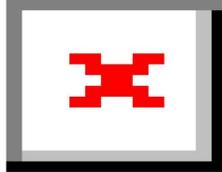


POLICE – IN CONFIDENCE



# Source Development Unit

## *‘The value and the future?’*

**Prepared by:**

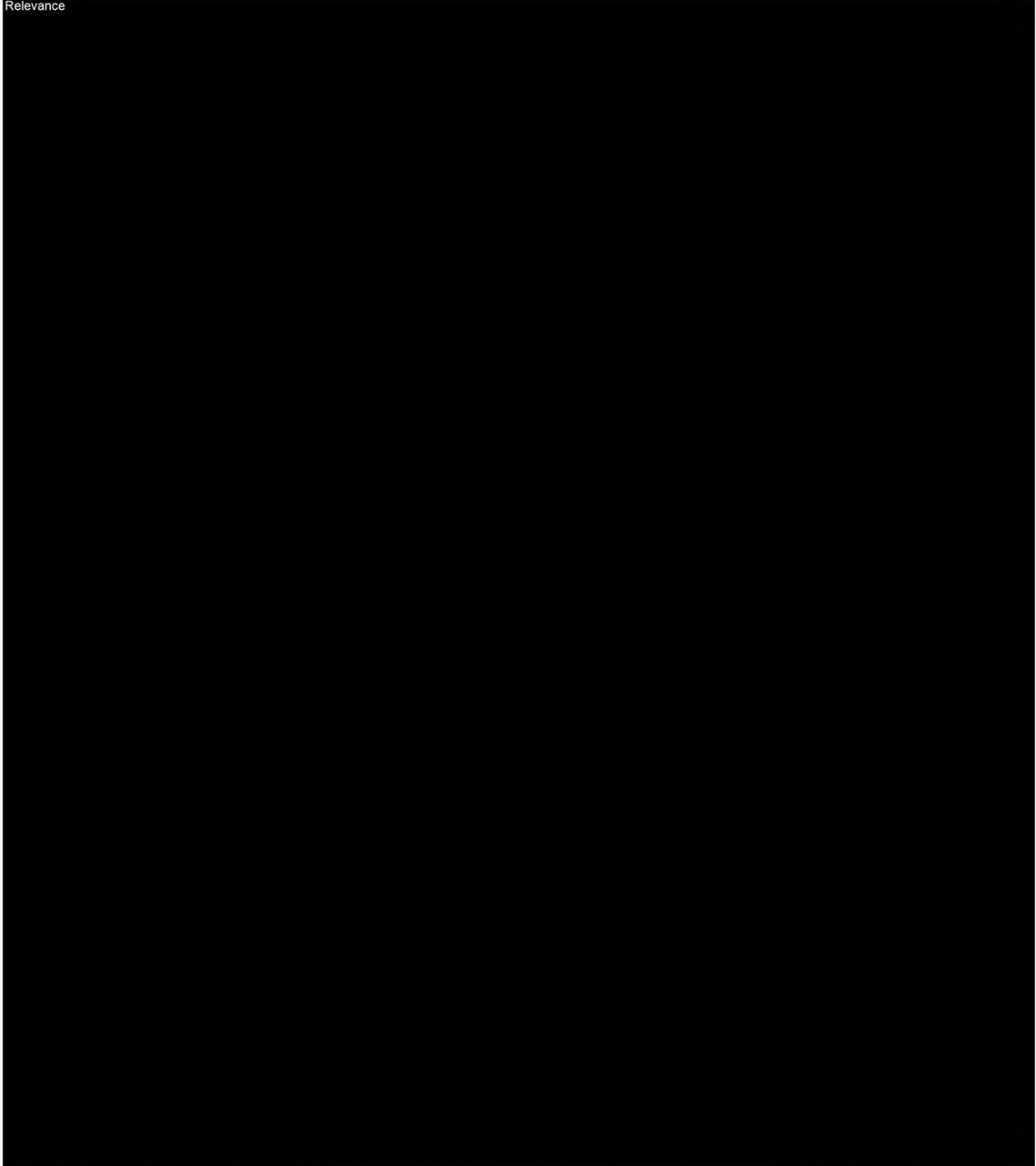
Sandy White-O

**November, 2009**

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## EXECUTIVE SUMMARY

Relevance



The SDU has managed over [REDACTED] high risk human sources since inception. With the benefit of almost five years experience as full time high risk source managers, and the highest standard of source training possible, the ability of the SDU staff to satisfactorily manage 'high risk' human sources is now well established. Whilst the application of high risk tradecraft by experienced and

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competent specialist handlers does not provide a guarantee of elimination of risk, experience has shown that it certainly substantially mitigates it.

Much has been learnt in this time. Training in the [REDACTED] has led to a greater understanding of the benefits and pitfalls of [REDACTED] with persons who [REDACTED]. Control techniques have been explored and refined and risk assessment skills enhanced.

Other learnings include a recognition that sources driven hard by members dedicated to the role, are less likely to go off the rails and that identifying tasking opportunities other than those nominated by the source, provide for 'agency led' investigations as opposed to 'source led' investigations.

The recognition that sources can do much more than what they offer is a highly effective risk minimisation strategy as often-times, the direction a source will want an investigation to go in is tainted with self interest and hidden agendas and is exactly what investigators should not do.

This broad deployment of a human source can only occur when handlers are equipped with the resources (ie time, [REDACTED])

Relevance

PII

PII

Whilst arrest and seizure statistics are a poor measure of performance, some of the highlights of SDU operations include over [REDACTED] arrests for [REDACTED] criminal charges, seizure of over [REDACTED] million dollars worth of assets, the worlds largest ecstasy seizure, the location of [REDACTED] clandestine laboratories and the finding of [REDACTED]. SDU sources have participated in [REDACTED] approved major crime investigations.

