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VICTORIA POLICE

*Review of the Victoria Police*

*Drug Squad*

*August / September 2001*

*Steering Committee Endorsed Final Report – November 2001*

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**PROTECTED***PROTECTED***2 GLOSSARY OF ABBREVIATIONS**

Abbreviations used in this report are for Victorian organisations unless otherwise stated.

<b>ABCI</b>	Australian Bureau of Criminal Intelligence
<b>ACS</b>	Assets Confiscation Squad
<b>AFP</b>	Australia Federal Police
<b>CCD</b>	Controlled Chemical Deliveries
<b>CDD</b>	Chemical Diversion Desk
<b>CIU</b>	Criminal Investigation Unit
<b>CJC</b>	Criminal Justice Commission
<b>CMRD</b>	Corporate Management Review Division
<b>CPMB</b>	Central Property Management Branch
<b>CPAU</b>	Compliance Procedures & Administration Unit
<b>DITC</b>	Drug Investigation Target Committee
<b>DOJ</b>	Department of Justice
<b>DP &amp; CSA</b>	Drugs Poisons and Controlled Substances Act
<b>DS</b>	Drug Squad
<b>EMU</b>	Exhibit Management Unit
<b>EPSO</b>	Ethical and Professional Standards Officer
<b>ESD</b>	Ethical Standards Department
<b>EUD</b>	End User Declaration
<b>GPD</b>	General Policing Department
<b>HRDD</b>	Human Resources Development Department
<b>IDC</b>	Intelligence Data Centre
<b>IMF</b>	Informer Management File
<b>IMU</b>	Information Management Unit
<b>ISS</b>	Investigation Support System
<b>LD</b>	Listening Device
<b>NCA</b>	National Crime Authority
<b>NPRU</b>	National Police Research Unit
<b>OIC</b>	Officer in Charge
<b>OPP</b>	Office of Public Prosecution
<b>OSTT</b>	Operational Safety Tactics Training
<b>PAO</b>	Police Administration Officer
<b>PSD</b>	Protective Security Division
<b>PSIG</b>	Protective Security Intelligence Group
<b>PSO</b>	Protective Security Officer
<b>RRU</b>	Regional Response Unit <b>PROTECTED</b>
<b>SCS</b>	State Crime Squads
<b>SOG</b>	Special Operations Group
<b>SOP</b>	Standard Operating Procedures
<b>SPU</b>	Special Projects Unit
<b>TI</b>	Telephone Intercept
<b>TIO</b>	Tactical Intelligence Operative
<b>TSU</b>	Technical Support Unit
<b>UC</b>	Under Cover
<b>VFSC</b>	Victoria Forensic Science Centre
<b>VPAC</b>	Victoria Police Audit Committee
<b>VPC</b>	Victorian Police Centre

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### **3 EXECUTIVE SUMMARY**

#### **3.1 Introduction**

The Drug Squad Review was undertaken following the recent charging of a member of the Victoria Police Drug Squad, Detective Sergeant Rosenes and a former Drug Squad member, Detective Senior Constable Paton, with drug trafficking offences.

Over the previous decade there have been a number of deficiencies identified in management practices. The Drug Squad is a high-risk area in regard to corruption, in particular, controlled chemical deliveries, informer management and exhibit and property handling.

Terms of Reference for this review highlighting specific issues to be addressed were developed in consultation with the Victorian Ombudsman, Dr. Barry Perry. A succinct overview of the most critical issues follows.

#### **3.2 Audit and Corruption History 1991 - 2001**

A review was conducted of previous audits of the Drug Squad (1991 – 2001) and of major corruption investigations during the same period to establish if there were any links. This clearly identified a culture focused on achieving operational success with scant regard for administrative responsibilities.

A 1991 audit identified deficiencies in 35 functions. It took the Drug Squad three and a half years to rectify the deficiencies. Former Detective Senior Constable Hicks was engaged in corrupt activities at the Drug Squad during this period.

In 1999 a further audit was conducted and 12 sub-functions including the chemical purchasing account were deemed unsatisfactory. Two compliance audits were conducted and problems previously identified with the chemical purchasing account had not been addressed. Rosenes and Paton engaged in corrupt activities during this period.

There have been other instances of corruption in recent years. Clear and identifiable linkages between poor administrative / management practices and corruption have been established. Drug Squad management contributed to these failings.

#### **3.3 Structure**

The current structure is inefficient. There is overwhelming support for the establishment of an 'Officer in Charge' position (Superintendent level). **PROTECTED** The current structure does not provide for effective risk management or administrative / financial accountability.

A restructure of the Squad from three to two operational units is recommended, with the establishment of a Compliance Procedures & Administration Unit (CPAU). The establishment of the CPAU is pivotal to provide a balance between operational focus and administrative accountability, whilst also addressing risk management requirements.

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recommends the purchase of scales for use at the Drug Squad and the Exhibits Management Unit. Scales that produce a print-out of the weight of the item are the preferred option.

### **3.7 Tenure**

The NSW Wood Royal Commission and the QLD Fitzgerald Inquiry recommended the introduction of tenure for high-risk areas such as Drug Squads. Tenure is an anti-corruption strategy, which also provides a safeguard against 'burnout'. It is acknowledged that tenure is difficult to implement. Both NSW and QLD are grappling to implement tenure.

In excess of one third of the Drug Squad members have over three years service at the Squad. Two Senior Sergeants have 15.5 and 12 years service respectively. Tenure is recognised as a safeguard against corrupt associations being formed, enhancing job skills, increasing job satisfaction and overcoming complacency. The advantages of tenure far outweigh the disadvantages.

Tenure should be established at high-risk areas of the Force such as the Drug Squad. The Review Team recommends an initial period of three years, with a possibility of two further extensions of 12 months, to be appropriate. The Commander Crime must approve any extension. Promotion within the Drug Squad should be prohibited and a moratorium of two years be implemented for members wishing to return to the Drug Squad.

### **3.8 Risk Management**

Following a direction from the Victoria Police Audit Committee (VPAC) a risk assessment matrix for the Drug Squad was prepared. Detective Superintendent Newton provided a copy of this document to the Review Team. There were no functions identified as high-risk. Theft and official corruption were classified as medium-risk and the remaining functions were classified as low-risk. High-risk areas such as informer management, controlled chemical deliveries, drug purchases and sales were not included. It appears there is an inability on behalf of Drug Squad management to identify high-risk areas.

