

**PROTECTED WITH CAVEAT**

**INTELLIGENCE & COVERT SUPPORT  
COMMAND**



VICTORIA POLICE

## **Operation LORICATED Completion Report**

**21 March 2014**

**CAVEAT**

**ASSESSMENT OF THE CONTENT OF THIS DOCUMENT MAY REASONABLY BE EXPECTED TO DIVULGE THE IDENTITY OF A POLICE INFORMER. ANY RELEASE OF THIS DOCUMENT WOULD BE HIGHLY LIKELY TO ENDANGER THE LIFE OF THIS POLICE INFORMER. ACCORDINGLY, ANY APPLICATIONS FOR RELEASE OF THIS DOCUMENT SHOULD BE STRONGLY RESISTED ON THE GROUNDS OF PUBLIC INTEREST IMMUNITY**

# PROTECTED WITH CAVEAT

## Table of Contents

<b>INTRODUCTION.....</b>	<b>3</b>
<b>BACKGROUND .....</b>	<b>4</b>
<b>PROJECT MANAGEMENT.....</b>	<b>5</b>
TERMS OF REFERENCE .....	5
OBJECTIVES .....	6
INITIAL PLANNING .....	6
ADMINISTRATION/LOGISTICS .....	6
STAFFING .....	7
INFORMATION SECURITY .....	7
STAKEHOLDER MANAGEMENT .....	8
WITHIN SCOPE .....	8
OUT OF SCOPE .....	9
STAFFING AND RESOURCES .....	9
WORKGROUP OVERSIGHT—STEERING COMMITTEE.....	9
TIME FRAMES .....	10
MEDIA STRATEGY.....	10
SUPPORT SERVICES REQUIRED .....	10
COSTS .....	11
<b>EXECUTIVE SUMMARY.....</b>	<b>12</b>
<b>TERMS OF REFERENCE AND OBJECTIVES .....</b>	<b>13</b>
PHASE 1 .....	13
PHASE 2 .....	15
<i>Issues of Note</i> .....	17
PHASE 3 .....	18
<i>Information Value</i> .....	19
<i>Information Reports (SDU)</i> .....	22
<i>Legal Conflict / Professional issues</i> .....	22
<i>Dissemination</i> .....	22
PHASE 4 .....	24
<b>CLOSURE .....</b>	<b>27</b>
PERSONNEL REINTEGRATION.....	27
SOURCE MATERIAL.....	27
INFORMATION MANAGEMENT AND SECURITY PLAN .....	27
<i>Interpose</i> .....	27
<i>Themes</i> .....	28
<i>Web Based Solution</i> .....	28
<i>External Drives</i> .....	28
<i>Network Files</i> .....	28
<i>Computers Used by the Project Team</i> .....	29
<i>Project Laptop</i> .....	29
<i>Airlie Leadership Development Centre (ALDC) Printers</i> .....	29
<i>Email</i> .....	30
ESTABLISHMENT OF TASKFORCE LIAISON POINT .....	30
<b>CONCLUSION.....</b>	<b>30</b>
ATTACHMENT A .....	31



## PROTECTED WITH CAVEAT

### Introduction

In August 2010 the Victoria Police Corporate Management Review Division (CMRD) completed an extensive review of human source management practices with a sampling of 95 human sources from various workgroups including police regions, Crime and Intelligence and Covert Support Commands dating back to 1 January 2009. 26 recommendations were made to enhance human source management, with 24 of these later accepted by Victoria Police Command (Command). Undertakings were made by Command that other means would be utilised to address the outstanding 2 recommendations as they would more appropriately address the issues in question.<sup>1</sup>

Former Victoria Police Chief Commissioner M. Neil COMRIE AO, APM was subsequently commissioned by Victoria Police to undertake a review of the Source Development Unit (SDU) management of a high risk human source identified as 21803838 and later 11792958 when their registered number was changed for security reasons (herein after referred to as the COMRIE Report).