The SDU and HSMU have developed an Australasian reputation for delivery of training for all dedicated source handlers within Australia [REDACTED]

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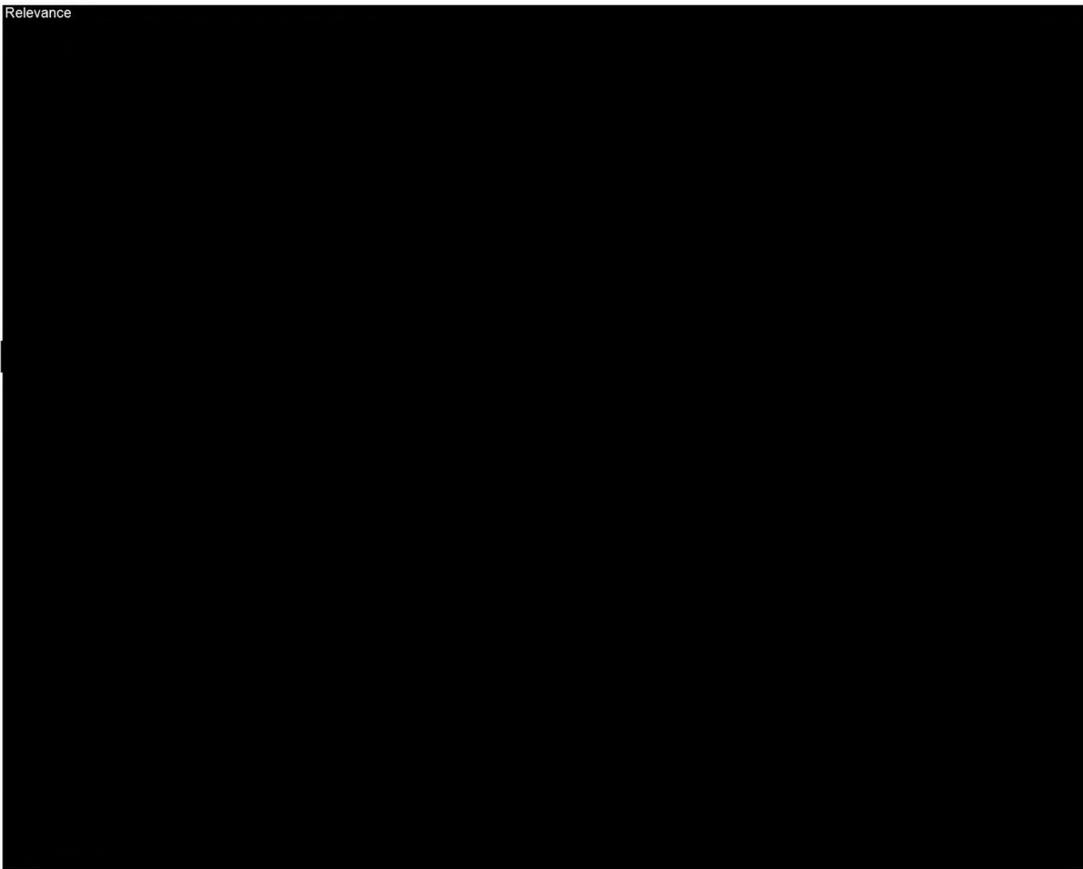
This reflects great credit on Victoria Police which is considered a leader in 'best practice' in this area of police operations. The [REDACTED] training is much more than developmental learning, it also stands as a critical component of the selection processes for persons seeking positions within dedicated human source teams.

A major advantage of setting a benchmark for dedicated high risk source management practices is that dedicated source handlers from [REDACTED] [REDACTED] can be utilised to support each other [REDACTED]

A weakened dedicated source handling program has the potential to result in the types of source management issues that led to the creation of the SDU in the first instance and as can be seen by the [REDACTED] experience, Dedicated Source Handling Teams can still get it wrong when selection processes and supervision are inadequate.

SDU handlers have become very proficient in source debriefing, gathering intelligence from sources about wide ranging criminal activities. This includes corruption related material. Staff at the SDU practice and promote a zero tolerance culture towards corruption and regularly disseminate intelligence which historically would not have been sought or if offered, ignored, to the Ethical Standards Department.

Relevance



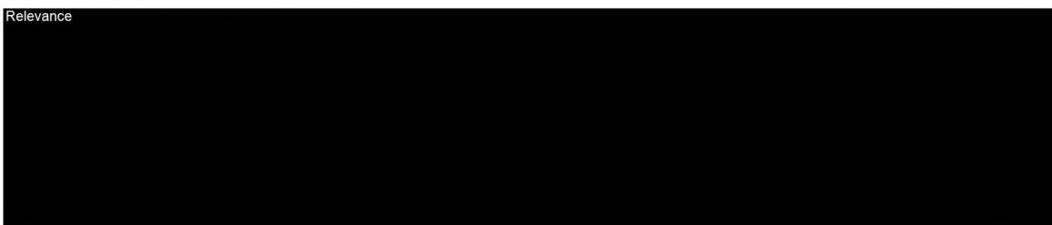
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This report also examines the workplace health of the SDU, identifying workload, motivation, career progression and psychological wellbeing as important issues that impact on the overall effectiveness of the SDU.

The SDU proposes to continue to drive innovation and best practice in this area of police operations by building a strong [REDACTED] program and delivering training not available anywhere else within the Australasian law enforcement environment.

In the final analysis however, it is clear that the current level of staffing of the SDU is not sufficient to support the charter. Quite simply, the SDU has sufficient staff to manage the annual number of high risk sources, which in general terms has reached a peak, but insufficient staff to develop [REDACTED] program.

Relevance



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The number of RFA's for recruitment and assessment have steadily increased whilst those for management remain relatively constant over the five year period.

