

From: Pope, Jeff
Sent: Thu, 30 Aug 2012 17:05:16 +1000
To: Lay, Ken (COMMISSIONER);Ashton, Graham
Subject: RE: SDU

Thanks Ken - Liz has been involved along the way but has no knowledge of the Comrie Review. I will convene a meeting with her and Paul Sheridan to discuss and ensure we are acting within the IR laws and are defensible in our actions. I will come back with further advice as we may need to provide some more details to Greg before we move.

Regards

JP

From: Lay, Ken (COMMISSIONER]
Sent: Thursday, 30 August 2012 3:10 PM
To: Pope, Jeff; Ashton, Graham
Subject: RE: SDU
Sensitivity: Confidential

Thanks Graham and Jeff,

I spoke to Greg and this is not on his radar at all which is a good sign. I have advised him that there has been a lot of work around this and other high risk areas and I am obliged to act on the recommendations and findings. He was ok as long as we followed the agreed processes of review and redeployment.

As Jeff has rightly indicated, this one could be very difficult so it is important that we get the process right and defensible. Just on Jeff's point below though, I am not sure we can have that broad understanding that only 1-2 will stay unless we have done the review work. That is of course unless there are performance or probity issues that require urgent attention.

Jeff has outlined some really problematic behaviour and I am not sure if the recording and actions to address these shortcomings is sufficient to allow us to act unilaterally.

I am not sure if Liz Cheligoy is involved in the process as yet but I would think she is someone who can walk us through the process without getting ourselves locked into a long and protracted process.

Views

Ken D. Lay APM |Chief Commissioner
address [REDACTED] Docklands Vic Australia 3008
phone [REDACTED] **fax** [REDACTED] **email** [REDACTED]

From: Pope, Jeff
Sent: Thursday, 30 August 2012 2:17 PM
To: Ashton, Graham; Lay, Ken (COMMISSIONER]
Subject: RE: SDU
Sensitivity: Confidential

Graham

I think we can make this work providing there is a broad understanding that only 1 or 2 of the existing staff will transition to the HSMU and a majority (about [REDACTED] will need to be re-deployed).

From: Ashton, Graham
Sent: Thursday, 30 August 2012 12:12 PM
To: Pope, Jeff; Lay, Ken (COMMISSIONER]
Subject: RE: SDU
Sensitivity: Confidential

Jeff,

Have discussed the below email with Ken. Rather than referring to shutting down SDU, we would prefer it to be referred to as a transitioning of SDU into HSMU as a result of the range of factors you have nominated. Accordingly a transition plan allowing for this to occur could be the principal document we use to socialise the entire move with all stakeholders. Obviously under the transition plan not all members of the current SDU will need to be transitioned to HSMU and some will therefore need to go for re-deployment. This approach may limit some of the issues, as under the present plan it could be argued you are disbanding the unit prior to conducting your wide ranging review. Ken will meet with the TPA as discussed and will raise the SDU in general terms and refer broadly only to our intentions. This will allow time for the transition plan to be written and rolled out.

Happy to discuss.

Graham Ashton AM

Deputy Commissioner, Specialist Operations
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From: Pope, Jeff
Sent: Wednesday, 29 August 2012 9:52 AM
To: Lay, Ken (COMMISSIONER]
Cc: Ashton, Graham
Subject: SDU
Importance: High
Sensitivity: Confidential

PROTECTED

Ken

Grateful if you could please convey the following regarding the Source Development Unit (SDU) to Greg Davies in your meeting tomorrow.

Objective:

Close down the SDU by mid September with minimal fuss, risk and impact (on the members, the organisation and the community).

Relevant background (but not all for disclosure to the TPA):

The SDU has a strength of about [REDACTED] FTE which largely consists of [REDACTED] as dedicated human source handlers. There are [REDACTED] position, [REDACTED] analysts and the unit is managed by D/Insp John O'Connor and Supt Paul Sheridan.

Both John and Paul have been grappling with significant cultural issues in the SDU since they arrived. Many of the handlers are ex armed robbery squad/armed offenders squad and don't like being managed. There are significant egos working in the SDU and they actively resist management and there are a number of examples where they have worked their way around management to orchestrate the outcome they are seeking to derive.

Over the past few years, since Paul and John have been provided much stronger leadership than the previous regime there have been a number of instances of poor judgment (eg wanting to register the wrong sort of people as a source who present significant organisation risk), retaining very close associations with an ex-member whose integrity is highly questionable (about to be charged by the AFP) and who they were seeking to register as a human source which would have afforded this person some level of protection in his defence, a number of instances of not following proper process and policy and a regular resistance to new policies and processes.

The SDU previously worked at [REDACTED] We pulled them back into [REDACTED] (where they originally began) about 12 months ago and their resistance to management has escalated since.

There is a high degree of risk in having people in this environment for lengthy periods. A number of the staff are presenting indicators of health and wellbeing issues. They receive psych support but these risks persist. Late last year [REDACTED] from the SDU was sacked at a level 2 discipline hearing for a range of very poor behaviours that bought significant risk to him, his colleagues and the unit - all of these behaviours were witnessed and tolerated by his colleagues and [REDACTED] at the SDU without intervention.

For the past 2 years the members have been receiving a disruption allowance (which gives them about an extra \$11,000 pa over and above their commuted overtime allowance and their plain clothes allowance). They are earning very good money. This has resulted in the staff wanting to stay longer than what they may have originally planned and some have now been at the unit and working in this environment for nearly ? Years. As part of the disruption allowance the members are supposed to rotate out to operational policing duties for a minimum of 3 months, preferably 6 months every 3 years. Many in the SDU have resisted.

