Operation Lithium*: An offender was sentenced to 3 years imprisonment for offences related to the production of dangerous drugs.
- *Operation Warrior (2008–10)*: A consent forfeiture order to the State of Queensland was granted against an offender to the value of approximately \$1.604m. This amount included proceeds from the sale of a block of land and a powerboat, and cash seized. In total the CCC has restrained more than \$6 million worth of assets arising out of *Operation Warrior*, including a cash seizure of approximately \$1.123m. Approximately \$3.189m has been forfeited to the State as a result of confiscation proceedings against *Operation Warrior* targets.

Criminal paedophilia

Although our jurisdiction relates to all child sex offending, the CCC 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 CCC 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 CCC's ongoing internet-based investigations pursuant to one of our general referrals, two persons were charged with 16 offences for allegedly accessing, possessing and distributing child exploitation material, and drug offences.

Officers from the CCC's criminal paedophilia team, Cerberus, and the forensic computing unit, with assistance from the Ipswich Child Protection Investigation Unit, executed a search warrant at an address in September 2014. It is alleged that they located a number of computers and storage devices containing child exploitation material (CEM). The CCC will allege that the man used two separate accounts to access and share CEM with other users in closed online networks. The man was arrested and taken to the Ipswich Watch House where he was charged with 14 child sex offences namely:

- Possessing Child Exploitation Material (*Qld Criminal Code*)
- Use a carriage service to access child pornography material (*Commonwealth Criminal Code*)
- Use a carriage service to transmit, make available, publish, distribute, advertise or promote child pornography material (*Commonwealth Criminal Code*).

The man is scheduled to appear in the Ipswich Magistrates Court in October 2014. The CCC's investigation is ongoing.

A second investigation was conducted in relation to a Brisbane-based offender concerning the use of a carriage service to access and possess CEM. A search warrant was executed in August 2014 and a number of exhibits seized for forensic examination. A quantity of CEM was located and the investigation into that matter continues. The man was charged with two drug offences concerning the possession of Cannabis Sativa and associated drug utensils.

The CCC also disseminated an evidence package to an interstate jurisdiction concerning the use of a Peer to Peer (P2P) platform to access, possess and distribute child pornography. The jurisdiction has confirmed receipt of the material and advised that investigations are continuing with respect to the user as part of a wider, international investigation.

The CCC has drafted material for anticipated coronial proceedings relating to the death of a person charged with CEM offences by the CCC, and the death of a female friend of that person. As a result of further forensic examination of hardware and storage devices seized pursuant to this investigation, a series of overseas disseminations have also been progressed.

Coercive hearings

The CCC continued to maintain a high level of hearings output during the reporting period, both in terms of hearings in support of major crime investigations and intelligence hearings relating to CMGs.

Activities/outcomes

The Crime Hearings team held a total of 83 days of hearings in Brisbane, Rockhampton, Mackay, Proserpine, Bowen, Townsville and Cairns in support of 19 CCC or QPS investigations of organised and serious crime, or in support of the Commission's intelligence function. A total of 80 witnesses were called to these hearings.

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

- 9 homicide investigations (including one under the vulnerable victims general referral)
- 1 investigation of drug trafficking and associated money laundering
- A further money laundering investigation
- A riot involving members of CMGs.

Significant Outcomes

- During the reporting period two witnesses called to CMG-related intelligence hearings refused to be sworn and were certified as being in contempt of the Commission. Before the contempt proceedings were concluded in the Supreme Court, both witnesses agreed to purge their contempt and returned to the Commission to be examined. The contempt proceedings were accordingly discontinued.
- In August 2014, three men were charged with the murder/manslaughter of a man who had been fatally stabbed on the Gold Coast in June 2013. The CMC had held extensive hearings on this matter throughout 2013 and 2014; a total of 38 witnesses were examined, five of whom were subsequently jailed for contempt. At the time of the arrests, the QPS publicly acknowledged the value of the hearings, noting that *"the CCC's hearings assisted investigators to establish the motive for this crime, identify the vehicle used, piece together the timeline of events prior to the alleged murder and recover valuable evidence which had been disposed of"*.