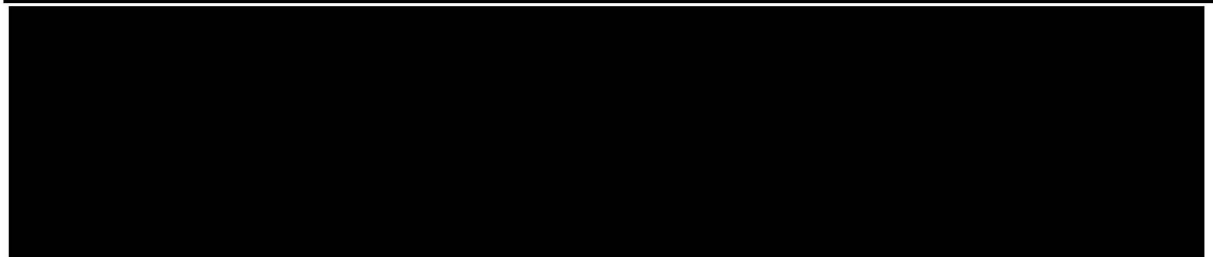
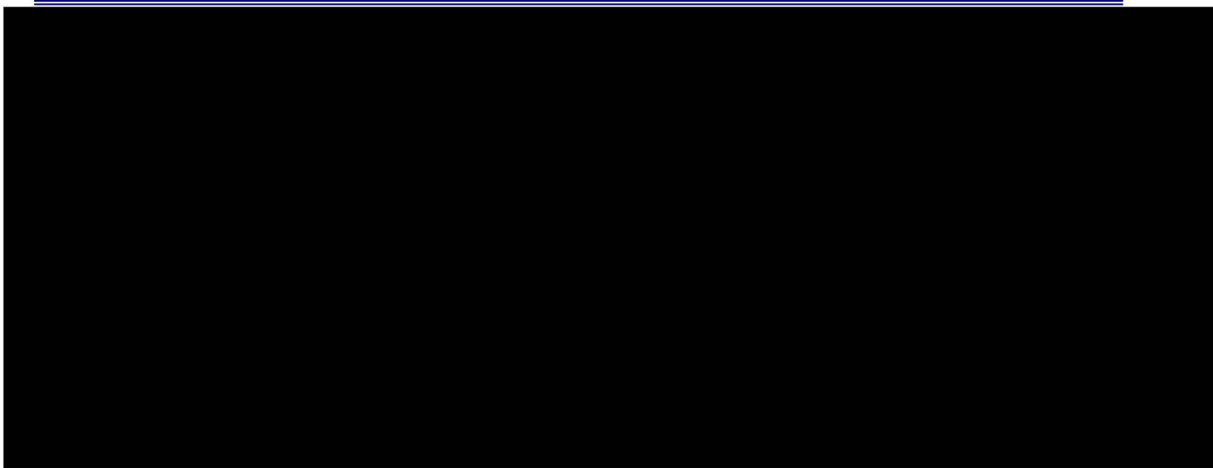
### **3.9 Personnel Issues**

Personnel at the Drug Squad, in general terms, are very junior and have limited experience. Most members see the Drug Squad as a means of securing a detective position. It has also been suggested the Squad has been used as a dumping ground for under-performers. The Review Team was informed that Rosenes was moved from State Crime Surveillance to the Drug Squad as a management intervention due to under-performance. Many current (and past) members have significant disciplinary histories. **PROTECTED** Only members with the highest levels of integrity should be considered suitable for appointment to the Drug Squad. At the present time there are four unfilled Sergeant vacancies.

### **3.10 Psychological Testing**

The issue of psychological testing for Drug Squad personnel was researched as a means of determining the potential for corruptibility. There is limited academic research available. Whilst it is generally agreed that no psychological test exists that will predict corruptibility, certain research suggests that previous misconduct may point towards corruptibility. This research is not conclusive and the Review Team recommends this issue be referred to the Australian Centre for Policing Research for further assessment.

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**PROTECTED***PROTECTED***CRITICAL RISK - INFORMER MANAGEMENT**

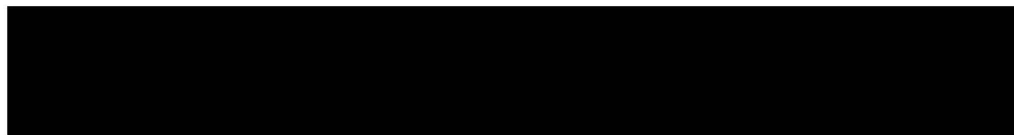
59. *That a Forcewide informer policy is implemented based on current Crime Department policy but providing for a specific audit and compliance regime in the following terms:*

- *A copy of all information reports generated relevant to the informer are to be numbered and attached to the Informer Management File - each endorsed in the informer activity log.*
- *That a monthly review of the informer relationship and information provided be conducted by the designated controller, such review to ensure all information reports are attached to the file - such review and any recommendations to be endorsed on the Informer Management File.*
- *That the handler provides a quarterly report detailing all contacts with the informer and an assessment as to the continuance of the registration.*
- *That the Local Informer Registrar must conduct quarterly inspections/reviews of all Informer Management Files.*
- *That within GPD the **PROTECTED** Commander ensures that Informer Management Files are subject to yearly audit by the Regional Audit Team.*
- *That within the Crime Department the Commander ensures that Informer Management Files are subject to yearly audit by the Crime Department Audit and Compliance Team.*

60. *That Local Informer Registrars be retained, being Superintendents In Charge of GPD Divisions, Crime Department Divisions or other units within the Force.*

61. *That the IDC becomes the Central Informer Registry for the Force (ESD exempted).*

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removed shortly afterwards and replaced by Detective Superintendent McGrath.

