



Own motion investigation Australian Crime Commission

Own motion investigation into a review of the operational and corporate implications for the Australian Crime Commission arising from alleged criminal activity by two former secondees

**Report by the Commonwealth Ombudsman
Prof. John McMillan
under the *Ombudsman Act 1976***

Report No. 02 / 2004

Reports by the Ombudsman

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EXECUTIVE SUMMARY

On 24 February 2004, the Chief Executive Officer (CEO) of the Australian Crime Commission (ACC), Mr Alastair Milroy, appointed consultants to undertake a review of the operational and corporate implications of the alleged criminal activity of two secondees to the ACC. For privacy reasons, the names of the former ACC secondees have been deleted in my report.

On 22 June 2004, the Acting Commonwealth Ombudsman informed the CEO of the ACC and the Minister for Justice and Customs, Senator the Hon. Chris Ellison, that he intended to commence an own motion investigation into the review of the operational and corporate implications for the ACC arising from the alleged criminal activity of the secondees.

The Terms of Reference for my own motion investigation were the extent to which:

- the review met the terms of reference provided by the ACC; and
- the recommendations reflected the operational implications identified in the review report.

Among the opinions I have formed as a result of the investigation are:

- the review methodology was sound, and all practical and necessary precautions were taken to preserve and provide for the continuity of evidence, as appropriate to the circumstances;
- as concluded by the review, there were failures in the management and compliance systems of the former National Crime Authority and insufficient action was taken to ensure that those failures could not flow to the ACC;
- there is information to suggest that those management and compliance failures allowed the two secondees to exploit those weaknesses and, ultimately, enabled the alleged criminal activities to be committed using public assets and to go undetected for a substantial period of time; and
- the review recommendations, in general, are appropriate and proportionate responses to the issues identified by the review, having regard to the constraints on the review because of secrecy caveats on information provided to the ACC and the consultants by the New South Wales Police Integrity Commission .

The Commonwealth Ombudsman's report makes three recommendations to the ACC about the development of effective management and compliance systems to address deficiencies identified in the consultants' report.

Recommendations have not been made about specific issues identified in the review report where they would only act as refinements or variations of recommendations made by the review. Recommendations are made where the Ombudsman believed that the findings of the review report are not sufficiently addressed by the review's recommendations.

The ACC and the consultants were provided with a copy of the draft report and have provided their comments, which have been taken into account.

Recommendations

Recommendation 1:

The Australian Crime Commission should undertake a review of individuals' performance in failing to adhere to prescribed policies, and the existence of practices contrary to policy. This performance review should seek to identify appropriate management responses to the actions of those individuals where those persons are still employees of (or secondees to) the Australian Crime Commission.

Recommendation 2:

The Australian Crime Commission should examine opportunities for the development of a formal system of protected professional reporting.

Recommendation 3:

The Australian Crime Commission should implement all recommendations made in *A review of operational and corporate implications arising from the alleged activities of certain police secondees to the former National Crime Authority and Australian Crime Commission during the period 28 February 2000 to 18 February 2004: A report commissioned by the Australian Crime Commission.*

1. INTRODUCTION

1.1 The Commonwealth Ombudsman has jurisdiction over the Australian Crime Commission (ACC) by virtue of the *Ombudsman Act 1976 (Cth)* (the Ombudsman Act). In this role, the Ombudsman has the capacity to:

- investigate action, being action that relates to a matter of administration taken by a Department or by a prescribed authority, and in respect of which a complaint has been made to the Ombudsman (s 5(1)(a)); and
- of his or her own motion, investigate any action, being action that relates to a matter of administration taken by a Department or by a prescribed authority (s 5(1)(b)).

1.2 The Ombudsman Act does not compel an Australian Government agency to bring to the Commonwealth Ombudsman's attention complaints made directly to the agency. However, the ACC has a practice of proactively disclosing serious complaints and allegations to the Ombudsman's office.

1.3 This current own motion investigation arises from a proactive disclosure by the ACC.

1.4 A secondee¹ (secondee 1) from the New South Wales Police Service to the ACC appeared before the New South Wales Police Integrity Commission (PIC) in public hearings beginning 19 February 2004. Evidence presented to the PIC supported allegations that secondee 1 had engaged in criminal activities while seconded to the ACC.

