
**TRANSCRIPT
OF PROCEEDINGS**

OFFICE OF POLICE INTEGRITY

**MR MURRAY R WILCOX QC
MR GARRY LIVERMORE**

**HEARING PURSUANT TO SECTION 86PA OF
THE POLICE REGULATION ACT 1958**

EXTRACT OF PROCEEDINGS

**MELBOURNE
10.53 AM TUESDAY 10 JUNE 2008**

**PROCEEDINGS RECORDED BY THE OFFICE OF POLICE
INTEGRITY VICTORIA**

MR WILCOX: Yes, Mr Livermore.

MR LIVERMORE: Thank you, sir. These hearings are in furtherance of the director's investigation called Operation Oboe. Police officers, perhaps more
5 than most, depend upon the support and assistance of their colleagues as they do their work. The nature of their work is conducive to close friendships and relationships being formed with their colleagues. There may be times where a police officer may have to make difficult decisions regarding the conduct of their colleagues. It's recognised of course that police officers, like everyone
10 else in our society, enjoys the presumption of innocence. A vast majority of police officers will never have any need for recourse to such presumptions as they carry out their duties lawfully, properly and diligently.

Where a police officer or a former police officer is charged with or suspected
15 of involvement of a serious crime that is unsolved, it would be hoped and expected that experienced police officers would carefully manage their conduct and contact, if any, with the suspected officer. Conflicts of interest and potential improper association must be managed in a transparent and accountable manner. The perception that conflicts of interest are not being
20 managed properly can undermine confidence in the integrity of the public officials and public sector organisations.

Where a conflict of interest or a conflict of loyalty arises, it is the duty of every
25 police officer to align themselves emphatically with the interests of Victoria Police. Those who do not so align themselves, when discovered will have their conduct publicly exposed and scrutinised. Conduct involving lack of loyalty and fidelity to the aims of and objectives of the Victoria Police will not be tolerated. And in a nutshell, essentially that's why we're here today and for the next few days conducting these hearings: to examine conduct involving a lack
30 of loyalty and fidelity to the aims and objectives of the Victoria Police and the damage that that can do.

Officers who do not so align themselves and indeed engage in activities
35 contrary to such alignment betray the trust and respect reposed in them not just by the community that they serve, but by the vast majority of police officers who carry out their duties with honesty, integrity and what is true loyalty - not trying to undermine an investigation into a suspected officer or former officer, but by demonstrating loyalty to the aims and objectives of the Victoria Police. Victoria Police has faced numerous challenges in recent years when
40 investigating serious and organised crime. It has additional policing powers granted by the parliament of Victoria and initiatives such as the Purana Taskforce have used those powers to excellent effect.

When investigating crimes associated with police involvement with organised
45 crime, however, the challenge facing police is more pronounced. The

detectives investigating those crimes face an often more capable foe than they otherwise might encounter. Police and former police who conspire and engage with criminals have an insider's knowledge to assist them in evading detection. That knowledge includes the capability to leverage internal police relationships to gain valuable intelligence of a particular investigation. When police knowingly assist in that role, it demonstrates the real risks that are created by improper relationships and the corruption that it can produce.

Taskforce Petra is the investigative group established to investigate the 2004 double murder of police informer Terrence Hodson and his wife Christine. Both were shot at close range in their East Kew home. It is important to the Victorian community that these crimes are solved and that any suspected link between police and the crime is uncovered and exposed. The taskforce, Taskforce Petra, has been active for over one year and took responsibility for the investigation from the homicide squad. It is being oversighted by the Office of Police Integrity. It is the view of the OPI that the taskforce is staffed by detectives of very high calibre and is confident that their experience and dedication can yield results.

However, investigations conducted by the OPI reveal that the taskforce is under threat from other serving police claiming loyalty to a person of interest to the taskforce, a person aurally identified former detective Paul Dale. So from approximately mid-2002 to September 2003, Terrence Hodson was a prolific and valuable provider of information to police. His handlers were Detective Senior Constable David Miechel and Detective Sergeant Paul Dale of the Victoria Police drug squad. Much of the information provided by Terrence Hodson was recorded on information reports classified as highly protected. These information reports were housed at the major drug investigation division.