**Comment:** Poor administrative practices may have contributed to the theft.

*A report attached to the file from Inspector McKenzie highlighted problems with the system, including no requirement to weigh the drugs. It is interesting to note the approximate weight was included in the property book entry from the originating station – Ararat, however no reference to weight was made in the Drug Squad property book.*

**Final Report:** Copy provided (volume 2 – 16).

## 8.2 Case History 2

**ESD File No:** 10-1-170191

**Date:** June 1992

**Subject:** Theft of drugs/chemicals from the Attwood Storage facility

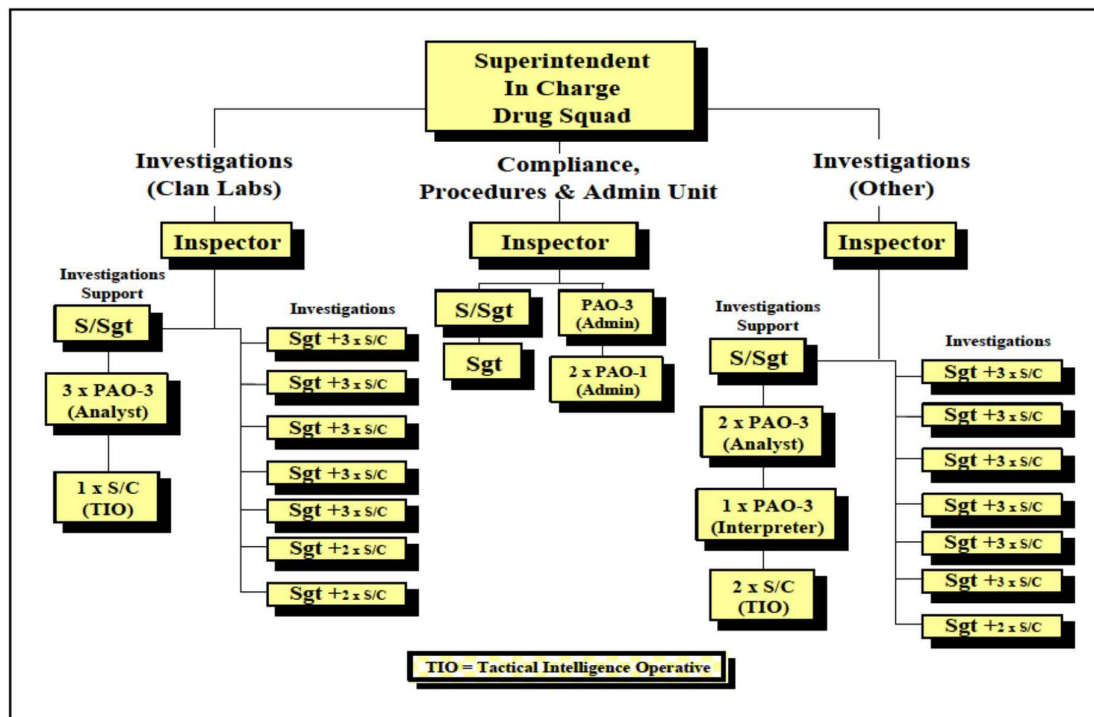
**Overview:** On the 16<sup>th</sup> of June 1992, during the trial of Laurence Sumner and Albert McNamara, counsel for McNamara made application for an independent analysis of the alleged drug exhibits. Re-analysis of the exhibits showed the methylamphetamine-based solution to have been replaced with a soft drink or cordial based syrup diluted with water. Effectively 1,228 grams of methylamphetamine had been stolen. McNamara's counsel was no doubt well aware the drugs had been stolen. Fortunately the screening sample was re-analysed and contained methylamphetamine at the previously analysed level. A stocktake of the chemicals stored in the 6 shipping containers at Attwood revealed a further 865 grams of amphetamine had been stolen from another exhibit (Peter Hunt) and substituted with a water based solution. The original investigation was conducted by Detective Inspector Sheridan. He was unable to determine whether the thefts occurred at the Victoria Police Forensic Science Centre (VFC) or the Attwood Storage Facility, or the identity of the offender(s). A number of deficiencies were noted in relation to the management of Attwood in particular the handling of the keys. Two Admonishment Notices were approved and subsequently withdrawn following review.

**Comment:** The investigation identified significant corruption. Sumner and McNamara were notorious amphetamine manufacturers. As the exact location of the thefts could not be established both Drug Squad and VFSC staff were under suspicion. The management of Attwood was atrocious; there was no audit trail, the keys were left in an unlocked drawer at the Drug Squad office, no inspections were ever conducted and on one occasion a plumber

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## 11.6 Drug Squad – Proposed Structure



### Recommendation 8:

*That the proposed Drug Squad structure, incorporating the CPAU, be approved.*

**Decision:** *Approved*

**Date:** *15 / 10 / 2001*

## 12 CRITICAL RISK - CHEMICAL DIVERSION DESK

The Chemical Diversion Desk is a critical risk area of the Drug Squad. The fact that two members of this small unit have recently been charged with serious criminal offences supports this assertion. The nature of the crimes committed by these members is of the highest level of police corruption. It has brought disgrace to the individuals, the Drug Squad and the Force.

At this unit specialist investigative techniques were developed specifically to locate high-level drug manufacturers and traffickers. In this environment, these members formed corrupt associations with their supposed targets and committed the very same offences they were meant to police.

This review was not involved in the investigation of these members. The Review Team was open minded in approaching the review of this area, however, it quickly became apparent that the administrative management of this area was inadequate.

In reviewing the Chemical Diversion Desk, there were no policies, procedures or practices that specifically encouraged corrupt behaviour. There was however, a culture of consistent disregard for administrative processes and practices. The 'ends justifies the means' mentality

