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# **INTELLIGENCE & COVERT SUPPORT COMMAND**



VICTORIA POLICE

## **Operation LORICATED Completion Report**

**21 May 2014**

### **CAVEAT**

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## **Executive Summary**

### **Phase 1**

**Relates to Objectives 3.1.1 and 3.1.2 involving the collection of all documents relating to the management of 3838 and the ordering/sequential arrangement of these documents to present a complete record of Victoria Police dealings with 3838.**

#### **Key Findings**

1. Electronic and hardcopy files provided to the project team far exceeded those reviewed by Mr COMRIE and enabled a full reconstruction of the SDU management of 3838. Location of these files in part addresses some of Mr COMRIE's concerns and recommendations.
2. Files were stored in multiple locations and formats. Hardcopy files were located in a HSMU safe and secure compactus at the SDU. Electronic files were stored on a SDU network drive and SDU standalone computer.
3. Several contacts with the human source were not migrated into ICRs. This appears to be a result of processes failing as a result of the volume of information provided by 3838.

#### **Recommendations**

1. Future human source management files should contain all documentation within the one location including any corroborative media, management logs and reports to enable proper management and risk mitigation.
2. With the future of Interpose under organisational review other secure systems and processes be examined to enable 'real time' informer contact reporting. One possible suggestion is the value of electronic and portable diaries in assisting with the timely recording of information.

**PROTECTED****Phase 2**

**Relates to Objectives 3.1.3 & 3.1.4 involving the migration of all documents into one secure location and the review and analysis of the reconstructed human source file.**

**Key Findings**

1. Inability to locate an Acknowledgement of Responsibility (AOR). Only two risk assessments were located for the entirety of 3838's registration.
2. Several contacts between the SDU and 3838 were not recorded in ICRs. For example 3838 ICRs 2-8, 9-18 and 1272 to 1313.
3. Contact Reports presented as voluminous slabs of information with contact reports often containing 7-10 days worth of contact, some in excess of 40 pages and containing 60 contacts or more.
4. A large proportion of information provided by 3838 was verbally disseminated to other workgroups and not recorded on information reports.
5. Frequent absence of signed/dated handler and controller acknowledgements of contact between the SDU and the source with some contact reports submitted and/or acknowledged weeks and/or months after contact.
6. Inconsistencies in the tasking and dissemination of information provided by 3838 between various handlers and controllers. For example some handler's tasking and disseminating no information, other handlers tasking and disseminating large portions of information to other workgroups.
7. Despite their best endeavours a number of systems and processes employed by the SDU failed in the management of 3838. This appears to be predominantly due to the high volume of information that was provided by 3838.

**Recommendations**

1. That AORs and risk assessments be completed in line with current HSMU policy and as required.
2. With the future of Interpose under organisational review other secure systems and processes be examined to enable 'real time' informer contact reporting. One possible suggestion is the value of electronic and portable diaries in assisting with the timely recording of information.
3. All source contacts be recorded individually with appropriate documents linked to each relevant contact. This is achievable in the current Interpose Human Source Module however could be improved in future IT solutions.
4. Automatic paragraphing be applied to contact reports to enable more efficient and effective identification of relevant issues.
5. That all dissemination of information provided by human sources be appropriately recorded via the use of information reports.
6. That dedicated and properly resourced teams of personnel with appropriate experience, qualifications and skill sets be utilised in the management of future high risk human sources.

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7. That an appropriate management structure and overriding governance process be created to manage future high risk human sources. This could include the creation of an overseeing Steering Committee with specialist personnel drawn from internal areas such as Legal Services.

**PROTECTED****Phase 3**

**Relates to Objective 3.1.5 involving the identification of relevant issues and the grouping of these issues into established investigation themes.**

**Key Findings**

1. A large proportion of the information provided by 3838 was not been disseminated outside the SDU. Some information of this information was not disseminated due to perceived risks to 3838. In these incidences notations were generally included on ICRs that no information was to be disseminated at the direction of the Controller or similar.
2. The grouping process identified a large volume of information that requires further investigation to determine: whether an investigation has been conducted, the result of any investigation and the current intelligence value of the information.
3. The SDU disseminated approximately 494 sanitised information reports as a result of information provided by 3838. These reports were created pre-Interpose and assigned an SID number. They were then disseminated by the SDU to relevant persons and or workgroups for investigation or information.
4. A number of potential legal conflict, legal profession and court issues surrounding information provided by 3838 were identified.
5. A large amount of information was provided by 3838 in relation to possible corruption.

**Recommendations**

1. That a full review be conducted of extracted theme information (as per Dissemination Plan - Attachment B) to determine whether an investigation has been conducted, the result of any investigation and the intelligence value of the information.
2. That all information reports generated as a result of information provided by 3838 be located and reviewed to determine whether they have been appropriately actioned and/or completed. This will require the auditing of relevant workgroups.
3. The extracted legal conflict, legal profession and court information be reviewed by legal services as per the Dissemination Plan (Attachment B).
4. That potential corruption information be reviewed by PSC as per the Dissemination Plan (Attachment B).

**PROTECTED****Phase 4**

**Relates to Objective 3.1.6 and involves the identification of opportunities to improve intelligence collection and analysis in the future.**

**Key Findings**

1. Notable deficiencies in the timely recording of information into ICRs.
2. No obvious processes for the immediate reporting of significant developments.
3. Absence of adequate recording for verbally disseminated information.
4. Inconsistent data entry standards when referring to the source and contacts within contact reports. This includes the use of different terminology, variations in ICR formats, spelling mistakes and abbreviations.
5. Difficulties in the reconstruction/migration of historical files such as the 3838 file.
6. Issues were identified with the SDU's ability to store all information related to the management of 3838 in the one area or system. This is particularly relevant in relation to associated documentary and media products.

