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## Independent Report

# Exceptions At Australian Airports With Respect To The Schapelle Corby Case

September 2011  
The Expendable Project  
[www.expendable.tv](http://www.expendable.tv)

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# 1. INTRODUCTION

## 1.1 THE BACKGROUND

When Schapelle Corby flew to Bali in October 2004, airport security was dangerously inadequate, and corruption was endemic across both Sydney Airport and the police services protecting it.

These are not scurrilous allegations. The long term and persistent nature of this is documented by the hand of Australian institutions themselves, through a series of official reports and documents. These include:

### **THE WHEELER REPORT (September 2005)**

'An Independent Review of Airport Security and Policing for the Government of Australia'

Under the headline 'Exposed: Airport Security Fiasco', the *Sydney Morning Herald* reported: "*Security at Australia's airports is seriously flawed, no one takes control of policing, agencies fail to share vital information on threats and, if there is a terrorist strike, police and airport staff are unable to communicate effectively*". It also confirmed a vast array of crimes being committed, including the movement of cannabis.

### **THE WOOD REPORT (May 1997)**

'Royal Commission In To The New South Wales Police Service'

This commission sat over 452 days, heard from 640 witnesses, received 140 submissions, and created almost 47,000 pages of transcript. It was damning. The *ABC* reported that: "*The Wood Royal Commission, through covert surveillance and roll-overs, using non New South Wales police to help ensure the secrecy of its operations, finally confirmed the endemic nature of police corruption - particularly its subversion by the heroin and other illicit drug trade...*"

### **REPORT 409 (December 2006)**

'Developments in Aviation Security since the Committee's June 2004 Report 400: Review of Aviation Security in Australia'

This committee report to the Australian Parliament was particularly noteworthy in terms of specifying basic and fundamental security mechanisms, procedures, and practices, which were still not in place at Australian airports, notably Sydney International Airport. This included CCTV coverage, personnel screening, baggage scanning, and various other aspects which were central to the Schapelle Corby case.

### **A NATION UNPREPARED (August 2005)**

From The Leader Of The Opposition The Hon Kim C Beazley MP

Kim Beazley, the Leader of the Opposition at the time, described glaring holes and security breaches at Sydney International Airport.

### **THE COBALT REPORT (December 2005)**

#### 'A Report To Parliament On Operation COBALT'

Operation COBALT was an investigation by the Police Integrity Commission of New South Wales into the activities of a long serving police officer. In the words of the report itself *"the evidence revealed a startling level of corrupt conduct"*. It also stated that the *"conduct occurred over many years"*. The final report cited a number of police officers with direct involvement.

### **SECURITY OF AIRSIDE PERSONNEL AT SYDNEY AIRPORT (September 2004)**

#### 'Sydney Airport Air Border Security Risk Analysis'

Kim Beazley, the Leader of the Opposition, described this as a *"Customs report which was completed in September 2004 but only made public when it was leaked to a newspaper earlier this year. It revealed shocking security breaches at Sydney's Kingsford Smith Airport"*. It was the report which resulted in the vigorous pursuit and prosecution of Allan Kessing, who was accused of whistle blowing. It identified security holes such as: *"passengers' baggage containing large amounts of narcotics being diverted to domestic carousels to avoid Customs inspections"* and, *"39 security screeners out of 500 employed at the airport have serious criminal convictions, with a further 39 convicted of minor matters"*.

There were many other reports and papers within this remit, as illustrated by this extract from an internal AFP letter, which identified a number within Customs, circa 2003-2004:

- In February 2003 Customs Officers Caterina MAGNI and Allan KESSING of Air Border security at Sydney Airport (formally known as Tarmac) initiated and produced a report titled 'Threat Assessment of Airport Security Screening Personnel'. The report identified and discussed a number of threats posed by Sydney Night Patrol (SNP) security employees at Sydney Airport. This was not a formal Customs commissioned report, but rather a report by MAGNI and her staff on the security issues as they saw them. **(Attached at Flag 1)**
- In November 2003 Customs Officer Caterina MAGNI initiated and produced a report titled 'Sydney Airport Air Border Security Risk Analysis 2003'. The report detailed serious security breaches and illegal activity by Sydney Airport employees as seen by MAGNI and her staff. Again, this was not a formal Customs commissioned report, but rather a report by MAGNI and her staff on the threats and security risks at Sydney Airport as they saw them. **(Attached at Flag 2)**
- In January 2004 Customs Analyst Willie KWONG produced a report titled 'Airside Security Risk Assessment Sydney International Airport' following a tasking by the Director Passengers at Sydney Airport, John VALASTRO, to review the report produced by Caterina MAGNI in November 2003. **(Attached at Flag 3)**
- In July 2004 Customs Analyst Jess HEMMINGS produced a report titled 'Threat Assessment of SNP Personnel Working at Sydney International Airport' following a tasking by the Director Passengers at Sydney Airport, John VALASTRO, to review the report produced by MAGNI and KESSING in February 2003. **(Attached at Flag 4)**

### **THE POLITICAL IMPLICATIONS**

This presented, without doubt, an extremely sensitive political situation for the Australian government.

In 2004, just three years post 9-11, airport security was a high profile matter, not only with respect to the domestic public, but on the international stage. Yet security at Australia's airports was woefully and demonstrably inadequate.