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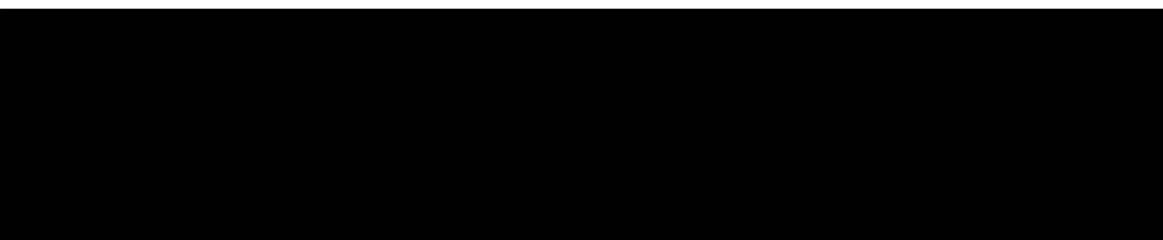
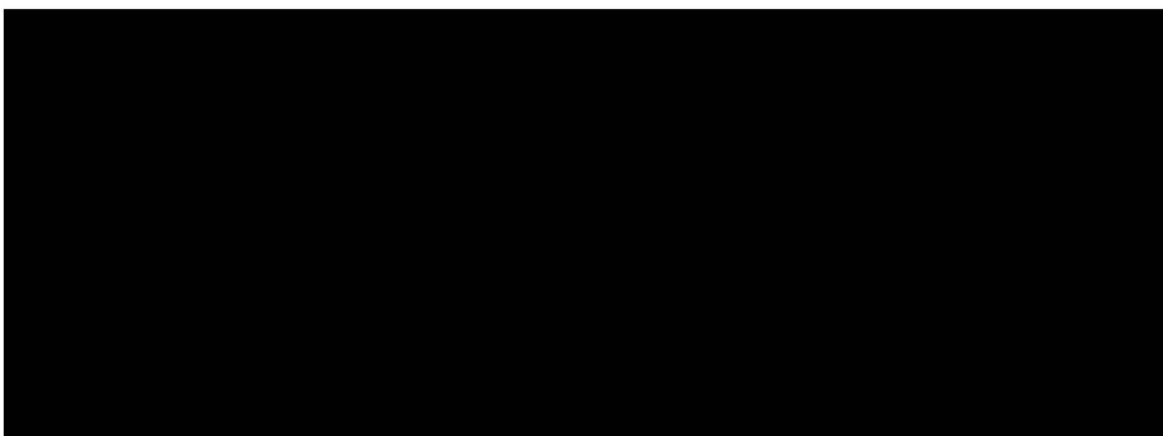
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of achieving operational objectives and the practice of taking administrative ‘short cuts’ was disclosed. The Review Team believes that a lack of appropriate administrative responsibility and accountability assisted in allowing corruption to develop. This section of the review details the background and environment of the Chemical Diversion Desk.

During 1995, the then Detective Sergeant Strawhorn travelled overseas on a study tour. On return, Strawhorn established the Chemical Diversion Desk (CDD) and submitted a report outlining its role (undated) (volume 3 - 6). The CDD is located in Unit 2 at the Drug Squad.

The key function of the CDD is to liaise with chemical companies, allied industries, internal/external service providers and interstate law enforcement agencies in order to prevent, disrupt and identify suspects engaged in illicit drug manufacturing. There is no formal approved policy document for the CDD.

Detective Sergeant Rosenes and Detective Senior Constable Paton had worked on the CDD together for a period of approximately 6 months.

**PROTECTED****Recommendation 9:**

*The Force pursues Legislative changes to the Drugs Poisons and Controlled Substances Act to include precursor chemicals as restricted substances.*

**Decision: Approved (for urgent attention)**

**Date: 15 / 10 / 2001**

**Recommendation 10:**

*The Force pursues Legislative change requiring chemical companies to obtain ‘End user Declarations’ from customers who purchase precursor chemicals.*

**Decision: Approved (for urgent attention)**

**Date: 15 / 10 / 2001**

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Inspector Reid, ex-Detective Chief Inspector McKoy and Detective Superintendent Newton. McKoy and Reid have now left the Force.

The Review Team believes that due to the high-risk nature of the [REDACTED] a strong administrative focus is required to provide administrative accountability and to create an environment that discourages unethical behaviour and corruption. This can only be achieved by the removal from management of those who have allowed the present situation to develop.

## **13 CRITICAL RISK - INFORMER MANAGEMENT**

### **13.1 Introduction**

Victoria Police currently has two informer management policies; one for General Policing (OPM 4.8.2.1 – refer volume 4 - 9) and one for the Crime Department (Crime Department Instructions, October 2000 pp 5 - 15 – refer volume 4 - 10). Drug Squad SOP 32 (volume 3 – 13) contains further instructions in relation to informer management. The Crime Department policy, approved by Deputy Commissioner O'Loughlin, commenced in 1998. Unfortunately this file has been lost. It was intended for the policy to be implemented Forcewide. The Review Team has examined informer management policies and informer management units operating in both New South Wales and South Australia. The requirement for a Forcewide policy will be further examined along with the establishment of an Informer Management Unit.

### **13.2 Associated Risk**

Informer handling and management is a high-risk area of criminal investigation. This was made clear from the findings of the Wood Royal Commission<sup>4</sup> and the findings of the NSW Independent Commission Against Corruption<sup>5</sup>. The use of police informers in drug law enforcement is prevalent. In the view of one experienced investigator and informer handler:

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*"I believe that the use and control of registered informants is the singular most effective way to gather evidence and conclude a criminal investigation with the maximum result. Their use is not limited to the investigation of trafficking of controlled substances; it can involve other offences including firearms, theft, fraud and homicide investigations.*

*The reason that it is so successful is that the investigator is aware of the criminal's moves almost every step of the way and to some degree can control and predict the flow of the investigation. This is usually combined*

<sup>4</sup> Royal Commission into the NSW Police Service, May 1997, Volume 2, p 431 to 440.

<sup>5</sup> Independent Commission against corruption - Investigation into the Relationship Between Police and Criminals First Report February 1994.

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*with Special Projects, such as telephone interceptions or listening device material. The target's moves can then be monitored."(volume 4 - 8)<sup>6</sup>*

Whilst recognising the assistance that informer provided intelligence can provide to criminal investigators, issues arise as to the adequacy of policy on informer management, audit and compliance with policy, anti-corruption and risk minimisation strategies, training, uniformity of policy and central registration of informers.

### 13.2.1 Risk Identification

Risks to the Force in the recruitment, handling and management of police informers include:

- ❑ Death or injury to informers whose identity becomes known to criminals.
- ❑ Death or injury to informers acting in an undercover capacity as police agents.
- ❑ Informers committing offences with or without police knowledge.
- ❑ Police engaging in criminal or illicit activities following exposure to a criminal sub-culture.
- ❑ Meetings with informers used as a cover for illegal police activity.
- ❑ Misinformation leading to wasted police resources.
- ❑ Failure to elicit valuable intelligence from informers.
- ❑ Current or past informers making false allegations of police criminality or misconduct.
- ❑ Police not passing on valuable information from informers to other areas of the Force.
- ❑ Informers manipulating police by using police as a source of intelligence for criminal activities or, dictating the course of police operations or resource allocation.
- ❑ Insufficient payment to informers leading to a reduction in the level and/or value of information provided.
- ❑ Overpayment or double payments to informers.
- ❑ Failure to recognise and recruit potential informers.
- ❑ Failure to regard informer sourced intelligence as a valuable and cost effective investigative resource.