- Throughout 2014 the CMC/CCC has held several brackets of hearings in Mackay, Proserpine and Brisbane relating to the murder of a Mackay woman in February 2013. In September police charged a man with the murder. The QPS also publicly acknowledged the utility of the CMC/CCC hearings, noting that they *“helped to gather and corroborate valuable evidence”*.
- In September the High Court dismissed an application for special leave to appeal by two persons against a Court of Appeal judgement upholding a ruling by a presiding officer at a CMC hearing held in August 2012. The appellants had been called to a major crime hearing relating to a series of offences of violence involving members or associates of certain CMGs and had both claimed a reasonable excuse for refusing to answer particular questions. The presiding officer ruled against both claims, resulting in the appeals.
- On 7 August 2014 the QPS approached the CCC to undertake investigative hearings in respect of CMG members who had already been dealt with by the courts in relation to a riot at Broadbeach in September 2013. The CCC commenced hearings on 18 August 2014 in relation to this matter. These hearing transcripts have been disseminated to the QPS for possible use in outstanding prosecutions in relation to that matter. As a result of the late emergence of this evidence the outstanding prosecutions in relation to the riot have been adjourned.

New Major Crime referrals

Four new hearings related to major crime investigations commenced during the reporting period. We received two new specific referrals of major crime, both of which are homicide investigations. Hearings will commence in one of these matters in late September and a hearings program in the second investigation is set to commence in mid-October.

In July we commenced another investigation under our vulnerable victims general referral in relation to the suspected murder of a 3-year-old boy in Brisbane in June. Shortly after hearings commenced in August, police charged the child’s father with his murder and later charged the child’s mother with being an accessory after the fact to the murder.

Another investigation (relating to suspected drug trafficking and money laundering) commenced under our Freshnet organised crime general referral. Hearings in this matter will commence in mid-September.

Intelligence Contribution to Crime Function

The CCC’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 CCC maintains a strategic awareness of developments in the crime environment in Queensland and other jurisdictions.

Activities/outcomes

During the reporting period:

- The CCC has completed a project assessing the new and emerging psychoactive substances (NPS) market. A current and emerging issues report (for law enforcement use only) has been compiled which examines trends in the market, the level of involvement of organised crime groups, marketing techniques, sources (e.g. online drug marketplaces and regional supply chains) and the implications for law enforcement. The paper will be disseminated to law enforcement in September 2014.
- The CCC is commencing a new project exploring the increasing involvement of CMGs in the Performance and Image Enhancing Drug (PIED) market in Queensland.
- Our target development program has continued to identify significant organised crime groups and networks for referral to the CCC’s Organised Crime team and partner agencies for further investigation.
- Since 1 July 2014, Intelligence has produced 73 Information reports relating to the activities of Organised Crime Groups.

Corruption

The role of the CCC's Corruption function is to reduce the incidence of corruption in the public sector in Queensland. Our wide-ranging jurisdiction includes all state government departments, the Queensland Police Service (QPS), local governments, public sector agencies and statutory bodies, government-owned corporations, universities, prisons, courts, tribunals and elected officials.

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

Activities and issues report

Overview

- The CCC finalised 12 corruption investigations and recommended the QPS consider taking disciplinary action in relation to excessive use of force and unauthorised disclosure of confidential QPS information. We are also considering 14 criminal charges against two public sector officers for offences of falsification of records, false representation and fraud.

Statistics for the period 1 July to 12 September 2014

- Received 464 complaints² of corruption
- Assessed 555 complaints³
- Closely monitored and reviewed 59 public sector and police matters
- Continued to investigate 28 serious corruption matters
- Commenced 8 new investigations
- Finalised 12 investigations.

The transition process – post implementation of *Crime and Corruption Act 2001*

During the reporting period the CCC has continued to bed down the necessary policy and procedural changes falling from the amendments to the *Crime and Corruption Act 2001* (CC Act).

In relation to the requirements of section 416 of the CC Act (dealing with transitional arrangements), the CCC has received a limited number of replies from public sector agencies who were dealing with matters subject to monitoring by the CCC. The CCC is currently considering what action can be taken to encourage those agencies to comply with their legislative obligations under the CC Act and provide the outstanding advice in a timely way.

In addition, all public sector agencies on record with the CCC have received information (including guidelines) about section 48A of the CC Act. Section 48A requires public officials to develop, in consultation with the Chairman, a policy on how to deal with complaints about them. To date the CCC has received only 11 policies for consultation. If the take-up remains low, further consideration will need to be given to strategies to encourage policy development and implementation.

² The term 'complaint' is used generically and includes the CCC's key matter types of Complaint, Information, Matter and Notification.

³ This includes complaints received prior to 1 July 2014 but assessed in the reporting period.