The Australian government had failed to act upon a multitude of reports, or at the very least, had failed to act sufficiently.

The primary contents of the reports had been repeatedly ignored, and the reports themselves had tended to be brushed under the carpet at an early opportunity. This is evidenced by the number of reports which overlap, or cover the same subjects and issues. These routinely identify exactly the same problems as those previously reported, revealing in themselves the fate of earlier exercises.

In 2004 it is absolutely clear that the security at Sydney, and other Australian airports, remained severely and dangerously lacking.

The threat that other nations would recognize the risks posed to their own security, via these exposures, was thus stark and real. The consequences of this would have been highly damaging to Australia, and of course, politically damaging to the government itself, and to the individuals within.

From a domestic political perspective, the same applied to the corruption within the AFP, and within the New South Wales Police service.

### **SCHAPELLE CORBY**

This state of affairs forms the political context and climate to the disturbing events which unfolded in the Schapelle Corby case.

By its very nature, it was a case which threatened to draw significant focus to sensitive issues, both with respect to airport corruption, and the involvement of elements of the police service in the large scale drug syndication in situ.

It is against this background that the events documented in the rest of this report unfolded.

### 1.2 SCHAPELLE CORBY

Schapelle Corby checked her bag in at 05:33 on 8<sup>th</sup> October 2004. A contemporary media report accurately sets the scene:



Oblivious to what's ahead ... from left, Katrina Richards, Schapelle Corby, Ally McComb and Schapelle's brother, James Corby, at Brisbane Airport before their flights to Bali. Photo: Ros Corby

There is this moment in Schapelle Corby's life, before it plunged into chaos, when the world seemed wonderful, life was an exciting adventure, and what was to come was just not conceivable, beyond the imagining of any traveller. It was caught in a photograph, and it was the last time that a camera was to be kind to Corby.

The photograph was taken by her mother, Ros, after Corby, 27, and her three companions had been cleared to board QF501, the first of two flights which took her from a crisp Brisbane mid-spring dawn of Friday, October 8, to the sultry humidity of Bali. Instead of the luxury of an air-conditioned hotel, Corby was taken to a squalid prison, where her life is in the balance.

At this very moment, however, a script was unfolding airside which Schapelle Corby could not possibly have imagined. A series of events were in play, which are statistically impossible to dismiss as coincidences.

Whilst the saga of the missing CCTV footage, across three airports, has people across the world asking serious questions, we will first examine staggering revelations relating to Schapelle Corby's luggage tags, and missing screening records.





Diagram: Schapelle Corby's luggage tags, excluding those attached to the boogie board bag (these were burned by the Indonesians with all the other material evidence).

## 2. LUGGAGE TAGS & SCREENING RECORDS

### 2.1 INTRODUCTION

On the face of it there was nothing extraordinary about the check-in itself. A media report again documents the scene:

She worked in the hospitality industry on the Gold Coast. In 2003 she did a part-time TAFE course in beauty therapy, finishing two of four modules. She skipped TAFE last year, working at the fish and chip shop and helping to care for her father, Michael, 55, a retired coalminer who has cancer.

Unknown to the travellers, other cameras watched their movements. These were the closed circuit television security cameras that monitor the Qantas check-in counters. At 5.33am they observed Corby and her companions when they presented their luggage: three suitcases and a boogie board in its carrying bag.

The boogie board belonged to Corby. She had packed it at her mother's Brisbane home, where the travellers slept the night. When they were about to leave, Ally McComb remembered the flippers she had borrowed from Corby. She gave them to Corby as the bags were loaded into her mother's car in the garage for the journey to the airport.

Corby unzipped the boogie board bag and put the flippers inside. McComb, Richards and James Corby testified in Denpasar Local Court on Thursday, the first day of the defence case, that the garage was brightly lit and they clearly saw that the yellow boogie board was the only object in the bag before the flippers were put in.

The media article reports the standard process for check-in of luggage:

The weights of the bags were not individually recorded but together they totalled 65 kilograms. The four bags were recorded in Corby's name, the four tags clipped onto her boarding pass cover. The weight of these bags when they were checked in and their weight on arrival in Bali was crucial evidence to test Corby's claim. In Bali, customs and police ignored it.

As correctly documented, there were four luggage tags, one for each of the four bags checked in by Schapelle Corby, with her party.

But herein lies the first serious discrepancy, pertaining to the individual and collective weights recorded for these items.



### 2.2 THE QUESTION OF WEIGHT

Weight is an important issue in aviation, not just total weight, but weight distribution on the aircraft. It is not only a commercial issue, but a serious safety matter.