The workload of the SDU has increased steadily as a consequence of the following factors:

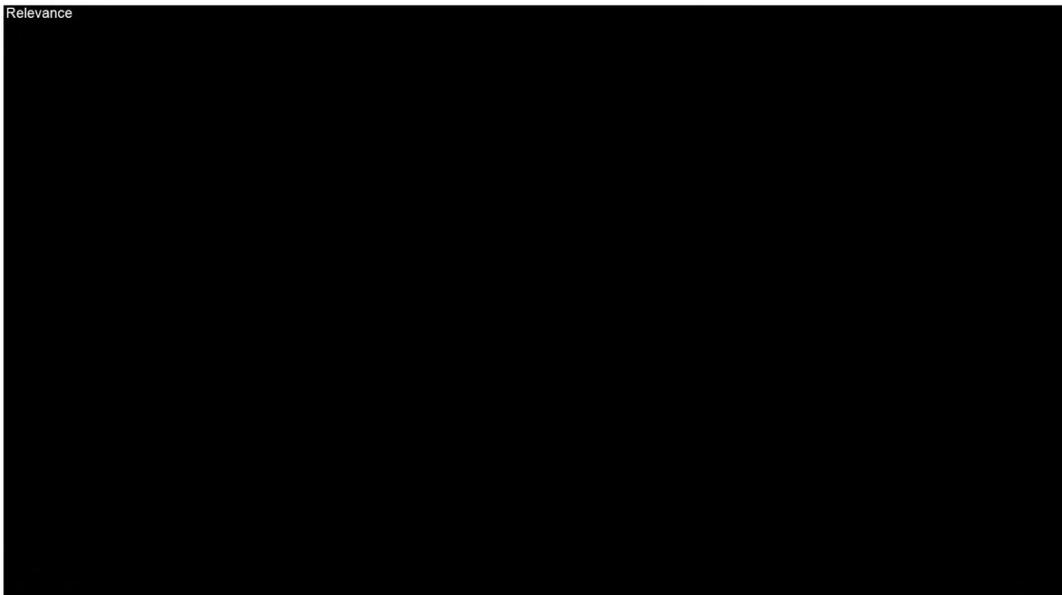
- cultural change arising from improved human source training and an ability by police members to identify risk issues and appreciate how to minimise that risk through the application of a 'sterile corridor'
- the operational success of the SDU contributing to positive marketing and appreciation for the benefits of dedicated source handling teams
- an emerging understanding by investigators of the potential of [REDACTED] human sources in a [REDACTED] manner.

It is not surprising that the Crime Department is the main customer for the SDU in terms of requests for assessment and management as most high risk sources emanate from Crime Department investigations.

Nor is it surprising that the Crime Department is the main customer for the [REDACTED] services of the SDU. The data shows this to be a relatively recent development. This is the direct result of a management decision within the SDU to limit the marketing of this capability until the high risk handling skills of the staff were well established.

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Relevance



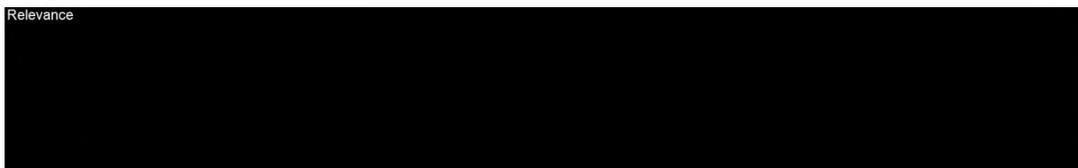
### High Risk Management Skill development

With the benefit of almost five years experience as full time high risk source managers, and the highest standard of source training possible, the ability of the SDU staff to satisfactorily manage 'high risk' human sources is now well established. Whilst the application of high risk tradecraft by experienced and competent specialist handlers does not provide a guarantee of elimination of risk, experience has shown that it certainly substantially mitigates it.

The SDU team is continuously refining and developing skills as high risk source handlers. Ongoing involvement in the Australasian Human Source Working Group and the inclusion of [REDACTED] subject matter experts<sup>5</sup> in the [REDACTED] training program ensures that the SDU is exposed to the most contemporary and innovative strategies relevant to effective source management worldwide.

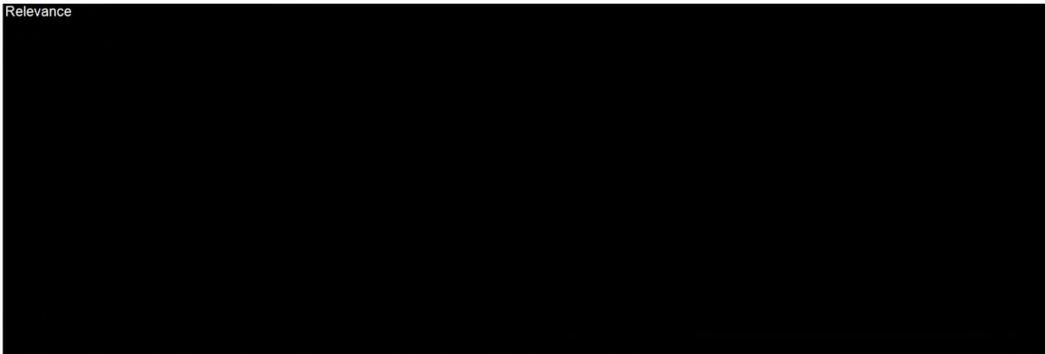
Victoria Police is recognised as a leader in human source management practices Australasia wide. Nearly all agencies within Australia [REDACTED] [REDACTED] have followed Victoria Police's lead and now have dedicated source handling teams. [REDACTED] and [REDACTED] remain the only exceptions. [REDACTED] and [REDACTED] have all modelled their programs on the Victorian experience.<sup>6</sup>

Relevance



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Relevance



### Impediment #3 – Insufficient Intrusive Supervision

The two controllers at the SDU are restricted in their ability to perform 'intrusive supervision' quite simply by the burdensome weight of general administration. The office urgently requires administrative support to relieve this workload thus allowing the controllers to do what they should be doing.

#### Recommendation #1

Clerical assistance be provided to the SDU by the attachment of a public administration officer.

### Administration

SDU compliance with policy in regards to the preparation of source related documents can best be described as barely adequate. Whilst the quality of the SDU correspondence exceeds the norm, the timeliness of submission to the HSMU has been poor.

The level of accountability within the unit exceeds that required by policy and this is entirely appropriate. However, the additional source related administration has impacted on the Controllers' ability to ensure documents are submitted and processed in a timely manner. The cause of this delay can be found in the compilation, checking and delivery of these documents.