Section 40 progress

During the reporting period the CCC has issued 36 'new' draft section 40 directions for Directors-General and Chief Executive Officers of departments and Hospital and Health Services to consider. The section 40 directions identify categories of corrupt conduct which are considered less serious and enable agencies to commence dealing with these immediately without having to first report the suspected corrupt conduct to the CCC. The new directions also allow agencies to deal with some matters without reporting the matter to the CCC at all. These matters will be monitored by the CCC's audit program. To date the CCC has received positive responses, taking up the section 40 directions, from 21 of them. The CCC has commenced liaison with the local government sector for the next round.

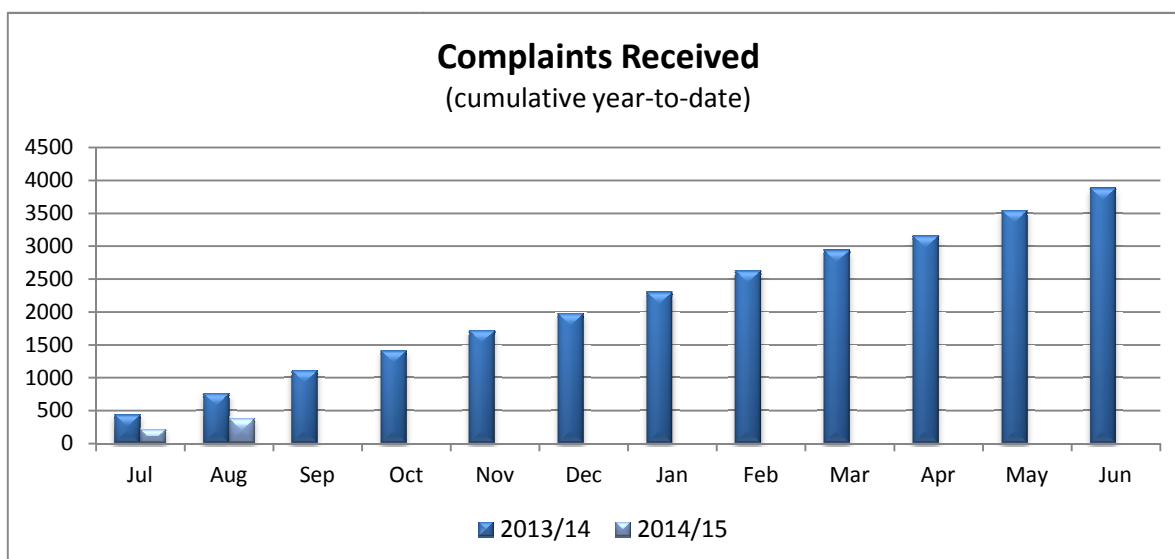
Complaints

For the reporting period 1 July to 12 September 2014, the CCC received 464 complaints. The number of complaints received represents a 44% decrease when compared to the same period in the previous year for complaints alleging official misconduct. The CCC is also considering an additional 95 complaints that were not made by way of a statutory declaration. As of 1 July 2014, only allegations of corruption made by way of a statutory declaration will be dealt with as a complaint unless the Commission decides, because of exceptional circumstances, that a declaration is not required. If a complainant has a disability, medical condition, low literacy level or resides in a location that may prevent them from completing a statutory declaration, the CCC will assess these on a case-by-case basis.

The 464 complaints received in the reporting period contain a total of 982 allegations of corruption. (A complaint may contain multiple allegations.) Of these allegations:

- 50% (492) related to police
- 40% (387) related to public sector agencies (including Government-Owned Corporations)
- 8% (82) related to local government
- 2% (21) related to other agencies.

Figure: Complaints received, 2013–14 and 2014-15 comparison.



The CCC assessed 555⁴ complaints in the reporting period:

- 8 (1%) were retained for investigation by the CCC (including investigations conducted cooperatively with agencies)
- 12 (2%) were referred to the appropriate agency to deal with, subject to the CCC’s monitoring role
- 413 (75%) were referred to the appropriate agency to deal with, and no further advice was required by the CCC
- 122 (22%) were assessed as requiring no further action.

How the CCC monitors complaints⁵

The CCC performs its monitoring role with respect to individual complaints in accordance with the legislative imperative within the CC Act to focus on more serious cases of corrupt conduct and cases of systemic corrupt conduct within a unit of public administration. Factors such as the capacity of the originating agency to undertake an independent investigation and the public interest are also considered.

The CCC’s monitoring function also includes audit activities focussed on high risk activities or agencies. A draft Audit Protocol and Plan have been prepared for the CCC’s Corruption Audit Program for 2014-15. The Protocol and Plan are yet to be finally approved; however, it is proposed that the CCC prioritises its audits in the coming years to address three key themes:

- The way in which the public sector deals with corruption
- The way in which the Queensland Police Service deals with allegations of corruption and other conduct of its officers
- CMC/CCC transition management.

