

PARTICULARS OF OFFENCE

**THE SUPREME COURT
STATE OF VICTORIA
AT MELBOURNE**

THE Director of Public Prosecutions presents that

MILAD MOKBEL

at Melbourne in the said State on the 22nd day of October 2003 with a view to gain for himself made an unwarranted demand with menaces from Douglas John Matthew HARLE.

Count 2: AND the Director of Public Prosecutions further presents that **MILAD MOKBEL** at Parkdale in the said State between the 1st day of September 2005 and the 5th day of September 2006 knowingly dealt with proceeds of crime namely \$336,833 cash and assorted jewellery with intent to conceal that the said money and jewellery were proceeds of crime.

Count 3: AND the Director of Public Prosecutions further presents that **MILAD MOKBEL** at Brunswick in the said State between the 1st day of February 2006 and the 12th day of April 2006 trafficked in a drug of dependence namely Phenyl-2-Propanone in a quantity that was not less than the commercial quantity applicable to that drug of dependence.

Count 4: AND the Director of Public Prosecutions further presents that **MILAD MOKBEL** at Coburg in the said State on the 23rd day of April 2006 trafficked in a drug of dependence namely Methylamphetamine in a quantity that was not less than the large commercial quantity applicable to that drug of dependence.

Count 5: AND the Director of Public Prosecutions further presents that **MILAD MOKBEL** at Brunswick in the said State on the 25th day of April 2006 attempted to traffick in a drug of dependence namely Methylamphetamine in a quantity that was not less than the large commercial quantity applicable to that drug of dependence.

Count 6: AND the Director of Public Prosecutions further presents that **MILAD MOKBEL** at Brunswick in the said State on the 25th day of April 2006 dealt with proceeds of crime namely \$116,255.00 knowing that it was proceeds of crime.

signed
Crown Prosecutor

NOTICE TO ACCUSED PERSON

You should take this document to your solicitor or if you have not yet engaged a Solicitor, to the Solicitor of your choice or to the Victoria Legal Aid.

NOTICE TO ACCUSED'S SOLICITOR

You are required to inform the Criminal Trial Listing Directorate of your interest in this matter.

Presentment No: C0605102

**THE SUPREME COURT
STATE OF VICTORIA
AT MELBOURNE**

2008

At what Court -

Where holden-

When begun-

Before whom-

Plea-

Verdict-

Judgement-

THE QUEEN

-v-

MILAD MOKBEL

PRESENTMENT

STATEMENT OF OFFENCE

Blackmail (1 count – Count 1)
Knowingly Dealing with Proceeds of Crime with Intent to Conceal (1 count – Count 2)
Trafficking in a Drug of Dependence – Commercial Quantity (1 count – Count 3)
Trafficking in a Drug of Dependence – Large Commercial Quantity (1 count – Count 4)
Attempting to Traffick a Drug of Dependence – Large Commercial Quantity (1 count – Count 5)
Knowingly Dealing with Proceeds of Crime (1 count – Count 6)

contrary to sections 87(1), 194(1) and 194(2) of the Crimes Act 1958 and sections 71AA and 71 of the Drugs, Poisons and Controlled Substances Act 1981.

WITNESSES

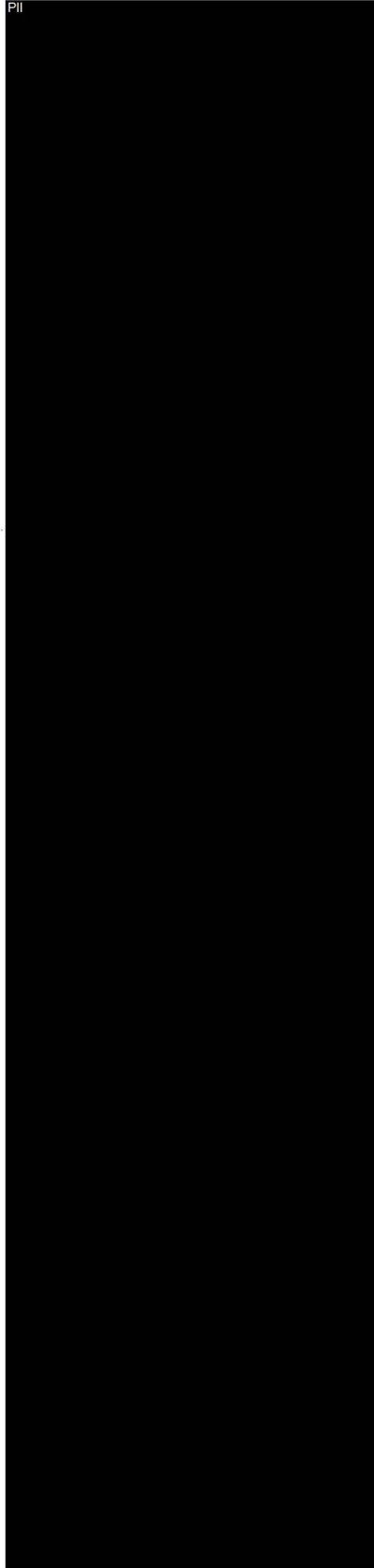
PII [REDACTED]