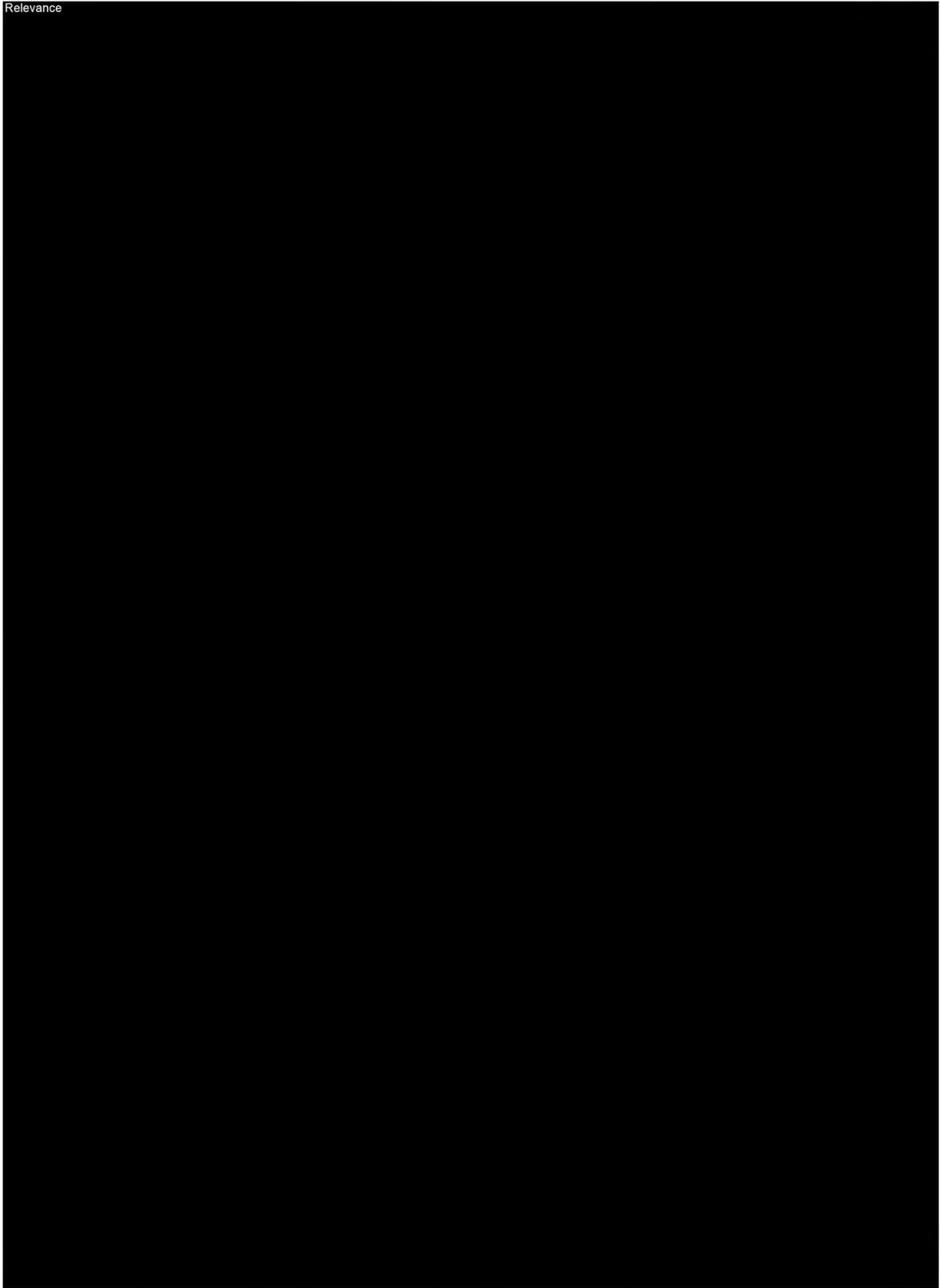
This does not represent a significant risk to the SDU as all meetings [REDACTED] [REDACTED] between a source and handlers exists, however it has limited the capability of the HSMU to search all records of source contacts in a contemporary manner.

The legacy of the first year of operation by the SDU when too many sources were taken on for management by a team of only half the current strength, has also contributed to a lasting backlog of source documents.

This document has been redacted for Public Interest Immunity claims made by Victoria Police. These claims are not yet resolved.

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This event has underlined the value of SDU processes designed to protect human sources. The process of covertly collecting sensitive information and the sanitisation of the ensuing intelligence has been proven to be highly effective in protecting sensitive source related intelligence.

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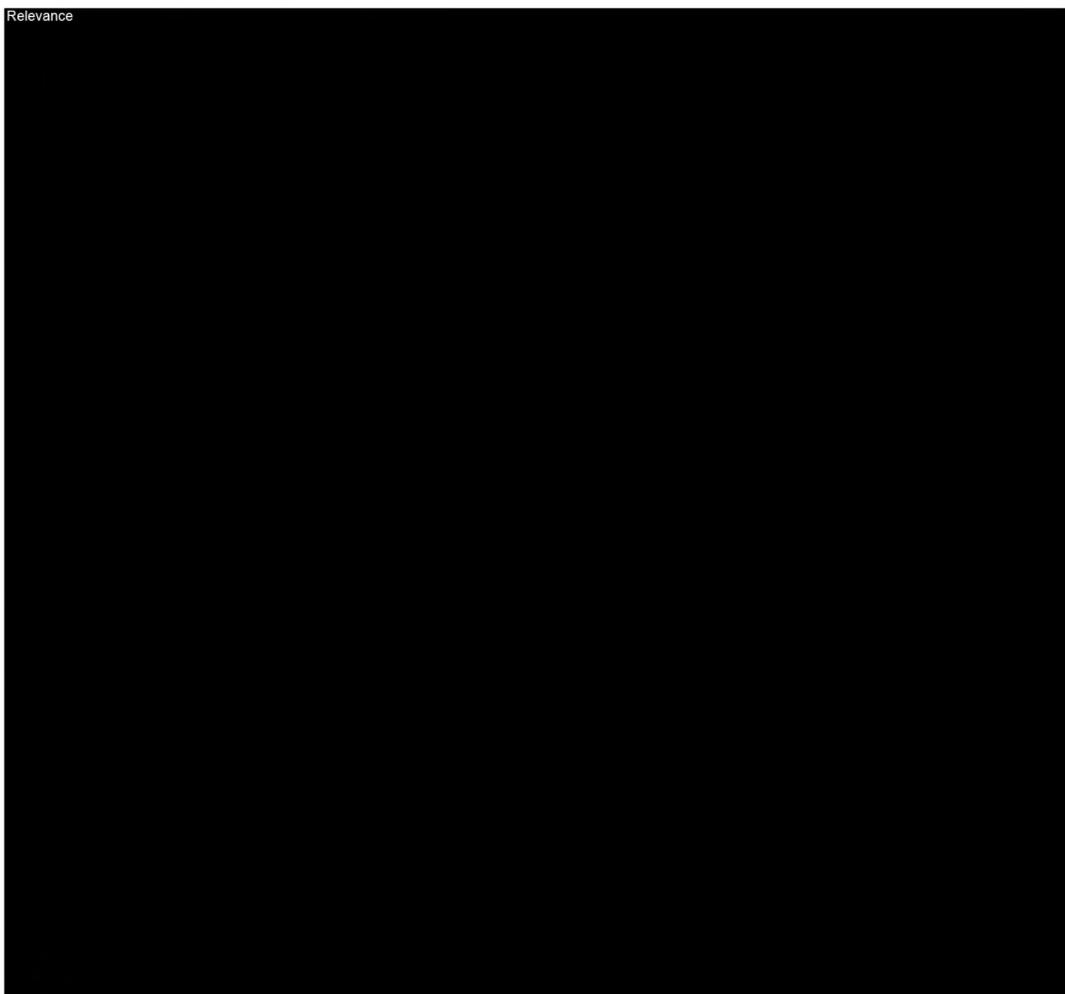
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A major advantage of having dedicated source handlers, is the fact that sources [REDACTED] often has a narrow approach to intelligence collection, gathering only that which he or she is interested in.

