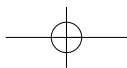
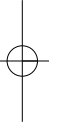


Ceja Task Force Drug Related Corruption

Third and Final Report



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Ordered to be printed
Victorian Government Printer
July 2007
Session 2006-07
P.P. No. 13

LETTER OF TRANSMITTAL

To
The Honourable the President of the Legislative Council

And
The Honourable the Speaker of the Legislative Assembly

This third and final report on the Ceja Task Force is presented to Parliament in accordance with Section 102J (2) of the *Police Regulation Act 1958*.

The outcomes of the Ceja Task Force represent an important step in the history of policing in Victoria and in the fight against corruption. Ceja's achievements are attributable to a number of factors.

The successful investigation, prosecution, conviction and imprisonment of members of the former Drug Squad would not have been possible without the resolution and commitment of Victoria Police, led by the Chief Commissioner, to vigorously pursue corruption in the Drug Squad once concerns were raised. This determination, evidenced by the establishment of the Task Force, endured through its life and ensured it was given sufficient resources to thoroughly investigate all of the allegations.

Also vital to the success of the Task Force were the dedication, diligence and skill of its members in gathering the evidence necessary to prosecute corrupt police. The complexity of the Ceja investigations should not be under-estimated. This report details the extensive intelligence gathering process that pre-dated the investigations. This meant investigators had a wealth of information that could direct their lines of inquiry once the investigation phase commenced. Even though this approach was time consuming, it provided focus for the investigations and contributed to their successful outcomes.

A final contributing factor to Ceja's success that warrants specific comment is the work of Ceja's in-house counsel and the corruption unit within the Office of Public Prosecutions. Their skill and commitment, along with that of the Crown Prosecutors, brought the work of the Ceja Task Force to its successful conclusion. The body of the report details the impact of certain legal processes used by defence counsel for both police and others. Despite the significant distractions and delays caused by having to respond to the many requests for voluminous amounts of material, the legal teams working with Ceja investigators remained focused on the task at hand.

Notwithstanding Ceja's well-publicised achievements, a small number of Ceja investigators faced ostracism and resentment on their return to the mainstream workforce. Police members who display negative attitudes to Ceja or other anti-corruption investigators pose a risk to Victoria Police. The achievements of the Ceja Task Force should sound a warning to all police. Those who engage in criminal or corrupt behaviour and their supporters can expect to be pursued with utmost determination. Those who are loyal and proud of Victoria Police and what it stands for, will not accept those who would bring the Force into disrepute amongst their ranks and in the eyes of the community.

To provide context for the Ceja Task Forces investigations, this report also documents the flawed practices and procedures of the former Victoria Police Drug Squad that led to widespread police involvement in drug trafficking. Features of the Drug Squad environment at the time included inadequate supervision with little or no accountability and lack of proper policies or procedures for dealing with exhibits or managing informers. It was an environment ripe for exploitation by corrupt members who lacked integrity and were motivated by greed.

Of particular concern was the practice of controlled chemical deliveries, coordinated by the Drug Squad's Chemical Diversion Desk. To effect a controlled chemical delivery, members working at the Chemical Diversion Desk would purchase commercial quantities of drugs and chemicals used in the manufacture of amphetamines (precursor chemicals). Informers and undercover police would then 'on sell' the drugs and chemicals. The passage of the drugs and chemicals was then monitored to identify those involved in the illicit manufacture and distribution of amphetamines.

While a significant number of arrests were made in this way, large quantities of the drugs and precursor chemicals were never recovered by police. The availability of illicit drugs on Victorian streets actually increased as a result of the actions of corrupt Victoria Police members.

In addition, the arrest 'results' masked the members' corrupt conduct, in particular those working on the Chemical Diversion Desk. These police made a number of unauthorised purchases from chemical companies on the pretext of legitimate police business. Having paid wholesale prices, they were then able to sell them for significant personal financial gain.

In September 2001, the Chief Commissioner directed that the supply and controlled delivery of precursor chemicals cease. She has said they will not resume.

The lessons from Ceja are relevant to all law enforcement agencies and should continue to inform appropriate drug law enforcement models. The extent of corruption uncovered by the Task Force serves to remind us of how easily corruption can flourish if there is poor management and lack of vigilance in areas at high risk of breeding corruption, such as drug law enforcement.



G E Brouwer
DIRECTOR, POLICE INTEGRITY

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GLOSSARY OF TERMS

AIOC	Alleged Incident of Corruption
Ceja	Victoria Police Ceja Task Force
ESD	Ethical Standards Department of Victoria Police
MDID	Major Drug Investigation Division
OPI	Office of Police Integrity
OPP	Office of Public Prosecutions
Precursor chemicals	Chemicals available commercially that are used in the manufacture of illicit drugs
Purton Review	2001 Review of Drug Squad led by Detective Superintendent Terry Purton
Review Team	Review Team commissioned by Director, Police Integrity
ROCSID	Register of Complaints, Serious Incidents and Discipline
Steering Committee	CEJA Task Force Steering Committee
Thompson-Humberstone Review	2005 review of the implementation and effectiveness of the Purton Review recommendations commissioned by the Corporate Management Review Division
Thompson-Guerin Review	Internal Victoria Police review of the work of the Ceja Task Force

INTRODUCTION

Context

This is the third and final Parliamentary report on the work of the Victoria Police Ceja Task Force (Ceja).

In November 2006, nearly five years after it was established, the work of Ceja drew to a close with the fifth successful prosecution, conviction and imprisonment of a former Drug Squad member.

The successful prosecutions of former Drug Squad members are not Ceja's only achievements. Six civilians were charged and convicted of drug related offences. A schedule of all the successful Ceja prosecutions is outlined in Appendix One.

Not all the prosecutions conducted by Ceja were successful. Two police were acquitted. In addition, not all of the successful prosecutions of former Drug Squad members since 2000 are attributable to Ceja. Three former Drug Squad members were imprisoned as a result of investigations by the Ethical Standards Department of Victoria Police.

Background to this Report

Ceja was established in January 2002. It had the following Terms of Reference:

- *To investigate the unauthorised purchase of chemicals by member(s) of Victoria Police or their delegates via the Victoria Police Drug Squad, Chemical Diversion Desk.*
- *To investigate the unauthorised delivery or supply of chemicals by Member(s) of the Victoria Police or their delegates via the Victoria Police Drug Squad, Controlled Chemical Deliveries Program.*
- *To investigate allegations of theft, evidence fabrication and drug use by member(s) of the Victoria Police Drug Squad as assessed in consultation with the Commander and Assistant Commissioner of the Ethical Standards Department.*
- *To liaise with Ombudsman Victoria.¹*

The first interim report on Ceja's work was tabled in Parliament in May 2003.

The first report was written in the context of on-going investigations. It strived to achieve a balance between the public's right to know about police corruption in Victoria and the need not to compromise any part of the on-going investigations.

The second interim report on Ceja was tabled in June 2004, prior to the establishment of the Office of Police Integrity (OPI). I tabled it in my capacity as Ombudsman.

In that report I noted the pressures on Ceja investigators arising from their involvement in such a lengthy, complex and serious investigation. I foreshadowed that I would monitor issues relating to the reintegration and replacement of investigators involved in long running and complex task forces in the future.

1 Ceja later came to liaise with the Office of Police Integrity.

In the second interim report I also indicated there was still significant work to do and noted the difficulty in predicting when the Ceja work would come to an end. As with the first report, I was constrained from providing a full account of some important matters of public interest to avoid compromising on-going investigations and prosecutions. As prosecutions are now finalised, this report is able to document for the first time, not only all of Ceja's achievements, its structure, composition, and methodology, but also the extent of the investigations and what they uncovered about the operations of the Victorian Drug Squad during the 1990's.²

In November 2006, when the fifth of the former Drug Squad employees to face trial was sentenced, the embargo on the publication of the outcome of other successful Ceja-related prosecutions was lifted. Shortly after, I commissioned a Review Team to prepare this final report on the work of Ceja.

The Terms of Reference for the review are attached to this report as Appendix Two. The methodology undertaken by the Review Team is attached as Appendix Three.

A draft of this report was provided to the Chief Commissioner for her comments. These have been incorporated into the text.

² Some of the information in this report draws on and repeats information contained in the *Ceja Task Force – Investigation of Allegations of Drug Related Corruption* Interim Report of the Ombudsman May 2003 and *Ceja Task Force Drug Related Corruption* Second Interim Report of Ombudsman Victoria June 2004. The information is consolidated in this report to provide a stand alone report to assist the reader.

BACKGROUND TO THE CEJA TASK FORCE

Why the Ceja Task Force was necessary

The specific origins of the Ceja Task Force (Ceja) can be traced to an investigation, in 2000/2001, known as Operation Hemi. This investigation, by the Corruption Investigation Division of the Ethical Standards Department, spanned six months and involved allegations of corruption against former Detective Senior Constable Stephen Paton and former Detective Sergeant Malcolm Rosenes of the Drug Squad. Operation Hemi is discussed in more detail below.

Originally formed in 1952, by the 1990's the formal role of the Drug Squad was:

- to conduct high level investigations into groups and persons involved in large-scale drug distribution;
- to target recidivist drug offenders; and
- to attend and provide expert investigation assistance in investigations involving clandestine drug producing laboratories.

Prior to Operation Hemi there had been a number of problems identified in management practices in the Drug Squad spanning the previous decade.³

Despite these significant warnings, little was done by Victoria Police management to properly examine the area until 2001.

Drug law enforcement has long been identified as an area that has a high risk of corruption. This is because the financial stakes are high for criminals involved in drug manufacturing and distribution with sometimes fierce competition in relation to illicit markets. Police also rely heavily on informers

drug law enforcement provides an environment for corrupt police to act both opportunistically and with pre-meditation

drawn from the ranks of those involved in the illicit drug industry for most of their intelligence about relevant criminal activity. As demonstrated by Ceja, these factors mean drug law enforcement provides an

environment for corrupt police to act both opportunistically and with pre-meditation. Of particular concern in the Victorian Drug Squad context was the practice of controlled chemical deliveries and the operation of the Chemical Diversion Desk.

Controlled Chemical Deliveries and the Chemical Diversion Desk

The controlled delivery of drugs is a method used in drug law enforcement where illicit consignments of substances, after having been intercepted by a law enforcement agency, are allowed to continue their passage but with strict monitoring and in controlled circumstances. The drugs or substances may remain intact or be replaced with a benign substitute.⁴ The theory behind controlled deliveries is that drug couriers or mules are 'minnows' in the drug trade but they may lead to the 'big fish' at the end point of the delivery.

