

Criminals infiltrate security industry

- **Geesche Jacobsen and Dylan Welch**
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The private security industry throughout Australia has been infiltrated by criminals who deal in drugs, rot the tax and welfare system, and intimidate competitors for a greater share of the market.

An 18-month investigation by the Australian Crime Commission had found the industry was plagued by serious issues that were outside the reach of normal law enforcement, commission chief executive John Lawler said.

A detailed report on the industry, due to be released to the commission's board next month, showed problems were prevalent "right across the industry" and in every state and territory, he said.

Problems included significant organised crime links, the trade in illicit commodities such as drugs and drug-making chemicals, organised theft from the businesses that security companies are paid to protect, and money laundering.

Many hid the money through international trade and legitimate business links, Mr Lawler said.

Elements of the industry were engaged in tax evasion or welfare fraud and failed to comply with their requirements under workers' compensation, superannuation and workplace regulations. Some employed staff without the correct visas; others circumvented or manipulated industry regulations.

Legitimate businesses had found it difficult to compete against operators who breached the law by paying cash to their workers, or paying below-award wages, Australian Security Industry Association chief Bryan de Caires said.

The association, which represents about half the industry, had conducted audits and expelled members who failed to comply.

"If someone is not doing the right thing, we want them to be caught out," Mr de Caires said.

About 5000 security businesses operate across Australia.

In NSW six years ago a move to fingerprint all applicants for licences flushed out criminals from the industry. In 2007, when the Security Industry Register reclassified the licences and increased the checks on applicants, more than 4650 failed to renew their licences. About 2000 of those were holders of class 1 licences, which are required for work as a doorman at a licensed venue.

The Australian Crime Commission investigation had looked extensively into the business links of those operating in the industry, Mr Lawler said.

"There is nothing new in one sense about following the money," he said. "But what we are seeing is a coalescing of legitimate and illegitimate. The real sophistication comes in understanding what's legitimate and what's illegitimate."

The commission's inquiry has generated more than 400 reports about individuals, companies and the methodology employed by criminals in the industry.

They have been sent to state and federal police, and departments such as the Tax Office, Centrelink and others, who would act on the intelligence.

In July the Council of Australian Governments agreed to introduce national regulation and licensing of the industry to improve probity and regulatory standards by next year.

The commission said the "vast majority of companies and individuals" in the industry were legitimate.

<http://www.smh.com.au/national/criminals-infiltrate-security-industry-20090523-biv7.html?page=-1>