Corruption Investigations

The CCC investigates only the most serious or systemic allegations of corrupt conduct. Investigations undertaken in Corruption 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 CCC would be identified.

As at 12 September 2014, Corruption Operations has 23 matters under investigation (including 2 cooperative investigations). The full breakdown for the 23 investigations outstanding, and a guide as to the duration of the investigations, is as follows:

| No. of matters | % of total matters | Duration of the investigation |
|----------------|--------------------|-------------------------------|
| 6 | 26% | < 3 months |
| 9 | 39% | 3–6 months |
| 4 | 17% | 6–9 months |
| 3 | 13% | 9–12 months |
| 1 | 5% | > 12 months |
| Total: 23 | Total: 100% | |

4 The number of complaints assessed differs from the number received because it includes complaints received prior to 1 July 2014 but assessed in the reporting period.

5 The CMC’s monitoring role is set out in sections 35, 47 and 48 of the *Crime and Corruption Act 2001*.

Oversight of the Queensland Police Service

QPS complaints

During the reporting period, the CCC received 222 complaints containing 492 allegations against police. This represents a 41% decrease when compared with the same period last year for complaints alleging official misconduct.

Indigenous complaints decreased slightly for the reporting period, when compared to the previous reporting period, comprising 5% of the total complaints made against police.

Reviews of matters dealt with by the QPS

For the reporting period 1 July to 12 September 2014, 21 police matters have been the subject of close monitoring through a case review. The CCC 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 13 'reviewable decisions' (involving 18 disciplinary matters). For further information in relation to Police discipline matters in QCAT or other Courts, refer to page 19.

Oversight of police-related deaths and 'significant events'

The CCC 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 CCC received notification in relation to one police-related death and one significant event across the state. The incidents were in relation to a police pursuit and discharge of a firearm at a vehicle.

Investigating allegations of serious or systemic corruption

For the reporting period 1 July to 12 September 2014, the CCC finalised 4 investigations into 10 serious or systemic allegations of corrupt conduct or police misconduct. As a result of these investigations, we recommended that 4 disciplinary charges be instituted against 2 officers. The offences involved excessive use of force and unauthorised disclosure of confidential QPS information.

The CCC has commenced one new investigation into allegations against police in the reporting period.

Public Sector (including Local Government)

Complaints

During the reporting period, the CCC received 203 complaints containing 408 allegations related to public sector and other agencies (including government-owned corporations and members of Parliament). The number of complaints received is 46% lower than the same period last year for complaints alleging official misconduct.

In the local government sector, for the reporting period the CCC received 39 complaints (containing 82 allegations) of corrupt conduct involving local governments, which is a decrease of 44% when compared to the same period last year for complaints alleging official misconduct.

Monitoring

For the reporting period 1 July to 12 September 2014, the CCC reviewed 38 complaints investigated and or dealt with by public sector agencies (including local governments). The CCC was satisfied with the way in which agencies dealt with the matters in all of the cases.

In the reporting period, the number of reviews of ongoing complaint matters received by Integrity Services increased. This increase was the result of agencies' reassessment of existing complaints as required by the transitional arrangements in the CC Act. Under the transitional arrangements, the CCC required agencies to provide reports on all outstanding review matters. Although agencies have been slow to respond, the additional reviews have significantly increased the workload in Integrity Services.

Investigating allegations of serious or systemic corrupt conduct

For the reporting period 1 July to 12 September 2014, the CCC finalised 8 investigations into 94 serious or systemic allegations of corrupt conduct in the public sector (including local government). As a result of these investigations, we are considering 14 criminal charges against two officers for offences of falsification of records, false representation and fraud.

The CCC commenced 7 new investigations into allegations against public sector employees (including local government) in the reporting period.

Civil Confiscation Proceeds of Crime

The CCC 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 CCC 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 12 September 2014, work in progress was as follows:

- 96 current civil confiscation matters involving restrained property valued at \$52.152m
- 40 referred matters awaiting restraint involving property valued at \$11.815m.

Since the last report we achieved the following results:

- Assessed 25 new referrals
- 16 restraining orders were obtained over property valued in excess of \$4.865m
- The State was the recipient of nine forfeitures of property totalling \$2.607m.
- Settlement negotiations were being undertaken in 43 matters involving property valued at \$14.109m.