1.5 The PIC heard evidence regarding the alleged criminal activities of a second ACC secondee (secondee 2) from the Victoria Police on 5 and 6 April 2004. Secondee 2 had already been under investigation by the Victoria Police Ethical Standards Division at the time, having had allegations referred to them by the ACC.

1.6 The Chief Executive Officer of the ACC, Mr Alastair Milroy, informed me about the allegations against secondee 1 in August 2003.

1.7 In October 2003, Mr Milroy advised me about alleged criminal activity relating to secondee 2. ACC members had detected the alleged criminal activity, and ACC preliminary enquiries had contributed to Mr Milroy's concern that the allegations might be soundly based. Mr Milroy informed me that he intended to refer the allegations about secondee 2 to Victoria Police Ethical Standards for investigation, as was usual practice in relation to ACC officers seconded from state police services.

1.8 On 9 February 2004, Mr Milroy informed me that highly sensitive investigations into secondee 1's conduct had been occurring, and that these matters would shortly be raised before the PIC.

1.9 On 24 February 2004, the CEO of the ACC engaged Yarrimbah Consulting, Mr Bill Stoll APM and Mr John Valentin APM, to undertake a review.

¹ For privacy reasons, the names of the former ACC secondees have been deleted in this report.

1.10 At the review's commencement, the ACC provided my office with a briefing and a copy of the Terms of Reference (see **Appendix A**). Essentially, the review was to assess the operational implications for the ACC arising from the alleged criminal activities of the secondees, and prepare a report.

1.11 Following the briefing, I decided that I would consider making an independent assessment of the consultants' review once their work was completed. Mr Stoll and Mr Andrew Phelan of the ACC provided two other briefings to the Senior Assistant Ombudsman (Law Enforcement), Mr Philip Moss, while the review was in progress.

1.12 On 7 June 2004, Messrs Stoll and Valentin provided Mr Milroy with a two part report titled '*A review of operational and corporate implications arising from the alleged activities of certain police secondees to the former National Crime Authority and Australian Crime Commission during the period 28 February 2000 to 18 February 2004: A report commissioned by the Australian Crime Commission*' (the review report).

1.13 I was given a copy of Part One of the review report shortly after. I also received a personal briefing on the review report from one of the consultants, Mr Stoll, and Mr Phelan of the ACC on 11 June 2004. At that time, I was informed that Part Two of the review report contained, amongst other things, material subject to the secrecy provisions of the *Police Integrity Commission Act 1996 (NSW)* (the PIC Act).

1.14 Having considered Part One of the review report, I decided that an investigation was warranted into the ACC review. A formal notice of this investigation was forwarded to the Minister for Justice and Customs, Senator the Hon. Chris Ellison, and the CEO of the ACC by the Acting Commonwealth Ombudsman, Mr Ron Brent on 22 June 2004. The notice informed Minister Ellison and Mr Milroy that Mr Brent intended to commence an own motion investigation into the review of operational and corporate implications for the ACC arising from the alleged criminal activity of the secondees.

1.15 In developing the Terms of Reference for the investigation, this office was mindful that it should not seek to investigate matters of criminality already being undertaken by the PIC, the Victoria Police, and the New South Wales Police Service.

1.16 The Terms of Reference for the investigation were, the extent to which:

- the review met the terms of reference provided by the ACC; and
- the recommendations of the review report reflected the operational implications identified in the review report.

1.17 A draft report was completed on 24 June 2004, and provided to the ACC and the consultants for comment, pursuant to s 8(5) of the Ombudsman Act. I considered their responses before forming my final opinions.

2. INVESTIGATION

2.1 My investigation staff interviewed the consultants, Mr Stoll and Mr Valentin, on 22 June 2004. The interview was conducted under s 9 of the Ombudsman Act. In such circumstances, s 9(4) of the Ombudsman Act provides that there is no lawful excuse not to provide information to my investigators.