Subject to the exercise of the prosecutor's discretion at the trial, the Crown proposes to call all witnesses except those whose names are marked with an asterisk (*)

STUART WARD
Acting Solicitor for Public Prosecutions
565 Lonsdale Street
MELBOURNE 3000
Telephone: (03) [REDACTED]
0603210/0602044/NFH

PII





PII

PII



COUNT - And the Director of Public Prosecutions further presents that the said

Admitted

Milad MOKBEL

Proved

was previously convicted at the Magistrates' Court at Melbourne on the 19th day of March, 1987 of

Associate

Causing injury recklessly

and was sentenced to pay a fine of \$1000.00

COUNT - And the Director of Public Prosecutions further presents that the said

Admitted

Milad MOKBEL

Proved

was previously convicted at the Magistrates' Court at Preston on the 14th day of December, 1988 of

Associate

Driving a motor vehicle whilst disqualified

and was sentenced to a term of imprisonment of one month; and upon re-hearing at the Magistrates Court at Preston on the 6th day of May 1993 was sentenced to pay a fine of \$400.00.

COUNT - And the Director of Public Prosecutions further presents that the said

Admitted

Milad MOKBEL

Proved

was previously convicted at the Magistrates' Court at Melbourne on the 22nd day of October, 1991 of

Associate

Unlawful assault

and was sentenced to a term of imprisonment for a period of 2 months, such sentence being wholly suspended for a period of 12 months, and to pay a fine of \$750.00.

signed

CROWN PROSECUTOR

PARTICULARS OF OFFENCE

**THE SUPREME COURT
STATE OF VICTORIA
AT MELBOURNE**

THE Director of Public Prosecutions presents that

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at Melbourne in the said State on the 22nd day of October 2003 with a view to gain for himself made an unwarranted demand with menaces from Douglas John Matthew HARLE.

Crown Prosecutor

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Presentment No: C0605102.1

**THE SUPREME COURT
STATE OF VICTORIA
AT MELBOURNE**

2008

At what Court -

Where holden-

When begun-

Before whom-

Plea-

Verdict-

Judgement-

THE QUEEN

-v-

MILAD MOKBEL

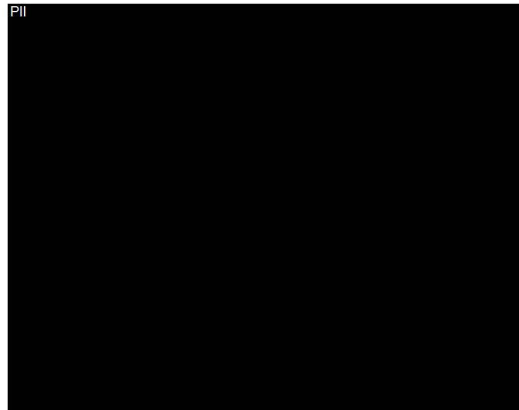
PRESENTMENT

STATEMENT OF OFFENCE

Blackmail (1 count – Count 1)

contrary to section 87(1) of the Crimes Act 1958.

WITNESSES



Subject to the exercise of the prosecutor's discretion at the trial, the Crown proposes to call all witnesses except those whose names are marked with an asterisk (*)

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PII



PII



PII



R –V- MILAD MOKBEL**PLEA OPENING**

The counts on the presentment arise from two entirely separate investigations into the activities of the prisoner.