In Victoria, as with most other jurisdictions, controlled drug deliveries as described above had been used occasionally, prior to the early 1990s. However in 1995 the Victorian Drug Squad established the Chemical Diversion Desk. Its key function was purportedly to:

*liaise with chemical companies, allied industries, internal and external service providers and interstate law enforcement agencies in order to prevent, disrupt and identify suspects engaged in illicit drug manufacturing.*⁵

³ See *Ceja Task Force – Investigation of allegations of Drug Related Corruption - Interim Report* Ombudsman Victoria May 2003 pp 3&4.

⁴ See *United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances* 1988 Article 11

⁵ *Confidential Report to Ombudsman* 2001 p 70

Under the auspice of the Chemical Diversion Desk, police established contact with chemical companies, bought, or arranged to buy, precursor chemicals from them, and then arranged for them to be 'sold' to illegal drug manufacturers. Once the chemicals or drugs were supplied to the criminals (either by an undercover police officer or an informer), police were to monitor the activities of the recipients who were manufacturing the drugs and then identify who went on to distribute them. Thus the activities of the Chemical Diversion Desk moved from monitoring and controlling chemical deliveries to actually facilitating them.

One of the acknowledged problems with controlled chemical deliveries or diversion lies in estimating the amount of illicit drugs and or monetary return each supply of chemicals should produce. In Victoria this problem was exacerbated because from 1996 the Victorian Drug Squad Chemical Diversion Desk practice included the delivery of not only precursor chemicals, but also trafficable quantities of pseudoephedrine, sold in commercial form as 'Sudafed' and 'Logicin' tablets. 'Street value' of these drugs varies.

Subsequent events have demonstrated that the oversight of the controlled chemical delivery practice was completely inadequate. There was lack of proper accounts and poor record keeping. The scale and complexity of many transactions and the disappearance of some records mean the details of many

the oversight of the controlled chemical delivery practice was completely inadequate ... the disappearance of some records mean the details of many transactions will never be known

transactions will never be known. What is known is that in more than 87% of controlled deliveries made, neither the chemicals or the drugs that Drug Squad police had purchased, nor their derivatives, were ever recovered.⁶

A further problem lay in the fact that the use of, and access to, commercially available precursor chemicals is not as highly regulated in Victoria as it is in other states. In New South Wales and South Australia, precursor chemicals are restricted substances and chemical companies are required to have 'End User Declarations' for purchases. At the time the Chemical Diversion Desk was operating, the Drug Squad relied on a voluntary 'Code of Conduct' with the chemical companies, whereby chemical companies agreed to cooperate with the provision of information to police about precursor chemical purchases.

as the majority of controlled deliveries were never recovered, the availability of illicit drugs on Victorian streets actually increased as a result of the activities of the Chemical Diversion Desk

This Code proved valuable in December 2000 when someone within a chemical company contacted the Crime Department within Victoria Police with disturbing information concerning the Chemical Diversion Desk's transactions.

This led to Operation Hemi discussed in the following section. As the majority of controlled deliveries were never recovered, the availability of illicit drugs on Victorian streets actually increased as a result of the activities of the Chemical Diversion Desk.

the Chief Commissioner of Police directed that the supply and controlled delivery by police of precursor chemicals cease in September 2001

In all, the practice of controlled chemical deliveries continued for at least five years during which a significant number of controlled deliveries were made.⁷ A significant number of arrests and convictions during this period were associated with controlled chemical deliveries, however, these 'results' masked the corrupt conduct of police.

I note the Chief Commissioner of Police directed that the supply and controlled delivery by police of precursor chemicals cease in September 2001. She has stated it will not resume.⁸

⁶ Confidential Report to Ombudsman 2001 p 93

⁷ Confidential Report to Ombudsman 2001 p 91

⁸ Ministers Victoria Police Audit Committee 1 February 2007 p 36

Operation Hemi

Operation Hemi centred around allegations that members of the Drug Squad working at the Chemical Diversion Desk were making regular unauthorised purchases of chemicals and drugs of dependence from a drug company. The investigation phase of the Operation culminated in July 2001 with the separate arrests of former member Detective Senior Constable Stephen Paton, Detective Sergeant Malcolm Rosenes, and three civilian offenders.

Paton had worked on the Chemical Diversion Desk from March 1997 until December 2000. Setting a precedent that was to be followed later by a number of police members associated with the Drug Squad, Paton resigned after becoming aware he was being investigated by the Ethical Standards Department.⁹ Some four months later he was arrested and charged with offences relating to trafficking commercial quantities of a drug of dependence (Pseudoephedrine). Paton had gone so far as to establish his own chemical company in order to make the unauthorised purchases which he later sold to criminals. Paton's supervisor, Rosenes was also involved in the formation of the company.

Rosenes, who had worked with Paton for six months, was also arrested in July 2001 during a covert operation. Rosenes was working as a go-between for a supplier of ecstasy and an Israeli drug syndicate. He was charged with offences relating to the trafficking and conspiracy to traffic various drugs including ecstasy and cocaine.¹⁰ Both Paton and Rosenes had formed corrupt relationships with informers.

Following the arrests from Operation Hemi and revelations regarding the potential scale of problems at the Drug Squad, the Chief Commissioner directed that the Corporate Management Review Division commence a review of the Drug Squad (Purton Review). Headed by then Detective Superintendent Terry Purton, the review terms of reference and methodology were developed in consultation with then Ombudsman, Mr Barry Perry.

The Purton Review was conducted over a three month period. The comprehensive review identified significant problems in the management, accountability structure and administrative processes of the

the Purton Review identified significant problems in the management, accountability structure and administrative processes of the Drug Squad

Drug Squad. It also identified issues in relation to the on-selling of drugs, controlled chemical deliveries involving the sale of trafficable quantities of drugs, reconciliation of chemical purchases,

informer management, management of protected witnesses, property and exhibit management, and personnel management. The Purton Review made a total of 144 recommendations. Based on the scale of the problems, and potential for corrupt activity to have been widespread, one of the recommendations called for the establishment of a Task Force to comprehensively and thoroughly investigate these matters. The Task Force recommended by the Purton Review became known as Ceja.

Further information regarding systemic issues identified by the Purton Review and the implementation of relevant recommendations is discussed at Appendix Five.

⁹ Paton's resignation did not take effect until 22 March 2001.

¹⁰ For further information see *Ceja Task Force – Investigation of allegations of Drug Related Corruption - Interim Report* Ombudsman Victoria May 2003 pp 4 – 7.

THE STRUCTURE AND COMPOSITION OF CEJA

Establishment

Ceja was established in January 2002 as part of the Ethical Standards Department. There were initially ten staff, comprising investigators and analysts, under the command of Detective Inspector Peter De Santo. Detective Inspector De Santo had led Operation Hemi.

Its first phase was to gather further intelligence regarding possible corrupt activity by any members of the disbanded Drug Squad. During this phase, 21 separate alleged incidents of corruption (AIOCs) were assessed and given their own investigation file. AIOC 0 was an electronic file created to hold miscellaneous information reports.

Ceja was initially given six months to examine the allegations. It was required to report on its findings by 30 June 2002. This report was comprehensive and identified that further investigative work was required. One of the AIOCs had been unsubstantiated, another had been substantiated, but the remaining 19 required further work. These allegations had been substantiated on a 'balance of probability' but required further investigation to meet the criminal burden of proof. The Report detailed the progress of the investigations to date, identified ten members of interest still serving in the force and a further eleven serving or former members who had been the subject of allegations. The Report recommended expanding the resources of the Task Force.

The Chief Commissioner agreed and Commander Dannye Moloney was placed in charge of the expanded Ceja.¹¹ Whilst notionally still part of the Ethical Standards Department, early in the investigation phase of Ceja it became apparent that Ceja required additional investigative support that was unable to be provided by the Ethical Standards Department. Accordingly, specific additional resources were allocated to Ceja and increasingly it was perceived by Ceja members and those at the Ethical Standards Department as a stand-alone entity.

Alleged Incidents of Corruption (AIOCs)

From July until the end of December 2002, the number of AIOCs under investigation grew from 21 to 96, then ultimately, to a total of 121 by 2006. Ten of the AIOCs were not investigated by Ceja but were referred to the Corruption Investigation Division of the Ethical Standards Department for investigation. Three

from July until the end of December 2002, the number of Alleged Incidents of Corruption ... grew from 21 to 96, then ultimately, to a total of 121

AIOCs were investigated by OPI. (Following coercive hearings and extensive analysis of financial records, the allegations in these cases were unable to be substantiated.)

The AIOCs generally related to the conduct of members of the former Drug Squad, prior to the disbanding of the Squad in December 2001. The AIOCs ranged from broad uncorroborated allegations involving unnamed members to quite specific allegations that named individuals. A number of the AIOCs related to allegations arising from the same incident; for example, an allegation of theft involving more than one member following the execution of a search warrant. Other AIOCs were created to consolidate different allegations against the same member.

After the intelligence gathering phase, the investigative efforts of the Task Force concentrated on seven major investigations involving the alleged criminal conduct of nine current or former serving members.

The nature of these AIOCs included conspiracy to traffic and trafficking drugs of dependence (such as heroin, cocaine, amphetamines, pseudoephedrine, ecstasy), illicit drug use, money laundering, threat to kill, theft (including theft of money, drugs, or other property), misuse of public office and pervert the course of justice (including 'greenlighting' criminals to commit offences).

¹¹ Prior to Mr Moloney's secondment to Ceja he was a Detective Superintendent. He was upgraded to Acting Commander on taking up his position to head the Task Force and promoted to Commander during the course of the Task Force. For convenience he is referred to Commander Moloney throughout this report.

Recruitment

Staffing levels fluctuated during the life of the Task Force with approximate numbers for each year as follows:¹²

Year	2002	2003	2004	2005
No. Staff	18	35	46	35

By the time Ceja was in its final phase, a total of 60 sworn and unsworn members had worked at Ceja.¹³

To begin with, Ceja management personally approached investigators and analysts to join the Task Force. This approach is typical of that adopted by other task forces.