2.2 Similarly, my investigators required Mr Milroy to provide a copy of Part Two of the review report to my office. The ACC also ensured that the Commissioner of the PIC had consented to the release to my investigators of Part Two of the review report. I acknowledge the cooperation of the Police Integrity Commission in this matter.

2.3 I have ensured that no material has been included in my report that would otherwise be subject to the secrecy provisions of the PIC Act.

3. CONCLUSIONS

3.1 The recommendations made in the review report are reproduced at **Appendix B**.

3.2 In my opinion, the review report reveals that there were failures in the management and compliance systems of the former National Crime Authority (NCA). Those failures allowed the secondees to exploit the NCA and, it would seem, enabled the alleged criminal activity to occur using public assets, and to go undetected for a considerable period.

3.3 To a lesser extent, the conclusions of the review report are that those failures are still manifest in the current ACC, and that the ACC appears to understand that it is at risk in these areas (as evidenced by the actions it is currently taking to remedy the problems). I also acknowledge that secondee 2's alleged criminal activities were initially detected by the ACC and investigative action commenced.

3.4 I observe that the ACC has a different governance structure to its predecessor, the NCA. The review report describes significant changes in management personnel since the inception of the ACC. These changes include the oversight of the ACC by a board comprising the Commissioners of Federal, State and Territory police services. I accept that those differences will assist the ACC to address the issues identified in the review report.

3.5 My conclusion is influenced by the view expressed to my investigators by Messrs Stoll and Valentin. In the consultants' view, the ACC has been shaken by the revelations of the alleged criminal activity and is committed to remedying its systemic problems as a result. The CEO of the ACC has also advised me that the ACC will implement all of the recommendations of the review report. The CEO has further advised that he accepts the recommendations set out in my draft report.

3.6 Although I agree with the consultants' comments about the changes that have already occurred, and am at present reassured by the ACC's positive response to the review report, I am not prepared to adopt a final position in relation to the operational and corporate implications of the alleged criminal activities of the secondees.

3.7 I foreshadow that I intend to commence a further own motion investigation within six months to monitor the ACC's progress in implementing the consultants' recommendations and my own.

3.8 I have also made some recommendations to the ACC, pursuant to s 15(3)(b) of the Ombudsman Act. My recommendations are made where I believe that the findings of the review report are not sufficiently addressed by the review's recommendations. I have not sought to make recommendations about specific issues identified in the review report where my recommendations would only act as refinements or variations of recommendations made by the review.

Terms of Reference for the Review

3.9 I have considered the extent to which the review report addresses the Terms of Reference developed by the ACC.

3.10 In forming an opinion about the Terms of Reference, I have accepted some of the assumptions made in the review report, which I have summarised below. These assumptions are that:

- the review would not attempt to reconstruct NCA policies and its management environment. This is because access to records and key individuals was limited and no longer considered relevant to an investigation of the current operational and corporate environment for ACC employees²;
- a risk management approach to limiting some of the avenues for corruption is reasonable and should be considered in an evaluation of the ACC's management systems; and
- the review would not seek to determine the culpability of the secondees as this was a matter being managed by the PIC, the New South Wales Police Service, and the Victoria Police.

3.11 I acknowledge that the ACC and the consultants were constrained by the obligation not to compromise matters currently before the PIC.

3.12 Accordingly, in the light of paragraphs 3.10 and 3.11, I have formed the opinion that the review met the Terms of Reference provided by the ACC.

Review Methodology

3.13 I have considered the review methodology. The key elements of which were:

1. a briefing of the consultants by the PIC;
2. the securing of all documents and property at, or in the vicinity of, the secondees' workstations; and
3. the downloading by ACC IT Support of any electronic files, records and information generated by the secondees.

3.14 I am satisfied that the review methodology was sound and appropriate. I am also satisfied that the review has provided an audit trail in relation to evidence collected by the consultants.

² Where I have used the term 'employees' in this report, I have used it as a generic descriptor to include all persons working for the ACC, whether working as secondees or employed directly by the ACC.

3.15 The review's Terms of Reference required the consultants to examine whether secondee 1 or secondee 2 had compromised any ACC operations or prosecutions. I note the inherent difficulties of undertaking such a task.