**Recommendations**

1. Consideration to be given to update the HSMU Management Policy to reflect that an ICR be submitted as soon as practicable following contact with a source *or within one week* and the supply of appropriate administrative support to assist with the timely recording of information with respect to high risk/high volume human sources.
2. A post contact end of shift reporting process be considered to enable prompt reporting of any developments of significance.
3. Human source policies reflect the requirement for an information report to be submitted which fully documents the information and actions taken when information is verbally disseminated. Issues of significance should be identifiable and any dissemination recorded via information reports.
4. Implementation of a validation process whereby contact reports are checked for accuracy and compliance with established standards consistent with the VPID.
5. Consideration of contingencies and strategies for the migration of existing intelligence holdings into the design or purchase of any new systems and processes will avoid similar problems in the future.
6. That future systems and processes have the ability to store all information in the one location including all media.
7. What is clear from Operation LORICATED with respect to improving intelligence collection and analysis in the future is that human source management, particularly with respect to high risk sources and or human sources that provide a high volume of information is that a more robust reporting process is required. This process needs to be timely, user friendly and comply with the VPID in relation to the handling, documenting and dissemination of intelligence.

**PROTECTED****Introduction**

21803838, later known as 11792958 was a registered human source managed by the Source Development Unit (SDU) between 16 September 2005 and 13 January 2009 inclusive. On 13 January 2009 3838 was deregistered as a result of signing a witness statement for the Petra Taskforce. The Petra Taskforce then assumed full management of 3838 as a witness and 3838 was assigned the codename Witness F.

NOTE: 21803838's registration number was changed to 11792958 on 24 January 2008 for security reasons. For ease of reference 21803838/11792958 is referred to as 3838 throughout this report.

In February 2009 a reconstruction of the SDU source management file was attempted by the Human Source Management Unit (HSMU) utilising the Interpose system. The reconstruction was dependant on information provided by the SDU and the data manipulation limitations of the Interpose system. It is important to note that recommendations from the COMRIE report were based on an analysis of the information contained in this reconstruction which was utilised as the primary data source.<sup>1</sup> This reconstruction remains in the HSMU Interpose Security Group, managed by the HSMU.

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

Former Victoria Police Chief Commissioner M. Neil COMRIE AO, APM was subsequently commissioned by Victoria Police to undertake a review of the Source Development Unit (SDU) management of 3838. (Herein after referred to as the COMRIE Report).

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

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

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

**Terms of Reference**

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

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

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<sup>1</sup> M. Neil COMRIE AO APM, *Human Source 3838 – A Case Review* - 30 July 2012 - Pages 10

<sup>2</sup> M. Neil COMRIE AO APM, *Human Source 3838 – A Case Review* - 30 July 2012 - Pages 6-7



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4. To identify any opportunities to improve the future collection of intelligence arising from human source usage.

**Objectives**

- 3.1.1 Collect all documents (including electronic files, audio files, corroborative media and all data) held by Victoria Police on 3838.
- 3.1.2 Catalogue the collected documents into a sequential/chronological arrangement so the end product represents the complete factual record of Victoria Police dealings with 3838.
- 3.1.3 Migrate all documents to the one secure location within Interpose.
- 3.1.4 Review and analyse the reconstructed Human Source file.
- 3.1.5 Identify relevant issues and group them in the established investigation themes.
- 3.1.6 Identify any opportunities to improve intelligence collection and analysis in the future.

**Project Team**

Senior Sergeant Damian JACKSON 31164	29-Jan-2013 to Completion
Detective Acting Sergeant Jim HILLIARD 35390	29 Apr-2013 to 15-Nov-2013
s 26 (1)	28-May-2013 to Completion
	29-Jan-2013 to 01-Jun-2013
	08-Apr-2013 to 02-Sep-2013
	16-Jan-2013 to Completion

**Steering Committee**

Assistant Commissioner Stephen FONTANA - CHAIR - Crime Command (CC)

Assistant Commissioner Emmett DUNNE - Professional Standards Command (PSC)  
(Now Assistant Commissioner Eastern Region)

Assistant Commissioner Stephen LEANE (PSC)

Commander State Intelligence Doug FRYER (now Commander South)

Detective Superintendent Gerard RYAN (CC)

Detective Superintendent Paul SHERIDAN - Intelligence and Covert Support Command (ICSC)

Detective Inspector Michael FREWEN (CC)

Inspector Mark GALLIOT - Office of Chief Commissioner Police (CCP)

Mr Findlay McRAE - Director Legal Services (LS)

Assistant Commissioner FONTANA reported directly to Executive Sponsor, Deputy Commissioner (DC) Tim CARTWRIGHT on an as needs basis.

Operation LORICATED did not form part of either the CC or ICSC standard management processes and was NOT subject to CC Tiered Reviews.

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The project team provided ongoing updates to coincide with the meeting of the Operation LORICATED Steering Committee.

**Information Security**

Given the nature of this project there was a need for stringent and robust information management and security controls within Force policy and guidelines. All information was managed in line with the Enterprise Information Security Policy (EISP), Victoria Police Policy and The Commissioner for Law Enforcement Data Security (CLEDS).