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:

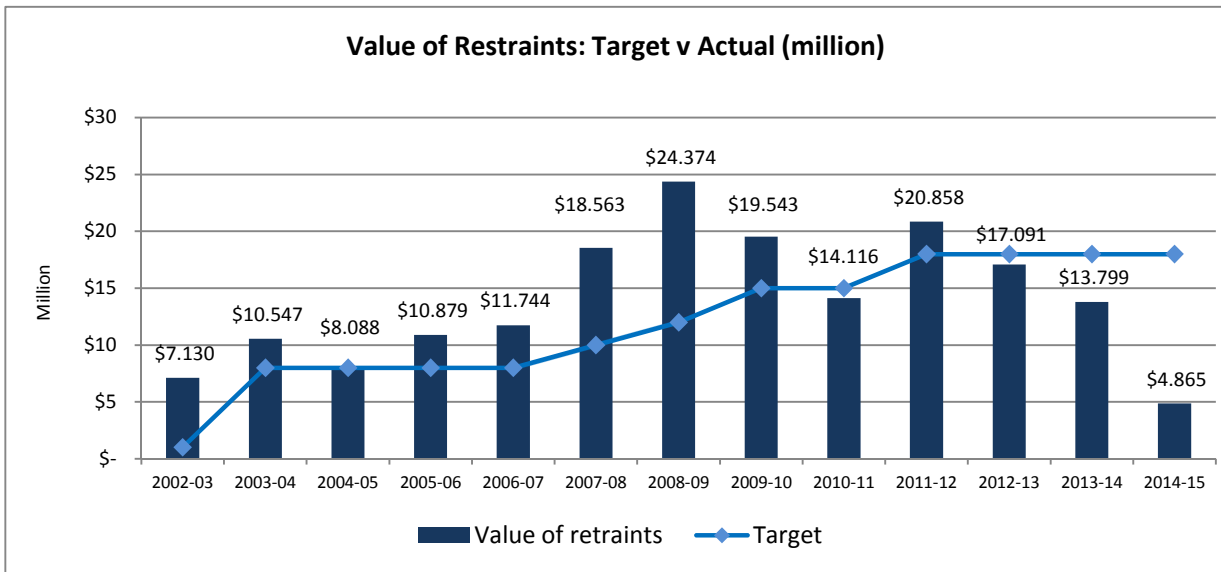
- \$181.598m in assets restrained
- \$65.780m in assets forfeited.

Value of restraints

The implementation of recent changes to the legislation has seen an increase in the number of matters referred to the Commission by the police. In the first quarter, to date, 25 referrals have been received. The training of staff recruited since January 2014 is proceeding satisfactorily although it does have an effect on the productivity of the team due to the ratio of less experienced officers to experienced staff. The loss of an experienced Principal Financial Investigator to the private sector will impact performance in the next quarter.

In the reporting period the Commission has restrained \$4.7 million against a first quarter target of \$4.5 million. The following chart depicts restraints as at 12 September 2014.

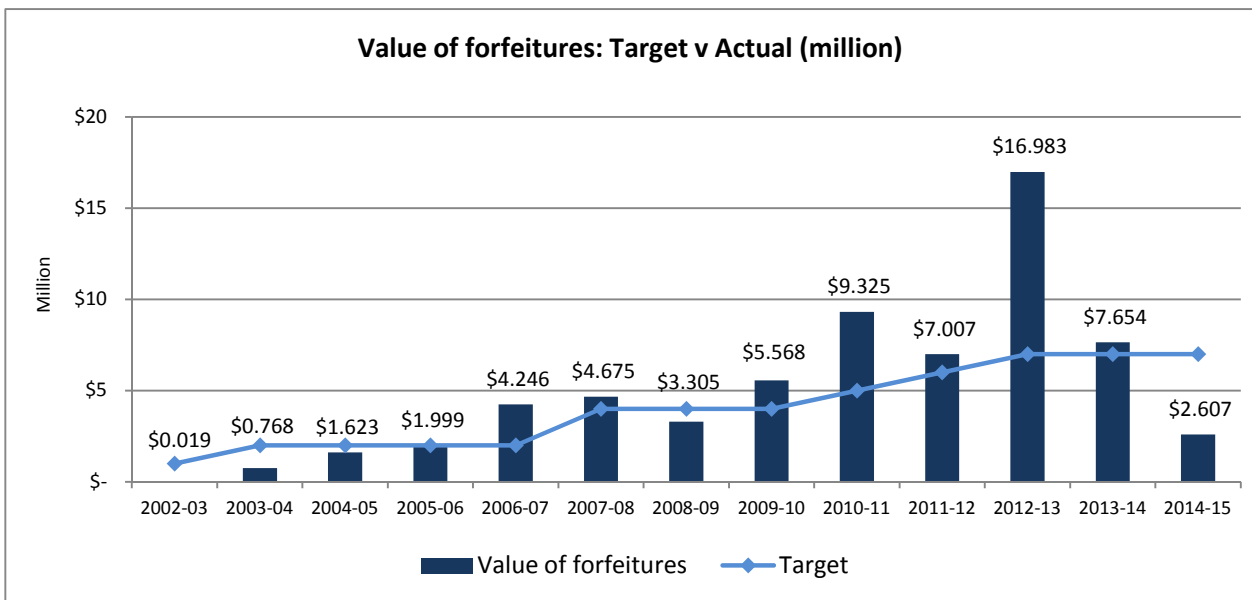
Figure: Estimated value of criminal proceeds restrained (target compared with actual), 2002–03 to 2014–15.