3.16 The experience of my office in undertaking its inspection roles for controlled operations and telecommunications interception (under the *Crimes Act 1914 (Cth)* and the *Telecommunications (Interception) Act 1979 (Cth)* respectively) is that 'acts of commission' have a reasonable prospect of being identified through such a review. However, 'acts of omission', which might include, for example, not seeking a telecommunications interception where one would be a useful investigative tool, are not so easily detected. Similarly, activities purportedly engaged in under an authorisation are not visible on the basis of records maintained by the ACC.

3.17 This difficulty is one that I have assessed as not representing a deficiency in the review's methodology.

Probity of the Review

3.18 In undertaking my investigation, I have considered whether the review could be subject to criticism on the basis that it was conducted by:

- former police officers;
- persons with an association with the former NCA; and/or
- a person with a current business relationship with the ACC.

3.19 Mr Stoll is a former Assistant Commissioner of the Australian Federal Police (AFP) and former Chief Police Officer of the Australian Capital Territory. As a consultant, he has worked with both the ACC and the Commonwealth Ombudsman's office on several occasions. Mr Valentin is a former Assistant Commissioner of the AFP and a former Deputy Commissioner of the Northern Territory Police. Both are experienced police officers with distinguished careers. Both understand the former NCA by virtue of their senior appointments in the AFP and the NT Police respectively.

3.20 Mr Stoll and Mr Valentin were interviewed under my formal powers and asked to describe the review methodology and rationale for certain decisions and assumptions made by them. I am satisfied with the answers provided to those questions. The methodology used by the review is, in my opinion, well founded.

3.21 Mr Stoll and Mr Valentin have undertaken the review with the benefit of extensive senior management experience in police services. In my view there is no basis on which to criticise the consultants' ability to undertake an objective and critical review simply on the basis of their police experience.

Review Report and Recommendations

3.22 In assessing the review report, I grouped the review's findings into three broad groups. These are:

- the assessment of the compromise of ACC investigations and prosecutions in which the secondees were involved;
- the critique of ACC management and compliance systems; and
- the recommendations relating to specific issues.

3.23 I have not sought to make recommendations about specific issues identified in the review report where my recommendations would only act as refinements or variations of recommendations made by the review. My recommendations are made where I believe that the findings of the review report are not sufficiently addressed by the review's recommendations.

Compromise of ACC Investigations and Prosecutions

3.24 As stated earlier in my report, I am satisfied that the review report meets the Terms of Reference in relation to assessing and commenting upon any compromise of ACC investigations, evidence handling, and prosecutions.

Critique of ACC Management and Compliance Systems

3.25 The review clearly and, in my view, reasonably, took a broad interpretation of its Terms of Reference. However, the review was not tasked to undertake an investigation of 'professional responsibilities' of individuals associated either with the secondees, or with responsibility for the implementation of the ACC's policies³. Accordingly, I have accepted the consultants' advice that the review was not authorised to act as an investigation under the terms of the *Public Service Act 1999 (Cth)* and did not assess it necessary to request the CEO of the ACC to expand its Terms of Reference in this regard.

3.26 I have noted a comment in the review report that:

'Rather than the above comments be taken as a reflection on the capacity or attention to duty of individual ACC managers, the review would prefer they be considered in the context of the environment that it is satisfied existed during late 2002 – early 2003 with the ACC. The ACC was committed to completing investigations commenced by the NCA. Staff advise that in the latter months of 2002 and transition to the ACC there were competing priorities and evolving issues for investigators and management. Policy and procedures were under review, some of which are yet to be settled. Responsibilities were being adjusted. The Review is advised investigation managers, as they were then, and team leaders had to meet increased reporting requirements, and although they generally welcomed the opportunity to contribute to the emerging ACC policy and arrangements, that activity impacted on the attention given operational and supervisory functions' (p. 88, Part 2).

³ This reference to policies also includes any other obligations imposed on employees of the ACC under, for example, the *Public Service Act 1999 (Cth)* or the *Financial Management and Accountability Act 1997(Cth)*.

3.27 The review also referred to the CEO of the ACC a ‘small number of administrative matters relating to staff where the CEO may wish to seek more completed information and explanations’.