Security was enhanced by;

- Securing an off-site work location;
- Establishing a covert Interpose security group;
- Secure network drive storage and reconstruction of material on a secure stand-alone laptop;
- All staff were required to complete 'Conflict of Interest' Declarations that were subsequently provided to the overseeing Steering Committee. As a testament to the adherence to these guidelines there have been no information 'leaks' during the life of the project;
- A strict clean desk policy was initiated with each staff member provided with a lockable pedestal drawer;
- The project also utilised a large safe to store SDU, Petra and other sensitive material;
- Secure locks were obtained and installed to prevent any unauthorised access to office space utilised by the project team.

A/Inspector Chris CORBELL from Information Systems and Security Command, PIPP Reform Project and staff provided invaluable assistance throughout the project, particularly in relation to the provision of resources and the canvass of appropriate IT solutions. At the completion of the project the project team again met with CORBELL and Gary ZUPAN from Victoria Police IT security in relation to the continuing storage and or destruction of material at project completion and considerations surrounding the ongoing management of the WBS.

By adhering to these processes only persons with a legitimate business need were aware of the project, staff makeup and location enabling the project to be completed in relative anonymity.

**Stakeholder Management**

During the planning process a number of key stakeholders were identified. These stakeholders include but are not limited to various internal areas within Victoria Police including;

- The Chief Commissioner (CCP);
- Executive Management;
- Intelligence and Covert Support Command (ICSC);
- Crime Command (CC);
- Professional Standards Command (PSC);
- Information Systems and Security Command (ISSC);
- Legal Services and more specifically the SDU and HSMU;
- Office Public Prosecutions (OPP);
- Australian Federal Police (AFP);
- Australian Crime Commission (ACC);
- Office of Chief Examiner (OCE);
- Office of Police Integrity (OPI);
- Independent Broad-based Anti-corruption Commission (IBAC);
- 3838;
- Mr N. COMRIE;
- Victorian government and community.

**PROTECTED****Time Frames**

Were determined upon ongoing justification of performance. A comprehensive GANTT chart was created to manage tasks. This proved invaluable to monitor progress and determine time frames for completion.

**Phase Summary**

The conclusions drawn are based on a review/analysis of information management practices during the period of 3838's registration. The project team acknowledge that there have been changes to Victoria Police management practices surrounding the use of human sources, including the introduction of the Interpose Human Source Model. As a result some of the key findings from the Operation LORICATED may have already been addressed.

**PHASE 1****Key Findings**

1. Electronic and hardcopy files provided to the project team far exceeded those reviewed by Mr COMRIE and enabled a full reconstruction of the SDU management of 3838. Location of these files in part addresses some of Mr COMRIE's concerns and recommendations.
2. Files were stored in multiple locations and formats. Hardcopy files were located in a HSMU safe and secure compactus at the SDU. Electronic files were stored on a SDU network drive and SDU standalone computer.
3. Several contacts with the human source were not migrated into ICRs. This appears to be a result of processes failing as a result of the volume of information provided by 3838.

**Recommendations**

1. Future human source management files should contain all documentation within the one location including any corroborative media, management logs and reports to enable proper management and risk mitigation.
2. With the future of Interpose under organisational review other secure systems and processes be examined to enable 'real time' informer contact reporting. One possible suggestion is the value of electronic and portable diaries in assisting with the timely recording of information.

Relates to Objectives 3.1.1 and 3.1.2 involving the collection of all documents relating to the management of 3838 and the ordering/sequential arrangement of these documents to present a complete record of Victoria Police dealings with 3838.

The Project Team was assisted by Detective Superintendent Paul SHERIDAN and Detective Inspector John O'CONNOR in the provision of material for review. This material included voluminous electronic and hardcopy records that utilised to record the management of 3838. A copy of the COMRIE review was provided by Commander FRYER.

All material was systematically audited in line with terms of reference and electronically filed in chronological/sequential order into a Material Collation Spreadsheet ready for transfer into an appropriate IT solution. (Refer Phase 2).

Stage completion was communicated to the overseeing Steering Committee on 2 May 2013.

**PROTECTED****PHASE 2****Key Findings**

1. Inability to locate an Acknowledgement of Responsibility (AOR). Only two risk assessments were located for the entirety of 3838's registration.
2. Several contacts between the SDU and 3838 were not recorded in ICRs. For example 3838 ICRs 2-8, 9-18 and 1272 to 1313.
3. Contact Reports presented as voluminous slabs of information with contact reports often containing 7-10 days worth of contact, some in excess of 40 pages and containing 60 contacts or more.
4. A large proportion of information provided by 3838 was verbally disseminated to other workgroups and not recorded on information reports.
5. Frequent absence of signed/dated handler and controller acknowledgements of contact between the SDU and the source with some contact reports submitted and/or acknowledged weeks and/or months after contact.
6. Inconsistencies in the tasking and dissemination of information provided by 3838 between various handlers and controllers. For example some handler's tasking and disseminating no information, other handlers tasking and disseminating large portions of information to other workgroups.
7. Despite their best endeavours a number of systems and processes employed by the SDU failed in the management of 3838. This appears to be predominantly due to the high volume of information that was provided by 3838.

**Recommendations**

1. That AORs and risk assessments be completed in line with current HSMU policy and as required.
2. With the future of Interpose under organisational review other secure systems and processes be examined to enable 'real time' informer contact reporting. One possible suggestion is the value of electronic and portable diaries in assisting with the timely recording of information.
3. All source contacts be recorded individually with appropriate documents linked to each relevant contact. This is achievable in the current Interpose Human Source Module however could be improved in future IT solutions.
4. Automatic paragraphing be applied to contact reports to enable more efficient and effective identification of relevant issues.
5. That all dissemination of information provided by human sources be appropriately recorded via the use of information reports.
6. That dedicated and properly resourced teams of personnel with appropriate experience, qualifications and skill sets be utilised in the management of future high risk human sources.
7. That an appropriate management structure and overriding governance process be created to manage future high risk human sources. This could include the creation of an overseeing Steering Committee with specialist personnel drawn from internal areas

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such as Legal Services.