Ceja members came from a range of areas. Due to the covert and sensitive nature of the investigations, three criteria were applied to their selection:

- no previous Drug Squad service;
- high standards of personal and professional ethics; and
- a record of skill and competency.¹⁴

After the initial 'hand picked' team was selected, they, in turn, were asked to nominate others who met the criteria, and for whom they were prepared to vouch.

The Review Team was told that the targeted recruitment strategy, while initially successful, was unable to be sustained and increasingly vacancies became difficult to fill. Three members resigned during the duration of the Task Force to take up employment offers outside Victoria Police. A number of others left on promotion or to develop their careers in other areas of Victoria Police. These departures caused recruitment challenges.

In early 2003, targeted expressions of interest to work on Ceja were invited. Sixty-six applications for research positions from mainly unsworn members were received but there was a much smaller response from investigators.

factors that might explain difficulties in recruiting investigators (were) ... the nature of the work at Ceja; a perceived negative impact on career prospects; and the professional and ethical standards required

The Review Team was told there were three factors that might explain the difficulties in recruiting investigators. These were the nature of the work at Ceja; a perceived negative impact on career prospects; and the professional and ethical standards required.

The nature of the Ceja investigations is best understood in the context of the Victoria Police environment at the time. Some of the police about whom allegations had been made had reputations as high achievers. Many in Victoria Police found it difficult to accept there could be such extensive corruption. The allegations were historic and there was voluminous information that needed to be painstakingly checked and independently corroborated. The investigations were going to be lengthy. Moving out of the mainstream work force for any length of time was likely to reduce opportunities for promotion and training.

¹² Victoria Police Task Force Wellbeing Strategy Workforce Sustainability Division March 2007

¹³ Victoria Police Task Force Wellbeing Strategy April 2007 p 2

¹⁴ Thompson Guerin Ceja Task Force Review Report July 2004 p 3

There had also been widespread publicity in 2003 about threats to a Ceja investigator.¹⁵ These factors were compounded by problems faced generally by many police corruption investigators. In my report *Past Patterns – Future Directions: Victoria Police and the problem of corruption and serious misconduct*, I identified that corruption investigators needed to be resilient to negative attitudes from some police. I also said that police corruption *investigators must be highly motivated, meticulous, resourceful, astute and experienced*.¹⁶

An internal review, commissioned in 2004, identified the recruitment problems faced by Ceja management and, amongst other things, suggested extending Force-wide invitations for expressions of interest. This strategy succeeded in filling the vacant investigator positions.¹⁷

A number of staff originally recruited to Ceja were placed against positions in an upgraded capacity, not necessarily as an inducement to join the Task Force, but to fill vacant positions. In September 2002, in acknowledgement of the demands of the job and to ensure equity for those working at Ceja, it was decided to provide a special circumstances gratuity payment to all staff. This was equivalent to 8% above normal base salary. Ceja members interviewed by the Review Team had a mixed response to this 'allowance'. Most said it made no difference to their willingness to do the job. One member went so far as to refuse to accept it. Others said it provided an appropriate compensation for the nature of the duties. The Review Team was told that calls for expressions of interest did not refer to the gratuity to ensure investigators were properly motivated to work on the Task Force.

Some information provided to the Review Team indicated that the recruitment process adopted by Ceja management of initially 'hand picking' staff, and the decision to award a gratuity payment to Ceja staff, raised issues for some in the Ethical Standards Department and others who had not been selected to work on Ceja.¹⁸ Members of other task forces such as Purana do not receive extra payments for working on a task force.

Ideally, recruitment should be a transparent process with opportunities given to the whole work force, however in the particular circumstances faced by Ceja management, it seems there were limited options. It was reasonable to expect Ceja management would look to investigators whose reputations and skills they knew. The offer of the gratuity appears to have been motivated by a desire to be fair and to compensate Ceja members for what the Corporate Committee recognised was to be an arduous and often thankless job.

Task Force Structure

From July 2002 Commander Moloney led the Task Force management team that included Detective Inspectors De Santo and Fraser. Each of the detective inspectors had three detective senior sergeants reporting to him. Each senior sergeant managed an investigation team comprising detective sergeants and two analysts.

Six telephone intercept monitors and two affidavit preparation officers were also seconded to the Ethical Standards Department to support the Ceja investigations. A barrister was retained as in-house counsel to respond to the large number of subpoenas to produce documents that were served on Ceja.

The Task Force structure is at Appendix Six. As with other modern task forces, the teams drew on specialist resources provided by a financial unit, response team, administration and information technology support.

15 *Ceja Task Force Investigation of Allegations of Drug Related Corruption- Interim Report* May 2003 p. 1 Appendix A.

16 *Past Patterns – Future Directions: Victoria Police and the problem of corruption and serious misconduct*. Office of Police Integrity Feb 2007 pp 112-113.

17 Thompson Guerin *Ceja Task Force Review Report* July 2004 p 3

18 The Police Association letter to Director 7 February 2007

Ceja Steering Committee

With the expansion of Ceja following its first internal report in July 2002, a Ceja Task Force Steering Committee was established. Chaired by then Deputy Commissioner Mr Peter Nancarrow, it originally included the Assistant Commissioner Ethical Standards Department Mr Noel Perry, and Commander David Sprague from the Ethical Standards Department.

The minutes of the first Steering Committee meeting on 23 July 2002, record that Deputy Commissioner Nancarrow outlined the *rationale for the establishment of the Steering Committee* and that he *referred to the need for on-going management of the Task Force so as to ensure the Force achieves its objectives in the investigations and the process is accountable.*

The minutes also record that Commander Moloney was to attend the weekly meetings, with Detective Inspector De Santo, to brief the Steering Committee on matters including but not limited to the following:

- management issues;
- accommodation;
- equipment;
- investigation tasks and status; and
- any other issues.

At the next meeting it was decided that Commander Moloney would be a member of the Steering Committee. Mr Kieran Walshe, then Assistant Commissioner Ethical Standards Department, now Deputy Commissioner, replaced Mr Perry in June 2004, following Mr Perry's retirement.

The decision to include Commander Moloney as part of the Ceja Task Force Steering Committee was somewhat unusual. To provide appropriate levels of accountability and to maintain operational focus I would ordinarily expect the work on any Task Force to be oversights by a Management Committee to which the head of the Task Force reports. In this instance Commander Moloney's participation on the Steering Committee meant he was in effect reporting to himself. Notwithstanding this, I am satisfied that this arrangement did not impact adversely on the effective operation of Ceja.

I recommend that any future corruption task force should have a management committee to which the operational head of the task force reports. The operational head of the task force should not be a member of the management committee.

In all, the Steering Committee met on 119 occasions before its final meeting on 4 August 2005. At its final meeting, the Steering Committee should have been in a position to be satisfied that Ceja had achieved all of its objectives and that measures were in place to ensure its orderly wind down.

Subsequent events have demonstrated that the decision to have its final meeting of 4 August 2005 was probably premature.

Had the Steering Committee continued to sit beyond August 2005 it could have made sure that there was a formal process for:

- finalising all of the outstanding matters, including those matters that were to be referred for disciplinary proceedings;
- ensuring the successful transition of Ceja members to other areas of Victoria Police; and for
- appropriate archiving of Ceja's holdings.

It would also have been beneficial for the Steering Committee to have remained in place to receive the final internal report on the operation of Ceja.¹⁹ Following Mr Nancarrow's retirement it would have been prudent to appoint a new chair who could convene meetings on a less regular and more ad hoc basis.

Notwithstanding these observations, the work performed by the Steering Committee was pivotal in ensuring Ceja remained accountable and that there was effective communication between Ceja and Victoria Police Corporate Command. This meant Ceja, through the Steering Committee, had access to the appropriate support and sufficient resources necessary to achieve the outcomes it did.

Budget

When asked to comment on the resources provided to the Task Force, everyone the Review Team spoke to said that Ceja was extremely well resourced and that the Ceja investigations were never compromised by budgetary constraints.

From January 2002 until December 2006, total operational discretionary expenditure by Ceja amounted to \$2,016,089. Ceja's total monetary cost to Victoria Police is impossible to calculate with any accuracy. Base wages for the majority of seconded sworn personnel continued to be paid by the work centre from which the person had been seconded. Ceja only paid additional salary costs associated with the allowance, upgrading and overtime for this group. Ceja also paid wages for unsworn staff. Total wage-associated costs for the period January 2002 until December 2006 amounted to \$6,313,427. Thus total budgetary allocations to Ceja were \$8,329,516 for the five year period.²⁰

External Monitoring

Ceja management developed a close and cooperative working relationship with, firstly the Office of the Deputy Ombudsman, Police Complaints and then the Office of Police Integrity

As part of its statutory oversight role a representative of the Office of Deputy Ombudsman, Police Complaints met weekly with Ceja management during the investigation phase of the Task Force. The representative reviewed every investigation file prior to its closure and was provided with a copy of the weekly Steering Committee reports and interim reports.²¹ Following the creation of OPI, in November 2004, all on-going investigations were reviewed by OPI prior to being finalised.

¹⁹ Not produced until February 2007

²⁰ I note, throughout the life of Ceja, regional and departmental heads of Victoria Police supported the release of selected members to the Task Force.

²¹ *Ceja Task Force Final Report* Victoria Police February, 2007 p 5

MANAGING THE INVESTIGATIONS

Case Management

When Ceja commenced, Victoria Police did not have a Force-wide electronic Case Management System. Accordingly, Ceja adapted as best as it could, using a combination of paper based files and discrete electronic case management systems.

In order to deal with matters initially considered low priority, an Initial Action Team was added to the structure during June 2003. The role of this team was to thoroughly assess some 42 AIOCs to determine whether or not there were relevant avenues of inquiry. If not, they were finalised and forwarded for review by my office.

The investigation methodology was multi-faceted. Information initially obtained from witnesses required corroboration from a variety of sources. Financial evidence was an extremely valuable tool

financial evidence was an extremely valuable tool used during Ceja investigations and prosecutions

used during Ceja investigations and prosecutions. A Financial Investigations Unit was put in place and an accountant from within Victoria Police was brought in to assist investigators. This was considered pivotal in being able to formulate charges. Ceja investigators also

relied heavily on telephone call charge records and subscriber checks. Telephone interceptions and, to a lesser extent, listening devices were also used.