3.28 In my opinion, from the information contained in the review report, many of the secondees’ alleged criminal activities were made possible by failures to implement extant policies. The review has established, to my satisfaction, that policies regarding the personal use of mobile phones and motor vehicles, the use of firearms, and the payment of advances for registered informants existed at the time of the alleged criminal activities. The review has identified that practices contrary to published policies and procedures were well established in both the NCA and the ACC.

3.29 I am concerned that, but for the allegations about the secondees, some of these practices might have continued. It would be difficult for me to have confidence in revised and improved policies if they are to be implemented by the individuals who contributed to the failure of previous policies. I believe that a review of individual performance should be undertaken, if it has not been already, into the aspects of management failure that are characterised by the review report. It is not my intention that this performance review should be limited to the specifics of the secondees’ alleged criminal activities.

3.30 At interview, this issue was put to the consultants, who observed that, for staff seconded to the ACC, matters of performance management and discipline are defined by the consent agreements between the ACC and the secondees’ home police service.

3.31 This office has historically expressed its reservations about the inability of these arrangements to provide a robust framework for the management of secondees, in relation to integrity and accountability. In making this observation, I acknowledge that this issue is problematic as the consent agreements also have implications for the industrial conditions for secondees, and there is marked variation between police services providing members to the ACC. I draw this issue to the attention of the CEO of the ACC, while not making any recommendation at this time.

3.32 Notwithstanding the difficulties of linking performance and accountability to consent agreements, and noting the recommendations already developed by the review, I am of the opinion that the difficulties of undertaking a performance review of the individuals who appeared not to meet their responsibilities should not prevent a performance review being made.

3.33 I am aware of information provided by the consultants about the organisational context for ACC staff. However, I have formed the opinion that while these factors offer some explanation for the failure to implement procedures, other binding obligations placed on staff were not met, and should have been (for example, under the *Financial Management and Accountability Act 1997 (Cth)*). Accordingly, I make the following recommendation:

Recommendation 1:

The Australian Crime Commission should undertake a review of individuals’ performance in failing to adhere to prescribed policies, and the existence of practices contrary to policy. This performance review should seek to identify appropriate management responses to the actions of those individuals where those persons are still employees of (or secondees to) the Australian Crime Commission.

3.34 I have observed that the only reference to the development of a confidential reporting mechanism within the ACC is at recommendation 47 of the review report. This recommendation is 'that the evidence given to the PIC by secondee 1 that he did not supply drugs to ACC staff be followed up by providing an opportunity for staff to make confidential disclosures should they have information they wish to pass to the ACC'.

3.35 During the interview with Messrs Stoll and Valentin, my investigators questioned the absence of a recommendation that the ACC implement a system of protected professional reporting, based on my office's knowledge of the Australian Federal Police confidant network.

3.36 Within the AFP's Professional Reporting program, nominated 'confidantes' assist people who have a genuine concern regarding unethical behaviour within the AFP. Training has been provided to AFP personnel to enable them to perform the confidante role. The AFP Professional Reporting Coordinator, through the confidantes, monitors the well-being of program participants to ensure they receive adequate support and positive reinforcement.

3.37 Messrs Stoll and Valentin expressed a view that the implementation of a system such as this could be problematic for an organisation like the ACC. While acknowledging that this may be the case, I am of the opinion that such a mechanism may have assisted the ACC to obtain intelligence about aspects of the secondees' behaviour of concern to their colleagues.

3.38 A mechanism for professional reporting is properly part of the cultural and values system of an integrity-based organisation. I therefore make the following recommendation:

Recommendation 2:

The Australian Crime Commission should examine opportunities for the development of a formal system of protected professional reporting.

3.39 I am satisfied that the review report's recommendations are appropriate and proportionate responses in other respects to the issues identified by the review. Importantly, the recommendations are strategically focussed and are capable of being implemented.