Relates to Objectives 3.1.3 & 3.1.4 involving the migration of all documents into one secure location and the review and analysis of the reconstructed human source file.

Phase 2 commenced with the identification of an appropriate IT solution. A number of IT solutions were considered in this process and assistance provided by various internal and external areas. Existing systems were found to be lacking in the required design and functionality to enable voluminous information relating to 3838 to be appropriately reconstructed.

The project team subsequently designed a purpose built Web Based Solution (WBS) in which to reconstruct information. All documents pertaining to the SDU management of 3838 were reconstructed and reviewed during this process.

Reconstruction commenced with the paragraphing of the original 172 Informer Contact Reports detailing all contact between the SDU and 3838. This was done for ease of reference and partially supports Recommendation 15 of the COMRIE Report which states that system generated sequential paragraphing be introduced for ICRs.<sup>3</sup> The master SDU ICRs were then reconstructed into individual contacts within the WBS (5040 Contacts). Supporting documentation for each contact including the original contact report, member diaries, information reports, imprest receipts, audio recordings and audio summaries as applicable were then uploaded and cross referenced to each contact utilising the material collation spreadsheet created by the project team in Phase 1. These records were reconstructed under tabs applicable to 3838's registered number at the time, i.e. 21803838 or 11792958.

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

Information was subsequently reviewed and analysed by the project team.

**PHASE 3****Key Findings**

1. A large proportion of the information provided by 3838 was not been disseminated outside the SDU. Some information of this information was not disseminated due to perceived risks to 3838. In these incidences notations were generally included on ICRs that no information was to be disseminated at the direction of the Controller or similar.
2. The grouping process identified a large volume of information that requires further investigation to determine: whether an investigation has been conducted, the result of any investigation and the current intelligence value of the information.
3. The SDU disseminated approximately 494 sanitised information reports as a result of information provided by 3838. These reports were created pre-Interpose and assigned an SID number. They were then disseminated by the SDU to relevant persons and or workgroups for investigation or information.
4. A number of potential legal conflict, legal profession and court issues surrounding information provided by 3838 were identified.
5. A large amount of information was provided by 3838 in relation to possible corruption.

<sup>3</sup> M. Neil COMRIE AO APM, *Human Source 3838 – A Case Review* - 30 July 2012 – Page 44

**PROTECTED****Recommendations**

1. That a full review be conducted of extracted theme information (as per Dissemination Plan - Attachment B) to determine whether an investigation has been conducted, the result of any investigation and the intelligence value of the information.
2. That all information reports generated as a result of information provided by 3838 be located and reviewed to determine whether they have been appropriately actioned and/or completed. This will require the auditing of relevant workgroups.
3. The extracted legal conflict, legal profession and court information be reviewed by legal services as per the Dissemination Plan (Attachment B).
4. That potential corruption information be reviewed by PSC as per the Dissemination Plan (Attachment B).

Relates to Objective 3.1.5 involving the identification of relevant issues and the grouping of these issues into established investigation themes.

The following themes were identified as initial categories for the placement of relevant issues. These themes were subject to amendment based upon the findings of the project team;

- Corruption
- Customs
- Courts
- Legal conflict
- Legal profession
- Waterfront

The following themes were added by the project team;

- Criminal Proceeds
- Drugs
- Gaming Racing
- Homicide
- Other
- Outlaw Motor Cycle Gangs (OMCG)

Processes involved the analysis of all reconstructed informer contact reports (ICR) and summaries of audio meetings and the subsequent identification of relevant issues. These issues were then grouped into the established investigation themes

From the original file, approximately 2800 individual pieces of information were categorised into both themes and sub themes. These records then underwent an extensive review process to determine the need for any further investigation or action.

**PHASE 4****Key Findings**

1. Notable deficiencies in the timely recording of information into ICRs.
2. No obvious processes for the immediate reporting of significant developments.
3. Absence of adequate recording for verbally disseminated information.

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4. Inconsistent data entry standards when referring to the source and contacts within contact reports. This includes the use of different terminology, variations in ICR formats, spelling mistakes and abbreviations.
5. Difficulties in the reconstruction/migration of historical files such as the 3838 file.
6. Issues were identified with the SDU's ability to store all information related to the management of 3838 in the one area or system. This is particularly relevant in relation to associated documentary and media products.

**Recommendations**

1. Consideration to be given to update the HSMU Management Policy to reflect that an ICR be submitted as soon as practicable following contact with a source *or within one week* and the supply of appropriate administrative support to assist with the timely recording of information with respect to high risk/high volume human sources.
2. A post contact end of shift reporting process be considered to enable prompt reporting of any developments of significance.
3. Human source policies reflect the requirement for an information report to be submitted which fully documents the information and actions taken when information is verbally disseminated. Issues of significance should be identifiable and any dissemination recorded via information reports.
4. Implementation of a validation process whereby contact reports are checked for accuracy and compliance with established standards consistent with the VPID.
5. Consideration of contingencies and strategies for the migration of existing intelligence holdings into the design or purchase of any new systems and processes will avoid similar problems in the future.
6. That future systems and processes have the ability to store all information in the one location including all media.
7. What is clear from Operation LORICATED with respect to improving intelligence collection and analysis in the future is that human source management, particularly with respect to high risk sources and or human sources that provide a high volume of information is that a more robust reporting process is required. This process needs to be timely, user friendly and comply with the VPID in relation to the handling, documenting and dissemination of intelligence.