This review cannot deal comprehensively with all of the risks identified in the management and handling of informers. The review seeks to provide an overview of the current situation and address risk to an achievable extent by making recommendations for change.

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## 13.3 Current Policies - Overview

### 13.3.1 General Policing Department

General Policing policy on informers can be found in *Operating Procedures 4.8.2* (volume 4 – 9). This policy is very brief and basically provides:

- ❑ In the General Policing Department (GPD) the Registrar of informers is the Divisional Superintendent.
- ❑ Confidentiality in respect to the identity of informers is to be strictly maintained.

<sup>6</sup> Detective Senior Constable Brent Scurry of the Victoria Police Major Fraud Group - views expressed in an issues paper dated 13 August 2006 on informer management and handling.

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- A member's immediate supervisor must be notified of a planned meeting with a registered informer.
- Both the member and supervisor are to note the meeting in their official diary.

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- Registration occurs by provision of an envelope containing the informer's details to the registrar who allocates a registration number for all future reference to the informer.

There is no requirement to centrally record the informer's details, or the type of information that can potentially be provided by the informer. In practice there are two exceptions to this with Morwell and Wangaratta providing a copy of an informer registration form to the Information Data Centre at the Crime Department<sup>7</sup>. Thus informers registered by these two GPD workplaces are effectively on the Crime Department database on a voluntary basis.

### 13.3.2 Crime Department

Informer Management Policy is also provided in Crime Department Instructions issued in October 2000 (volume 4 – 10 pp 5 –17). This policy, which applies to the Crime Department, substantially expands the Operating Procedures 4.8.2 (volume 4 – 9). Matters detailed include:

- Pre registration considerations.
- Requirement for information report submission for each informer contact.
- Local informer registries for the Crime Department.
- A central informer registry for the Crime Department.<sup>8</sup>
- Appointment of a controller [REDACTED] and handler with defined functions.
- Informer identification.
- Creation and handling of informer management files.
- [REDACTED]
- Criteria for payments to informers.
- Procedure for approval of informer payments.

### 13.3.3 Drug Squad

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Drug Squad Standing Operating Procedure 32 (volume 3 – 13) also deals with informers. It stipulates additional requirements to the Crime Department policy and provides for the following:

- Members meeting informers are to obtain authority from their Sub-Officer.

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- Accidental meetings with informers are to be recorded in the member's diary.

□

<sup>7</sup> Information provided by S/Sgt Bruce Thomas, Intelligence Data Centre, 3/9/01.

<sup>8</sup> The policy indicates that the registry is located within CISC however this is incorrect or out of date as the registry is now located at [REDACTED] the Crime Department.

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- PII
  - With an Officer's authorisation; and
  - in unusual circumstances;

### **13.3.4 Comparison between the policies/guidelines**

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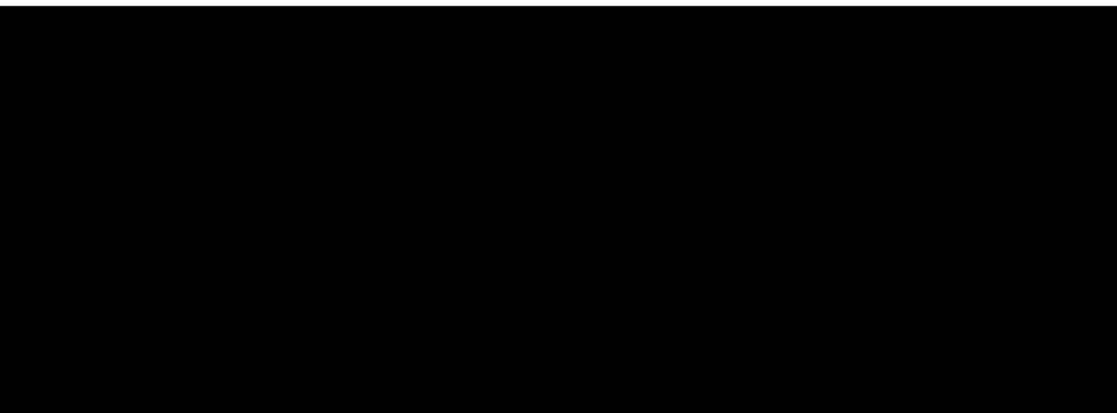
The risks associated with informer management are common to all areas of the Force. There is no real justification for variation in policy between different squads or departments.

### **13.3.5 Policy not formally ratified**

Apart from the brief informer policy outlined in Operating Procedures 4.8.2,<sup>10</sup> remaining policy has not been made official Force policy by Chief Commissioner's Instruction or other formal incorporation into Force Policy. As mentioned earlier, this was not intended to occur but the file has been lost and not actioned. The last known movement of the file was when it was provided to former Detective Superintendent Fleming to comment on the likely impact on Regional Response Units. Fleming has been contacted however he was unable to assist.

## **13.4 Interstate Informer Policies**

### **13.4.1 New South Wales Police** **PROTECTED**



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The NSW Audit and Compliance mechanisms, appropriately adapted to Vicpol conditions, should be implemented.

**Recommendation 59:**

*That a Forcewide informer policy is implemented based on current Crime Department policy but providing for a specific audit and compliance regime in the following terms:*

- A copy of all information reports generated relevant to the informer are to be numbered and attached to the Informer Management File - each endorsed in the informer activity log.*
- That a monthly review of the informer relationship and information provided be conducted by the designated controller, such review to ensure all information reports are attached to the file - such review and any recommendations to be endorsed on the Informer Management File.*
- That the handler provides a quarterly report detailing all contacts with the informer and an assessment as to the continuance of the registration.*
- That the Local Informer Registrar must conduct quarterly inspections/reviews of all Informer Management Files.*
- That within GPD the Regional Commander ensures that Informer Management Files are subject to yearly audit by the Regional Audit Team.*
- That within the Crime Department the Commander ensures that Informer Management Files are subject to yearly audit by the Crime Department Audit and Compliance Team.*