3.40 My investigators questioned the consultants on their approach to developing the recommendations and achieving the change that is required in the ACC. I have accepted the consultants' position that the recommendations are a 'package' and need to be accepted and implemented as such to be effective. I therefore make the following recommendation:

Recommendation 3:

The Australian Crime Commission should implement all recommendations made in *A review of operational and corporate implications arising from the alleged activities of certain police secondees to the former National Crime Authority and Australian Crime Commission during the period 28 February 2000 to 18 February 2004: A report commissioned by the Australian Crime Commission*.

3.41 In his response dated 25 June 2004 to the draft report of my own motion investigation, the CEO of the ACC gave me an assurance that 'all of the recommendations in both reports are currently being implemented and, in some cases, have already been implemented'.

APPENDIX A: ACC TERMS OF REFERENCE FOR THE REVIEW

Pursuant to the Contract dated 10 February 2004 between you and the Australian Crime Commission (ACC), I hereby refer for your review and investigation whether there are any operational implications for the ACC arising from the alleged actions of [seconded 1] and [seconded 2]:

In particular, you are to review:

- all NCA/ACC cases in which the officers were or may have been involved;
- all briefs of evidence in which the officers were or may have been involved;
- all related exhibits relating to cases in which the officers were or may have been involved;
- informant management and payments of expenses and rewards during the period of the officers' secondment, including cases in which the officers were or may have been involved;
- all letters of assistance issued during the period of the officers' secondment, where the officers were or may have been involved;
- all Controlled Operations, State and Commonwealth, in which the officers were or may have been involved;
- all affidavits where the officers were deponents;
- any potential implications for prosecutions brought by the NCA/ACC;
- management/supervision of the officers;
- firearm management and security in relation to the actions of the officers, and
- motor vehicle usage by the officers.

Or such matters as the CEO might approve subject to the investigation results.

APPENDIX B: RECOMMENDATIONS OF THE REVIEW REPORT

No.	RECOMMENDATION	ACTION
1.	That briefs of evidence in which [the secondees] were involved continue to be monitored by case officers and ACC managers, in consultation with the relevant Director of Public Prosecutions, to determine the impact of information emerging from the Police Integrity Commission and other sources.	
2.	That the ACC reinforce to all investigators and managers the need to lodge seized drugs at the first opportunity either into the ACC drug night safe or with the AFP Drug Registry.	
3.	That the ACC implement a mandatory requirement for the Exhibit Registrar, once procedures are enhanced so that he/she is better informed, to report to the relevant Team Leader circumstances where it appears that practice has not been followed.	
4.	That the requirement included in current ACC exhibit procedures relating to notification to the ACC Exhibit Registrar of drug 'weights and analysis' be clarified and extended to require the mandatory reporting by the relevant operational officer of drug type and purity rate, accompanied by a copy of the AGAL certificate.	
5.	That the data assembled by the ACC Exhibit Registrar according to the preceding recommendation be examined quarterly by the ACC Director National Operations, or his/her delegate for assessment as to inconsistencies or marked variation in anticipated drug purity rates.	
6.	That a receipt and audit process be established and utilised to provide formal cross-referencing between all drug seizures and drug lodgements, sufficient for the ACC to inform itself of any discrepancies or unacceptable delays between seizure and lodgement.	
7.	That future ACC exhibit audits, in addition to the physical sighting of exhibits and attention to process, focus on the legibility and completeness of exhibit movement records, especially where drugs are seized and moved to the AFP Drug Registry with a view to identification of unacceptable delay or opportunity for drug substitution.	
8.	That a seals/security audit bag register be established at each ACC geographic location so that the capacity to audit the issue, use and disposal of numbered seals and bags can be completed in the same manner as audit applied to exhibits. The seals register should be maintained by a member of staff appointed to that role, separate from the Exhibit Registrar.	
9.	That each drug seizure entered into the ACC Exhibit Register be accompanied by an entry recording the number of the relevant security audit bag or drug seal and that the practice of recording the entry as '1 x SAB' containing a described substance, without notation of a seal number, cease.	
10.	That in conjunction with the AFP, the ACC review procedures for the receipt and lodgement of drugs with the AFP Drug Registry - Sydney with a view to enhancing audit, cross checking of security audit bag numbers and drug seals and the provision of receipts so that both agencies are satisfied the opportunity for diversion or substitution of seized drugs is minimised.	
11.	That the outcome of the above review be considered against policy and procedures in each of the other ACC offices with a view to applying best practice at each geographic location.	
12.	That, if unnumbered security audit bags or seals are currently utilised in any ACC geographic location to secure seized drugs, the practice cease.	