#### 2.2.1 THE WEIGHT OF THE BOOGIE BOARD BAG

The following is the relevant part of the testimony of Brisbane baggage handler Scott Speed, which was given to the Bali court:

- o Witness SCOT DAVID SPEED : -----

  - That the occupation of the witness is Baggage Tremolo Brisbane Domestic Terminal; -----
  - That the witness had worked for Qantas Airline; -----
  - That there is a condition that the officer would not weigh the bag of bogie board as the bag of bogie board had the weight around 3-4 kilograms so the passengers could bring the bag to the aircraft, but if more than that should be checked first and if more, the witness would report to the supervisor of the witness for check; -----
  - That the baggage officer know the provisions on the weigh which may include in the above condition; -----
  - If the weigh of the baggage more than the above condition , the owner of the luggage would be called and checked; -----
  - That the bag of Corby was check and at that time the bag of Corby was normal and it was let pass; -----
  - That after that the weight of the bag was more than its weigh, perhaps there was someone put it in her bag; -----

In his evidence, Mr Speed states that the expected weight for a boogie board bag inclusive of board is 3-4 kg, and that if it is any heavier the owner would have had to have it checked.

When interviewed during this investigation (October 2010), Mr Speed re-affirmed this, stating that it was the long established practice at Brisbane airport.

However, Schapelle Corby's boogie board bag, without marijuana, exceeded this. Indeed, the following diagram illustrates that the lightest her bag could possibly have been was 5kg, although it was most certainly significantly heavier than this. This should have attracted attention, and triggered the requirement for a check.

### Weights of Items

Carry Bag weight **1.5kg to 2kg**



**38 to 41 inch Bodyboard**  
Light weight **2kg** to heavy weight **3kg**

**Heavy weight - 3 kg Bodyboard**  
\*  $2CB + 3BB + 2F = 7kg$   
\* add **4.2kg Marijuana** = **11.2kg**

**Light weight - 2 kg Bodyboard**  
\*  $1.5CB + 2BB + 1.5F = 5kg$   
\* add **4.2kg Marijuana** = **9.2kg**

**Flippers weight 1.5kg to 2kg**

**Qantas witness Scott David Speed** stated that the bag with the bodyboard in it should have had the weight of 3 to 4 kilograms.

If the bag had had 4.2 kilograms Marijuana in it, its weight would have been one of the following.

- 1. on the heavy side with MJ = 11.2kilograms**
- 1. Normal weight no MJ = 7kg**
- 2. or on the light side with MJ = 9.2 kilograms**
- 2. Normal weight no MJ = 5kg**

The baggage officer knew the provisions on the weight. If the bag had been over, Schapelle Corby would have been told that the bag weighed more.

She was not told this, so the bag was allowed through.

Reference: **Verdict District court of Denpasar**  
Case Register Number: 29/Pid.B/2005/PN.Dps  
Dated 27th May 2005 - Page.31

**Dive & Surf business - date of research - Thursday 7th October 2010**  
**Mantra surf:** Bodyboard - 2kg to 3 kilograms - Carry Bag - 1.5 to 2 Kilograms.  
**Rebel Sports:** Snokels & Mask Flippers aprox combine weight - 2.5 kilograms.  
**Clark rubber:** Snokels & Mask Flippers aprox combine weight - 3 kilograms.  
**Dive Supplies Australia Victoria:** Snokels & Mask Flippers aprox combine weight - 3 kilograms.  
**Jetty Dive:** Snokels & Mask Flippers/Split fin aprox combine weight - 1.5 kilograms.  
**Pro Dive Brisbane:** Snokels & Mask Flippers/Split fin aprox combine weight - 2 to 3 kilograms.  
**Scuba Doctor:** Snokels & Mask Flippers/Split fin aprox combine weight - 1.5 to 1.6 kilograms.

**Flipper's / Fins weight 1.5 to 2 kilograms a pair - stand alone.**

If 4.2kg of marijuana had also been in the bag, the excessive weight would have been almost impossible to miss.