Relates to Objective 3.1.6 and involves the identification of opportunities to improve intelligence collection and analysis in the future.

A review of the 3838 source file identified a number of issues regarding the timely compilation and dissemination of information obtained from 3838. In most cases ICRs consisted of up to 60 contacts and anywhere from 2 to 40 pages in length. Furthermore the COMRIE Report identified contact reports were submitted many weeks, and in some cases several months after the contact was made. The same was the case with IRs disseminated from the original contacts.<sup>4</sup> This can present risk to both the human source, members and the organisation.

These issues were not necessarily due to poor management by the SDU but rather the result of the challenges faced by handlers in managing the extensive workflow that the source was generating and the subsequent failing of systems and processes not designed to handle the volume of information provided by the source. This was acknowledged in the COMRIE report and also identified by SDU at the time.

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

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In 2006 the SDU acknowledged deficiencies in the timely completion of contact reports. It was identified that "

*"Whilst the details of the involvement with human sources are being documented, the conversion into contact reports is 'lagging' behind. DSU members have to spend an inordinate amount of time on the computer converting documented human source involvements into contact reports. This is reducing the effectiveness of the DSU."*<sup>5</sup>

NOTE: DSU and SDU refer to Dedicated Source Unit and Source Development Unit respectively and are not mutually exclusive.

The combination of extensive workflow and limited personnel, in particular the absence of administrative support was identified as major factor. In June 2006 an audit report produced by then Superintendent NOLAN acknowledged that,

*"Risk management of issues is exceptional, and documentation professional and concise. However, the appropriate management of files is clearly affected by the lack of administrative assistance. This lack of administrative assistance is impacting on the timeliness of report and form submission both at the local level as well as at the Informer Management Unit...Given the high stress and risk nature of the unit, priority should be given to providing administrative support as soon as practicable"*<sup>6</sup>

The absence of administrative support explains, to some extent why many contact reports were submitted a considerable time after the initial contact with the source. A full review of SDU Documents, Source Management Log and Informer Contact Reports Management Entries' tabs within the WBS gives a full appreciation of the management difficulties encountered by the SDU in the management of 3838. These management difficulties include but are not limited to the timely review of information, the dissemination and actioning of information and the management difficulties surrounding this particular source.

Interestingly current HSMU policy dictates that, "as soon as practicable following contact with a source the Handler or Co-Handler must complete a Contact Report within the Interpose Human Source Module."<sup>7</sup> Mr COMRIE asserts that this could be extended by indicating that, "the ICR is to be submitted as soon as operationally practicable after the meeting, or in any event within one week."<sup>8</sup>

In the case of 3838, reconstruction of the source file also proved difficult due to the storage of information in multiple locations and/or formats. The current Human Source module within Interpose addresses some of these issues however consideration must be given to the migration of information in the event that the Interpose system is replaced, something which may occur as a result of current organisational projects.

The Operation LORICATED reconstruction identified the existence of material, far in excess of that uploaded to the reconstructed Interpose shell. Consideration should be given to a migration strategy so that any future change in systems will not diminish the ability to search and retrieve historical intelligence holdings.

This is particularly relevant to associated media including audio, video and photographs. As noted from enquiries with the Interpose Business Support Unit made by Mr COMRIE, the uploading of corroborative media files such as digital audio, video files and photographs to Interpose is discouraged, mainly due to storage limitations.<sup>9</sup> PII

PII

Difficulties were also identified with respect to information standards employed by the various handlers and controllers responsible for the management of 3838. This is exemplified by the use of different terminology, ICR formats, spelling mistakes and abbreviations that created issues with the retrieval and accuracy of information. This is particularly relevant in relation to the spelling of

<sup>5</sup> DSU Monthly Report March 2006

<sup>6</sup> SDU Monthly Report June 2006

<sup>7</sup> Victoria Police Manual-Policy Rules-Human Sources – Page 5

<sup>8</sup> M. Neil COMRIE AO APM, *Human Source 3838 – A Case Review* - 30 July 2012 – Page 9

<sup>9</sup> M. Neil COMRIE AO APM, *Human Source 3838 – A Case Review* - 30 July 2012 – Page 10



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person names nominated by 3838, indeed in one ICR there were several different spelling variations of the one person's name. The project team endeavoured to correct these spelling discrepancies and data entry standards when reconstructing information into the WBS. This obviously has created a more accurate and useable end product.

Methods of dissemination of information included IRs, verbal dissemination and in some case instructions that no information was to be disseminated at all as a result of risks to the human source. IRs were submitted in sanitised form, assigned an SID number and forwarded to workgroups and/or persons for their intelligence or investigation. In total, approximately 494 IRs were disseminated as a result of information provided by 3838 to the SDU over the period of their registration. The SDU copies of these IRs obviously have no recorded outcomes and some have no dissemination information.

In contrast a large volume of information was verbally disseminated to persons and or workgroups. It is clear that at times the volume of information provided by 3838 exceeded the management processes that the SDU had established surrounding the use and disclosure of source information. Indeed this verbally disseminated information poses greater auditing issues in so far as the only documentary evidence relating to its release is the ICR and or the notes (if any) of the members receiving it. Mr COMRIE recommends that this verbally disseminated information should always be documented in the timely submission of an information report. (Recommendation 21)<sup>10</sup>

In addition to the verbal dissemination of information Mr COMRIE also recognised an issue in the dissemination of critical developments and emerging risks. Mr COMRIE recommended that a post-contact or end of shift reporting process be implemented to avoid lengthy delays in the reporting of this information. (Recommendation 22)<sup>11</sup>

At times the Controller determined that no information provided by 3838 would be disseminated due to perceived risks to 3838. This was often documented at the beginning of individual ICRs. No associated risk assessments were located although at times these risks were discussed in the SML or monthly management reports.