Count 1 relates to a blackmail committed by the accused in 2003. This matter was the subject of a committal hearing on 2 and 3 April 2007. The prisoner, who reserved his plea, was committed for trial in the County Court. On 22 October 2007, he was arraigned before the Chief Judge of the County Court and pleaded guilty to the count of blackmail. No further proceedings in respect of that count have been conducted in the County Court. Count 1 has been included for convenience on this presentment with the concurrence of the defence, so that the Supreme Court will be able to dispose of that matter at the same time as the other matters on this presentment. It is the intention of the Crown to have the County Court presentment permanently stayed. The County Court has been informed of this fact. There are entirely separate depositions in relation to this matter, the vast bulk of which will not need to be considered by the Court in any detail in order for sentence to be passed.

Counts 2-6 on the presentment arise from an investigation into the drug trafficking activities of the prisoner and others by the Purana Taskforce. The prisoner was before the Melbourne Magistrates' Court on 2 July 2007 for a committal hearing with a number of co-offenders. He elected to go by straight hand-up brief straight to this Court. He reserved his plea, and it was indicated by his solicitor that he had instructions to negotiate a plea of guilty to an appropriate presentment. I will say something further in a while concerning the structure of the depositions and what has happened in respect of co-offenders.

Introduction to Counts 2-6

Count 2 relates to some cash and jewellery hidden at a property in Parkdale that was found as a result of investigations into the drug related activities of the prisoner. Counts 3-6 are connected with a person named ^{Mr Cooper} an experienced methylamphetamine manufacturer or "cook". A statement of ^{Mr Cooper} contained at page 389 of Volume 4 of the depositions sets out some of the history he had had with the Mokbel brothers including Milad Mokbel in connection with the manufacture of methylamphetamine.

It is important to note that the prisoner falls to be sentenced in this case for his criminality as contained in the counts before the Court and not for any previous offending. However, the counts before the Court occurred in the context of the previous history, which provides important background to the offending.

By way of background, one of the methods routinely used by ^{Mr Cooper} and others to manufacture methylamphetamine involved the conversion of a substance called ketone, or P2P (Phenyl-2-Propanone), into methylamphetamine.

In late February 2006, ^{Mr Cooper} visited the prisoner at the Mokbel family home. After asking ^{Mr Cooper} if he had any product, the prisoner informed him he had 26 litres of ketone coming. He asked ^{Mr Cooper} to find a place to be in position to turn the ketone into the finished drug. ^{Mr Cooper} told the prisoner that he did not have sufficient glassware to do the cook, and requested certain equipment.

In the following weeks, ^{Mr Cooper} met with the prisoner on multiple occasions at the Grove Café in Coburg and at the house of the prisoner at [REDACTED] in Brunswick to discuss arrangement for the provision of the requested glassware and other equipment. It was indicated to ^{Mr Cooper} by the prisoner that the P2P was available.

In late March 2006, ^{Mr Cooper} again met with the prisoner at the Mokbel family home. There were further discussions about ^{Mr Cooper} turning 26 litres of P2P into approximately 26 kilograms of amphetamine, and discussions about the price. There were discussions about the location of the cook but the prisoner left this up to ^{Mr Cooper} as he considered he was being watched by police after the disappearance on bail of Tony Mokbel.

Count 3

On Saturday 8 April 2007, ^{Mr Cooper} attended the birthday party of the son of Milad Mokbel. They spoke about the drug transaction. The prisoner said he had received 13 of the 26 litres of P2P he had been promised. ^{Mr Cooper} was requested to pick up the P2P and other chemicals from the house of the prisoner two days later.

When ^{Mr Cooper} attended in the vicinity of the prisoner's house on Monday 10 April 2007, he observed two cars he suspected were unmarked police cars so he did not stop to pick up the P2P. A message was passed to the prisoner by his brother about what had occurred, and an arrangement was then made for ^{Mr Cooper} to collect the chemical that evening at the front of the JB Hi Fi store in Keilor. An associate of the prisoner, Toreq Bayeh, was sent to that location with the P2P. However, as a result of concerns ^{Mr Cooper} had that he was being followed by the police, he did not attend at the agreed location and the transfer did not occur.

That evening, ^{Mr Cooper} attended at the Grove Café and spoke with the prisoner. ^{Mr Cooper} told the prisoner of his concerns, and indicated it was too risky to accept the chemicals.