During 2003 the major drug investigation division commenced an investigation into the manufacture and distribution of illicit drugs by an organised crime syndicate. Detective Sergeant Dale and Detective Senior Constable Miechel were major players in the investigation. During the course of the investigation a drug safe house was identified at ■ Dublin Street, East Oakleigh. Once the house had been identified it was subjected to intensive electronic surveillance by police. By late September 2003 police plans to raid the Dublin Street house were well advanced. On 27 September 2003, AFL Grand Final day, Miechel and Hodson were arrested following a burglary at the safe house. A neighbour had witnessed the burglary and had telephoned police.

Miechel and Hodson were arrested in the vicinity of the safe house within minutes of the report of the burglary. Large amounts of drugs and cash were found where they had apparently been thrown by Miechel as he attempted to escape. He was mauled by a police dog in the course of his arrest and was

taken to hospital. Hodson was arrested in a school in the vicinity of the burglary. A hand gun was found concealed in his car nearby. Miechel borrowed a mobile telephone from an ambulance officer and called Paul Dale. A short time later Paul Dale attended the major drug investigation division office in St Kilda Road.

Hodson confessed to his part in the burglary and agreed to assist police. He initially implicated Miechel and later Dale in the safe house burglary. On 5 September 2003 Dale was charged with the safe house burglary and suspended from the police force. Shortly before Terrence and Christine Hodson were murdered a newspaper published highly sensitive information that has been traced to one of the Hodson information reports that had been at the major drug investigation division office. The information report, which had been prepared in respect of Hodson's information, is known to have been widely circulated in media and criminal circles before Hodson's death.

This leaked information report revealed Hodson as a police informer to organised criminals in Victoria. For this reason it has been a reasonably held suspicion that the leak was purposeful and intended to initiate a murderous response. In November 2004 the Director of Police Integrity commenced an investigation into the leak of the Hodson information report. That investigation was led by Mr Tony Fitzgerald QC. In February 2005 the Director of Police Integrity published the results of the investigation. In that published report Mr Fitzgerald made the following assessment of the evidence that had been gathered. The report said,

Dale is an obvious suspect in the theft of the blue file if, as Hodson later alleged, Dale was involved in the East Oakleigh break-in. Dale had the opportunity to steal the blue file and, if he was involved in the break-in, had a motive to do so. Dale denies that he removed or copied the blue file or any of its contents and, although he was an unimpressive witness, the evidence does not permit a finding that he did so. There is currently no evidence that any other person did so or any sufficient basis for suspecting any other person. It is a commonly known fact, particularly within Victoria Police ranks, that Paul Dale is suspected of involvement in the murders of Terrence and Christine Hodson. That this is commonly known amongst police and, more importantly, known to the police the subject of this inquiry is significant.

Terrence Hodson and his wife Christine were murdered at their home in Kew East on 15 May 2004. The case against Dale in respect of the burglary relied upon the evidence of Hodson, and following Hodson's murder the charges against Dale were withdrawn due to lack of evidence. Dale has an alibi for the time of the Hodson murders. One of his alibi witnesses is then and

current serving police officer Sergeant Dennis Linehan. On 27 August 2005 Dale resigned from the police force. On 18 August 2006 Miechel was convicted of the burglary and received a sentence of 15 years with a minimum term of 12 years.

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To date, no-one has been charged with the murder of the Hodsons. In March 2007 Victoria Police established the taskforce named PETRA to investigate the Hodson murders. Sir, Dale's guilt or innocence is not an issue for consideration during this hearing. It remains a matter for the Victoria Police to investigate. This hearing, held before the public, will follow previous private hearings and other OPI investigations under the code name Operation OBOE, which will investigate the conduct of several serving Victoria Police detectives in associating with Dale, communicating with Dale, attempting to gain information from Taskforce PETRA and interfering with investigations being carried out by Taskforce PETRA for the purpose of assisting Paul Dale.

The activity the subject of this inquiry goes beyond information gathering and includes interacting with taskforce witnesses. If that conduct is not acted upon it is likely to progress to intimidation of taskforce members. Pursuant to section 86NA of the Police Regulation Act 1958, the Director of Police Integrity is conducting an investigation on his own motion in respect of matters including whether the investigation by Victoria Police of the deaths of Terrence and Christine Hodson has been impeded, obstructed or influenced by any improper conduct by any serving or former members of Victoria Police, and whether any impediments to the investigation have been created by improper associations between current and former members of Victoria Police.