It is noted that current HSMU guidelines as well as the use of the Interpose Human Source Module in part address some of these deficiencies such as the linking of information reports and most of the information surrounding a particular contact.<sup>12</sup> It is also noted that at the time of this report the HSMU is considering the best way(s) to manage high risk human sources in the absence of the SDU as well as looking at alternative IT systems.

Lastly a number of issues were identified throughout the management of 3838 particularly relating to the dissemination of information to the Petra and Briars Taskforces and the transition of 3838 from a source to a witness. Issues also presented in relation to 3838's status as a legal professional and potential conflict of interest with the clients 3838 was representing. These issues are extracted in themed information and are prevalent throughout ICRs, the source management log and member diaries. These issues appear to have divided handlers and management as well as Victoria Police Command and involve high ranking members up to the then CCP Simon OVERLAND. A full exploration of the reconstructed file is required to gain a full appreciation of these issues and the resultant decisions made.

## Conclusion

Operation LORICATED formally concluded on Friday 21 March 2014 with all terms of reference and objectives met. The human source file pertaining to 3838 has been fully reconstructed including the linking of all corroborative media into an appropriate IT solution.

All relevant issues have been identified and grouped under established investigation themes and appropriately disseminated for further consideration and review.

<sup>10</sup> M. Neil COMRIE AO APM, *Human Source 3838 – A Case Review* - 30 July 2012 – Page 49

<sup>11</sup> M. Neil COMRIE AO APM, *Human Source 3838 – A Case Review* - 30 July 2012 – Page 51

<sup>12</sup> Victoria Police Manual – *Policy Rules & Procedures and Guidelines* - Human Sources

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The review has resulted in the construction of several key findings that have implications for Victoria Police, particularly in relation to the historical SDU management of 3838 and ongoing human source management in general.

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**PROTECTED****Attachment A****SECURITY CLASSIFICATIONS AND DISSEMINATION LIMITING INSTRUCTIONS**

This intelligence product must be stored, accessed and disseminated according to:

- CLEDS Standards for Victoria Police Law Enforcement Data Security (2007)
- Australian Government Protective Security Policy Framework and the Australian Government Information Security Manual
- V-PMP Information categorisation, collection and recording
- V-PMP Information use, handling and storage

The release of any protectively marked information into the public domain must be authorized by a Superintendent or VPS-6 (or above) from the origination workplace in accordance with the Victoria Police Manual.

The following Dissemination Limiting Markers (DLM) and national security classifications have been applied to each paragraph of the product with the highest classification reflected in the header and footer of this document.

<b>Dissemination Limiting Markers</b>		
(PD)	Public Domain	Authorised for general release to the public
(U)	Unclassified	Requires no additional protection but has not been authorised for general public release
(FOUO)	For Official Use Only	Limited degree of protection is required. May be shared with other government agencies and other parties with a legitimate business reason to know
(Sen)	Sensitive	Information covered by an Act containing secrecy or non-disclosure requirements
<b>Security Classifications</b>		
(P)	Protected	The compromise of the information could cause damage to the Government, commercial entities or members of the public
(C)	Confidential	The compromise of information could cause damage to national security
(S)	Secret	The compromise of information could cause serious damage to national security, the Australian Government, nationally important economic and commercial interests, or threaten life.
(TS)	Top Secret:	Information that requires the highest degree of protection as compromise of the information could cause exceptionally grave damage to national security

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**Attachment B****ISSUE COVER SHEET****File No:****Issue:**

Dissemination Plan - Theme Information – Operation LORICATED

**Background:**

Operation LORICATED is a sensitive project involving the review and reconstruction of voluminous information surrounding the Source Development Unit (SDU) management of a high risk human source identified as 21803838 and later 11792958 (herein after referred to as 3838). 3838 was managed by the SDU between 16 September 2005 and 12 January 2009 inclusive.

Operation LORICATED commenced on 29 January 2013 as a result of recommendations from a review by former CCP M. Neil COMRIE AO, APM entitled, *Victoria Police Human Source 3838, A Case Review* and is governed by several terms of reference and objectives.

*Objective 3.1.5* relates to identification of relevant issues and grouping them into established investigation themes. To achieve this, the project team reviewed all informer contact reports (ICR) and summaries of audio meetings, identified relevant issues and grouped them into the established investigation themes under various sub-headings. (As detailed below).

*Objective 3.1.5* supports *Recommendation 20* of the COMRIE Review which states;

That an appropriately qualified Victoria Police analyst review the entire 3838 file to ensure that:

- a. All issues of significance have been identified
- b. Appropriate actions/notifications/referrals are made concerning such issues, and
- c. The file reflects reasoning and approval for all recommended action/inaction

**Comment:**

Further assessment of this information is outside the scope of Operation Loricated. The project team have devised the following Dissemination Plan (Points 1-9 below) to ensure appropriate dissemination, review and/or actioning.

1. Objectives

To disseminate grouped theme information generated from Operation LORICATED for further assessment and action as appropriate.

2. Summary

Issues of significance have been identified and extracted from ICRs, audio summaries and management logs and grouped by theme and sub-theme into Microsoft Excel worksheets.