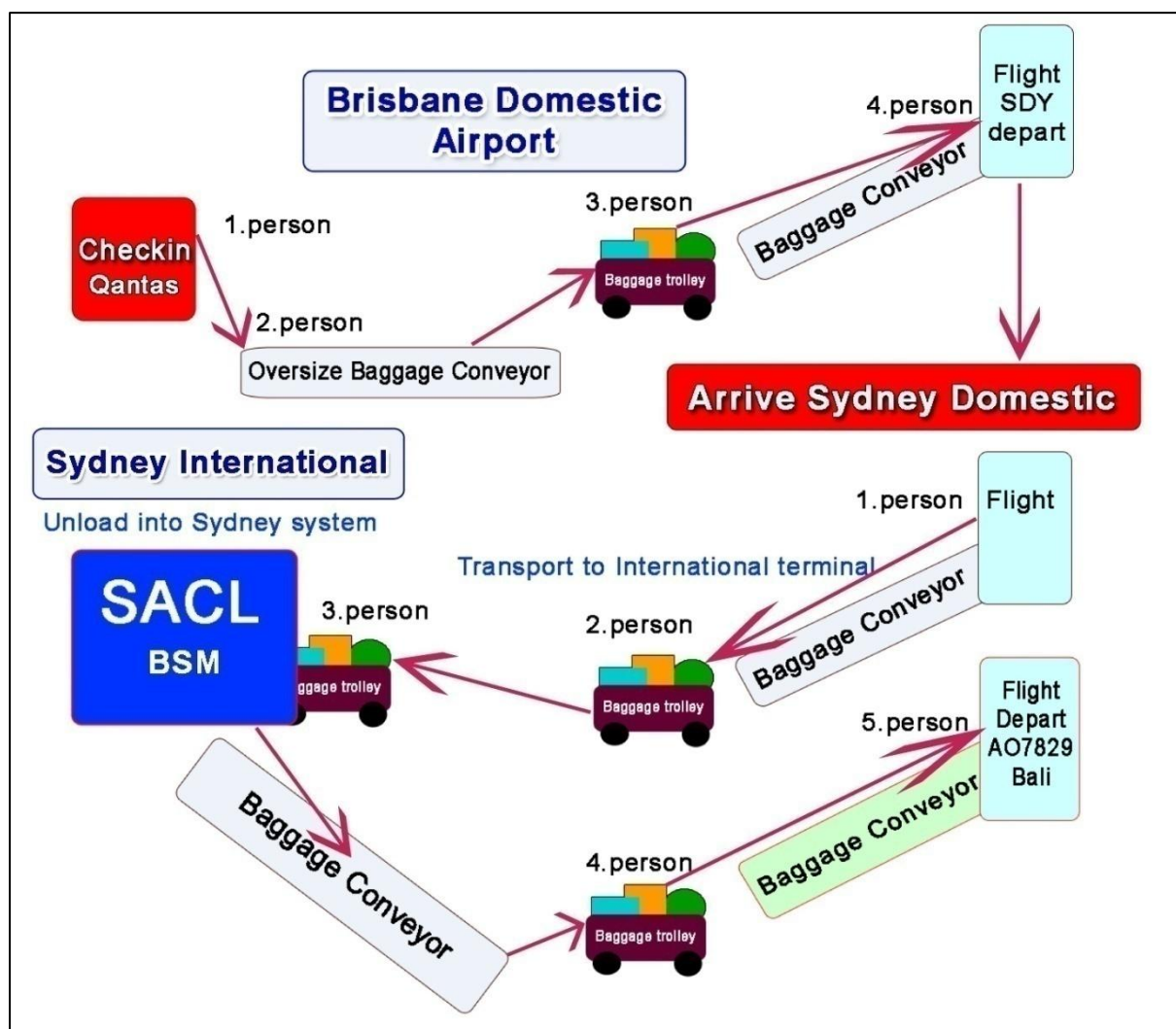
## [Luggage Tags & Screening Records]

But there was no trigger, no manual check, and nothing out of the ordinary recorded at all.

### [Anomaly #1]

The boogie board bag with just body board and flippers was overweight with respect to carrier norms, but despite this it was checked through as normal boogie board weight. Had it also contained 4.2kg of marijuana, it would have been grossly overweight, almost certainly triggering a manual check.

But this was just the beginning of the story. The following diagram illustrates the path the boogie board bag took on route to the international departure to Bali.



Note that a minimum of nine individuals must have handled the bag at some point, none of whom noticed or reported the pungent and distinctive smell which would have accompanied 4.2 kg of marijuana.

### 2.2.2 THE OVERWEIGHT LUGGAGE

The maximum luggage weight for economy class passengers for flights to Bali in October 2004 was 20kg. For a party of three, Schapelle Corby and her two friends, the maximum combined weight was therefore 60kg.

But the collective weight of the luggage for the three passengers was **65kg**, as confirmed directly and in writing by Qantas themselves, in a formal letter dated 1<sup>st</sup> December 2004:

As the check-in documentation sent to you on 23 November indicated, Ms Corby's records show that she checked-in 4 bags at a total weight of 65 kilograms on behalf of herself and two other passengers. (Please note that the accompanying passenger names were redacted in the information we sent for privacy reasons).

On the basis of the charges applicable at the time, this would accrue an excess weight fee of at least \$175 at the check-in desk. Further, given the scale of the disparity, it is surely not tenable that a check-in operator would not have noticed that the weight was substantially in excess of the maximum.

But there was no charge paid, and no charge asked for, despite the excess being so significant.

A number of possibilities therefore emerge, including that the weight was actually 60kg or less, but was amended subsequently. This could have been directly after check-in, potentially to take account of 4-5kg of added weight. Or it could have been after the Schapelle Corby case received serious attention.

Access to the bag tagging system is therefore a significant issue, because the data held on the system simply did not reflect the actual events which occurred at Brisbane Airport.

#### **[Anomaly #2]**

**Either the check-in operator for unknown reasons allowed significantly overweight bags to be loaded without a charge or a fuss**

**OR**

**The data reflecting the weight of Schapelle Corby's bags was increased after check-in.**

[ADDENDUM: Another noteworthy consideration is that a passenger carrying 4.2kg of marijuana would be extremely unlikely to appear at an airport with overweight bags, with the attention and scrutiny that this would or should inevitably bring.]

From this point, the bags were under the control of various parties in transit, including SACL, and Qantas. Schapelle Corby and her companions proceeded to the departure gate, expecting to retrieve their luggage in Bali.