The next day, 11 April 2006, Bayeh met with Akl Hammoud at a service station in Brunswick. After a short conversation, they were observed by surveillance operatives to drive in convoy to a nearby laneway and park close

together. The P2P was transferred from Bayeh's vehicle to the boot of Hammoud's vehicle. It was in two plastic containers and weighed 11.2 kilograms. It is alleged the two men were acting together and on behalf of Mokbel in the movement of this amount of the drug P2P. Hammoud was arrested shortly after this meeting and the drug and other items were seized.

Count 4

Mr Cooper took possession of rental premises at [REDACTED] Strathmore on 15 April 2006. With the help of others, he set up the rear of the premises as a clandestine laboratory for the production of methylamphetamine. Between 21 and 22 April 2007, Mr Cooper with the assistance of two others, manufactured 2.8 kilograms of methylamphetamine product. There is no evidence that the prisoner was aware of the location in Strathmore.

On 22 April, Mr Cooper was arrested by police. He thereafter agreed to assist police. [REDACTED]

[REDACTED] Mr Cooper met with the prisoner on 23 and 24 April 2007. Mr Cooper [REDACTED] and the transcripts of those conversations appear in the depositions at pages 1170 and 1215 respectively of Volume 2 of the depositions. Mokbel asked whether Mr Cooper had any "gear" available, and was told by Mr Cooper that there was "gear" available. Arrangements were finalised on 24 April for the prisoner to purchase five pounds of methylamphetamine for the agreed price of \$37,500 per pound. That offer for sale by Mr Cooper constituted trafficking in a large commercial quantity of the drug, and by his offer to purchase and his agreement to pay the required purchase price, the prisoner was also guilty of the trafficking as an aider and abetter.

Count 5

In the conversation of 24 April 2007, arrangements were made for Mr Cooper to deliver the 5 pounds of methylamphetamine to the prisoner at his Brunswick home at 6 pm the next day, with the drugs to be wrapped up like a present.

The prisoner was to make part payment at the time of delivery, with the remainder to be paid within a short time. On the afternoon 25 April 2007, ^{Mr Cooper} was given by the police a package consisting of five pounds of white powder wrapped up in five individual plastic bags, with the whole lot wrapped in silver wrapping paper with blue ribbon. (See photographs.) The white powder [REDACTED]

Close to 6 pm, ^{Mr Cooper} attended at the home of the prisoner at [REDACTED] Brunswick with the package, [REDACTED] (Transcript page 1244) ^{Mr Cooper} was met at the front door by the prisoner, and then the two men walked through the house into the laundry. ^{Mr Cooper} placed the package onto the table in the laundry, where he also saw some bags of white powder which he recognised to be a cutting agent. He also observed cutters and scales. He handed over the package to the prisoner, and in return was given a tightly wrapped Myer bag containing the money within a cardboard box, which he was told by the prisoner was \$87,000. The [REDACTED] drugs were unwrapped and smelt by the prisoner, who said, "Beautiful." The prisoner then escorted ^{Mr Cooper} back to his car, where ^{Mr Cooper} placed the money on the front seat. A short time later, members of the S.O.G. arrested both men in the driveway of the house. A third man was also arrested in the house. Shortly prior to his arrest, he was seen to be wearing latex gloves.

A search conducted of the premises revealed a number of items consistent with the trafficking of methylamphetamine, including a commercial set of electronic scales, a box of disposable latex gloves the same as those seen to be being worn by the third man, snap lock plastic bags containing white powder believed to be a cutting agent, a vacuum sealer, and a roll of food-saver vacuum wraps.

The prisoner was present for some of the search. A video taped interview was conducted as the search proceeded. Prior to the search, when asked if there were any drugs, money or firearms inside the premises, the prisoner said, "No

comment." The prisoner denied knowledge of or connection with a number of items found in the house, including the plastic bags with white cutting agent, and the unwrapped present containing the five bags of [REDACTED] methylamphetamine. Following the search, as a result of the response of the prisoner, no further interview was conducted.

Count 6

Also found at the house in various locations including in a ducted heating vent were sums of cash which, when added to the \$88,750 that had been given by the prisoner to ^{Mr Cooper}, amounted to \$116,255 in total. This sum of money is the subject of Count 6 on the presentment.