Intelligence Methodology

As stated above, the investigation phase of Ceja was preceded by an intelligence probe which lasted six months. Building on information gained from Operation Hemi, further information was gathered in a thorough and methodical way. Relevant information was recorded in an information report, within a secure software package called Intelligence Manager. Over the course of the investigation, Ceja created more than 2,500 information reports from a variety of sources from within Victoria Police and external agencies.

Intelligence sources included, but were not limited to, human sources, law enforcement intelligence data bases, personnel records, public databases, telephone call charge records and police vehicle log books. Evidence gleaned from these sources was used to corroborate claims made by witnesses and to buttress the credibility of their evidence.

Initially each investigation team was staffed with an intelligence practitioner. Eventually each team was also provided with a researcher who worked with the intelligence practitioner. In most instances researchers received formal training after starting at Ceja and went on to become qualified intelligence analysts. The intelligence practitioners were eventually supported by an internal intelligence cell. Headed by a senior sergeant who was a qualified analyst, the cell managed all of Ceja's intelligence holdings and was responsible for ensuring the flow of intelligence across the various teams within Ceja. This unit also facilitated information technology support and reviewed investigation files for quality assurance purposes.

Intelligence Holdings

While Ceja had access to all the intelligence holdings within Victoria Police, analysts faced some difficulties in searching these holdings. At the time, Victoria Police intelligence holdings were stored in various electronic document management systems that used different software packages. This meant that searching the various holdings was time consuming. The intelligence practitioners needed to familiarise themselves with the particular storage and management methods used in each particular location.

When Ceja commenced there was also no designated Force-wide electronic intelligence management system in place. Some investigators and intelligence practitioners were unfamiliar with the system (Intelligence Manager) that was adopted by Ceja. This meant some were not able to use it to its full potential.

Ceja intelligence practitioners described Intelligence Manager as a good intelligence management system and noted that it provided the ability to link entities and allocate tasks. Software products, such as I-Base, were also used to analyse data including information reports and call charge records. Where links between particular entities were identified, the information was relayed to the relevant investigators. Charts were also produced which identified intelligence gaps for further investigation or supported evidence already in Ceja's holdings.

As Ceja was conducting several major investigations at the same time the collection of voluminous amounts of electronic data presented a number of challenges, particularly the management of telephone call charge records and telephone intercept material. To overcome these challenges Ceja had to put in place its own mechanisms to:

- ensure a logical data structure was setup for the ease of storage and management of the data;
- control versions of updated data;
- prevent duplication of information; and
- facilitate data searching and retrieval.

interpose will mean that future task force members ... will be trained in and familiar with a single, Force-wide intelligence system

the rest of the policing users. Interpose will mean that future task force members drawn from a variety of areas within Victoria Police will be trained in, and be familiar with, a single, Force-wide intelligence system.

The Review Team has been told that the entire Ceja intelligence holdings have recently been uploaded onto Interpose. Access will be restricted to only those authorised by the Assistant Commissioner, Ethical Standards Department.

Ceja investigations demonstrate the value in dedicating resources and time to intelligence gathering prior to the commencement of any investigation

analysts in the course of investigations paid valuable dividends to the effectiveness of the investigations and quality of the evidence led in prosecutions.

The Review Team was told that Project Interpose, which is being rolled out across Victoria Police, will mean that from now on the majority of intelligence holdings are stored centrally. A new 'need to share' philosophy is being developed but will include the ability to lock down some types of information from

In conclusion, there is no doubt that the Ceja investigations were truly intelligence led. Ceja investigations demonstrate the value in dedicating resources and time to intelligence gathering prior to the commencement of any investigation. The intelligence gathering phase and ongoing role given to

Managing Informers and Witnesses

When Ceja commenced there was no Force-wide informer management policy in place. Due to security issues, informers were managed within Ceja. A Detective Inspector at Ceja was responsible for ensuring compliance with the Crime Department's policy and instructions operating at the time. When an investigation relied on the evidence of an informer, an informer management plan was prepared to complement the investigation plan.

Ceja personnel also recognised that for a variety of reasons investigators needed to maintain constant contact with many of the potential prosecution witnesses. This included regular contact to reassure and check the person's general wellbeing. Investigators were required to consider whether a person should be registered as a Ceja witness. Where appropriate, applications were made to the Commander who acted as the Central Witness Registrar. All contact by Ceja with witnesses had to be recorded in the members' official diary and an entry made on the witness contact sheet. The contact sheet formed part of the witness management file which was held by the Commander.

Internal Review

During late 2003 the Steering Committee agreed to a request from the head of Ceja, Commander Moloney, to commission an internal review of the work of the Task Force (the Thompson-Guerin Review).

Accordingly, Deputy Commissioner Nancarrow as Chair of the Steering Committee sponsored a review to be undertaken on a part-time basis by Assistant Commissioner Trevor Thompson and then Acting Superintendent Brett Guerin. The review commenced on 14 January and concluded in July 2004. A copy of its terms of reference is at Appendix Seven.

In consultation with Ceja management, the Thompson-Guerin Review made a range of recommendations to improve and refine Ceja processes. Many of these recommendations were able to be implemented prior to the production of a final report.

They included processes to improve communication both within Ceja and between Ceja and other areas of Victoria Police. They also included recommendations relating to recruitment. One of which was that potential candidates should be provided with an opportunity to attend an orientation session. This would ensure that candidates would be aware of the *likely impact on their personal and professional lives associated with a long term, confidential investigation* before committing to join Ceja. The review also addressed staff wellbeing issues and recommended the development of a Task Force Staffing Standing Plan focusing on policy and guidelines for areas such as recruitment, selection, induction package, wellbeing, career development and re-deployment.

The review made a number of recommendations to enhance accountability. These included ensuring important operational decisions about the direction or focus of an investigation were appropriately recorded and communicated. The review also suggested instituting random audits of database entries to identify who was accessing Ceja's intelligence data base.

A number of suggestions related to improving investigation management rigour to ensure investigations were subject to quality assurance processes and completed in a timely manner.

The Thompson-Guerin Review report's concluding paragraph noted *the Ceja management and staff are dedicated and committed to the enormous task they are undertaking. Their professionalism is evident.*²²

The decision to commission an internal review of Ceja contributed to the effectiveness of the Task Force. The Thompson–Guerin Review brought an independent accountability to the operations of the Task Force. It was able to provide practical recommendations to improve and fine tune processes within the Task Force.

the Thompson–Guerin Review brought an independent accountability to the operations of the Task Force

I recommend that future long-running task forces should be regularly reviewed by an internal independent review team.

Preparing Prosecutions

During 2003, the Office of Public Prosecutions (OPP) established a corruption prosecutions unit. The Review Team was told the decision to create a separate unit resulted from a number of concerns including the volume of the work, security concerns and the need to avoid conflict of interest issues arising for some OPP staff. A number of OPP staff had previously worked in drug prosecutions. They had developed effective working relationships with some of the members of the Drug Squad that Ceja was investigating. In the same way Ceja was separated from the Ethical Standards Department, the corruption prosecutions unit was quarantined from the rest of the OPP. Ceja management and staff forged a strong and cooperative working relationship with the unit. This meant the OPP unit had the capacity to respond to the day to day issues raised by Ceja investigators and could identify issues in investigations that warranted further action by investigators prior to charges being laid. The arrangement was aimed at ensuring matters presented to the courts were well prepared and had the best prospects of achieving convictions. The Director of Public Prosecutions and the Commander of the Task Force are to be commended for this initiative. The staff of the corruption unit within the OPP and Ceja staff are to be commended for making it work.

Subpoenas

Separate senior in-house legal counsel was retained by Ceja, primarily to represent Victoria Police in court applications responding to the significant number of subpoenas requesting documents that were served on the Task Force. Court applications were generally objecting to the production of documents on the basis of public interest immunity.

Of the one hundred and forty applications in which counsel appeared, seventy-three related to subpoenas issued on behalf of civilians, most of whom were facing charges being brought by the Drug Squad or the Major Drug Investigation Division. The remaining sixty-seven related to subpoenas issued on behalf of current or former police members.

People interviewed by the Review Team said the amount of work involved in responding to some subpoenas was phenomenal. All of the requested documentation needed to be reviewed and was vetted on a page by page basis.

In one case, involving four defendants, it took several months for Ceja staff to comply with the subpoenas issued on behalf of the defendant police members. By the commencement of the Committal Hearing approximately 80 folders of material had been provided to each of the four defendants. On another occasion, a defence team subpoenaed the same documents twice.

The Thompson-Guerin Review had commented on the problem of responding to subpoenas. They noted projected timelines for the completion of investigations had not been met, because resources that should have been directed at completing investigations had been diverted to respond to subpoenas.²³ They noted in one case up to 25% of the Task Force's resources had been diverted from investigations for several months to deal with defence subpoenas.

the Thompson-Guerin Review ... noted ... resources that should have been directed at completing investigations had been diverted to responding to the subpoenas (being issued to the Task Force)

The exact financial costs associated with instituting and responding to these legal processes for courts, as well as prosecutors and defence teams, is difficult to calculate. However, the diversion of Ceja's investigative resources to reviewing and assessing documents in response to the subpoenas meant projected completion dates for finalising other investigations were not met.

Ceja's experience indicates it would be of benefit to examine to what extent existing court processes are being properly utilised and, if need be, any enhancements that could improve processes for responding to subpoenas.

I recommend that Victoria Police in consultation with Counsel and the Director of Public Prosecutions examine to what extent existing court processes are being properly utilised and, if need be, any enhancements that could improve processes for responding to subpoenas.

STAFF MANAGEMENT ISSUES

In addition to ensuring that appropriate staff were recruited to Ceja, an important issue for Ceja management was to maintain the welfare of its members, not only while they worked for Ceja but later as they were returning to the general workforce. Occupational health and safety issues were addressed in the Ceja induction package, but initially there was no specific psychological or welfare support provided to members of the Task Force. Ceja relied on the general psychological and welfare support offered throughout Victoria Police.

threats to ... investigators and their families (were taken) seriously and for some there was a detrimental effect on their wellbeing

However, as the investigation phase unfolded, a number of security issues arose involving direct threats to Ceja investigators and their families. Some threats gained prominent media coverage during 2003 and 2004. Ceja investigators took these threats seriously and for some, there was a detrimental effect on their wellbeing and that of their families.

As a result, Organisational Wellbeing and Clinical Services were asked to provide specific support to Ceja in August 2003. Ceja and the Organisational Wellbeing Unit developed a memorandum of understanding and Clinical Services provided a number of general information sessions to Task Force staff. A few individuals took the opportunity to have one on one consultations with clinical staff.