**Decision:** *Approved*

**Date:** *17 / 10 / 2001*

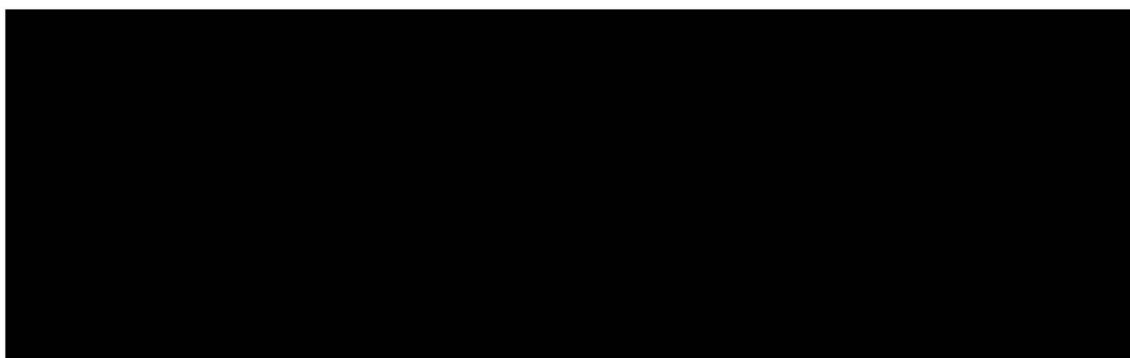
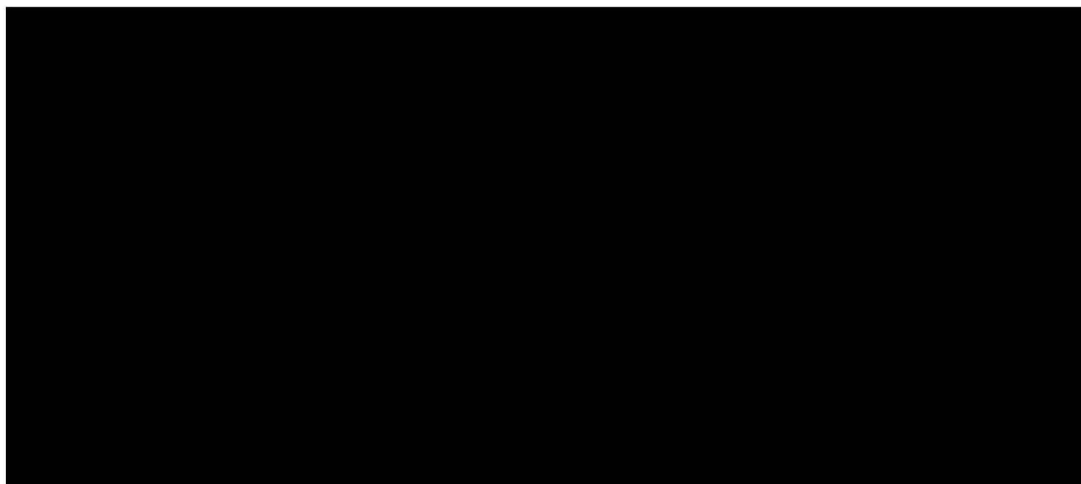
**Recommendation 60:**

*That Local Informer Registrars be retained, being Superintendents In Charge of GPD Divisions, Crime Department Divisions or other units within the Force.*

**Decision:** *Approved*

**Date:** *17 / 10 / 2001*

**13.4.2 South Australia Police****PROTECTED****PROTECTED**

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### **13.5 The Role of the Intelligence Data Centre (IDC) - Crime Department**

The IDC performs the role of Central Informer Registry for the Crime Department. As of the 3<sup>rd</sup> of September 2001, there were [REDACTED] informers registered. Registration consists of receiving part 'C' of the informer registration form and entering the details provided in a stand alone PC database. The hard copy is then filed in a folder. The actual identity of the informer remains unknown to the IDC, the informer being identified by a number produced by algorithmic extraction [REDACTED]. This algorithmic identifier ensures as far as possible that the same informer is not double registered. Several multiple registrations have been detected since the system began in October 1997.

#### **13.5.1 Problems and Inefficiencies With the IDC**

- No prescribed means for deregistration or declaring an informer inactive.
- No marketing role is provided for which has led to there being no inquiries from crime investigators seeking informers for a particular investigation.
- Informer registration forms being received at IDC long after an informer is registered.<sup>12</sup>
- Lack of definition of the role of the IDC.

<sup>11</sup> The only exceptions being informers registered internally by the Anti-Corruption Branch or Internal Investigations Branch.

<sup>12</sup> For example [REDACTED] (10 month delay in submission) and [REDACTED] (8 month delay in submission)

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- No written policy or protocol on a response to a query seeking to know if a particular person is already registered as an informer (In practice this is a neither confirm nor deny response with notification to the local registrar/controller if the person inquired about is a registered informer).

Should IDC become the Central Informer Registry for the Force then resourcing would need to be examined along with formalising roles and responsibilities. In the NSW Police Service the Central Register of Informers keeps all records of informers used by the Police Service throughout the State, current and past. Its designated function is to identify double registration and to provide warning of informers previously deregistered on the basis they were dangerous, untrustworthy or unreliable.<sup>13</sup>

**Recommendation 61:**

*That the IDC becomes the Central Informer Registry for the Force (ESD exempted).*

**Decision:** *Approved*

**Date:** *17 / 10 / 2001*

### 13.7 National and International Practice in Police Informer Management

The United States Drug Enforcement Agency (DEA) has firmly established guidelines and instructions for informer management. The DEA has long recognised that checks and balances are crucial in ensuring that the Informer Management Plan is understood and working.<sup>14</sup>

Various Police Services in the United Kingdom have actively embraced intelligence led policing. Such a strategy necessarily means an increase in the use of informers and a corresponding increase in the risks associated with the use of informers. [REDACTED]

<sup>13</sup> NSW Police Service Informant Management Manual 1999, p.53.

<sup>14</sup> Lee. G.D. (1993) Drug Informants: Motives, Methods and Management, FBI Law Enforcement Bulletin, 62/9, pp. 10-15.

<sup>15</sup> Gibbons S., New Informant Management System, International Police Review, September/October 1998, No.9, p.49. **PROTECTED**

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The key features of well developed informer management plans whether in Australia or overseas are: registration and PII [REDACTED] records of meetings being made and subjected to management scrutiny and appropriate dissemination of information received.