Approximately 2800 individual entries have been identified. The estimated number of files generated from these entries is as follows;

Corruption	60
Courts	9
Criminal Proceeds	40
Customs	6
Drugs	15
Gaming & Racing	13
Homicide	38
Legal Conflict	18

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Legal Profession	23
OMCG	13
Other	7
Waterfront	8

*Note: These estimations have been provided as a guide only. Each of these files may contain multiple pieces of information and require further review and grouping into Tasks as per below recommendations.*

A summary of the main issues identified under each of the Themes as follows;

Corruption	<p>Allegations of theft, drugs, information disclosure/security breaches</p> <p>Inappropriate relationships between serving and former police members and known criminal identities</p> <p>Police accepting gratuitous entertainment from the media</p> <p>Allegations of corruption involving other law enforcement agencies and personnel</p> <p>Alleged corruption of Purana Taskforce Members</p> <p>Alleged corruption by former Drug Squad members</p> <p>Alleged corruption by SOG members</p> <p>Alleged corruption involving the SSU</p> <p>Assorted Petra and Briars Material, most disseminated at the time to relevant taskforces</p>
Courts	<p>Alleged corruption/inappropriate associations and release of information involving court staff</p> <p>Allegations of jury &amp; judge selection and tampering</p> <p>Alleged breaches of court suppression orders</p>
Criminal Proceeds	<p>Known criminal identities involved in money laundering</p> <p>Criminal identities secreting money overseas</p> <p>Criminal identities involved in various companies including oil exploration, § 26 (1) truck businesses, § 26 (1)</p> <p>Seizure of MOKBEL property and assets</p> <p>Leasing of properties in other person's names</p> <p>Tax evasion</p> <p>The obtaining of property titles for money</p> <p>Accountants involved with criminal identities in money laundering</p> <p>Criminal identities in possession of unexplained wealth</p> <p>False loan applications</p> <p>Payment into solicitors' trust accounts</p>
Customs	<p>Criminal identities involved in drug importations by air and sea</p> <p>Unidentified customs employees assisting criminal identities with these importations</p> <p>False Passports</p>
Drugs	<p>Criminal identities involved in large scale drug manufacturing and trafficking (IRs submitted in most cases)</p>
Gaming & Racing	<p>Criminal identities involved in gambling and racing</p> <p>Associates of criminal identities involved in gambling and racing</p> <p>Information in relation to race horses owned by criminal identities</p> <p>Trainers involved with criminal identities</p> <p>Horse Doping</p> <p>§ 26 practices</p>
Homicide	<p>Information in relation to criminal identities involved in various known homicides</p> <p>Alleged plots to kill various criminal identities</p> <p>Suspicious deaths</p> <p>Threats to kill 3838 (Op GOSFORD)</p> <p><i>Note: Most of this information relates to historical Purana matters and would be better disseminated to same opposed to Homicide</i></p>
Legal Conflict	<p>Arrest of Rabie KARAM (Containers) and 3838 relationship/representation of same</p> <p>Arrest of PI (Drugs) and 3838's</p>

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	<p>relationship/representation of same          Potential conflict re criminal identities PII [REDACTED] and PII [REDACTED]          PII [REDACTED]</p> <p>Resultant conflict with representation of persons associated with these criminal identities</p> <p>Information provided in relation to the extradition of Tony MOKBEL 3838 passing information from KARAM and others to the SDU which was acted upon resulting in arrests/convictions (AGAMAS/INCA)</p> <p>3838 reviewing Purana Taskforce briefs of evidence and providing advice in relation to same</p> <p>Breach of confidentiality provisions surrounding coercive powers hearings ([REDACTED] and OCE)</p>
Legal Profession	<p>Profession/ethical issues surrounding 3838 including her relationship with criminal identities often on more than a professional level</p> <p>Potential criminality by 3838</p> <p>Solicitors involved in serious crime including drug use, proceeds of crime and money laundering</p> <p>Inappropriate relationships between legal practitioners and criminals</p>
OMCG	<p>Nominated persons associated with OMCG</p> <p>Debt enforcement by OMCGs</p> <p>Allegations of OMCGs being involved in potential 'hits' involving known gangland identities</p> <p>Links between OMCG and gangland identities</p> <p>OMCGs involved in drug manufacturing</p>
Other	<p>Welfare issues regarding 3838</p> <p>Information relating to historical crimes i.e. great bookie robbery</p> <p>Intelligence surrounding inappropriate relationships between known criminal identities and various sporting clubs and small businesses</p> <p>Fraud involving known criminal identities</p>
Waterfront	<p>Container drug importations by Rabie KARAM and associates <b>(Voluminous)</b></p> <p>Alleged customs corruption</p> <p>Import of cement from China and petrol from Russia by known criminal identities</p>

*Information Reports (SDU)*

During the course of review the project team identified 494 IRs generated by the SDU as a result of information provided by 3838. These IRs were created pre-Interpose and were disseminated to relevant workgroups across several Commands. Some of these IRs form part of grouped theme information. Most of these IRs have no recorded outcome(s).

The project team have migrated these IRs to Interpose, however It is recommended that the originally disseminated IRs be located to ensure that they have been appropriately actioned and or investigated. A list of the original State Intelligence Division (SID) numbers are able to be provided by the project team upon request as well as a copy of the relevant IRs.

**3. Information Value**

A governance process was adopted by the project team that applied the following considerations when reviewing and grouping information;

- a. Relevance – Is it historical or current?
- b. Seriousness – Is it criminal/disciplinary or other?
- c. Validation – Can it be validated and/or corroborated – i.e. is it single source information?
- d. Investigation v Intelligence – Is it of investigation or intelligence value?
- e. Can it be actioned?

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- f. Risk Rating – Extreme/High/Medium/Low?
- g. Who will investigate/review it, i.e. relevant workgroup?