Those Ceja members interviewed by the Review Team who used the services offered by Organisational Wellbeing and Clinical Services said that they found the support had a positive impact on them.

Reintegration

In February 2004, following the establishment of arrangements between the Ceja management team and Organisational Wellbeing Unit, the Ceja management team undertook their own evaluation of the Task Force that looked at:

- the roles and responsibilities of Ceja staff;
- the nature of the investigations that had been conducted to date;
- the complexities of the ongoing investigations;
- the commitment required from staff to ensure the continuity of the ongoing investigations;
- the psychological impact of the work on members;
- potential opportunities lost to members because they remained on the Task Force;
- the personal development of individuals; and
- the ostracism and resentment that Ceja personnel reported experiencing from some managers, including commissioned officers, outside the Task Force.

After this evaluation, a reintegration proposal was developed between Ceja management and personnel, members of the Steering Committee, and Human Resource Management. The proposal was endorsed by the Chief Commissioner. It meant that once a Ceja staff member had completed working at the Task Force, he or she would be offered a transfer to a position that the person was qualified to fill, at the person's existing rank, and for which he or she had indicated a preference. Some of the transfers included the exercise of the Chief Commissioner's discretion under Regulation 21 of the *Police Regulation Act 1958*.²⁴ Organisational Wellbeing took a key role in managing the reintegration of individuals.

²⁴ Regulation 21 of the *Police Regulation Act 1958* allows the Chief Commissioner, in the exercise of her discretion to fill any position 'by way of transfer of a member'. These transfers can be used if the Chief Commissioner or her delegate considers it to be in the interests of the efficiency of the Force to do so. The policy governing the application of regulation 21 is outlined in detail in the Victoria Police Manual instruction 307-6.

The purpose of the integration strategy for Ceja – including Regulation 21 Transfers – was to ensure the members were not disadvantaged by having possibly missed career opportunities through their work on the Task Force. In addition to providing career development opportunities for individuals, the strategy was also intended to ensure that the skills and knowledge gained by these members during their time at Ceja, could be used in their new positions to the benefit of the force.

In all, some 28 Ceja Regulation 21 Transfers were exercised. This involved just less than half of the staff who had worked at Ceja.

The Review Team was told that there was significant criticism and opposition within the police force to these transfers. Nine of the Regulation 21 Transfers were contested and subject to applications before the Police Appeals Board. At the time of writing, two of those applications had been dismissed and one had been withdrawn. The remainder have been stayed pending a Supreme Court ruling on an application made by the Police Association. The Police Association has challenged a decision of the Police Appeals Board not to hear an appeal in relation to one of the transfers. The Supreme Court dismissed the initial appeal but the Association have sought a further review. The Police Appeals Board has decided not to hear any further applications until the Full Bench of the Supreme Court has determined the matter.

The Regulation 21 and normal transfer processes have been generally successful. However, the final Ceja report notes that *unfortunately, serious instances of harassment or victimisation were reported by three members after transferring to their new workplaces with two of the affected members taking ongoing long term leave as a result.*²⁵

The investigation of these instances was beyond the scope of the Review Team but I understand they are the subject of further inquiry by Victoria Police.

The Review Team did speak with individuals who said they believed the harassment and victimisation they experienced was related to the fact that their work at Ceja involved investigating corrupt police. The Review Team also spoke with other Ceja members who said that both during the investigation and on reintegration they were subjected to childish and inappropriate comments by other police, which were belittling and appeared to be made only because of the work Ceja was undertaking.

it indicates that Victoria Police still has some way to go to create a corruption resistant culture

This is consistent with my previous statements regarding some attitudes faced by anti-corruption investigators.²⁶ It indicates that Victoria Police still has some way to go to create a corruption resistant culture.

Police members who ostracise Ceja or other anti-corruption investigators pose a serious risk to Victoria Police. Their apparent preference to accept drug traffickers and the like, within the ranks of Victoria Police, over the skilled investigators committed to bringing them to justice, is damning.

It is incumbent on all members of Victoria Police who believe in serving the community and the law to take steps to address these attitudes.

²⁵ Ceja Task Force Final Report February 2007 p 16

²⁶ Ibid and *Past Patterns – Future Directions: Victoria Police and the problem of corruption and serious misconduct* Office of Police Integrity Feb 2007 pp 112-113

²⁷ Ceja Task Force Final Report February 2007 p 29

Ceja management in their final report suggest 'marketing' the success of Ceja to show how effective the organisation has been in tackling corruption and to send a strong message to other members that criminal or corrupt behaviour places them at high risk of being caught and successfully prosecuted.²⁷

marketing the lessons from Ceja and its achievements within Victoria Police is one way to change negative attitudes faced by some anti-corruption investigators and achieve a strong corruption resistant culture within Victoria Police

In my view marketing the lessons from Ceja and its achievements within Victoria Police is one way to change negative attitudes faced by some anti-corruption investigators and achieve a strong corruption resistant culture within Victoria Police.

I recommend that the lessons and achievements of Ceja are promoted throughout Victoria Police. Ceja case studies should be used for training purposes throughout the organisation, including at the Academy and in the Detective Training School.

Task Force Policy Development

The experience of Ceja management and staff in relation to personnel issues for task forces provide important lessons for Victoria Police.

Prior to the winding down of Ceja, Commander Langlands of the Victoria Police Human Resource Department commenced work on reviewing policies and practices associated with task force personnel issues including recruitment, selection, induction package, staff wellbeing, career development and redeployment. This was in response to concerns expressed by Ceja management and staff and noted by the Thompson-Guerin Review.

I am advised that *Victoria Police Task Force Wellbeing Strategy* with an associated Action Plan was endorsed by the People Management and Development Standing Committee on 4 April 2007. I propose to monitor the implementation of the Strategy.

COMMUNICATION MANAGEMENT

Internal Communications

The Ceja management team of Commander Moloney, Detective Inspector Fraser and Detective Inspector De Santo remained in place for the entire investigative phase of the Task Force. They were responsible for providing weekly reports to the Steering Committee and six monthly reports to Force Command.

Team leaders were required to submit weekly updates on the various investigations. These were then incorporated into reports submitted to the Steering Committee.

Each of the investigation team leaders also submitted monthly reports to the management team containing:

- work load analysis;
- narrative addressing the status of current investigations; and
- summary of human resource issues such as recreation, sick leave, training and personal development.

Team leaders then orally briefed the management team in planned 'operations meetings'.

Following the Thompson-Guerin Review, weekly meetings between teams and the team leaders took place and improved communication across investigation teams.

The Steering Committee also acted as an effective conduit to Victoria Police chain of command through its Chairman, Deputy Commissioner Nancarrow. My Review Team was told both the Deputy Commissioner and Commander Moloney, provided oral reports to the Chief Commissioner. The Chief Commissioner also visited Ceja offices on occasions.

Media Strategy

Confidentiality regarding the investigations and security of information was of vital importance for Ceja. The risks associated with information leaks was emphasised to Ceja members on induction and reinforced regularly by Ceja Management. It was decided that there would be no public comment by any Task Force members in relation to media inquiries. Where public comment was required, statements would be made by the Chief Commissioner, Deputy Commissioner Nancarrow, or through a media release.

The then Assistant Director Media had a close working relationship with the Ceja management team. Broad strategies were implemented to deal with intense media interest and speculation that arose from time to time during the course of investigations. Media interest was particularly intense following several incidents involving the personal security of Ceja personnel and following the murder of Terence and Christine Hodson, two witnesses in a Ethical Standards Department case that the media incorrectly linked to the Ceja investigations.

To help manage the media interest effectively, Victoria Police initiated presentations to various media representatives in mid 2002, and again in mid 2004. This strategy acknowledged the public's right to know without unnecessarily distracting Ceja resources from the task at hand.

OUTCOMES

Outcomes of Criminal Proceedings

Appendix One sets out the results of the prosecutions that arose out of the Ceja investigations. The charges are those on which the individuals were eventually prosecuted, not the charges that were originally laid.

Outcomes of Disciplinary Proceedings

Once Ceja moved to the investigation phase, Ceja management made a conscious decision to focus only on those matters likely to result in criminal proceedings and to give low priority to any potential disciplinary offences. The rationale for that decision is understandable. While it may have been easier to find sufficient evidence to remove members from the police force through disciplinary measures, Ceja management wanted to ensure public accountability and that where criminal sanctions could be applied, they would be applied.

This meant that evidence of disciplinary offences, for those who were peripherally associated with the criminal conduct of others, was not collated until after the relevant criminal brief had been forwarded to the Office of Public Prosecutions.

In all, matters involving six members were eventually referred to the Discipline Advisory Unit of the Ethical Standards Department from October 2005. Once at the Disciplinary Advisory Unit there appear to have been some delays in assessing matters and, once assessed, some matters appear to have been referred back to Ceja for further advice.

As a result, at the time of writing, only two of the six matters have been completed. I consider these delays to be unfortunate.

Outcome of Review Team's Audit of AOICs

The Review Team's audit of the 121 AIOCs found that each of the completed investigation files had been subject to an independent review by either the Senior Assistant Deputy Ombudsman Police Complaints, or OPI (for matters finalised since November 2004). While in a very few matters the review officer sought some clarification of an issue, in every case, on the completion of the review, the review officer indicated satisfaction with the investigation process and endorsed the investigation outcome. In a number of matters there was no evidence to support the allegation and the recommendation to close the file was endorsed. In others, there was insufficient evidence to substantiate the allegation but the recommendation to file the information for intelligence purposes was endorsed. At the time of writing there are five matters pending review. These relate to matters that are yet to be finalised. OPI will continue to monitor their progress.

Systemic Issues Identified by the Task Force

In their final report, the Ceja management team included a section on *Organisational Issues Identified and Lessons Learned* in which they make a number of comments and recommendations. Some of these have already been referred to in this report. Most of their comments and recommendations add weight to, and reinforce the findings and recommendations of the Purton Review, discussed in detail at Appendix Five.