SDU handlers have become very proficient in source debriefing, gathering intelligence from sources about wide ranging criminal activities. This includes corruption related material. Staff at the SDU practice and promote a zero tolerance culture towards corruption and regularly disseminate intelligence to the Ethical Standards Department.<sup>10</sup>

It is likely that much of this material would historically not have been sought, gathered or disseminated by investigator/source handlers or if volunteered, would have fallen on deaf ears.

Relevance



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<sup>10</sup> Nineteen disseminations of intelligence relevant to alleged corruption

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Relevance



### Management

In May 2005, the Corporate Management Review Department completed an evaluation of the Dedicated Source Unit Pilot. Among their findings was the following comment:

‘The current DSU inspector is performing two roles within the Intelligence and Covert Support Department. Management is assisted by the Controller performing some of the inspector’s responsibilities with advice being provided by the Steering Committee, Commander Moloney, Superintendent Biggin and others. However, once permanent and with additional staff, the reliance on various managers to assist in DSU management will need to fall to an individual. This together with the Controller being allowed to concentrate on his/her core duties necessitates the need for an Inspector to be above all aspects of the running of the DSU.’<sup>12</sup>

Today the SDU is still managed part time by a Detective Inspector who also has responsibility for the management of the Undercover Unit.

There is no doubt that the two Controllers within the SDU perform much of the role of the officer in charge of the unit. This does not allow them to concentrate on their core duties necessary for the proper ‘intrusive’ supervision of high risk human sources. This has also been a contributing factor to the poor flow of source related administration to the HSMU over the years.

The hours of duty performed by each of the [REDACTED] at the SDU are extensive and are the direct result of having insufficient time to perform the

Relevance



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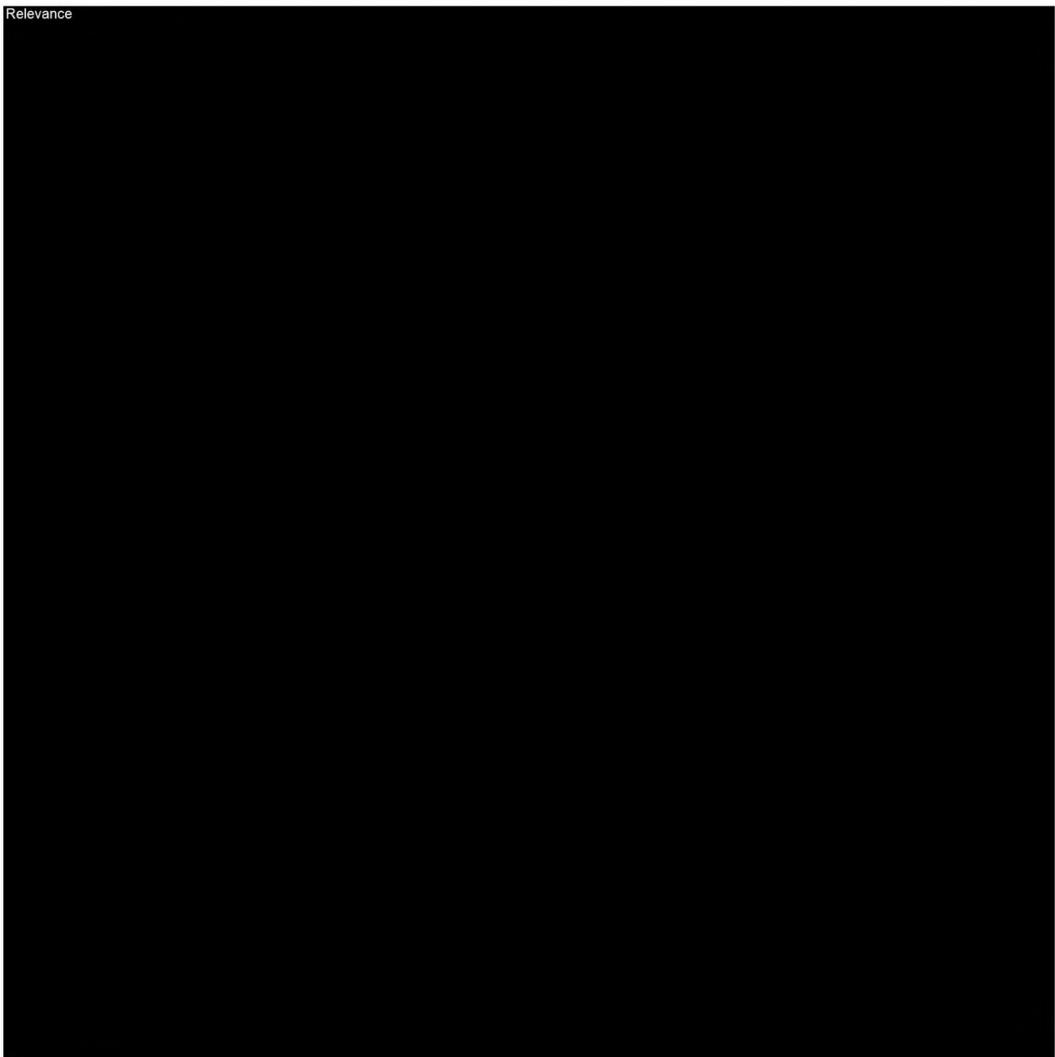
roles of Controller, administrator and pseudo officer in charge. It is 'normal' that the [REDACTED] work an average twelve hour shift on most days.