As a result much of the information may surround a particular individual or issue and is clearly identified as requiring further investigation to determine;

- a. Whether the matter was originally referred i.e. was there an IR or was it verbally disseminated?
- b. If so what were the outcomes?
- c. If not does it require further review to determine whether it has in fact been investigated?
- d. If not does it now require investigation?
- e. Does it have current intelligence value?

*Legal Conflict / Professional issues*

A number of issues exist which relate to both legal conflict and legal professional ethics. The Director Legal Services, Findlay McRAE has provided a definition of legal conflict to the project team as follows;

*‘Where the lawyer has potentially passed on information to police in relation to a client she was formally representing. In other words, it is known that the information relates to a paid client of the lawyer.’*

In essence as 3838 was a practising barrister at the time of registration it could be inferred that the majority of information was received in her role as a criminal barrister. This information was passed on to the SDU and at various times passed to other workgroups as information for progressing criminal investigations.

Whilst ethical issues in most cases are readily apparent, legal conflict is more difficult to determine. As such it is suggested that grouped theme information pertaining to legal conflict and legal profession be disseminated to Legal Services in its entirety for consideration and review. It is suggested that this information requires detailed analysis by a suitably qualified legal professional as questions of ethics and conflict are present throughout Victoria Police’s dealings with 3838.

4. Dissemination & Information Management

The themes review to be managed within the existing Interpose security group (LORICATED).

It is recommended that a new investigation name be created within this security group and any IRs, Documents etc be uploaded to this investigation shell. Each file generated should be recorded as a Task. A Task report can be created (utilising the ‘Reports’ function) and exported to provide a Task Log to manage the completion of each Task.

5. Process & Workgroups

- a. Theme spreadsheets to be uploaded as document records to a new investigation shell
- b. Review all information contained in spreadsheets and determine number of tasks for allocation
- c. Consider appropriate workgroup and member(s) to receive Task
- d. Create all Tasks within Interpose and link to Investigation
- e. Assign Tasks to relevant workgroups(s)/investigating member(s) (provide relevant access certificates)

The following table lists themes and possible workgroups to whom dissemination is applicable: (This is a guide only).

Corruption	PSC			
Courts	Legal Services			
Criminal Proceeds	CPS	Purana	SOCIU	
Customs	TRIDENT	AFP		
Drugs	DTF			
Gaming &	Sporting			

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Racing	Integrity Unit			
Homicide	Homicide			
Legal Conflict	Legal Services			
Legal Profession	Legal Services			
OMCG	ECHO			
Other	Intel Covert Support Command for Assessment			
Waterfront	TRIDENT	AFP		

**6. Information Security**

Information contained within the original source file in most cases has utilised the 'Legacy' classifications of Protected and Highly Protected. Under the new classification scheme, all documents created as part of Investigation LORICATED have been classified Protected – with Caveat. Strict handling procedures must be adhered to. All information to be handled in accordance with CLEDS and the Victoria Police Manual including but not limited to:

[VPMP Information categorisation, collection, and recording](#)  
[VPMP Information Use Storage and Handling](#)

*Special handling Caveat:*

The following caveat to be used where necessary:

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

*IRs*

Any information reports created within Interpose should utilise the following security classifications:

Security Classification: Protected – Non National Security

Dissemination Code: 5 No further dissemination: refer to originator. Special handling requirements imposed

All information to remain within the Interpose application. Hard copy IRs should not to be printed.

Consistent with the Victoria Police Intelligence Doctrine (VPID) sanitised IRs must remove any reference to a Registered Human Source and introduce the information with 'Intelligence holdings suggest';

*Example: Intelligence holdings suggest amphetamines are being manufactured in the garage of 2 Jones St Geelong<sup>13</sup>*

Care should also be made to avoid reference to the source by name; number, gender or any other reference which may lead to their identification.

Completed IRs to be published within Interpose and uploaded/ attached to the investigation shell.

**7. Access Controls & Investigation Management**

To limit access to information holdings contained within the LORICATED security group, access

<sup>13</sup> Victoria Police Intelligence Doctrine – Chapter 10 – Information Reports



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certificates will be provided to investigating members as required.

Appoint Information Manager to oversee overall completion of Tasks (D/SUPT).

Appoint Work Unit Managers appointed to provide oversight to investigating member(s) and review completed files.

Dissemination: Workgroup manager and allocated TIO (Negative vetting Level 2).

That any managers/TIO's etc to whom the theme information is disseminated should be compared against the named persons list as there may be potential conflicts of interest.

Conflict of Interest Declarations should also be completed by any persons that this information is disseminated to.

### 8. Information Handling Instructions

Strict timelines imposed for review of information and return with suggested actions. With respect to security of information recommend as short a time frame as possible be allocated for initial review. Progress then reviewed by oversighting management and further time allocated as required.

To be managed within Results Tab in task module. Updates to be made by assigned member and review by manager prior to completion (Interpose Module)

### 9. Contingencies

1. Action if source identified – Referred to Steering Committee and risk assessed.
2. Unauthorised information disclosure – Referred to Steering Committee and risk assessed.
3. Covert Status of Operation LORICATED divulged - Referred to Steering Committee and risk assessed.
4. Media leak – Media Strategy created and in place

### **Recommendation:**

That the Dissemination Plan be approved by the Operation LORICATED Steering Committee and forwarded to appropriate Command for actioning.

Secure high level briefing to be conducted by the project team and/or members of the Steering Committee with the relevant Command's Assistant Commissioner and senior managers at Detective Superintendent level and above.

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Operation LORICATED 98658204

Date: 06/03/2014

**1. Det. Act. Supt. Michael FREWEN**

**06/03/14**

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