In addition, the report makes specific recommendations in relation to the Ethical Standards Department and the importance of identifying areas of policing at high risk of developing corruption. The report recommends the regular review and monitoring of the effectiveness of the Risk Mitigation Unit within the Ethical Standards Department, in particular its proactive targeting capacity. The report states:

It must be accepted that despite sound management practices, there is always the risk that corruption will occur. It is essential that all areas within Victoria Police have the ability to identify high risk policing activities, high risk members and workplaces, and have the ability to proactively create strategies to mitigate that risk. While accepting that there is always a risk of corruption, Victoria Police cannot afford to react to previously undetected corruption without examining why its own risk identification processes did not identify it earlier.²⁸

I support these comments and propose to continue to monitor the effectiveness of the Ethical Standards Department in supporting Victoria Police as a whole to develop and maintain effective risk mitigation strategies for corruption prevention.

Future Task Forces

Part of the Crime Department's *Investigation Management Model 2004* is a *Task Force Management Model 2004*. This document was prepared by Commander Purton and has been examined by the Review Team. I am satisfied that, subject to my recommendations 1 and 2, the principles articulated in the Purton Task Force and Organisational Wellbeing documents set an appropriate framework upon which to build any future task force. I note, however, that these principles need to be flexibly applied to meet the particular circumstances any future task force is intended to address.

CONCLUSION AND RECOMMENDATIONS

Concluding Comments

At the time of writing, five former members of the now disbanded Drug Squad are serving terms of imprisonment as a result of the work undertaken by Ceja. They swell to eight the total number of former Drug Squad members who have been imprisoned for corrupt activities carried out while serving as members of Victoria Police.

The successful prosecutions speak for themselves in relation to the work of the Task Force. The fact that Ceja was established, resourced, and remained in place for over five years, indicates the resolution and commitment of Victoria Police, led by the Chief Commissioner, to pursue corruption in the Drug Squad once it became apparent.

the ostracism and resentment faced by a number of Ceja investigators ... indicates that there are within Victoria Police pockets of disturbing attitudes that, if not dealt with swiftly, risk contaminating the ethical health of the organisation

The ostracism and resentment faced by a number of Ceja investigators since their return to the mainstream workforce indicates that there are within Victoria Police pockets of disturbing attitudes that, if not dealt with swiftly, risk contaminating the ethical health of the organisation.

Ceja investigators deserve widespread acknowledgement for their skill and dedication in bringing corrupt police to justice. Loyal members of Victoria Police who want to be proud of their organisation, owe a debt of gratitude to them.

Finally, the lessons from Ceja are relevant to all law enforcement agencies and should continue to inform appropriate drug law enforcement models.

Recommendations²⁹

I recommend the following:

- 1) That any future corruption task force should have a management committee, to which the operational head of the task force reports. The operational head of the task force should not be a member of the management committee.

Victoria Police accepts this recommendation.

- 2) That future long-running task forces should be regularly reviewed by an internal independent review team.

Victoria Police accepts this recommendation.

- 3) That Victoria Police, in consultation with Counsel and the Director of Public Prosecutions, examine to what extent existing court processes are being properly utilised and, if need be, any enhancements that could improve processes for responding to subpoenas.

Victoria Police agrees that a review may be useful, as the requirement to respond to subpoenas during the course of the Ceja investigations created resource problems for the Ceja Task Force.

- 4) That the lessons and achievements of Ceja are promoted throughout Victoria Police. Ceja case studies should be used for training purposes throughout the organisation, including at the Academy and in the Detective Training School.

Victoria Police accepts this recommendation.

²⁹ Victoria Police response to recommendations are contained in a letter from Chief Commissioner to Director dated 31 May 2007

CEJA CHRONOLOGY OF SIGNIFICANT EVENTS

Date	Event
October 1999	Criminal offences commence at Chemical Diversion Desk – Paton Rosenes and Strawhorn
December 2000	Ethical Standards Department commence Operation Hemi
December 2000	Paton resigns (takes effect March 2001)
July 2001	Operation Hemi arrests Paton, Rosenes et al
August 2001	Corporate Management Review Division commences review of the Drug Squad (Purton Review)
September 2001	Controlled Chemical Deliveries cease
November 2001	Purton Review makes 144 recommendations including creation of a Task Force (Ceja) to investigate allegations of corruption
November 2001	Drug Squad is disbanded and replaced by the Major Drug Investigation Division
January 2002	Ceja Task Force intelligence gathering phase
June 2002	Ceja provides interim report requesting further resources
July 2002	Ceja expanded with Commander Moloney appointed in charge and the Steering Committee commences
February 2003	Additional Staff commence at Ceja
March 2003	Strawhorn arrested
May 2003	Interim Report of the Ombudsman Victoria into Ceja
May 2003	Fergusons, Cox and Sadler arrested
January 2004	Thompson-Guerin Review internal review of the Ceja Task Force commences
June 2004	2nd Interim Report of the Ombudsman Victoria into Ceja
July 2004	Thompson-Guerin Review concludes
October 2004	Reintegration process commences
August 2005	Investigation phase of Ceja concludes but work assisting various prosecutions continues
August 2005	Ceja Steering Committee Final Meeting
November 2006	Office of Police Integrity Final Review of Ceja commences
February 2007	Final report of the Ceja Task Force submitted to Chief Commissioner Nixon

APPENDIX ONE – PROSECUTION TABLE

NAME	FORMER RANK	CHARGES	VERDICT	SENTENCE
Wayne Strawhorn	Detective Senior Sergeant	<ul style="list-style-type: none"> Traffic pseudoephedrine Traffic pseudoephedrine x 4 Threat to kill 	Guilty Not Guilty x 3 No Verdict x 1 Not Guilty	7 years imprisonment, minimum 4 to serve \$12,000 pecuniary penalty order
Stephen Cox	Detective Sergeant	<ul style="list-style-type: none"> Conspiracy to traffic heroin 	Guilty	7 years imprisonment, minimum 4 to serve \$22,000 pecuniary penalty order
Glenn Sadler	Detective Senior Constable	<ul style="list-style-type: none"> Conspiracy to traffic heroin 	Guilty	10 years imprisonment, minimum 6 to serve \$71,000 pecuniary penalty order Forfeit motor vehicle
Ian Ferguson	Detective Senior Constable	<ul style="list-style-type: none"> Conspiracy to traffic heroin Conspiracy to money launder 	Guilty	12 years imprisonment, minimum 8 to serve \$999,500 pecuniary penalty order Forfeit property and real estate
Matthew Bunning	Detective Senior Constable	<ul style="list-style-type: none"> Operate account false name x 2 Theft x 4 Obtain financial advantage by deception Deal with proceeds of crime x 8 Possess drug of dependence x 8 Alter prescription for drug of dependence 	Guilty	1 month imprisonment Community Based Order 100 hours unpaid work, undergo drug and alcohol testing
Matthew Bunning <i>Second series of charges</i>		<ul style="list-style-type: none"> Misconduct in public office x 12 Theft Possess ammunition without a license Possess regulated weapon 	Guilty	6 years 10 months imprisonment, minimum 3 to serve \$400 fine
Kellianne Gorrisen	Senior Constable	<ul style="list-style-type: none"> Traffic cocaine Traffic ecstasy 	Guilty	2 year good behaviour bond \$1500 to court fund
Bradley Ferguson	Senior Constable	<ul style="list-style-type: none"> Traffic amphetamines Traffic cocaine (These offences occurred after the former member resigned from Victoria Police)	Guilty	Awaiting sentence

CIVILIAN PROSECUTIONS

NAME	CHARGES	VERDICT	SENTENCE
Albert Elia	<ul style="list-style-type: none"> Traffic cocaine Possess amphetamines 	Guilty	Community Based Order
Albert Elia <i>Second series of charges</i>	<ul style="list-style-type: none"> Traffic and use amphetamines 	Guilty	9 months imprisonment to be served as intensive corrections order
Joshua Flint	<ul style="list-style-type: none"> Traffic methamphetamine Possess methamphetamine Possess LSD 	Guilty	12 month good behaviour bond \$1000 to court fund
Dianne Linskens	<ul style="list-style-type: none"> Perjury at common law x1 Statutory perjury x 2 	Guilty	18 months imprisonment suspended for 2 years
Bruno Pinhao	<ul style="list-style-type: none"> Traffic cannabis 	Guilty	\$1500 fine
Christopher Winsor	<ul style="list-style-type: none"> Traffic drug of dependence x 4 Possess LSD 	Guilty	3 years imprisonment suspended for 3 years \$5050 pecuniary penalty order
Jennifer Harkness	<ul style="list-style-type: none"> Traffic amphetamines Traffic cocaine 	Guilty	Awaiting sentence

APPENDIX TWO – TERMS OF REFERENCE

Objective

To provide a final report for tabling in Parliament that provides an overview and detailed evaluation of the Ceja Task Force investigative model.

Scope of Report

1. Introduction

- Why the Ceja Task Force was necessary?
- How the Ceja Task Force was created?
- The structure and composition of the Ceja Task Force.
- Recruitment to the Ceja Task Force.
- How the Ceja Task Force managed the adversarial environment?

2. Case Management Methodology

- What case management model was used?
- How were investigations planned?
- How were investigations practically conducted?
- How were informers managed?
- How were investigations reviewed and monitored?
- What quality assurance processes were undertaken?

3. Intelligence Methodology

- What intelligence methodology was used?
- How were intelligence practitioners deployed?
- What processes were used to ensure the flow of intelligence information within the Ceja Task Force?
- How was intelligence received by the task force?
- What balance was achieved between proactive and reactive intelligence analysis?
- What quality assurance and intelligence evaluation was undertaken?
- What measures have been taken to preserve and facilitate access to intelligence holdings for the future?

3 Communication Management

- What was the method used to communicate operational information within the task force?
- How did the task force report its activity to the Victoria Police chain of command?
- What methods were used to ensure effective communicate between Ceja task force and Ethical Standards Department?
- To what extent did Ceja Task force integrate with whole of force corporate governance systems?

4 Outcomes

- Update outcomes of criminal proceedings (including acquittals).
- Update outcomes of disciplinary proceedings.
- What systemic misconduct issues did the task force uncover?
- What systemic issues remain to be examined by the Ethical Standards Department and the OPI?

6. Recommendations

- Make recommendations as necessary to improve Victoria Police task force management systems.