### 2.3 AIRSIDE: BEHIND THE SCENES

Initial light on what happened behind the scenes is shed by examining a letter from Schapelle Corby's lawyers, sent a few days after her arrest. Naturally, they were seeking data and information, which would confirm her innocence.

```
.
>
>
> -----Original Message-----
> From: Bali LawChambers [mailto:balilawchambers_vr@hotmail.com]
> Sent: Wednesday, 13 October 2004 09:52
> To: CHAPMAN Tim
> Cc: Brian.Diamond-Chch@dfat.gov.au; Brian.Diamond@dfat.gov.au;
> balilawchambers@hotmail.com
> Subject: Fw:SECURITY-IN-CONFIDENCE
>
>
> 13-10-2004
> Mr. Tim Chapman
> National Manager, Passengers Branch,
> Boarder Intelligence and Passengers Division
> Australian Customs Service,
> Customs House
> 5 Constitution Avenue
> Canberra ACT 2600.
>
> Dear Mr. Tim Chapman,
>
> We are the Attorneys of m/s SCHAPELLE LEIGH CORBY , the Australian student
> who was apprehended by the airport authorities at the Denpasar airport on
> the 8th. October 2004. The Authorities found 4.2 kgs of marijuana in her
> Boogie bag.
>
> Our Client's Australian details & her flight details are as follows:
> Schapelle Leigh Corby
> 466, Coolangatta rd, Tugun, 4224, Qld
> Australian passport no. L6292279
> Departed from Brisbane domestic terminal on Qantas Airways flight QF 501,
> economy class at 6 am on the 8-10-2004 to Sydney.
> She checked in two bags, under the name of CORBY, one regular travel bag
> with cloths and a Boogie bag with the Body board and flippers, tag nos QF
> 884195, QF 884196
> The luggage of her two friends traveling with her, Alit Mccomb's and Richard
>
```



## [Luggage Tags & Screening Records]

>Katerina's 2 bags were also checked in under CORBY name with tag nos. QF 884193 and QF 884194.

>Her (Their) checked in bags were interlined directly to Denpasar, Bali.

>In Sydney she and her friends boarded Australian Airlines flight AO 7829 at

>10.15 am from terminal - 1 to Denpasar, Bali.

>

>We believe our client to be innocent. However the possession and/or

>trafficking of illegal drugs (Narcotics) carries very drastic penalties in

>Indonesia.

>

>Your contact details were provided by the Mr. Brian Diamond, The Australian

>Vice Consul in Denpasar, Bali.

>

>We urgently require the following information to establish Schapelle's

>innocence. We would greatly appreciate if you could please provide us with

>the following information at your earliest.

>

>If our request breeches any policies of the Nation's Security, please

>at-least provide the explanations with respect to Schapelle's checked in

>luggage.

>

>1- Please explain the Luggage screening method at the Brisbane Domestic

>Terminal.

>What type of screening is carried out?

>Does the screening includes detection of Narcotics?

>Was the Narcotic snifer dogs used on 8-10-2004?

>Does the weight of each checked in luggage recorded? If yes is there a

>record of this?

>

>2- Please explain the inter-lined luggage handling process.

>

>3- Please explain the Luggage screening method at the Sydney International

>Terminal.

>Does the inter-lined luggage from a internal domestic flight re-checked /

>screened before loaded on to a International Flight?

>What type of screening is carried out?

>Does the screening includes detection of Narcotics?

>Was any narcotic snifer dogs used ?

>Does the weight of each checked in luggage recorded? If yes is there a

>record of this?

>

>We would really be grateful and appreciate if you could please provide these

>

>information and any other relevant information which may in your opinion, be

>

>of help.

>

>Thanking You,

>Yours truly,

>

## [Luggage Tags & Screening Records]

Bali Law Chambers were asking very pertinent questions about the baggage system, and providing specific information, including Schapelle Corby's baggage tag numbers.

The reply from Australian Customs was somewhat disappointing:

*TO ANDY . TURNER*

Dear Sirs,

We herewith copy our letter to m/s Tim Chapman and his response, for your perusal.

We would be very grateful and really appreciate if you could please help us with the enquiries that we had asked m/s Tim Chapman.

Thank You,  
Yours truly,

Vasudevan Rasiah  
On behalf of  
Lily Sri Rahayu Lubis SH  
Attorney-at-Law

>From: tim.chapman@customs.gov.au  
>To: balilawchambers\_vr@hotmail.com  
>CC: andy.turner@dotars.gov.au  
>Subject: RE: SECURITY-IN-CONFIDENCE  
>Date: Wed, 13 Oct 2004 11:35:42 +1000

>

>Dear Sirs,

>

>Unfortunately, I am not able to answer your questions because the  
>responsibility for the screening of baggage departing from Australian  
>airports does not rest with Customs. The Department of Transport and  
>Regional Services has regulatory responsibility for the security screening  
>of baggage at all Australian airports. The appropriate person for you to  
>contact at the Department of Transport is Dr Andy Turner, Assistant  
>Secretary, Aviation Security Regulation. His email address is  
>andy.turner@dotars.gov.au. You may also wish to contact Qantas and  
>Australian Airlines in respect of their baggage handling and screening  
>processes.

>

>As far as Customs is concerned, it has no presence at domestic airports or  
>terminals. Customs is only present at airports handling international  
>arrivals and departures.

>

>Passengers flying out of Australia are processed at the outwards control  
>point by Customs for immigration purposes only. Customs does not routinely  
>screen the baggage of passengers leaving Australia but focuses its resources  
>on screening goods and people entering Australia to ensure they do not pose  
>a risk to this country. As far as I am aware, the only interaction that  
>Customs had with Ms Corby on 8 October 2004 was to process her out of the  
>country at Sydney airport.