This situation can be alleviated by the assignation of a full time Inspector or at least a public administration officer.

It should further be recognised that the management and recruitment of high risk human sources is a highly specialised duty. The current rotational policy for movement of officers within Victoria Police does not acknowledge the need for operational expertise to be necessary to be a manager at any work location.

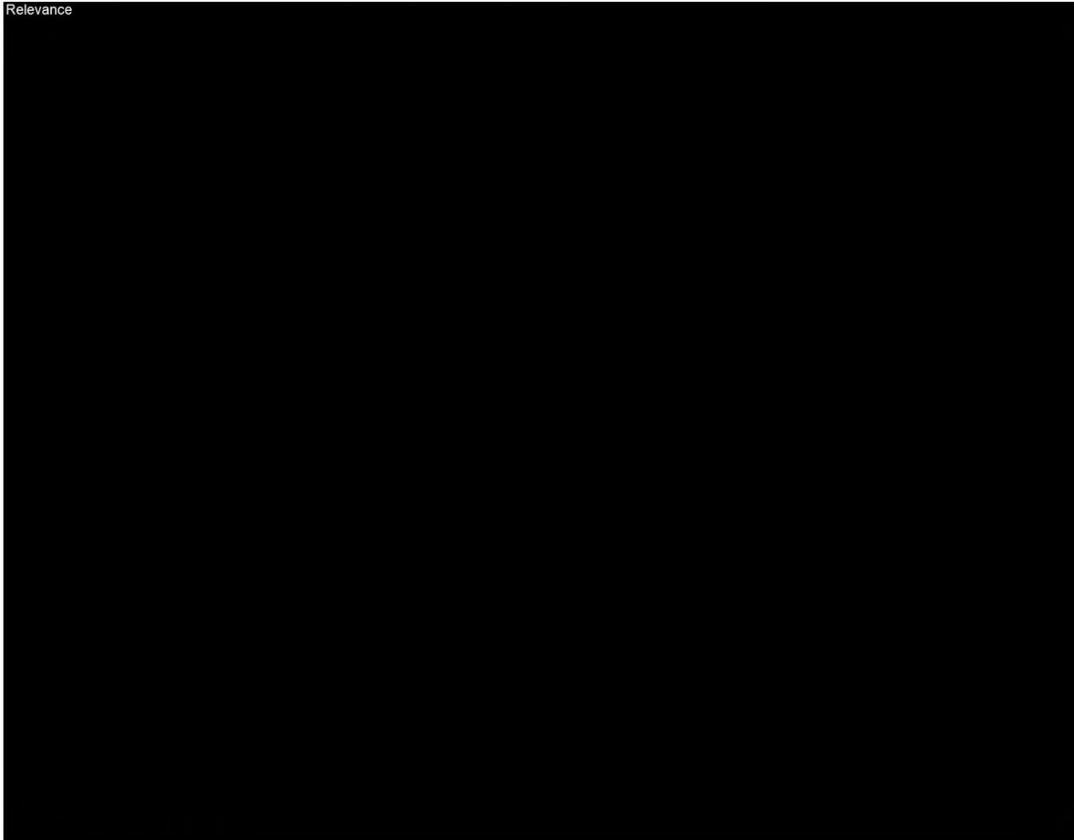
Having regard for the challenging and highly dynamic nature of the responsibilities of the SDU, it is important that the Controllers have the benefit of being able to call on senior management for support or advice regarding operational matters. For this reason it should be more than desirable that the officer in charge of the SDU have experience in major crime investigation and source management.

Relevance



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Relevance



### Commendation

After having been in operation for five years, and now possessing an analysis of the value of the SDU, it is time to consider the efforts of the people responsible for its creation.

█ of the current staff have been present since the SDU inception as a pilot program and the remaining █ since the establishment of the unit as a permanent entity. (Appendix A).

In addition to performing new roles, the staff have been responsible for creating and developing tradecraft never before utilised by Victoria Police members. Much of this work has been created in a 'greenfield' manner with only international research and dedication to assist.

Through presentations to training courses such as; Investigation Management, █ Source Management, as well as to Crime Department and Regional work units, the SDU staff have driven a strong organisational message of ethical integrity and risk mitigation, delivering cultural change in regards to ethical and professional source management.