APPENDIX THREE – METHODOLOGY

In carrying out the review, the Review Team met and spoke with the following:

- Ms Christine Nixon, Chief Commissioner of Police;
- Mr Simon Overland and Mr Kieran Walshe, Deputy Commissioners;
- Mr Brian Hardiman, the former Senior Assistant Deputy Ombudsman Police Complaints and Deputy Director, Police Integrity;
- Mr Peter Nancarrow (then Deputy Commissioner, now retired);
- Commander Terry Purton, who conducted the Corporate Management Review Division 2001 Drug Squad Review;
- Commander Dave Sprague, former member of the Ceja Steering Committee;
- 35 past and current serving members (including unsworn members) of Victoria Police who were part of Ceja;
- Members of Victoria Police, Corporate Committee;
- Mr Rod Gray and Ms Lorraine McIntyre, Office of Public Prosecutions Corruption Unit;
- Legal counsel retained by Ceja;
- Officials from the Police Association;
- Mr Trevor Thompson (then Assistant Commissioner, now retired) and Superintendent Brett Guerin who conducted 2004 Ceja Task Force Review;
- Organisational Well Being staff;
- Victoria Police Media Director;
- Members of the Ethical Standard Department including representatives from the Discipline Advisory Unit and the Risk Mitigation Division;
- Members of Project Nimbus and the Interpose implementation team who discussed recent and proposed changes to Victoria Police intelligence and case management methodologies; and
- Representatives from the Crime Department, who discussed the systems applicable to the Purana Task Force, the Major Crime Management Model, and the Task Force Management model.

The Review Team also reviewed extensive documentation relating to Ceja including:

- Purton Report 2001 reviewing the Drug Squad;
- Operation Hemi file;
- Ceja Steering Committee minutes;
- Ceja Management Team briefing reports to the Steering Committee;
- AIOC investigation review files;
- Thompson-Guerin Review of Ceja (2004);
- Ceja Task Force Interim Reports;

- Ceja Final Report (February 2007);
- Crime Department / Regional Investigation Management Model documentation;
- Media reports regarding Ceja;
- Crime Department / Regional Task Force Management Model 2004;
- Ceja Knowledge Management Business Case 2006/2007;
- Australian Federal Police Consultant's Report (Davidson / Trahaire) October 2002 - Framework for Successfully Re-Integrating Returning members from Overseas Posts / Assignments; and
- 2004 - 2005 Review of Ethical Standards Department.

The Review Team also prepared and distributed a questionnaire for Ceja members, and reviewed the 18 written responses to the questionnaire. A copy of the questionnaire is attached to this report as Appendix Four.

Finally the Review Team conducted an audit of all Alleged Incidents of Corruption (AIOC's) initiated by the Task Force.

APPENDIX FOUR – QUESTIONS FOR TASK FORCE MEMBERS

How were you recruited to the Ceja task force?

Did you have any difficulty with the manner in which you were approached and eventually appointed to Ceja?

How well did you see the task force managing the adversarial environment or wasn't it apparent to you?

What case management model was used and was it satisfactory? If not, how could it have been improved?

Were you involved in the planning of the investigations and were you satisfied in the way they were conducted?

Were the investigations reviewed and regularly monitored and given quality assurance process?

What intelligence methodology was used and was it satisfactory. How could it have been improved?

Were the intelligence people practically deployed and involved in the collection collation and analytical work?

As intelligence can be the life-line of an investigation were there systems put in place so as to ensure there was a continual flow and awareness of same?

How was the intelligence received and was there any received from outside of Ceja?

How was the intelligence evaluated and checked so as to ensure its quality was validated?

Are you aware of what has happened to Ceja's intelligence holdings. What has happened to it?

What was communication like within the task force. Was it satisfactory, how could it have been improved?

Were you aware of how Ceja's management reported the activities and progress of Ceja to force command?

Was there a liaison point with ESD and if so how did it work? If not should there have been one and what would have been your expectations of ESD?

A silly question but during your lengthy time with Ceja did you still feel you were a part of Victoria Police or a separate entity?

Were you happy with the media strategy or could it have been improved? If so how?

As a member of Victoria Police what systemic issues of misconduct did you see/uncover?

When Ceja was wound up were you happy with the manner in which outstanding issues were going to be handled?

Were you happy with your reintegration back into mainstream policing? If not what could have been improved?

Would you be prepared to work in another task force?

Are there any issues whatever that you would wish to raise?

APPENDIX FIVE – SYSTEMIC ISSUES AND THE PURTON REVIEW

In addition to recommending the establishment of Ceja, other significant recommendations made by the Purton Review included:

- A restructure of the Drug Squad;
- The immediate suspension of the Controlled Chemical Deliveries program and the review of the program, policies and procedures associated with controlled deliveries;
- Introduction of maximum of 5 years continuous tenure in major drug investigations;
- An enhanced selection process for drug investigators;
- Introduction of psychological, drug and alcohol testing of members working in major drug investigations;
- Improved management, personnel monitoring, auditing and accountability practices;
- Legislative amendment to:
 - o Include precursor chemicals as restricted substances under Drugs Poisons and Controlled Substances Act 1981;
 - o Require chemical companies to obtain End User Certificates from customers who purchase precursor chemicals; and
 - o Enable the timely disposal of seized drugs;
- The adoption of a new Informer Management System with improved audit and compliance safety mechanisms;
- Improved practices for the management of property and exhibits including consideration of the viability of video taping searches and the introduction of tamper proof exhibit bags for drug storage; and
- Amendment to Witness Security procedures.

At the time, Victoria Police endorsed all of the Purton Review recommendations and established a steering committee to oversee their implementation. An independent review of the implementation and effectiveness of the recommendations was commissioned by the Corporate Management Review Division in 2005 (the Thompson-Humberstone Review).³⁰ The majority of recommendations have been implemented.³¹ The Victoria Police Audit Committee recently reviewed those few Purton Review recommendations that as yet have not been implemented. Some recommendations have become redundant due to changes to the structure of the Crime Department and the implementation of the Crime Management Model. Remaining issues in relation to some key recommendations are discussed below.

Restructure of the Drug Squad

Consistent with the Purton Review, the Drug Squad was restructured in January 2002 and the Major Drug Investigation Division (MDID) was established as a division within the Crime Department. Many members of the former Drug Squad were transferred to the MDID and a new management team was put in place. In September 2003, the new managers and dedicated MDID members were dealt a serious blow when a former Drug Squad member, Detective Senior Constable Miechel, who had been transferred to the MDID, was arrested with his informer (the late Terence Hodson).

³⁰ *Post Implementation Review of the Drug Squad Review 2001 Recommendations 2005*

³¹ *Minutes Victoria Police Audit Committee 1 February 2007 pp 34 - 38*

They were both charged with the theft of a significant quantity of drugs. A second member of MDID, Detective Sergeant Paul Dale, who was also a former Drug Squad member, was implicated in the burglary, but charges against him were dropped following Hodson's murder. These and related issues were the subject of my investigation into the unauthorised disclosure of a sensitive police information report relating to information provided to police by Hodson.³²

The conduct of Dale and Miechel serve to support the contention that corruption is like a disease, that if not managed effectively, can become contagious and spread.³³ This also serves as a warning to Victoria Police that any re-structure of a problem squad or area must address cultural and management issues.

In my Interim Report on Ceja I noted that:

*Institutionalised corruption and unethical behaviour by individual officers may therefore be seen as a product of the failure of police leadership down the line. There is in Victoria Police a 'reality gap' between the ethical standards prescribed by management and the perceptions of those values by subordinate members. Cynical supervisors have in many cases fostered that gap.*³⁴

A more recent reorganisation of the Crime Department and the implementation of the Crime Management Model, may reduce the development of inappropriate specialist squad culture. I propose to examine this issue in more detail in a report to be tabled in Parliament at some stage in the future.

Notwithstanding the setback in 2003, Thompson-Humberstone found that the overall effect of the implementation of the Purton Review recommendations had been to reduce the risk of corruption within the MDID. Thompson-Humberstone found that notwithstanding the cessation of controlled chemical deliveries in 2001, the arrest and clandestine laboratory detection rate was on target in 2005 to reach a new high. In addition despite an initial decline in morale and difficulties in recruiting drug investigators, the number of personnel being recruited to the area had also recovered and was steadily rising.³⁵ My Review Team was told current management has taken an interventionist approach with personnel and is determined to ensure that corruption prevention measures are in place.

Personnel Issues

Citing recommendations made by both the Fitzgerald and Wood commissions into corruption³⁶, the Purton Review recommended a limited tenure of a maximum five years (a three year appointment with two possible 12 month extensions) for those involved in major drug investigations. The Purton Review's report noted:

The capacity to rotate officers through 'high risk' areas is desirable to reduce opportunities for the forming and maintaining corrupt associations both with colleagues and with criminals.

The report also noted:

*The inability to move or rotate members through various areas of the Force serves to handicap effective personnel management from an anti-corruption perspective.*³⁷

My review team was told limited tenure in squads or Task Forces has been implemented within the Crime Department. I consider that as an ethical health measure, the rationale for limited tenure and compulsory staff rotation is applicable in a number of policing positions, not just 'high risk' areas.

32 See *Report on the Leak of a Sensitive Victoria Police Information Report* Office of Police Integrity 2005

33 Peter Larmour *Diagnosing the disease of corruption: what different disciplines say about curing corruption in Corruption and Anti-Corruption* Crawford School of Economics and Government Australian National University 2006 p 7

34 *Ceja Task Force Drug related Corruption* Second Interim Report of Ombudsman Victoria 2004 p 13

35 *Review of the Drug Squad Review Recommendations* CMRD 2005 p 23

36 *Report* Commission of Inquiry into Possible Illegal Activities and Associated Police Misconduct (G E Fitzgerald Chairman) Queensland Government Printer 1989 and *Report* Royal Commission into

the New South Wales Police Service (The Hon. Mr Justice J Wood) Government of New South Wales 1996

37 *Confidential Report to Ombudsman* 2001 p 142

Management roles in particular benefit from fixed term positions. The rotation of managers facilitates leadership informed by broad based experience and 'fresh ideas' rather than burnt out maintenance of the status quo.

The Purton Review also made recommendations in relation to staff selection for MDID investigators. These included psychological testing, drug and alcohol testing and probity checks. Most of these suggestions have force wide implications. Some have been considered as part of negotiations with the Police Association in relation to the enterprise bargaining process. They have also been considered in the formulation of recommendations for legislative change arising from a review of the Police Regulation Act 1958. Some members of the MDID, who regularly handle drugs undergo drug testing to ensure they are not adversely affected by the drugs they handle. However, aside from recruits and some specialist areas, general psychological testing, probity checks and drug and alcohol testing have not been incorporated into Force-wide Victoria Police policy.