Value of forfeitures

The forfeiture target of \$1.75 million has been exceeded for the first quarter. This is largely due to one matter of \$1.6 million being finalised.

Figure: Net value of assets forfeited (target compared with actual), 2002–03 to 2014–15.



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 CCC's Service Delivery Statement was exceeded, with the median time taken to conduct an initial witness protection assessment at 20 hours against a target of 48 hours for the period 1 July 2014 to 12 September 2014.

Research

Contribution to Crime Function

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

The CCC's review of the *Child Protection (Offender Prohibition Order) Act 2008* will be published by the end of October 2014. 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).

Submission to the Legal Affairs and Community Safety Committee

On 21 July 2014, the CCC made a submission to the Legal Affairs and Community Safety Committee on Strategies to Prevent and Reduce Criminal Activity in Queensland. This submission particularises the scope of the CCC's crime prevention function and sets out how the CCC undertakes this function.

This submission can be read at:

<http://www.parliament.qld.gov.au/documents/committees/LACSC/2014/CrimeInquiry2014/submissions/047.pdf>

Contribution to Corruption Function

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.

The draft report has been reviewed by the Research Committee. Options for disseminating the findings of the project are being considered, including the possibility of incorporating findings into a second stage of this research. The Commission will consider these options in the coming month.

Other Contributions

The Australian Public Sector Anti-Corruption Conference (APSACC)

APSACC is a bi-annual conference jointly hosted by the Queensland Crime and Corruption Commission, the New South Wales Independent Commission Against Corruption and the Western Australia Corruption and Crime Commission. The fourth APSACC was held in Sydney in November 2013. The CCC takes the role of lead agency for the fifth APSACC to be held in Brisbane in late 2015. Planning for APSACC is currently underway.

Assistance developing the CCC's Corruption Audit Program

Following legislative changes to the jurisdiction of the CCC, Integrity Services (IS) is revising their external audit program. Policy and Research is providing assistance to IS in this review. An audit protocol has been drafted, which specifies the CCC audit principles, the audit governance framework, and the process to plan and undertake audits. The next stage will examine what changes, if any, are required to systems and processes to ensure that the CCC's audits meets good practice auditing principles.

Legal Services

Significant issues

Police disciplinary reviews

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

During the relevant period the CCC was involved in two police disciplinary review applications before QCAT, and two appeals in relation to disciplinary matters before QCAT which are ongoing.

Judicial Reviews

The CCC has been involved in five judicial review matters over the relevant period, four of which are ongoing and the remaining one was resolved prior to hearing. Three involved 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 CCC has been involved in three appeals pursuant to s. 195 of the CM Act (now CC Act), relating to witness' claims of "reasonable excuse" in relation to requirements to answer questions at CCC hearings. One of these matters recently resolved before the High Court, which refused two witnesses' applications for special leave to appeal a Queensland Court of Appeal decision. Two of these relate to criminal motorcycle gang (CMG) members arising from intelligence hearings.

Contempt Applications

There have been two contempt applications on behalf of the CCC over the relevant period, one of which is still ongoing. One of these relates to a CMG member arising from a CCC intelligence hearing.

Telecommunications (Interception and Access) Act 1979 (Cth)

The CCC 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 CCC utilised telecommunications data and stored communications information as part of its investigative strategies.

Under the Qld TI Act, the CCC 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, CCC 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 CCC; accordingly, the agency has developed formal policies and procedures and provides ongoing TI training to assist relevant CCC officers in appropriately discharging those obligations.

TI warrant powers are utilised regularly, adopting the compliance procedures established by Legal Services Division 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 CCC 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 PJCIS *Inquiry into the potential reforms of Australia's National Security Legislation* report, dated May 2013.