13.	That the ACC actively participate in the Australasian Human Source Working Group, monitor outcomes and encourage the Group to develop a national template to address the practical, operational and management difficulties associated with human source management.	
14.	That the ACC Human Source Management Sub-Committee established on 18 May 2004 be given additional terms of reference: Develop and submit to the ACC Governance Operations Committee (GOC), for consideration, ACC Standard Operating Procedures that detail the operational governance requirements and practice standards to be applied within Covert Intelligence and National Operations regarding management of human sources; Provide policy for GOC consideration to establish a regime of both random and programmed audit so that the Sub Committee can discharge its responsibilities as the peak ACC monitoring body regarding human source management; and In consultation with relevant ACC staff, develop an information and training program for members of staff of the ACC involved in human source management.	
15.	That (if it still exists in any ACC geographic location) the practice of police secondees 'bringing with them' registered informants or unregistered contacts on the understanding that home service informant policy and practices will apply should cease.	
16.	That ACC Covert Operations and National Operations make greater use of the expertise available within ACC Psychological Services in relation to all aspects of human source management.	
17.	That the ACC review the practice of 'sample' and 'non-evidentiary' drug purchases with a view to taking a decision if it should continue and, if so, under what circumstances and policy.	
18.	That the policy and procedures governing the operation of ACC Advance Accounts be reviewed with a view to, if required, strengthening directions regarding record keeping, attention to detail and audit.	
19.	That consideration be given to closing the ACC Advance Account operated by the Covert Intelligence Unit and allowing access to one ACC Advance Account in Sydney and Melbourne, under the control of the National Director Operations.	
20.	That the documentation submitted in support of claims for expenses made by former secondee [2] be examined by an investigator and auditor, supported by a person who can translate the documents.	
21.	That the practice, if it still prevails, of ACC investigators making submissions for cash advances for any purpose whatsoever directly to the NSW State Crime Commission or any other agency cease, with all submissions being directed for consideration by the Director National Operations or officer nominated by the CEO.	
22.	That members of staff of the ACC be directed to make all submissions regarding the payment of rewards through their usual reporting chain and under no circumstances direct submissions to another agency without the approval of the Director National Operations or officer approved by the CEO.	
23.	That ACC Policy and Procedures on 'Letters of Assistance' be amended to require that material on which such letters are based be 'sworn' by way of affidavit or statutory declaration.	
24.	That ACC Policy and Procedures on 'Letters of Assistance' be amended to require that letters of assistance presented for signature be accompanied by all other letters of assistance provided in respect of other defendants/accused persons arising from the same or related operations.	
25.	That information provided to the Minister for Justice and Customs and the Commissioner of the Australian Federal Police in relation to	