The Thompson-Humberstone Review noted a number of issues with the implementation of the recommendations in relation to probity checking. These included issues relating to the quality of information held by the Ethical Standards Department and the resources available to thoroughly vet prospective employees in high-risk areas. Thompson-Humberstone noted there had been a Memorandum of Understanding developed between Crime Department senior management and the Ethical Standards Department whereby all critical appointments would be subject to checks on the Register of Complaints, Serious Incidents and Discipline database (ROCSID) and intelligence checks with the Ceja databases. Despite this, Thompson-Humberstone noted:

- *One probity check for an MDID applicant failed to identify that the selectee had significant personal psychological and alcohol abuse issues well known to previous managers;*
- *In the case of successful appellants at the Police Appeals Board – no probity checking is conducted as the Ethical Standards Department have a policy of only probity checking applicants selected by the selection panel;*
- *Probity checks only cover the period since the member transferred to their current position;*
- *There are restrictions that limit what can be provided in a probity check for example – unsubstantiated or not proven complaints even if voluminous are not included in probity checks;*
- *There is limited capacity at Ethical Standards Department to meet probity check demands; and*
- *The requests number approximately 300 per month not including annual medal award probity checks which number approximately 3,500 per year.³⁸*

The Thompson-Humberstone Review referred the issue of probity checking for selection panels to the Corporate Management Review Division. Thompson-Humberstone suggested there be a review of selection panel probity checking. In their recent consideration of this suggestion, the Victoria Police Audit Committee indicated their view that the reorganisation of the Crime Department would resolve the problems of selection and probity checking as all vacancies for positions are now advertised for the Crime Department not a specific Squad or Task Force. They said:

Movement into the Drug Task Force is by selection/suitability/applicability. It is felt that the new selection process and reorganisation make this recommendation (about reviewing probity checking) redundant.³⁹

I understand the issue of probity checking and vetting is under review by the Ethical Health Standing Committee. Many aspects of policing put members in positions vulnerable to all sorts of abuse of power, including corruption. I consider the issue of probity checking and vetting, requires attention not just in the Crime Department, but across Victoria Police as a whole. I propose to monitor this issue.

³⁸ Post Implementation Review of the Drug Squad Review 2001 Recommendations Corporate Management Review Division p 23

³⁹ Minutes Victoria Police Audit Committee 1 February 2007 p 38

Informer Management

The mismanagement of informers was identified as a most significant factor in the corruption uncovered at the Drug Squad. The Purton Review identified the lack of an appropriate Force-wide management system for informers (now known as human sources) as a critical risk to Victoria Police and made a number of recommendations regarding this issue.⁴⁰ Victoria Police has now established a policy framework for these recommendations and a Force-wide human source management framework is now in place.

Inadequate control and mismanagement of informers was central to some of the corrupt practices uncovered at the Drug Squad and elsewhere.⁴¹ I will continue to monitor the effectiveness of this policy and will report on this issue at a subsequent time.

Videotaping Searches

The Purton Review identified that the management of property and exhibits was also an area of critical risk for the drug squad.⁴² The review recommended that Victoria Police should examine the viability of videotaping searches. Accordingly, a pilot was established. A review of the pilot recommended, as a complaint reductions strategy, that there be videorecording of searches by all Crime Department Squads, all Criminal Investigation Units and Regional Response Units, with associated training.⁴³

The final internal report of the Ceja Task Force strongly supports the videorecording of searches. The report notes:

Many of the allegations of theft investigated by Ceja related to allegations that Drug Squad personnel stole cash, drugs or other valuables during the execution of search warrants. ... in many cases the thefts related to property that was located 'out of sight' and uncovered during the search while the occupier of the premises was in another area of the house ... in most cases, a number of police simultaneously searched different areas of the premises while the occupant was detained in one room, providing ample opportunity for theft. In other cases where the defendant was present, there was a lack of supervision or complicity by the supervisors that allowed the thefts to occur.⁴⁴

The Ceja management team suggest the recording should be continuous and that searches should be conducted one room at a time, in the presence of the occupier. I am aware that a draft policy on videorecording searches has been prepared by the Crime Department.⁴⁵ The draft policy states all searches conducted by the Crime Department, under the authority of a search warrant are to be videorecorded. The draft policy notes that many searches take considerable time to complete and permits the intermittent recording of aspects of the search.⁴⁶ The intermittent recording of searches in every circumstance may defeat an important purpose underpinning videorecording searches, namely to prevent opportunistic or deliberate corruption. I accept continuous videorecording is not always possible but in my view, the policy should reflect that, wherever practicable, it is desirable for a search to be conducted one room at a time, in the presence of the occupier.

40 Confidential Report to Ombudsman 2001 and Ceja Final Report Feb 2007

41 See Ceja Task Force Drug Related Corruption Second Interim Report Ombudsman Victoria June 2004 also *Past Patterns – Future Directions: Victoria Police and the problem of corruption and serious misconduct* Office of Police Integrity February 2007

42 Confidential Report of Ombudsman 2001 p 115

43 Evaluation of the Video Recording of Searches Pilot Project

44 Ceja task Force Final Report February 2007 p 23

45 Video Recording during the Execution of Search Warrants (7/2006 – 2007)

46 Video Recording during the Execution of Search Warrants (7/2006 – 2007) para 2.7

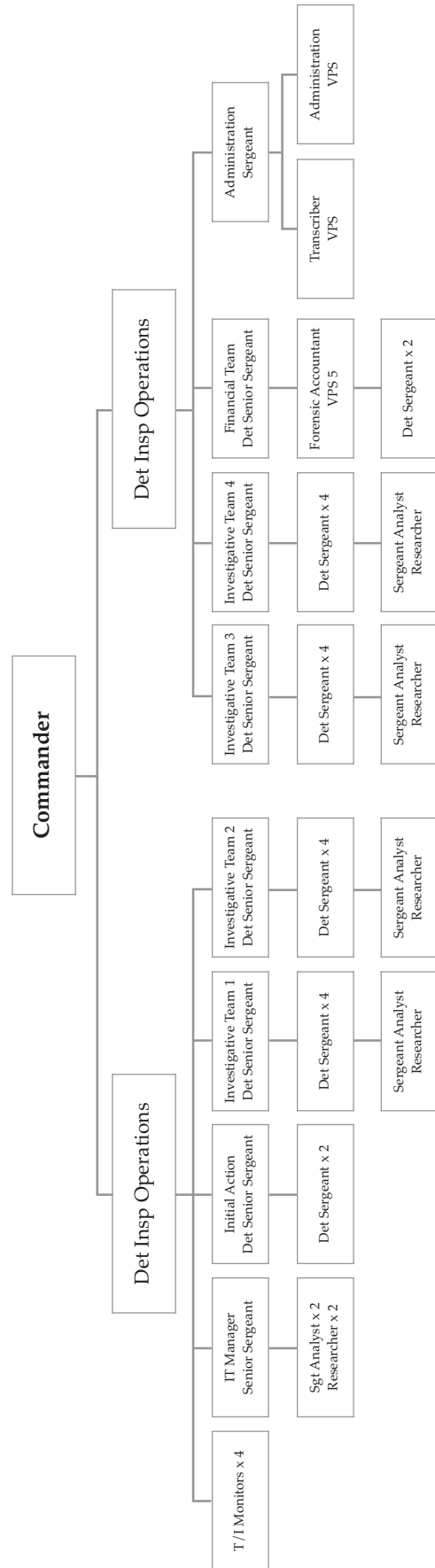
Legislative Amendments

Only one of the legislative amendments recommended by the Purton Review has been implemented. Provisions relating to the timely disposal of seized drugs came into effect on 1 May 2007.⁴⁷ Recommended amendments to the *Drugs Poisons and Controlled Substances Act 1981* in relation to including precursor chemicals as restricted substances and requiring chemical companies to obtain end-user certificates have not proceeded. This is notwithstanding the Chief Commissioner's having supported the amendments and raised the matters within the Department of Justice. I understand the issue is being addressed as part of a National Working Group that aims to standardise procedures and formulate recommendations for uniform legislative provisions. I consider it is a matter of priority that Victoria should increase the regulation of the sale of precursor chemicals in line with National standards.

Impact on the work of Ceja

The 2001 Drug Squad Review is a good example of how Victoria Police was able to act quickly and decisively when confronted with serious allegations of corruption. The Purton Review made comprehensive recommendations that have been a catalyst for a wide range of reforms across Victoria Police. The decision to conduct the Purton Review and implement the recommendations arising from the Review meant Ceja could get on with investigating the allegations.

APPENDIX SIX – CEJA TASK FORCE STRUCTURE

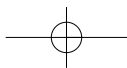
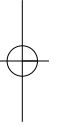


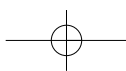
Commander x 1
Inspector x 2
VPS 5 x 1
Senior Sergeant x 7
Sergeant x 29
Other Ranks and VSP x 12

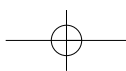
APPENDIX SEVEN – TERMS OF REFERENCE THOMPSON-GUERIN REVIEW

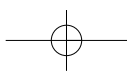
The Terms of Reference for the Review were:

- (i) **Staffing**
 - Recruiting Strategy
 - Levels
 - Succession
 - Professional development and reintegration
- (ii) **Staff Wellbeing**
 - OH & S
 - Equity and Diversity
 - Welfare
- (iii) **Structure and Management**
 - Team and Task Force structure
 - Management span
 - Management reporting
- (iv) **Investigations**
 - Prioritisation
 - Methodology
 - Management
 - Brief preparation
 - Bail applications
- (v) **Liaison with Major Drug Investigation Division**
- (vi) **Liaison with Office of Public Prosecutions**
- (vii) **Media Strategy**
- (viii) **Security**
 - Premises
 - Information
 - Personal
- (ix) **Property and Exhibit Management**
- (x) **Informer/Witness Handling**
- (xi) **Monthly inspection process**
- (xii) **Budget Expenditure**
- (xiii) **Ceja Project Recommendations**









VPL.0015.0002.0113

Office of Police Integrity
Level 3, South Tower
459 Collins Street
Melbourne VIC 3000

Phone 03 8635 6188
Fax 03 8635 6185
Toll free 1800 818 387
Email opi@opi.vic.gov.au
www.opi.vic.gov.au