The CCC 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. This date was again extended on 27 August 2014 to 29 October 2014.

Reporting and Compliance Obligations

The Parliamentary Crime and Corruption Commissioner has continued to report favourably in relation to the CCC's procedure on obtaining TI warrants and managing TI warrant information. The CCC 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 CCC recognises that committed and capable employees are central to our success in achieving our goals and objectives. We continue to review, develop and implement human resource management practices and programs to provide a supportive and stimulating environment for all staff.

CCC Establishment

(as at 29 August 2014)

People

| Employment type | | | | | | | |
|--|-----------|-----------|-----------|--------|-------------|--------|--------------|
| Functional Area | Data | Permanent | Temporary | Casual | Grand Total | Jun-14 | Differential |
| Executive, Office of the Commission and Special Investigations | Headcount | 22 | 1 | 0 | 23 | | |
| | FTE | 21.8 | 1 | - | 22.8 | | |
| Operations Support (excluding Intelligence) | Headcount | 53 | 0 | 0 | 53 | | |
| | FTE | 52 | 0 | - | 52 | | |
| Intelligence | Headcount | 28 | 2 | 19 | 49 | | |
| | FTE | 25.1 | 2 | - | 27.1 | | |
| Proceeds of Crime | Headcount | 17 | 7 | 0 | 24 | | |
| | FTE | 17 | 7 | - | 24 | | |
| Crime | Headcount | 33 | 9 | 4 | 46 | | |
| | FTE | 32.3 | 8.8 | - | 41.1 | | |
| Corruption | Headcount | 63 | 10 | 0 | 73 | | |
| | FTE | 60.6 | 9.6 | - | 70.2 | | |
| Legal Services | Headcount | 15 | 1 | 0 | 16 | | |
| | FTE | 14.2 | 1 | - | 15.2 | | |
| Policy and Research | Headcount | 8 | 1 | 0 | 9 | | |
| | FTE | 7.8 | 1 | - | 8.8 | | |
| Corporate Services (including Security) | Headcount | 52 | 16 | 0 | 68 | | |
| | FTE | 49.9 | 14.8 | - | 64.7 | | |
| Total Count of Actual Staff | | 291 | 47 | 23 | 361 | 362 | -1 |
| Total Sum of Staff FTE | | 280.7 | 45.2 | - | 325.9 | 329.1 | -3.2 |

Permanent positions

| Functional Area | | Aug-14 | Jun-14 | Differential (Actual) | Differential (FTE) |
|--|--------|--------|--------|--------------------------|-----------------------|
| Executive, Office of the Commission and Special Investigations | Actual | 11 | | | |
| | FTE | 11 | | | |
| Operations Support (excluding Intelligence) | Actual | 52 | | | |
| | FTE | 52 | | | |
| Intelligence | Actual | 31 | | | |
| | FTE | 29.8 | | | |
| Proceeds of Crime | Actual | 17 | | | |
| | FTE | 17 | | | |
| Crime | Actual | 37 | | | |
| | FTE | 37 | | | |
| Corruption | Actual | 72 | | | |
| | FTE | 71.8 | | | |
| Legal Services | Actual | 16 | | | |
| | FTE | 16 | | | |
| Policy and Research | Actual | 11 | | | |
| | FTE | 11 | | | |
| Corporate Services (including Security) | Actual | 62 | | | |
| | FTE | 61.4 | | | |
| Total | Actual | 309 | 318 | -9 | |
| Total | FTE | 307 | 316 | | -9 |

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 | 2 | - | 1 | 4 | - |
| Matters withdrawn before hearing | 4 | 1 | - | 1 | - |
| Matters out of jurisdiction | - | - | - | 1 | - |
| Matters awaiting hearing at 12/09/2014 | - | - | 1 | 2 | - |
| Matters heard in a preliminary hearing | - | - | - | 1 | - |
| Matters heard | 2 | 1 | - | - | - |
| Matters progressing (awaiting papers) | - | - | - | 2 | - |
| Matters referred for Judicial Review | - | - | - | 1 | - |
| Matters lapsed | - | - | - | - | - |
| Matters awaiting outcome from hearings held in previous reporting period | - | - | - | - | - |