NOTE: For ease of reference 21803838/11792958 is referred to as 3838 throughout this report.

Mr COMRIE's terms of reference required consideration of;

1. The adequacy of existing human source policies, procedures, instructions and control measures, including actual management and operational practices utilised, having regard to the particular professional standing of 3838.
2. The process and associated issues whereby a human source may transition to become a witness including the adequacy of controls and risk recognition arrangements and mitigation for such instances.<sup>2</sup>

Mr COMRIE, assisted by Superintendent Steve GLEESON conducted an extensive review within terms of reference making 27 recommendations in relation to these terms. These findings have wide ranging implications for the management of human sources by Victoria Police and were published in a report titled *Human Source 3838—A Case Review* (herein after referred to as the COMRIE Report)

The project team acknowledges these findings, many of which will require further review and consideration by Command, yet are outside the scope of Operation LORICATED terms of reference and objectives.

Operation LORICATED commenced on 29 January 2013 as a result of Recommendation 1\* of the COMRIE Report 2012:

*That Victoria Police reconstruct the full Interpose File for 3838 so that to the fullest extent possible it presents as a complete, factual, sequential and accountable record of the utilization of this human source. This should also include the linking of all available records and corroborative media so that all the material related to this file is securely and accountably retained in the one location in Interpose.*

<sup>1</sup> M. Neil COMRIE AO APM, *Human Source 3838 – A Case Review* - 30 July 2012 - Pages 6-7

<sup>2</sup> Letter from M. Neil COMRIE AO APM to CCP Ken LAY - 2 August 2012



## PROTECTED WITH CAVEAT

### Background

3838 was an active human source managed by the SDU from 16 September 2005 to 14 January 2009 inclusive.

At the time of registration 3838 was a high profile legal practitioner specialising in criminal law. Mr COMRIE notes that,

"3838 maintained active business and social relationships with many police and criminals and with work colleagues in the legal fraternity, particularly with those also working in the criminal law environment. By virtue of professional standing, and via broader networks of association, 3838 gleaned high level and credible information about crime, criminals and underworld activities."<sup>3</sup>

Mr COMRIE goes on to note the diversity of information provided by 3838 including information pertaining to the MOKBEL criminal cartel, the activities of criminals in general and their involvement in crimes including: drug trafficking; proceeds of crime; corruption in the horse racing industry and crimes and corruption on the waterfront. 3838 also provided information regarding corrupt police, law enforcement personnel, and government officials.<sup>4</sup>

SDU management of 3838 commenced prior to the introduction of the Interpose Human Source Management Module, the current system utilised by Victoria Police to manage human sources. As such active management of 3838 utilised existing methods of management and recording at the time of registration.

In February 2009 a reconstruction of the Human Source file pertaining to 3838 was attempted by the Human Source Management Unit (HSMU). This reconstruction was dependant on information provided by the SDU and the data manipulation limitations of the Interpose system. It is important to note that recommendations from the COMRIE Report are based on an analysis of the information contained in this reconstruction which was utilised as the primary data source.<sup>5</sup>

The SDU maintained Informer Contact Reports (ICRs) also known as Source Contact Reports (SCRs) to record all contact with registered human sources. These contact reports generally covered 7-10 days of contact with the source and range in length from 2 pages to 40 pages in length. Individual contact reports could contain up to 60 contacts or more with the human source. A hardcopy of all ICRs pertaining to 3838 was provided to the project team as part of the review. These ICRs were treated as the original copy.

The SDU also generated Information Reports (IRs) based on source information. In total 494 IRs were created by the SDU from information provided by 3838. In addition a large proportion of further information provided by 3838 was verbally disseminated to various investigators/managers and or workgroups.

Face to face meetings between the SDU and 3838 were covertly recorded resulting in hours of un-transcribed audio material. Phone conversations were NOT recorded.