>

>All baggage screening, both hand luggage and checked baggage, is carried out  
>by other agencies. Dr Turner may be able to provide you with more detail on  
>this aspect.

>

## [Luggage Tags & Screening Records]

---

>Question 1 Customs has no presence at Brisbane domestic terminal  
>Question 2 Customs is unable to provide advice on this issue as it  
>relates primarily to airline procedures  
>Question 3 This is the responsibility of the airport and is overseen by  
>the Department of Transport.  
>  
>Yours faithfully,  
>  
>Tim Chapman  
>National Manager  
>Passengers Branch  
>  
>

Whilst Mr Chapman made some very interesting statements on behalf of Customs, he provided nothing specific relating to Schapelle Corby.

The frustrations of *Bali Law Chambers* in obtaining information from Australia were only to increase as events unfolded.



## [Luggage Tags & Screening Records]

By 1<sup>st</sup> December, at least a little specific information had arrived, courtesy of Qantas:

1 December 2004

Vasudevan Rasiah  
c/- Bali Law Chambers  
Jl. Danau Poso No. 141  
Sanur – Denpasar  
Bali – Indonesia 80228

By E-mail to [balilawchambers\\_vr@hotmail.com](mailto:balilawchambers_vr@hotmail.com)

Dear Mr Rasiah

**Ms Schapelle Leigh Corby**

I refer to our letter of 23 November, 2004.

On 16 November 2004, you wrote to us requesting information concerning Ms Corby's travel from Brisbane to Denpasar, via Sydney on 8 October 2004. I have outlined Qantas' responses to your queries below:

1. *Is individual weight of Schapelle's bag available now? Please provide. If no, please explain why? What is your Policy on this?*

The individual weight of Ms Corby's bag is not available.

Qantas has adopted the terms of the International Air Transport Association ('IATA') Baggage Services Manual (effective 1 April 2003) into its own Baggage Policy in relation to weighing check-in luggage. A copy of the relevant part of that Manual has been provided to you via letter of 19 November 2004. Section 3.7 of the Manual provides as follows:

"When two or more passengers, travelling together on the same flight and to the same destination, present themselves and their baggage at the same time at check-in, airlines will allow the total free baggage allowance, by weight or piece, equal to their combined free baggage allowance to be checked-in."

2. *Is the collective weight of all the bags taken available now? Please provide. If no, please explain why? What is your Policy on this?*

The collective weight of the bags carried by Ms Corby and her accompanying passengers is available.

In accordance with the Policy outlined above, Ms Corby's baggage was checked-in with two other passengers with whom she was travelling. The luggage was checked through to Denpasar from Brisbane Domestic Airport and therefore, Ms Corby, did not collect her baggage at Sydney Domestic Airport and re-check it at Sydney International Airport.

As the check-in documentation sent to you on 23 November indicated, Ms Corby's records show that she checked-in 4 bags at a total weight of 65 kilograms on behalf of herself and two other passengers. (Please note that the accompanying passenger names were redacted in the information we sent for privacy reasons).

## [Luggage Tags & Screening Records]

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3. *Were the bags X-rayed at the check-in at Brisbane? Is the image available? If no, please explain why? What is your Policy on this?*

The baggage checked-in under Ms Corby's name was not x-rayed in Brisbane Domestic Airport when Ms Corby checked-in for the QF 501. At this point in time, the Australian Government does not require x-ray screening of baggage destined for domestic aircraft.

4. *Is the CCTV images available for the check-in area? Please provide the relevant coverage w.r.t. for Ms Schapelle's check-in. What is your Policy on this?*

Qantas uses digital video recording equipment to record images from the cameras installed at Brisbane Domestic Terminal. Images are stored in these for a limited period before being overwritten. The retention time is typically about 1 month.

Unfortunately, during October, the recording equipment at Brisbane had been suffering from an intermittent fault and on or about 2nd November the unit underwent substantial repairs which appear to have resulted in the loss of the data pertaining to the period of interest.

Qantas is currently working with forensic technical experts to determine whether there is any useful imagery left of the 8th October 2004 and we will inform you when we have an outcome from this investigation.

5. *Please explain Australian Airways part in the baggage screening at Sydney Airport when the bags from Sydney Domestic Airport are transferred to flights at Sydney International Airport. Your Policy on this?*

Bags transferred from the Qantas Domestic Terminal at Sydney (Terminal 3) to Australian Airlines at the Sydney International Terminal are handled by Qantas. On 8 October 2004, Qantas was responsible for presenting bags destined for Indonesia to the Sydney Airport Corporation Limited ('SACL') for screening. As SACL is responsible for the screening of the baggage, we would recommend that you approach SACL (if you have not done so already) to seek further information in relation to the screening of such baggage.

6. *Who is responsible for the transfer of domestic bags onto international flights?*

The bags are transferred by Qantas staff along the airside road between the Domestic and International Terminals. No unauthorised persons have access to the baggage during this transfer process.