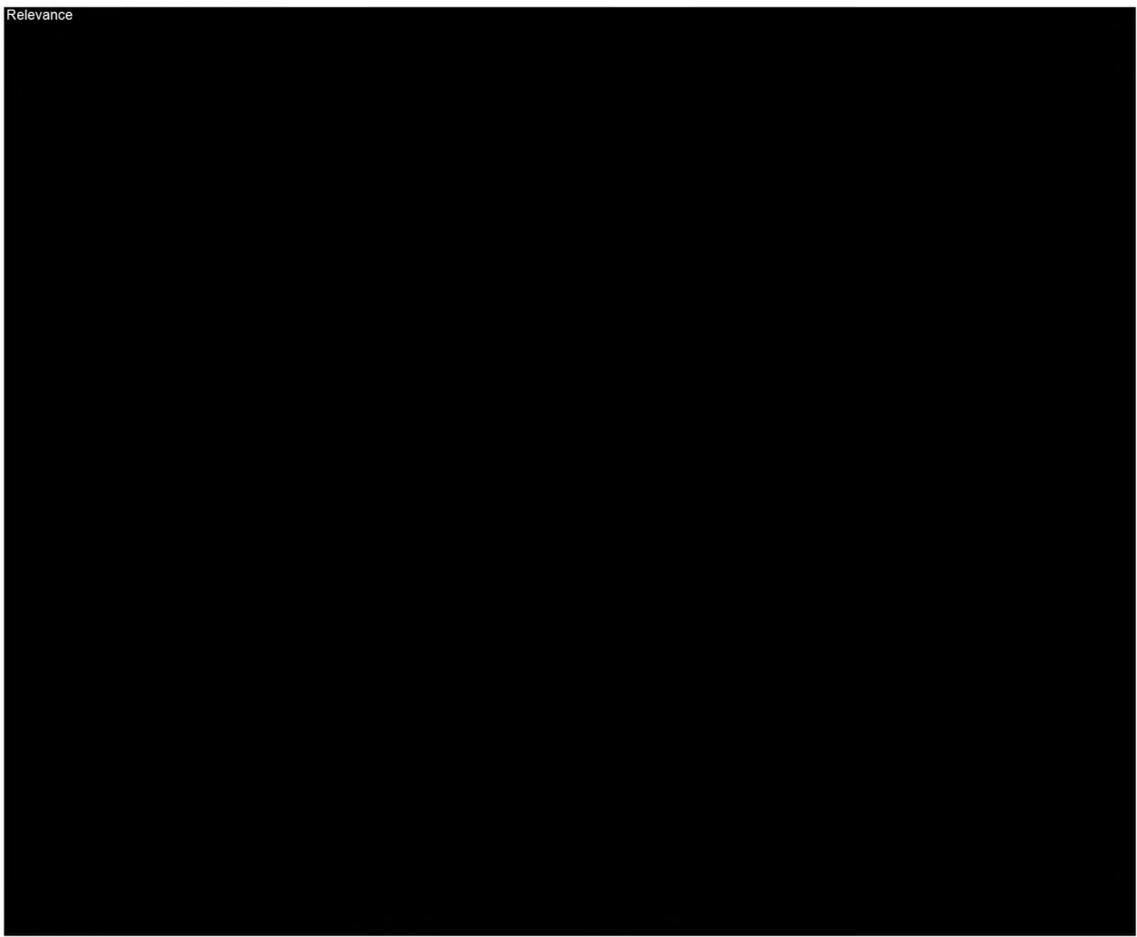
The staff are recognised as experts in source management and are constantly called upon to provide advice and mentoring both locally and nationally.

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Several of the staff are now considering moving on having completed what was required at the SDU. It is appropriate to consider what these people have achieved:

- the establishment of highest possible standards in source management nationally
- the development of successful [REDACTED] methodologies
- the creation of a secure covert environment maximising the ability to protect high risk criminal sources and the information they provide
- a change in organisational culture in regards to strong ethical and accountable management of human sources
- intra-national recognition of Victoria Police as leaders in source management best practice
- delivery of intra national training for dedicated source management and recruiting practices
- reduction in complaints, civil suits and negative media for Victoria Police arising from police/human source relationships
- development of strategic source deployment as opposed source driven deployment

Relevance



Relevance

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- Interception of ██████████ of illicit drugs
- Participation in ██████ approved major crime investigations

Staff have worked repeated weekends and extended hours as contemporary intelligence dictated, were recalled to duty at short notice and constantly put their private lives on hold to achieve these results.

Each member of the SDU is ██████████. The nature of the duties require that they respond to source calls after hours and this does have an impact on ██████████. ██████████ not always understand why telephone calls are more important ██████████.

Between September 2005 and January, 2009 the SDU managed a particularly high risk and high value source who substantially contributed to the dismantling of the MOKBEL criminal cartel.

This was a particularly demanding source who lived under constant threat of exposure over a 3 year period and as well as assisting in the gathering of evidence against serious organised crime figures, provided a constant stream of high level intelligence concerning assets matters as well as matters of corruption.

At the commencement of management of this individual it was determined that one handler would be assigned to be totally dedicated to the source in order to manage the voluminous amount of intelligence and issues to be resolved. During the course of management, it became apparent that this was a two handler operation and that the handlers needed to be regularly rotated to allow for time to catch up on paperwork and have a break from the high source demand.

As a consequence, most of the SDU handlers assisted in management of this individual.

Handlers regularly<sup>21</sup> participated in one or even two hour long telephone conversations with this individual. Because the source was legitimately employed, these conversations would usually occur in the evenings when the handler would be home ██████████.

Often these calls occurred late at night and whilst most calls contained important intelligence, handlers reported that an average of 70% of the content of the call was related to managing non intelligence issues, perceived or real, by the source who was a highly emotional individual.

<sup>21</sup> At least daily and often multiple times a day

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The management of this source occurred over almost three and half years, during which time the source was at great risk of being exposed via court discovery processes. The source did in fact receive numerous death threats from associates who suspected the source of assisting police.

It is important that the dedication shown by the members to their duties, especially after hours, be recognised.

A primary motivator behind the establishment of the SDU was recognition by Victoria Police of the risks involved in law enforcement relationships with criminal human sources. Victoria police substantially minimises these risks through the services of dedicated high risk source management teams.

Five years after the Source Development Unit was established in response to Victoria Police's poor record of informer management, the Victorian Office of Police Integrity released a report detailing the findings of its investigation into human source management by Victoria Police. Whilst critical of some aspects of the organisation's management of human sources, the Director Michael STRONG had this to say in regard to the practices of the SDU;

*'The OPI investigation found that the regime in place for managing high-risk relationships was working well and acknowledged in policing circles as consistent with international best-practice'*<sup>22</sup>

The SDU enjoys an excellent reputation within Australasian policing circles as a direct consequence of the dedication and professionalism displayed by the existing staff. These members have built a work unit which to date is achieving what is an important objective for Victoria Police, that is the reduction or elimination of the serious personal, corporate and community risk inherent in relationships between law enforcement officers and covert human intelligence sources.

That is why the Victoria Police SDU is the envy of interstate policing agencies.