Contact with 3838 over the period of their registration resulted in voluminous information stored in multiple locations/formats including hardcopy files stored in a safe and other secure receptacles at the SDU and electronic files stored across a SDU network drive and a SDU standalone computer (herein after referred to as the Zondex Drive).

On 24 January 2008 3838's source number was changed to 11792958 for security reasons. This number was maintained up until source deactivation on 14 January 2009. 3838 was

<sup>3</sup> M. Neil COMRIE AO APM, *Human Source 3838 – A Case Review* – 30 July 2012 – Page 4

<sup>4</sup> M. Neil COMRIE AO APM, *Human Source 3838 – A Case Review* – 30 July 2012 – Pages 4 – 5

<sup>5</sup> M. Neil COMRIE AO APM, *Human Source 3838 – A Case Review* – 30 July 2012 – Page 10



## **PROTECTED WITH CAVEAT**

deactivated as a result of their transfer from a source to a witness.

On 7 January 2009, 3838 signed a statement in relation to their knowledge of the alleged involvement of Carl WILLIAMS and then serving police officer Paul DALE in the unsolved murder of informer Terrence HODSON and his wife Christine at their home in East Kew in 2004. Petra Taskforce then assumed full management of 3838 and 3838 was assigned the codename Witness F. 3838 later had misgivings in relation to giving this evidence and refused to enter the witness protection program. As a result 3838 was never required to give evidence and lengthy civil litigation between 3838 and Victoria Police ensued.

3838's status as Witness F details their involvement with former member Paul DALE and the assistance provided to Petra taskforce is widely reported in the media. DALE has recently published a book titled "Disgraced?" and during the book's promotion widely discussed his relationship with Witness F. Although he discusses 3838 as a 'witness' it is apparent that the status of 3838 as a human source remains unknown and is limited to the SDU, HSMU, select Victoria Police members and the Operation LORICATED project team. It is submitted that this information presents one of the greatest risk to both 3838 and the organisation.

The terms of reference of Operation LORICATED include the management of 3838 by the SDU and handover to the Petra Taskforce.

### **Project Management**

Operation LORICATED was managed by Senior Sergeant Damian JACKSON who reported directly to Detective Inspector Michael FREWEN and Detective Superintendent Gerard RYAN. The project was overseen by a Steering Committee comprising senior representatives from various Commands.

### **Terms of Reference**

1. To implement recommendation 1\* of the 2012 COMRIE Report - *Human Source 3838 – A Case Review*.
2. To review and analyse this reconstructed Human Source file and to identify relevant issues and categorise these into identifiable investigation themes.
3. To report to the Steering Committee as may be necessary on the progress of such works and secure direction as to the appropriateness of the categorisation process utilised.
4. To identify any opportunities to improve the future collection of intelligence arising from human source usage.

### **Objectives**

- 3.1.1 Collect all documents (including electronic files, audio files, corroborative media and all data) held by Victoria Police on 3838.
- 3.1.2 Catalogue the collected documents into a sequential/chronological arrangement so the end product represents the complete factual record of Victoria Police dealings with 3838.
- 3.1.3 Migrate all documents to the one secure location within Interpose.

## **PROTECTED WITH CAVEAT**

SDU and 3838. VIZZINI did an excellent job in transcribing this material in a relative short period of time.

Original registration documents including personnel, ICR management entries, risk assessments, source management logs, source rewards, deactivation documents and miscellaneous documents were then reconstructed in associated tabs within the WBS.

Information was subsequently reviewed and analysed by the project team.

### Issues of Note

1. The project team identified a number of issues concerning the source file including;
  - a. Inability to locate an Acknowledgement of Responsibility (AOR) in line with Human Source Management Policy.
  - a. Only two risk assessments located for 3838 for the entirety of their registration despite a number of obvious events that suggest the need for further risk assessments. Some of these risks were documented in ICRs, SMLs or member diaries and relate to risks specifically to 3838 and or ongoing issues surrounding 3838's mental health.
  - b. Several contacts between SDU and 3838 not recorded on ICRs.
  - c. Absence of handler and controller acknowledgement of contact between SDU and source (ICRs).
  - d. Inconsistencies in tasking between handlers and controllers.