**13.8**

PII [REDACTED]

PII [REDACTED]

PII [REDACTED]

*(Force policy be amended to reflect these recommendations)*

**Decision:** *Approved*

**Date:** *17 / 10 / 2001*

PII [REDACTED]

Both SA Police and the NSW Police have a centralised reward approval committee. In SA this committee is called the Reward Evaluation Committee and in NSW it is called the Reward Evaluation Advisory Committee. This process ensures uniformity of payment to informers across the organisation and central approval and accounting for payments made. Such a committee is lacking in Victoria and recommendations are made below as to establishment and composition.

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**PROTECTED***PROTECTED***Recommendation 63:**

*That a standing committee be formed to approve informer rewards Forcewide – suggested composition:*

- Assistant Commissioner Crime – (Chair).*
- Commander Crime.*
- 1 x GPD Regional Commander (on a rotating basis).*

*The proposed Informer Management Unit should be responsible for coordinating the informer payment process (ESD exempted).*

**Decision:** *Approved*

**Date:** *17 / 10 / 2001*

**13.8.2 Informer Payments - Ancillary Issue**

Concern has been expressed that payments the Force may provide to informants are not inclusive of Goods and Services Tax (GST). It may be that such payments can be classified as rewards and not be subject to GST provisions. In any event it would be prudent to seek considered advice on this issue from the Force Financial Services Division, or a determination from the Tax Commissioner.

**Recommendation 64:**

*That Financial Services Division provide advice in respect to Goods and Services Tax implications for informer payments.*

**Decision:** *Approved*

**Date:** *17 / 10 / 2001*

**13.9 Document Security and Informer Management Files**

The Crime Department Informer Management Policy requires that all files relating to the management of informers be classified as *Highly Protected* and treated in accordance with the Force Document Security Policy. The Document Security Policy is contained in the Police Manual (Information Management and Technology 2.2.10.2) which provides that:

*"The Manager, Executive Services and each Department Head must maintain a register of all documents classified "Highly Protected" that are generated by, arrive at or leave the relevant department..."*

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A Highly Protected Document in the context of informer management is defined as:

*"Could reasonably be expected to .....Cause serious harm to any person.....which (who) has provided information to the Force under an assurance and/or expectation of confidentiality or about which the Force holds information."*

A protected document on the other hand is defined as:

*"Could reasonably be expected to .....Cause harm to any person.....which (who) has provided information to the Force under an assurance and/or expectation of confidentiality or about which the Force holds information."*

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From an examination of these policies the following issues emerge:

An Informer Management File as distinct from the document of registration should not identify an informer. It is therefore generally doubtful whether an informer management file would fit the accepted definition of a *Highly Protected Document*.

The purpose of a Highly Protected Document Register is to record the existence and movement of a Highly Protected File. An informer management file in the case of a registered informer is necessarily recorded by the Local Registrar (this applies in both Crime and GPD) and additionally in the case of the Crime Department registration of the informer at the IDC should occur.

The need for further registration in a Highly Protected Documents Register seems duplicitous. In so far as recording of file movement is concerned, an informer management file should not in practice move out of the line control of the local registrar. There is in practice no movement to be recorded. The document registering an informer does on the other hand identify an informer and should remain a highly protected document. Due to the requirement to lodge this application with the local registrar and in the case of the Crime Department the IDC, entry of this document in the Highly Protected Documents Register seems unnecessary.

**Recommendation 65:**

*That Crime Department policy be amended to remove the requirement for documents included in the Informer Management File to also be entered in the Highly Protected Documents Register.*

**Decision:** *Approved*

**Date:** *17 / 10 / 2001*

### **13.10 Result of Crime Department Function Audit on Informers**

On the 21<sup>st</sup> of March 2001, the Crime Department conducted a Function Audit on Informer Management within the Crime Department (volume 4 - 11). Seven compliance areas were identified and tested. This audit included the Drug Squad. According to the Force Function Audit Register no similar audit in GPD has occurred. The results of the Crime Department audit showed opportunities for improvement in the following areas:

- Controller's activity sheet to be regularly updated to record all meetings, payments and accurately reflect date of meetings recorded in diaries.
- PII to be filed with activity sheets
- All informer files at controller level to be located.
- Policy on use of sealed envelopes for informer files be revised as in practice there is wide non-compliance as the informer management file is a bulky working document incapable of being kept in an envelope.
- Audit of informer payments to be conducted and reported to A/C Crime twice yearly.

Specific to the Drug Squad only, the following opportunities for improvement were identified:

- Audit of informer payments to be conducted and reported to A/C Crime twice yearly.

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- Policy on use of sealed envelopes for informer files be revised as in practice there is wide non-compliance as the informer management file is a bulky working document incapable of being kept in an envelope.

### **13.11 Review of Informer Management Files currently held by the Drug Squad**

On the 6<sup>th</sup> and 10<sup>th</sup> of September 2001, the Review Team examined the Informer Management files currently held at the Drug Squad.

**Unit 1** has:

- 21 current files - generally managed in accordance with policy.
- 4 files have not had any activity recorded for approximately 6 months yet are still active.
- 3 files have Intelligence Reports that appear to indicate that the Informer should be covered by a [REDACTED] however there was no PII [REDACTED] attached.

**Unit 2** has:

- 8 current files - generally managed in accordance with policy.
- 1 file had documents attached that identified the informer.
- A number of files had PII [REDACTED] for members attached but, there was no indication whether the Informer should also be covered as there were no Intelligence Reports attached.

**Unit 3** has:

- 4 current files - managed in accordance with policy.

All files are maintained by the Unit Senior Sergeants and are secured in locked cabinets in the respective Senior Sergeant's office.

### **13.12 Use of an Unregistered Informer**

From Drug Squad records examined, the use of one unregistered informer was detected. This informer was referred to on an Application [REDACTED] dated the 1<sup>st</sup> of May 2000 and was apparently [REDACTED]. The informer was said to be an PII [REDACTED] and not paid for this involvement in a [REDACTED]. Approval from the Detective Superintendent was obtained.

