

Drug Squad Unit One
12 Floor, 412 St Kilda Road, Melbourne
DX No: 123
Telephone: 98652625
Facsimile: 98652655

10 th of March, 1998

**Officer in Charge
Drug Squad**

Operation "HAMADAN" - Final Report.

BACKGROUND

1. In April, 1997, information was received from an unregistered informer that a person he knew as Dragan ARNAUTOVIC was trafficking in large quantities of heroin throughout the western suburbs. The informer stated that ARNAUTOVIC bought the heroin from Sydney in one pound lots and then divided it into a number of smaller packages which he then secreted at various locations around parks, paddocks and similar outdoor areas. The informer said that PII [REDACTED] PII [REDACTED] ARNAUTOVIC supplied him with large quantities of heroin that he then sold to a number of clients. The informer said that as a result he had delivered in excess of twenty thousand dollars a week to ARNAUTOVIC and received about five hundred dollars in return. As a result of this information Operation "HAMADAN" was commenced by the Drug Squad on the 8th of May, 1997.

AIMS AND OBJECTIVES

2. The aim of the operation was to obtain evidence against Dragan ARNAUTOVIC in relation to heroin trafficking, to ascertain his source of supply and obtain sufficient evidence to ensure the successful prosecution of all parties involved.

PRINCIPAL TARGET

3. The primary target of this operation was:-

Dragan Anthony ARNAUTOVIC ([REDACTED])
[REDACTED] Ocean GROVE.

ARNAUTOVIC is recorded on CRS Reference 2997/79 with previous convictions for Traffick, Possess and Use Heroin, Possess and Use Amphetamine, Burglary and Theft, Unlawful Possession, Handling Stolen Goods, and Assaults.

ARNAUTOVIC had previously been involved in several Drug Squad operations, including Operation Prince in 1992, Operation New York in 1994, Operations Ramu and Kadena in 1996.

INVESTIGATORS

4. The investigation was conducted by a crew from Unit One of the Drug Squad. The members involved in the investigation were:-

M. WOOLFE	Detective Sergeant	24278
K. DUHIG	Detective Senior Constable	26543
LINDSEY	Detective Senior Constable	27073

TECHNICAL ASSISTANCE

5. Technical assistance was utilised for the installation of a surveillance camera PII PII and installation of a tracking device and listening device in ARNAUTOVIC'S Mitsubishi Van.

CONDUCT OF OPERATION

6 From the early stages of the operation, it became apparent to investigators that ARNAUTOVIC was a professional drug dealer who was well versed with police procedures. ARNAUTOVIC used his digital mobile phone in his drug trafficking activities, had access to several different vehicles and was highly surveillance conscious.

7. In early July, 1997, the operation was transferred to Unit Two of the Drug Squad as ARNAUTOVIC was suspected of being involved in an investigation being conducted by that Unit. An assessment of ARNAUTOVIC'S involvement resulted in the operation being returned to Unit 1 on 25/07/97. In August, 1997, this operation was again put on hold temporarily because of ARNAUTOVIC'S possible association with a Unit 2 operation.

8. On Thursday, the 11th of September, 1997, mobile surveillance was conducted on ARNAUTOVIC by the State Crime Surveillance Unit. As a result of this surveillance a 'drug stook' was located beneath a pile of rocks in a paddock off Dohertys Road, Altona North. Samples of white powder located in the stook were analysed as being heroin of high purity. PII

PII
PII Investigators regularly checked the stook and monitored the contents. When the contents had altered they were weighed, photographed and samples of

the white powder obtained. Subsequent analysis indicated that the powder was heroin of between 80-90% purity. The total amount of heroin observed at that location was 177.5 grams.

9. On Monday, the 27th of October, 1997, whilst ARNAUTOVIC was being interviewed by members of the Geelong D.S.G. regarding a burglary in the Caulfield area, Technical Support Unit personnel installed a listening device and tracking device into the Mitsubishi van, BGB 285, which ARNAUTOVIC most frequently used in his drug dealings. Monitoring of the listening device resulted in ARNAUTOVIC being heard having conversations regarding drugs and large amounts of cash. PII

PII

10. On Wednesday, the 29th of October, 1997, further surveillance by the State Crime Surveillance Unit identified a second drug stook in the outer wall of a shed at the rear of the Victorian Baseball and Softball Centre in Merton Street, Altona. PII

PII

As they did with the initial drug stook, investigators regularly monitored the contents and when they were seen to have altered, they were weighed, photographed and samples of white powder were obtained and analysed. The analysis indicated that the powder was heroin of between 80-90% purity. The total amount of heroin observed at that location was 85.3 grams.