7. *Details of any other passengers who travelled the same route of Ms Schapelle ie from Brisbane to Bali via Sydney by AA.*

Whilst this information is available, the *Privacy Act 1988* (Cth) (the 'Act') prohibits us from providing such information to you, unless you can show a legal entitlement to the information. I refer you to the National Privacy Principles, which are found at Schedule 3 of the Act. If you can provide Qantas with grounds that would authorise Qantas to disclose the information, please provide us with such grounds and we will review your request again in light of that information. For example, if you can arrange a subpoena or Court Order that is legally enforceable upon Qantas in Australia, we will be able to provide you with the information requested.



## [Luggage Tags & Screening Records]

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8. Please explain who, besides Qantas and Australian Airways, are the other parties that have contact with any of the issues that we have addressed above and their contact and their detailed involvements.

The relevant parties who are involved in the airport process from Brisbane to Denpasar via Sydney are as follows:

### **Brisbane Domestic Airport**

- Qantas check-in staff.
- Group 4 Security who undertake passenger screening.
- Concessionaires and/or Qantas, Virgin Blue and Jetstar Airport Ground Staff in the terminal and on the ramp who have an operational and/or Customer Service role.
- Brisbane Airport Corporation Limited staff and their contractors.

### **Sydney Domestic Airport - Terminal 3**

- Concessionaires and Qantas Airport Ground staff in the terminal and on the ramp who have an operational and/or Customer Service roles.
- Qantas staff at the seamless transfer counter.
- Qantas bus drivers to convey the passengers to the Sydney International Airport.
- SACL staff and their contractors.

### **Sydney International Airport**

- Australian Customs Officers operating the Immigration Line.
- Duty Free staff.
- Foreign Exchange dealers.
- Qantas and Australian Airlines staff at the gate.
- Australian Airlines Cabin Crew.
- Airport Ground staff of various airlines.
- SACL staff and their contractors.

The above lists the types of staff who would have been present at each of the Australian airports involved in Ms Corby's travel on 8 October, 2004. We are not sure what further information we can provide in terms of contact details. Can you please specify if there is any further information you require in this regard and we will then advise if it is information we can access and/or provide.

We trust that the above information assists. Please let us know if we can be of any further assistance.

Yours faithfully

**Alison McKenzie**  
Senior Corporate Lawyer

## [Luggage Tags & Screening Records]

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With respect to Schapelle Corby's bags, it is particularly noteworthy that:

In #2 Qantas confirm that the four bags are present on the system, and that their total weight was 65kg.

In #3 they state that the bags were not x-rayed at Brisbane.

In #8 they produce a substantial list of those parties who had access to the bags in transit to and through Sydney International Airport.

In #5 they state that at Sydney the bags were presented to Sydney Airport Corporation Limited (SACL) for screening.

[ADDENDUM: At Schapelle Corby's appeal hearing two Qantas staff members who were on duty at check-in stated that, from the flight record, dated Oct. 8<sup>th</sup>, 2004, there was nothing wrong with the luggage during check-in, and also that there were no "strong smells" coming from the bag that would have required it to be opened and checked].

### THE PROCESS AT THE SYDNEY AIRPORTS

The process at Sydney was thus for Qantas to unload the luggage from the domestic flight, and take it to the SACL area at the international airport for screening. On release from SACL, Qantas handling staff would then take the luggage to the baggage holding area for the outgoing flight to Bali.

Therefore, the next port of call for *Bali Law Chambers* was to write to SACL, providing the baggage tag numbers for the luggage.

### **[Anomaly #3]**

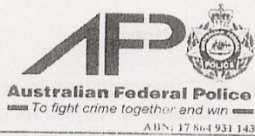
**Herein, another extraordinary discrepancy emerges: only three out of the four bags were present on their baggage screening system.**

**The boogie board bag's tag number (0081884193) was missing completely.**

## 2.4 THE MISSING RECORDS & THE POLITICAL REACTION

### 2.4.1 WITHHOLDING OF PRIMARY EVIDENCE

The following is a recently obtained briefing note, from the AFP to the Minister of Justice and Customs, Christopher Ellison, dated 6th July 2006.

PROTECTED		Sub Number
		 Australian Federal Police To fight crime together and win ABN: 17 864 931 143
Ministerial Brief		
AFP Ref: 3334222		
Minister	through	Deputy Commissioner
INFORMATION RECEIVED CONCERNING THE BAGGAGE SCREENING OF MS SCHAPELLE CORBY'S LUGGAGE TAGS		
Deadline: Priority.		
Purpose: For information.		
Recent Submissions: 4457 of 25 November 2004, 284 of 28 January 2005, 1194 of 29 March 2005, 1468 of 18 April 2005, 1487 of 19 April 2005.		
Information:		
<p>On 6 July 2005, the AFP was provided with a copy of a letter addressed to you from the Chairman and Chief Executive Officer of the Sydney Airport Corporation Limited (SACL), Mr Max Moore-Wilton. The letter dated 5 July 2005, outlined inquiries conducted by SACL in response to a request by Mr Rasa, former defence lawyer for Ms Corby. Mr Rasa's request related to the baggage screening records for Ms Corby flight on 8 October 2005.</p> <p>2. In response to Mr Rasa's request, Mr Moore-Wilton advised baggage tag number 0881884193 (oversized bag) was at no time stored or recorded in their baggage screening system. Mr Moore-Wilton indicated only Qantas could confirm the passenger to which this baggage tag number relates. Mr Moore-Wilton has advised Qantas and the Department of Transport and Regional Security (DOTARS) of this matter.</p> <p>3. The AFP and Queensland Police Service (QPS) formed a joint team to investigate specific allegations made by remand prisoner Mr John Ford. Mr Ford alleged Ms Corby was the unwitting victim of an interstate drug trafficking syndicate involving corrupt</p> <p>4. The AFP and QPS investigation did not identify any evidence to support Mr Ford's allegation that Mr Ron Vigenser and baggage handlers in Brisbane were part of an interstate trafficking ring.</p> <p>5. At no stage has the AFP received advice from Ms Corby's defence team, SACL, Qantas or DOTARS of any information concerning the issue of the baggage tag number.</p>		
Consultation: QPS.		