	Controlled Operations Certificate Number ‘...’ be reviewed and the need for further advice considered in light of allegations made by	
26.	That the ACC review the responsiveness and effectiveness of information management systems to ensure that information required to review investigative action, exhibit recording, the registration of Warrants and other accountable documentation can be readily accessed in order to meet organisational requirements.	
27.	That prosecutions in which [seconded 1 and seconded 2] were involved which remain to be finalised be monitored by relevant staff of the ACC, in consultation with the relevant Director of Public Prosecutions to identify the need to rely on the evidence of alternative witnesses.	
28.	That the ACC continue to monitor progress of enquiries by the Police Integrity Commission and information emerging from future hearings which may impact on outstanding prosecutions and consult as appropriate with the relevant Director of Public Prosecutions.	
29.	That ACC Policy and Procedure on ‘Police Administration’, defining responsibly and accountabilities across the range of police practice and supervision be finalised and promulgated as a matter of priority.	
30.	That the ACC continue to enhance the program of induction training for all members of staff and seconded police officers.	
31.	That members of staff and seconded police officers be required to sign formal ‘terms of engagement’ at the commencement of their deployment with the ACC which clearly records the standards, duties and operating procedures required by the ACC across the broad range of activities to be undertaken.	
32.	That Team Leaders responsible for management and supervision of police secondees receive guidance to ensure they understand and apply best practice in operational police supervision across all areas of responsibility.	
33.	That formal documentation be developed which defines hours of duty and ‘on-call’ arrangements for all police secondees and allows each seconded to ‘sign on’ regarding those arrangements when he/she takes up secondment.	
34.	That the ACC consult each police service to develop a template performance management plan and procedures that provide a consistent means of monitoring seconded performance, development and provides feedback and recognition of service with the ACC.	
35.	That the ACC consult other organisations including the Department of Foreign Affairs and Trade and Australian Federal Police with a view to having a ‘pre-deployment’ package of information and instructions ready for use should the need arise to undertake a similar deployment to that required during Operation ..., with special attention to the management requirements that arise from overseas law enforcement deployments.	
36.	That the processes for recording details associated with the issue and return of firearms and other police accoutrements be reviewed, particularly to ensure that the time and date of such actions and particulars of persons involved are readily identifiable.	
37.	That the ACC ‘Security of Firearms and Ammunition’ policy be amended to enable more frequent and vigorous audits of the location, identification numbers and condition of all firearms held by seconded police and staff of the ACC.	
38.	That, in consultation with Police Commissioners, consideration be given to extending the firearm and accoutrement inspection regime applied within State/Federal Police establishments closest ACC premises to the ACC.	
39.	That compliance with the ACC ‘Security of Firearms and Ammunition Policy’ and State legislation be reviewed to ensure that the ACC is meeting all requirements regarding safe storage of ammunition by staff and seconded police.	
40.	That the ACC ‘Security of Firearms and Ammunition Policy’ be	

	reviewed to achieve a greater level of supervision over the carriage of firearms by members of staff and seconded police officers.	
41.	That an assessment be undertaken to determine if ammunition located in the work places of both [seconded 1 and seconded 2] should be subjected to forensic examination for comparison and/or identification purposes.	
42.	That the ACC Fleet Policy (issued 24 March 2004) governing the use of official vehicles, maintenance of log books and home garaging be rigorously applied.	
43.	That the policy be amended to require that vehicle log book entries are reconciled with vehicle odometers on a regular basis.	
44.	That a formalised inspection regime of vehicle log books be instituted.	
45.	That the purposes and authorised officer arrangements for 'home-garaging' approvals be expressed in more definitive terms.	
46.	That approval for 'home-garaging' be reconciled with vehicle log books at regular intervals.	
47.	That the evidence given to PIC by [seconded 1] that he did not supply drugs to ACC staff be noted but followed up by providing an opportunity for staff to make confidential disclosures should they have information they wish to pass to ACC management.	
48.	That the need to monitor justification for and use of 'proxy email access' be reinforced within the ACC, especially where secondary or proxy access allows staff to access sensitive operational or management product.	
49.	That the ACC press for the early resolution of the legal position regarding the capacity to monitor, store and retrieve emails and electronic data within its IT systems.	
50.	That through enhancement of the ACC's induction and training program and at every opportunity management encourage seconded police to make the transition from wider police service to the operating environment required by the ACC.	
51.	That CEO instructions giving effect to the <i>Financial Management and Accountability Act, 1997</i> (Cwth) and <i>Finance Directions</i> as they relate to the expenditure of public monies and therefore obligations of staff to account for private expenditure incurred through the use of official mobile telephones be renewed and, if required, strengthened with advice to staff regarding their obligation to meet costs arising from private use, unless such use is subject to industrial agreements or award conditions.	
52.	That the ACC apply a reverse onus approach to security vetting and integrity assessment prior to secondment, including a requirement for each applicant to lodge full disclosure documentation by way of Statutory Declaration or Affidavit, which includes information categories within Commonwealth security clearance to 'highly-protected' or above and further content relevant to duty with the ACC.	
53.	That the ACC Board adopts a policy which provides that each respective Commissioner (or the Commissioners senior delegate) endorse the suitability of members of their service to be seconded to the ACC.	

Specific references to certain names, operations or other aspects of the ACC's activities have been deleted.