Media

- 12.09.2014 CCC recoups \$1.6 million from convicted drug trafficker – Statement announcing that the CCC has successfully obtained a forfeiture order in the Supreme Court over \$1.6 million worth of assets belonging to convicted drug trafficker Daniel Kalaja.
- 11.09.2014 CCC charges Ipswich man with child exploitation offences – Statement announcing that the CCC has charged a 28-year-old Ebbw Vale man with 14 child exploitation offences following an investigation by the Cerberus team.
- 29.08.2014 CCC determines it will not investigate Clive Palmer or Jeff Seeney – Statement announcing that the CCC has finished assessing information relating to dealings between the Deputy Premier Jeff Seeney and Mr Clive Palmer in 2012 and will not investigate the matter.
- 11.07.2014 CCC to investigate allegations relating to Ipswich Mayor – Statement announcing that the CCC has finished assessing allegations relating to the Ipswich Mayor and has commenced an investigation.
- 01.07.2014 CCC commences operation in Queensland – Statement announcing that the CMC has formally transitioned to the CCC and outlining the key changes.

Media interviews

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

Communications

External presentations

| PRESENTER AND TITLE | | AUDIENCE | TOPIC |
|-----------------------|--|--|--|
| September 2014 | | | |
| 11/9/14 | Diana Mulcahy Acting Assistant Director, Integrity Services | Queensland Ombudsman's Office | <i>Crime and Corruption Act 2001</i> – a new framework (Changes to CCC) |
| 10/9/14 | Maurice Carless Executive Director, Operations Support | Detectives from the Sunshine Coast District Child Protection Investigation Unit | Major and organised crime investigations and the references relating to online child sexual offences |
| 08/09/14 | Kath Florian Executive Director, Crime | International delegation of prosecutors from the Guangxi Autonomous Region of China | Anti-corruption processes in Queensland |
| | Mark Docwra Acting Executive Director, Corruption | | |
| | Barry Adams Director, Intelligence | | |
| 04/09/14 | Simon Kupec Senior Lawyer, Crime | QPS Detective Training Program at the Qld Police Academy | CCC crime investigations and coercive hearings |
| | Detective Sergeant Cory Schmidt Crime | | |
| 02-03/09/14 | Mark Docwra Acting Executive Director, Corruption | Security in Government Conference, Canberra SIG Senior Executives responsible for managing security in agencies, officers from all levels of govt. who contribute to the development of security capability and response, security practitioners from the public and private sectors who contribute to the provision of services of govt. | Lessons learnt: an examination of how a \$16.69 million fraud was committed on Queensland Health |
| August 2014 | | | |
| 21/08/14 | Senior Witness Protection Officer | QPS Bayside Detective Conference Wynnum CIB | Witness protection – access to the program and benefits to justice and investigations |
| 21/08/14 | Angela Pyke Director, Financial Investigations, Proceeds of Crime | QPS Bayside Detective Conference Wynnum CIB | Recovering the Proceeds of Crime |
| | Tim Geraghty Principal Financial Investigator, Proceeds of Crime | | |

| PRESENTER AND TITLE | | AUDIENCE | TOPIC |
|---------------------|--|---|---|
| 08/08/14 | Simon Kupec Senior Lawyer, Crime | QPS Detective Training Program ,Qld Police Academy | CCC Crime referrals and coercive hearings |
| | Detective Sergeant Cory Schmidt Crime | | |
| 07/08/14 | Kylee Rumble Acting Director, Integrity Services | Public Interest Disclosure Network Coordinator Meeting | Changes to the CC Act and impact on PID management |
| July 2014 | | | |
| 30/07/14 | Paul Collings Prevention Adviser | National Public Sector Fraud & Corruption Congress, Sydney | Combating Fraud in Contracting and Procurement |
| 15/07/14 | David Goody Manager, Proceeds of Crime | Queensland Police Service, Logan District Tactical Crime Squad – Crestmead Police Station | Recovering the proceeds of crime |
| 10/07/14 | Simon Kupec Senior Lawyer, Crime | QPS Detective Training Program, Qld Police Academy | CCC crime investigations and coercive hearings |
| | Detective Senior Sergeant Cameron Burke, Crime | | |
| 09/07/14 | Angela Pyke Director, Financial Investigations, Proceeds of Crime | Institute of Chartered Accountants Forensic Accounting | Financial Investigations and recovering the proceeds of crime |
| 03/07/14 | David Goody Manager, Proceeds of Crime | Queensland Police Service, Northern Region Investigators – Cairns | Recovering the proceeds of crime |
| | Simon Kupec Senior Lawyer, Crime | | Crime hearings |
| 01- 02/07/14 | David Goody Manager, Proceeds of Crime | Queensland Police Service, Northern Region Investigators - Townsville | Recovering the proceeds of crime |
| | Simon Kupec Senior Lawyer, Crime | | Crime hearings |



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