Certain witnesses have been summoned to attend hearings over the next several days. As the director's delegate you have now determined it is appropriate for these hearings to be conducted in public. The statutory office of the Director of Police Integrity is an entirely independent statutory office which has very significant coercive powers. For obvious reasons, investigations cannot always be conducted in public. This investigation has now reached a stage where it will not be prejudiced by a public hearing. The director considers it important in these circumstances that investigations such as this should be conducted in public for reasons including that this and other investigations are likely to be advanced by conducting public hearings by encouraging people to provide information to the director.

Public ventilation of evidence may have a deterrent effect on police corruption and misconduct by making those responsible publicly accountable and by demonstrating that such conduct will be detected, investigated and prevented. Public hearings will expose police corruption and misconduct, educate the public in the nature, extent and causes of such corruption and misconduct and highlight the need for any reforms to address the problems. Public hearings

will enhance the public confidence in the Office of Police Integrity and the Victoria Police.

5 More broadly, these examinations are being conducted in public to give the community insight into the dangers created by improper relationships. When undeclared and unmanaged, these relationships pose significant risks to the integrity and potentially the success of the most serious police investigations. There have been attempts by some to rail against an improper relationships policy recently implemented by the Victoria Police. Such policies are
10 commonplace in other police forces. Critics of the policy focus on its potential to cause tensions within police families. The OPI also has reservations about the current document in its current form, but the need for strong policy in this area is unmistakable and urgent.

15 The intent of such a policy is not for families but the undeclared mix of criminals, former police and serving police that subvert Victoria Police operations and are a consistent feature of OPI investigations. The OPI is also examining through these hearings whether there is a need for underpinning legislative support for such a policy as exists in some other jurisdictions.
20 Policy is only effective when there is a will to cooperate. Improper relationships of the type exposed in hearings so far, and that will be explored in these examinations, will not be effectively treated by policy alone because of the divided loyalties of the officers involved.

25 For some of these police it seems that their loyalty to Paul Dale far exceeds any obligations they feel to the Victorian community in their roles as serving police, and indeed their fellow police officers whose work they seek to subvert and compromise by their activities. Only a few short years ago the Victoria Police CEJA Taskforce, created to investigate drug squad corruption, found its
30 investigators subjected to harassment and intimidation. A repeat of that conduct cannot be tolerated. In oversighting Taskforce PETRA the OPI sees its role as ensuring the hardworking and dedicated police conducting this investigation can achieve their aim of solving the Hodson murders free from the dangers of improper associations, the pressures of harassment and
35 interference from within their own force.

Pursuant to section 102F of the Police Regulation Act the director has delegated the power to you, sir, to conduct this hearing. I have been briefed by the director pursuant to section 102E of the act to examine the witnesses who
40 have been summoned to attend. The examination draws on information gathered during the course of the investigation to date. This information has been gathered from a variety of sources. One of the purposes of the hearing is to give those summoned the opportunity to respond to the matters that will be put to them.

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In particular, the director has gathered information that suggests that serving Victoria Police officers have engaged in behaviour designed to impede the investigation into the Hodson murders and have sought and disclosed information so as to impede the investigation into any involvement of Paul Dale in the Hodson murders. The investigation, conducted thus far in private, has given rise to real concerns regarding the behaviour of certain police officers in terms of (1) their relationship with Paul Dale, (2) their conduct in seeking out information from PETRA Taskforce officers, (3) their conduct in providing information to Dale and (4) contacting and providing what has euphemistically been referred to by Mr Dale as "free legal advice" to potential witnesses who have been approached by taskforce detectives for assistance.

Sir, the functions, powers and objects of the Director of Police Integrity are set out in section 102BA of the act, and they include the objects "to ensure that the highest ethical and professional standards are maintained in the force and to ensure that police corruption and misconduct is detected, investigated and prevented. No police member or employee should consider themselves above the law, nor should they treat the process of investigation of potential corruption or misconduct by the OPI with contempt". This examination will also therefore inquire into the steps that were taken to compromise this - that is, the OPI's investigation - including whether (1) police officers have told the truth at private OPI hearings and (2) whether police officers have breached the confidentiality requirements imposed upon them by process emanating from the OPI.

So that concludes my opening remarks.