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### **13.13 Use of Informers as Police Agents**

In the course of managing an informer it can be the case that the informer is encouraged to infiltrate criminal organisations, [REDACTED] or otherwise engage in other activities that place the informer at risk. The Force owes a duty of care to the informer and litigation could ensue against the Force should an informer suffer injury (physical or psychological). According to the Force Covert Unit<sup>16</sup> current policy and practice provides:

- If an informer is to be used in an intelligence gathering capacity only, then there is no requirement that the Covert Unit be notified or involved, the nominal police handler/investigator has control of the operation.

<sup>16</sup> Interview with OIC Covert Unit [REDACTED] on 14 September 2001.

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PII

In reality many such operations involving informers may tread a fine line between being intelligence gathering or evidence gathering. It is not within the scope of this review to explore more fully, options regarding informers as undercover operatives. It seems however that the duty of care owed by the Force to informers placed into potentially hazardous situations may be no less than that owed to Force employees. On that basis more steps need to be taken to reduce risk to informers. It is recommended that the matter be the subject of further assessment.

PII

To ensure efficient and effective control of the limited resources, available for covert operations, the Covert Investigation Target Committee (CITC) allocates resources on a priority basis.

**Recommendation 66:**

*The requirement for all applications for drug operations, where informers are to be used as police agents, to be submitted to the Covert Investigation Target Committee for approval is to be strictly enforced at the Drug Squad (ESD exempted).*

**Decision:** *Approved***Date:** *17 / 10 / 2001***Recommendation 67:**

*That upon the establishment of a Central Informer Registry for the Force, the Officer in Charge of the Covert Investigation Unit and Technical Support Unit, via the Superintendent No. 5 Division Crime Department, have the capacity to determine if current targets are recorded on the informer database.*

**Decision:** *Approved***Date:** *17 / 10 / 2001***Recommendation 67 (a):**

*Applications must be in writing and an audit trail must be established.*

**Decision:** *Approved***Date:** *17 / 10 / 2001***13.14 Informer Management Training**

The Crime Courses Unit, as part of the Detective Training School and Drug Law and Investigation Course, provide training aimed primarily at informer handlers (volume 4 – 18 & 19). In effect the content of Crime Department policy is taught along with additional instruction in types of informers, developing informers, mistakes by informers and other

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practical instruction. Good examples are given and the content of the training material appears relevant if not basic. The material however is primarily aimed at handlers. Controller specific training is not addressed and would be of benefit.

There is no in-house Drug Squad training on informer management or handling; this is left to the Drug Law and Investigation Course conducted by the Crime Courses Unit.

**Recommendation 68:**

*That an advanced informer management training package, aimed primarily at controllers, be developed by the Crime Courses Unit.*

**Decision:** *Approved***Date:** *17 / 10 / 2001***13.15 Conclusion**

The Review Team considers that a single informer management policy for the whole of Victoria Police is urgently required. Although the Crime Department has █████ registered informers on its database there is no accurate way of determining how many active and inactive informers currently exist.

Interstate police forces (NSW & SA) have established benchmarks for the efficient and effective management of informers and Victoria must follow suit. The establishment of a Forcewide Informer Management Unit and Informer Rewards Committee will centralise the registration of informers and standardise payments ensuring consistency.

The recommendations will not prevent but should minimise the opportunities for corruption. All processes are vulnerable. Police managers must be ever vigilant to ensure policies are being strictly complied. All policies are transparent and police managers need to look beyond simple compliance to identify underlying potential corrupt practices.

**Recommendation 69:**

*That an Informer Management Unit be established for the whole of the Force. It is recommended that this unit be located within the Intelligence Data Centre Crime Department and be appropriately resourced. The Investigation Support System Informer Management Module should be placed under the overall control of this Unit. Suggested staffing: 2 x Detective Sergeants and 1 x analyst. Actual handling of informers is to remain with local handlers/controllers, accountable to local registrars.*

**Decision:** *Approved***Date:** *17 / 10 / 2001***Recommendation 69 (a):**

*That 2 Detective Sergeant positions and a TIO Analyst position be created at the Crime Department to staff the Informer Management Unit*

**Decision:** *Approved***Date:** *17 / 10 / 2001***Recommendation 70:**

*That policy creation for the proposed Informer Management Unit must contain transitional arrangements for informers registered under Operating Procedures 4.8.2.*

**Decision:** *Approved***Date:** *17 / 10 / 2001***PROTECTED****PROTECTED**

**PROTECTED***PROTECTED***Recommendation 71:**

*That all Informer Management Files relating to inactive informers be permanently filed with the proposed Informer Management Unit. (ESD exempted)*

**Decision:** *Approved*

**Date:** *22 / 10 / 2001*

## **14 CRITICAL RISK – PROPERTY & EXHIBIT MANAGEMENT**

### **14.1 Issues**

During focus group discussions and one on one interviews with Drug Squad personnel the Review Team sought opinions as to functions performed that were considered to be high-risk. The issue of property and exhibit management was nominated. Drug Squad members frequently handle large amounts of money, drugs and property whereby members may be vulnerable to allegations of impropriety. In such instances there is also opportunity for exhibits to be lost, stolen, altered or substituted and for continuity to be broken. The handling of certain drugs and chemicals may also have health and safety implications for members. The potential risks involved in property and exhibit management are substantial. Such risks are not limited to the Drug Squad but are common to all areas of the Force where property and exhibits are dealt with. Accordingly, issues explored in this section have the potential for Forcewide application.

#### **14.1.1 Current Controls**

A number of controls exist in order to safeguard against allegations and instances of corruption relating to property and exhibit management. Namely; Chapter 10 of the Administrative Procedures Manual, Drug Squad SOPs, Section 41 and 42 of the Crime Department Instructions, Exhibit Management Unit (EMU) SOPs and Section 83 of the Drugs Poisons & Controlled Substances Act for the forfeiture and disposal of drugs and associated equipment.

### **14.2 Interview Responses**

Interviews conducted with Drug Squad personnel and focus groups conducted with other areas canvassed the following aspects of property management.

#### **14.2.1 Weighing of Drugs Seized**

The concept of weighing drugs upon return to the Drug Squad, or at time of lodgement at EMU was suggested as a means of introducing additional accountability. All spoken to were generally in favour of this, however there were some concerns as to the accuracy of any scales that may be purchased. This was on the basis that there was the potential for discrepancies when items were later conveyed to the VFSC and weighed there with perhaps more accurate scales. This issue will be further addressed in this section under the sub-heading of Weighing of Drug Exhibits.

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