11. In November, 1997, a target of Unit 2 Operation Carron, Darren JACKSON, commenced using ARNAUTOVIC as an alternative source of heroin supply. A covert operative had previously made several purchases of heroin from JACKSON as part of Operation CARRON. On Wednesday, the 12th of November, 1997, the covert operative telephoned JACKSON requesting the purchase of three ounces of heroin the following day and a further nine ounces of heroin the following week. Shortly after this telephone call, surveillance observed JACKSON meeting with ARNAUTOVIC.

12. On Thursday, the 13th of November, 1997, ARNAUTOVIC and JACKSON attended at a location in Boundary Road, Truganina where ARNAUTOVIC was observed by surveillance placing an item at the base of a tree. ARNAUTOVIC then sat in his vehicle a short distance from this location whilst JACKSON met with the covert operative. JACKSON and the covert operative then attended in Boundary Road, Truganina where JACKSON removed three packages from the base of the tree within the view of ARNAUTOVIC. JACKSON sold two of these packages to the covert operative for \$15,000. Each package was later found to contain one ounce of high quality heroin. When the covert operative left, JACKSON was collected by ARNAUTOVIC.

13. ARNAUTOVIC later attended at a location in Merton Street, Altona about five hundred metres north of the Victorian Baseball and Softball Centre where he was observed by surveillance bending down near a rock at the side of the road. A later check of this rock revealed another drug stook containing a package of white powder of similar wrapping to the two packages purchased by the covert operative from JACKSON. This package was weighed at 28 grams, photographed and a sample of the contents, white powder, obtained. It was analysed as being high quality heroin.

14. On Tuesday, the 18th of November, 1997, surveillance followed ARNAUTOVIC to a location in James Street, Laverton North where he was again seen bending down near a rock. A later search of the area by investigators located yet another drug stook which contained a package of white powder. This package was photographed and weighed as being 37.4 grams, before it was returned to its original location.

ARRESTS

15. At approximately 4.45 p.m. on Tuesday, the 18th of November, 1997, JACKSON and the covert operative attended in Merton Street, Altona. ARNAUTOVIC arrived shortly afterwards and conversed briefly with JACKSON before departing. ARNAUTOVIC then attended at the rear of the Victorian Baseball and Softball Centre where he was observed by surveillance to place a white bag in bushes near the shed at the rear of that location. Shortly afterwards, JACKSON and the covert operative also attended at the Baseball Centre. The covert operative remained in a vehicle whilst JACKSON met with ARNAUTOVIC who was observed indicating the white bag to JACKSON. JACKSON then collected the white bag and conveyed it to the covert operative who purchased the nine ounces of heroin for \$67,500 from JACKSON. The covert operative departed and JACKSON returned to meet with ARNAUTOVIC alongside the shed, where they were both arrested by members of the Special Operations Group.

16. A subsequent search of the area at the rear of the Baseball Centre revealed a further nine ounces of heroin hidden inside the outer wall of the shed and three ounces of heroin hidden inside a cavity underneath ARNAUTOVIC'S vehicle. Following the arrests of ARNAUTOVIC and JACKSON investigators attended at all of ARNAUTOVIC'S known drug stooks and collected any remaining contents.

CONCLUSION

17. This operation gathered sufficient evidence to charge ARNAUTOVIC with trafficking in large quantities of heroin between April, 1996, and the 18th of November, 1997. The total amount of heroin seized in this operation was 592.34 grams. A further 292.7 grams of heroin is able to be attributed to ARNAUTOVIC through the amounts which were located in his various drug stooks. These amounts were not seized but were photographed, weighed, samples removed for analysis and returned to the stook so as not to alert ARNAUTOVIC of police involvement..

18. Operation HAMADAN was a very successful Drug Squad investigation and with the assistance of other State Crime support units and the Special Operation Group, resulted in the apprehension of ARNAUTOVIC who was a prolific and high level heroin trafficker.

M. WOOLFE
Detective Sergeant 24278