The SDU are currently under a formal organisational review (which began about 4 months ago) where we having be exploring the options of introducing a 3-5 year maximum time in position to help mitigate these risks. This continues to be strongly resisted by the SDU staff (despite it being a recommendation made by the founding [REDACTED] - who still holds a position there - in the documentation that resulted in opening the SDU).

We have spent a lot of money over the years training people to become handlers of high risk human sources but they rarely get the chance to apply for positions at the SDU as there is very little turn over. Unfortunately though a number of people that have been trained are of a similar ilk to the current cadre so we have been working hard to fundamentally change the selection process for the course and to try and attract females - again this has been resisted.

Despite the above it should be noted that they have also delivered some good outcomes for the organisation by recruiting and managing high risk human sources that have produced some excellent information resulting in arrests and large drug seizures.

Comrie Review:

Parallel to the organisational review of the SDU we have commissioned and in late July received the Comrie Review. One of the reasons for commissioning the Comrie Review was to utilise the learning to inform the review process and shape the next evolution of the SDU.

The Comrie Review focused on the what policies and practices were in place to recruit legal practitioners as human sources. The review looked at the case of a previous legal practitioner that was recruited and managed by the SDU for a number of years (during difficult times).

As you know the Comrie Review has identified:
- a lack of policies and processes

- very poor practice by the SDU in this particular case - with the file in an absolute mess requiring me to identify other staff to go off line for 6-12 months to reconstruct the file
- highly unethical conduct by the handlers in this case
- likely discipline and potentially criminal charges being laid against SDU staff
- very poor leadership and a total lack of judgment and governance by the [REDACTED] and Insp of the SDU at the time

The outcome of the Comrie Review is far worse than anyone expected and has highlighted significant issues. Two of the more significant issues is that most of the people involved in the case examined by Comrie still work at the SDU. Moreover, these people are instructors and assessors on our [REDACTED] human source course which is the course that teaches [REDACTED] human source management in Australia - we train people from all around the country. There seems to be a culture of preaching the right methodology and process but actually doing something completely different.

Knowing what we now know from the last few years of the SDU and particularly from the Comrie Review, it is my strong view that the retention of the SDU in its current form is incongruous and bring significant organisational risk to the reputation of Victoria Police. I could not publicly justify why we would keep going with the current arrangements based on what we now know. As you know, appropriate referrals to external agencies have been made, and more a likely as we begin to reconstruct the file.

The plan:

In broad terms Paul Sheridan and I have devised the following plan (and I have also broadly briefed Graham)

- as a consequence of the Comrie Review we will close the SDU by mid Sept
- we will move all SDU staff with their position to other work locations that we will negotiate with them - they will be an additional resource. We will give them up to a maximum of 6 months to find a suitable position before we move them onto FRG. Under the EB they have the right to retain their current allowances for 12 months.
- we will transition the management of current high risk human sources to other suitably qualified handlers throughout the state and in some instances where they have not been that productive we will de-register them
- I will seek to transfer two of the current SDU members (who have not had any dealings with the case examined by Comrie as they have recently arrived) to the Security and Organised Crime Intelligence Unit (SOCIU) where they can assist with continuing to manage existing some of the existing SDU sources and they can provide some capability to recruit new sources. SOCIU also have a number of people trained to do this sort of work and we will get them to step in if and when required. Therefore we believe there will be no gap in organisational capability around managing existing high risk human sources and recruiting new ones if needed.
- We will then seek to move some of these positions from the SDU into the Human Source Management Unit to bolster our level of governance, risk management, quality assurance, policy and training for all human source handlers across the state (this capability has been way under done for far too long and presents a significant risk - the focus of a number of Comrie recommendations.
- we will then begin a robust review of human source management in Victoria which will include reviewing the training, reviewing the policy, processes, governance, quality assurance etc and most importantly review our human source management model. The review of the model will look at how human sources should be managed in the regions where current performance in human source management is very poor (meaning very low numbers which is not helping us with our crime rate challenges) and whether or not we actually need a dedicated unit to manage high risk human sources or whether or not there is an alternative. This will take about 4-6 months to finalise and I am confident there will be no drop in service and capability during this time. By that time the SDU positions will be free and we will be able to use those positions to support a new state wide human source management model. This presents us with an opportunity to move to international best practice and lead the way.

Key messages to the TPA:

- we are unable to share the Comrie review because of its sensitivities but they need to trust us that it contains significant issues

- having regard for recent experiences and in particular the outcomes of the Comrie review we can not justify and defend continuing with the SDU in its current form
- we will close the SDU by mid Sept or maybe even a bit earlier given you are meeting tomorrow (needs to be kept confidential until the announcement is made) and work closely and collaboratively with the staff to minimise the impact
- given the sensitivities of human source management, our capability in this space, community confidence, current matters before the court where SDU sources may be involved etc, we don't want any public debate about this so we seek and need their support in managing the members through the transition and in advising those members that are feeling aggrieved and want to be vocal about this not to do so. We expect that some or most of the members will not accept this decision easily so obtaining strong support from the TPA to not go public and help manage the members is very important.
- that we will work with the TPA during this process briefing them on our progress and on the broader review of the human source management model across Victoria.

Please let me know if you have any queries before the meeting.

Regards

JP