Considering the success of the SDU, it is appropriate that the efforts of the existing staff be recognised by way of formal commendation. I therefore strongly recommend that those members (refer to Appendix B) be commended for;

*'Outstanding dedication and motivation in creating a secure and ethically robust environment for the operational management and recruitment of high risk covert human intelligence sources.'*

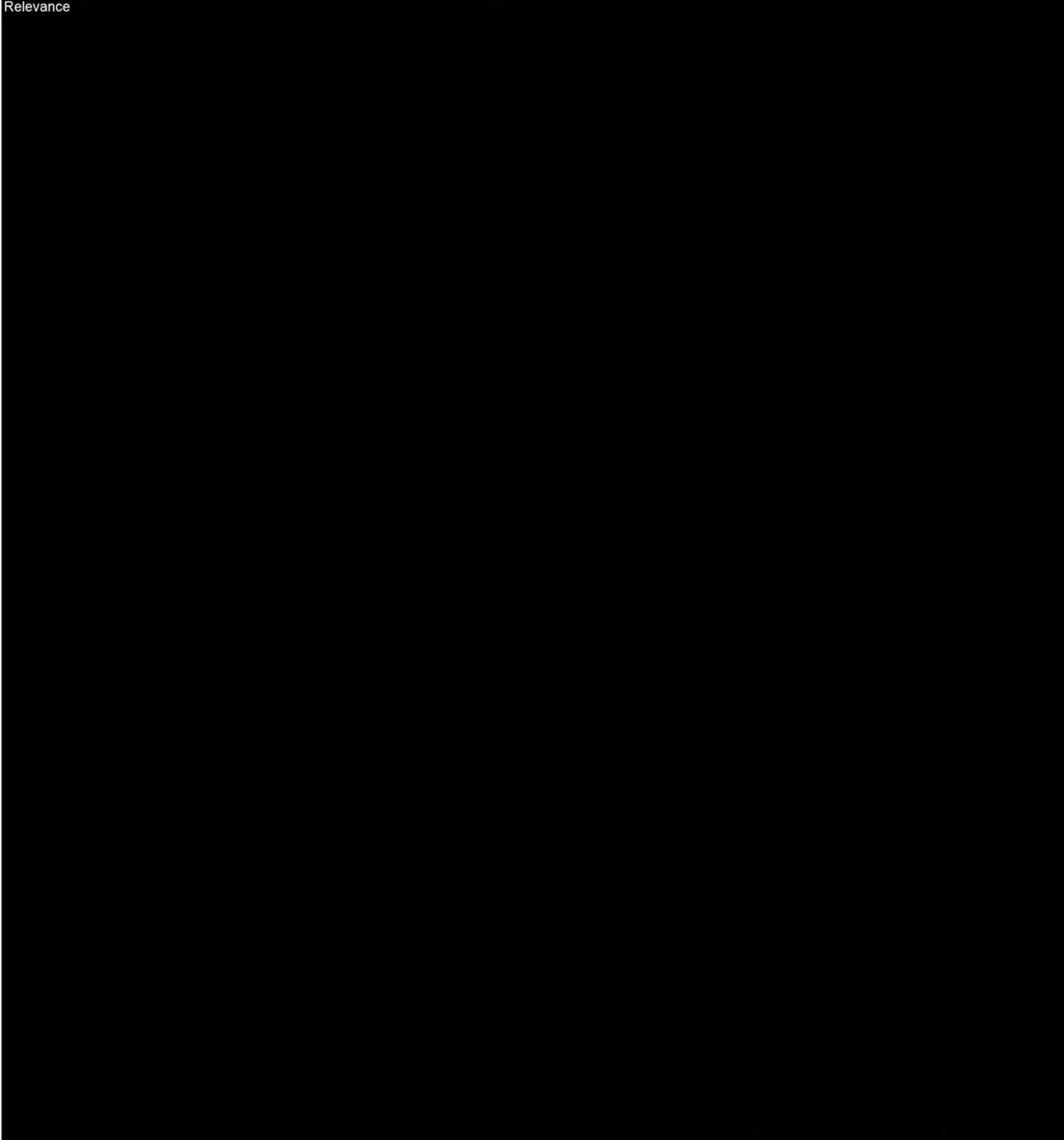
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## VISION

Relevance



██████████ experience is simply a repetition of the type of misconduct that occurred in Victoria in the past and which was the impetus for the creation of the SDU and a centralised source management system within Victoria Police.

The SDU has made substantial progress towards creating a robust, secure and ethical environment for the ██████████ recruitment and operational management of high risk human sources of intelligence.

Relevance



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With the implementation of Interpose and the partnership between the Human source management Unit (HSMU) and the SDU, the opportunities to task and deploy human sources to collect intelligence in response to corporate strategic and intelligence needs has been enhanced.

The opportunity to build a network of high value, reliable, taskable and professionally managed human sources across the state, which can be deployed in a targeted manner to infiltrate serious organised crime and PII activity is present and achievable.

Since the implementation of PII source management, PII training for specialist dedicated source handlers, the SDU has been very successful in targeting individuals within the serious organised crime environment PII. Experience has shown that criminal targets PII if sufficient planning, resourcing and expertise is applied.

Serious crime investigators have progressively developed an appreciation for the services of the SDU and many now consider the SDU to be a standard avenue of enquiry at the commencement of an investigation.

This work will be built on as the specialist skills continue to be developed. Through the careful and selective use of these skills, the PII methodology will also be applied to PII allowing for the PII to prevent and detect PII related crime.

Between January 1998 and June, 2009 the Victorian community became embroiled in a gangland war that stemmed from nothing more than serious organised crime figures fighting over the commercial illicit drug trade. There is no doubt that this war developed to the point of being out of police control with the murders of as many as 35 individuals.

Whilst Victoria Police ultimately overcame these criminals, it was very apparent from the beginning, that the organisation's intelligence holdings regarding the participants was poor. It is ironic that human sources were instrumental in ending this gangland war, when this resource could have been exploited to prohibit it in the first instance.

SDU PII This is an investigational capability that should not be ignored, rather it should be strongly supported to ensure Victoria Police can proactively destroy serious organised crime activity before it gets out of control as the gangland wars did.

An effective intelligence gathering capability driven by PII and supported by high risk source management capability can provide such a capacity.