Count 2

On 5 September 2006, detectives attended at residential premises at [REDACTED] [REDACTED] Parkdale to execute a search warrant. This was the home of Garry Gibbs, the uncle of Renate Mokbel, the wife of the prisoner. Police had received information that there may be proceeds of crime hidden at the premises. In the search conducted, the police found a quantity of jewellery and bank books and other personal items linked to the prisoner in a shed at the premises. They found a number of sealed sections of PVC pipe containing cash and jewellery buried in the garden beds of the back yard. In total in the search, the police located Australian currency to the value of \$336,833 and jewellery that was later valued at approximately \$183,145. The vast bulk of the cash and jewellery found had been buried in the back yard.

Garry Gibbs made a sworn statement that appears in the depositions at page 960, Volume 1. He indicated that on three occasions commencing in late 2005, when he and his wife had been visiting Milad and Renate Mokbel at [REDACTED] Brunswick, the prisoner had given him plastic bags containing large quantities of cash which he had asked Gibbs to look after for him. On another visit to Brunswick, Renate Mokbel had given him a large quantity of jewellery that she asked him to also look after for her.

Gibbs said in his statement that he had made the decision himself to bury much of the cash and jewellery in the backyard to conceal it to keep it safe.

Count 1

In 1976, the complainant Douglas Harle (Harle), a lawyer and accountant, purchased a 460 acre property located on the Princes Highway, Nicholson, East Gippsland. In 1986, he had plans drawn up to develop the property into a marina and resort. (The project.) In 1993, Harle was introduced to an investor Jacobus Smit. In April 1998, Smit expressed an interest in becoming involved in the project. He became the sole director of the Nicholson Project in 1999. During 2001, Harle and Smit made numerous attempts to raise finance for the project. In that year, Smit introduced Harle to the prisoner when Harle attended Smit's office in Brunswick. In 2002, Smit began contributing monies to the ongoing costs of the project. In April 2002, Smit told Harle he had invested in a petroleum supply company called Worldwide Oil Stream Pty Ltd. (Worldwide.) At Smit's suggestion, Harle commenced to operate his legal practice from premises in Albert Road, South Melbourne, which were the premises of Worldwide. Harle soon learned that two brothers of the prisoner, Kabalan and Horthy, were directors of Worldwide. He met them and had limited contact with them.

During the second half of 2002, relations between Harle and Smit became strained. He ceased working at the Worldwide premises and relocated his office to his home in East Kew.

Also in late 2002, Vida Australia Pty Ltd (Vida) proposed purchasing a 50% interest in the project. Agreements were negotiated and various proposed settlement dates were scheduled and passed. On 7 August 2003, Harle advised his solicitors that he was no longer prepared to proceed with the sale of the project to Vida.

On 5 September 2003, Harle received a telephone call from the prisoner, whom he had never met. The prisoner told Harle that he had lent the project \$500,000 via Smit and that he needed \$1.35 million returned to him as soon as possible. He told Harle he needed to meet with him.

There were subsequent discussions between Harle and the prisoner, culminating in a meeting on 11 September 2003 at the QPO Restaurant in Kew attended by Harle and his wife and the prisoner. At this meeting, the prisoner explained that the money lent to the project was originally borrowed from the "Mr Big of the drug world" and needed to be returned. Harle and his wife made it clear that whilst they would repay Smit the money that he had lent to the project, they did not accept any liability to repay the prisoner or the so-called Mr Big.

On 22 October 2003, Harle and his wife were in the company of friends at Di Palma's Restaurant in East Kew when Harle received a call on his mobile phone from a caller who did not identify himself, but whose voice Harle recognised to be the prisoner's. The prisoner referred to the previous meeting between them. He went on to tell Harle that he would be approached in the next few days by someone. He said, "You will sign an agreement with Vida. Tell your wife with the Luna Park mouth to shut up or the last thing you'll see is my eyes at 4.00 am in the morning."

Harle took this to be a threat from Mokbel that if he did not sign the agreement with Vida, he and his wife would be killed. He was observed by his wife to be visibly upset immediately after the phone call. From then on for a time, he was in fear for his life and that of his wife. His wife indicated in her statement in the depositions (710) that she too had suffered fear and other emotional effects as a result of the conversation being related to her by her husband. Harle reported the incident to his solicitors the next day, and in due course, to members of the Federal Police and Victoria Police.

Co-offenders

Garry Gibbs was sentenced by her Honour Judge Rizkalla in the County Court on 7 December 2007 on one count of recklessly dealing with proceeds of crime under section 194(3) of the Crimes Act 1958. He was sentenced to 6 months imprisonment, wholly suspended for 12 months. There are no other co-offenders as such who have been dealt with in relation to any of these matters. A number of others have been charged, and have matters pending.