Potential solutions to some of these issues are discussed in Phase 4.

### **Phase 3 - Key Findings**

- Approximately 2800 individual entries were extracted from reconstructed ICRs and audio summaries, reviewed and grouped into applicable themes and sub themes. Some of this information had been disseminated by the SDU in the form of IRs or communicated verbally. A large proportion of this information appears to have not been disseminated or actioned, some as a result of perceived risks to the source.
- The grouping process identified a large volume of information which requires further investigation to determine; whether an investigation has been conducted, the result of any investigation and the current intelligence value of the information.
- Approximately 494 Information Reports were disseminated by the SDU as a result of information provided by 3838. These reports were created pre-Interpose and assigned an SID number. It is recommended that these IRs be located to ensure they have been appropriately actioned.
- A number of legal and ethical issues identified during the theme review and prevalent throughout the 3838 file are best referred to Legal Services for full review by an



**PROTECTED WITH CAVEAT**

	<p>information involving court staff</p> <p>Allegations of jury &amp; judge selection and tampering</p> <p>Alleged breaches of court suppression orders</p>
Criminal Proceeds	<p>Known criminal identities involved in money laundering</p> <p>Criminal identities secreting money overseas</p> <p>Criminal identities involved in various companies including oil exploration, Capital Access (NSW), truck businesses, Equitycorp</p> <p>Seizure of MOKBEL property and assets</p> <p>Leasing of properties in other person's names</p> <p>Tax evasion</p> <p>The obtaining of property titles for money</p> <p>Accountants involved with criminal identities in money laundering</p> <p>Criminal identities in possession of unexplained wealth</p> <p>False loan applications</p> <p>Payment into solicitors' trust accounts</p>
Customs	<p>Criminal identities involved in drug importations by air and sea</p> <p>Unidentified customs employees assisting criminal identities with these importations</p> <p>False Passports</p>
Drugs	<p>Criminal identities involved in large scale drug manufacturing and trafficking (IRs submitted in most cases)</p>
Gaming & Racing	<p>Criminal identities involved in gambling and racing</p> <p>Associates of criminal identities involved in gambling and racing</p> <p>Information in relation to race horses owned by criminal identities</p> <p>Trainers involved with criminal identities</p> <p>Horse Doping</p> <p>Betfair practices</p>
Homicide	<p>Information in relation to criminal identities involved in various homicides</p> <p>Alleged plots to kill various criminal identities</p> <p>Suspicious deaths</p> <p>Threats to kill 3838 (Op GOSFORD)</p> <p><i>NOTE: Most of this information relates to historical Purana matters and would be better disseminated to same opposed to Homicide</i></p>
Legal Conflict	<p>Arrest of Rabie KARAM (Containers) and 3838 relationship/representation of same</p> <p>Arrest of [REDACTED] (Drugs) and 3838's relationship/representation of same</p> <p>Potential conflict re criminal identities [REDACTED]</p> <p>Resultant conflict with representation of persons associated with these criminal identities</p> <p>Information provided in relation to the extradition of Tony MOKBEL</p> <p>3838 passing information from KARAM and others to the SDU which was acted upon resulting in arrests/convictions (AGAMAS/INCA)</p> <p>3838 reviewing Purana Taskforce briefs of evidence and providing advice in relation to same</p> <p>Breach of confidentiality provisions surrounding [REDACTED]</p>
Legal Profession	<p>Profession/ethical issues surrounding 3838 including their relationship with criminal identities often on more than a professional level</p> <p>Potential criminality by 3838</p> <p>Solicitors involved in serious crime including drug use, proceeds</p>