Mr Cooper was sentenced by Judge [PII] in the County Court on [PII] February 2007 in respect of a number of drug offences including trafficking in a large commercial quantity in connection with the Strathmore laboratory. He was sentenced to six years imprisonment in respect of that Count, as part of an overall sentence of 10 years imprisonment with a minimum of 7 years. That was a sentence that took into account the substantial assistance that Mr Cooper had given and would give to the prosecution in respect of a number of future prosecutions.

Maximum penalties

Count 1 Level 4 imprisonment (15 years)

Count 2 Level 3 imprisonment (20 years)

Count 3 Level 2 imprisonment (25 years)
The amount of P2P seized on 11 April 2006 in this case was 11.2 kg. At the time of the offence, the commercial quantity for P2P was 2 kg. There was no large commercial quantity.

Count 4 Level 1 imprisonment (Life)
The large commercial quantity for methylamphetamine was 750 grams of pure or 2.5 kg mixed. The agreement was for the prisoner to be provided with 5 pounds (about 2.2 kilos) of drug as produced by Mr Cooper

Count 5 Level 1 imprisonment (Life)

Count 6 Level 4 imprisonment (15 years)

Serious Drug Offender provisions

The serious offender provisions of the Sentencing Act 1991 (Sections 6A-F) would apply to this case. If the prisoner was sentenced to a term of imprisonment for Count 3, he would fall to be sentenced as a serious drug offender on Counts 4 and 5. That would mean that sections 6D-F would come into play.

Under section 6D, you would be bound to regard the protection of the community from the offender as the principal purpose for which sentence should be imposed.

The Crown **does not** assert that in order to achieve that purpose, you should impose a sentence longer than that which is proportionate to the gravity of the offence considered in light of its objective circumstances.

Time in custody

The prisoner has been in custody since his arrest on 25 April 2006. From then up to and including yesterday (19 June 2008) is 787 days of pre-sentence detention.

Disposal order

Hand up draft order, notice of which has been given to the defence.

Forfeiture order

Hand up draft order, notice of which has been given to the defence.

Automatic forfeiture

Counts 3-5 are all automatic forfeiture offences under the Confiscation Act 1997.

Application for a forensic sample

Application is made for a forensic sample under section 464ZF(2) of the Crimes Act 1958.

PPO application

The Crown has given notice of an intention to apply for a pecuniary penalty order under section 58 of the Confiscation Act 1997. That application is now made. There are a number of restraining orders in place, and applications for exclusion orders have been made and such applications have not been resolved.

There will be an application to adjourn the hearing of the PPO application until the determination of the exclusion applications.

Mr Cooper

PII [REDACTED]
 PII [REDACTED] there are suppression orders in place preventing publication of his name.

1 don't think the Taxation Department in relation to
2 gamblers, in relation to professional gamblers as I
3 understand it require them to pay.

4 HER HONOUR: No, they don't, but you have to nominate yourself
5 as a professional gambler.

6 MR SHIRREFS: I don't think a return has been put in for that
7 period of time. Professional gamblers aren't taxed by the
8 taxation office. That was the nature of his activities
9 during that period of time.

10 HER HONOUR: Yes.

11 MR SHIRREFS: What time was Your Honour proposing to - - -

12 HER HONOUR: We'll go to 1.15, thank you.

13 MR SHIRREFS: Right. Your Honour, the opening Your Honour has
14 heard, and perhaps I could deal with it chronologically
15 because of the way in which the counts are on the
16 presentment, because Count 1 relates to a completely
17 discrete matter, which is clearly the earliest in time.
18 Originally in relation to this matter, Your Honour, Milad
19 Mokbel was charged not just with the blackmail offence he
20 was also charged with threats to kill, a threat to kill
21 arising by what was said to be, is alleged to be the view
22 taken by Douglas Harle, Matthew Harle I think he calls
23 himself, and his wife as to what was meant by the utterance
24 over the phone. Those threat to kill charges were
25 subsequently withdrawn before this court some time last
26 year, sorry, it's the County Court. I'm standing in this
27 building thinking I'm in the County Court. 22 October of
28 last year.

29 There was a contested committal in relation to this,
30 unlike the drug matter that I'll come to in due course,
31 because there are a number of things that have been