## [Luggage Tags & Screening Records]

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<b>PROTECTED</b>	
<b>Future Action:</b>	
<p>The AFP investigation in relation to the allegations by Mr Ford has been finalised. The AFP do not intend to reopen its investigation. Should a Mutual Assistance request be received seeking more information on the issues raised in Mr Moore-Wilton's letter, then the AFP will respond based on the nature of that request.</p>	
<b>Expected Reaction:</b> This matter continues to receive significant media attention.	
<b>Recommendation:</b> Note the contents of this brief.	
Noted	(Signed) Mark Walters National Manager Border and International
	6 July 2005
..... Minister for Justice and Customs / /	Action Officer: Kurt Plummer Telephone: 6275 7541

It clearly confirms that the details of Schapelle Corby's boogie board bag had disappeared from the SACL system, or had never been registered on it.

The specifics are:

1. On 5th July Mr Max Moore-Wilton, CEO of SACL, contacted Minister Ellison stating categorically that Schapelle Corby's boogie board bag tag number was not stored or recorded on the screening system.
2. The number he specified is indeed that of the tag which the system issued to Schapelle Corby for her boogie board bag.

The two possibilities are that:

- It was either erased from the SACL system by an unknown party at some point prior to the 5th July 2005, or;
- It was never entered on to the SACL system.



## [Luggage Tags & Screening Records]

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Each of the possibilities is, of course, fundamental to the Schapelle Corby case itself.

One issue can be closed immediately, however. There is no doubt that the baggage tag was correctly placed upon the boogie board bag, and that it remained in good condition.

Prior to the evidence being burned (despite Schapelle Corby pleading for it to be retained), a variety of photographs and images were taken of it. For example, the tag on the boogie board bag is clearly clean and visible on the following photograph, taken in the Bali courtroom:

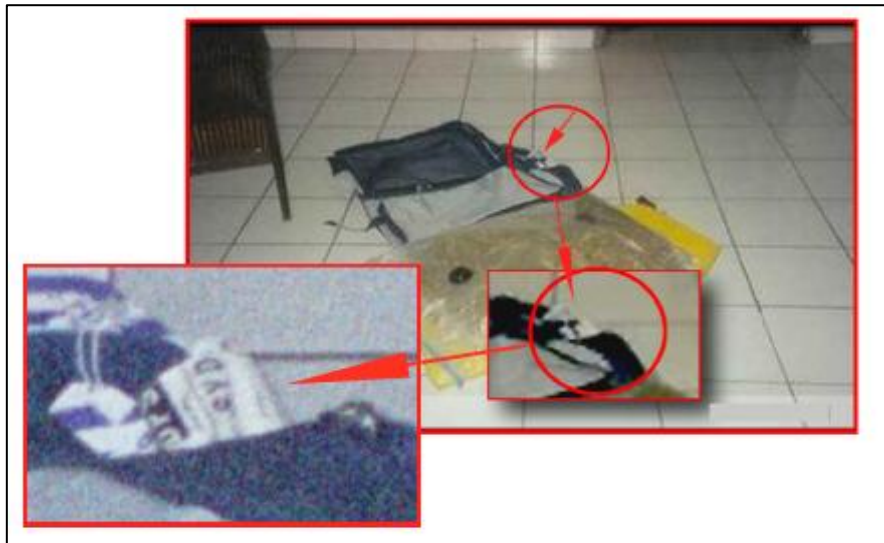


And again, with the marijuana and space bag:



## [Luggage Tags & Screening Records]

---



[ADDENDUM: Note here that Schapelle Corby had put her full name and address on the bag, a somewhat implausible act had the bag been filled with marijuana]

Continuing with our examination of the AFP's ministerial brief:

With (#3), the AFP immediately attaches this issue to the John Ford allegations. This in itself raises a number of questions. Given the seriousness of the new information, why would they instantly attach it to one specific proposition as though discrediting it by association?

Why weren't they discussing the significant revelation that the data had been erased, or that Schapelle Corby's bag was carried by Qantas Airlines without screening, or without even existing on the airport system? Given that this situation may be ongoing, why was there no apparent interest in this, given the serious implications of a bag or bags bypassing the SACL screening system at such a major airport hub?

With (#4) the brief continues, having changed the issue to John Ford.

Point (#5) appears to be somewhat defensive, as though the AFP were being accused of something regarding the baggage tag number.

The brief concludes under the heading of '*Future Action*' by more or less declaring the issue to be closed, again via the John Ford route.

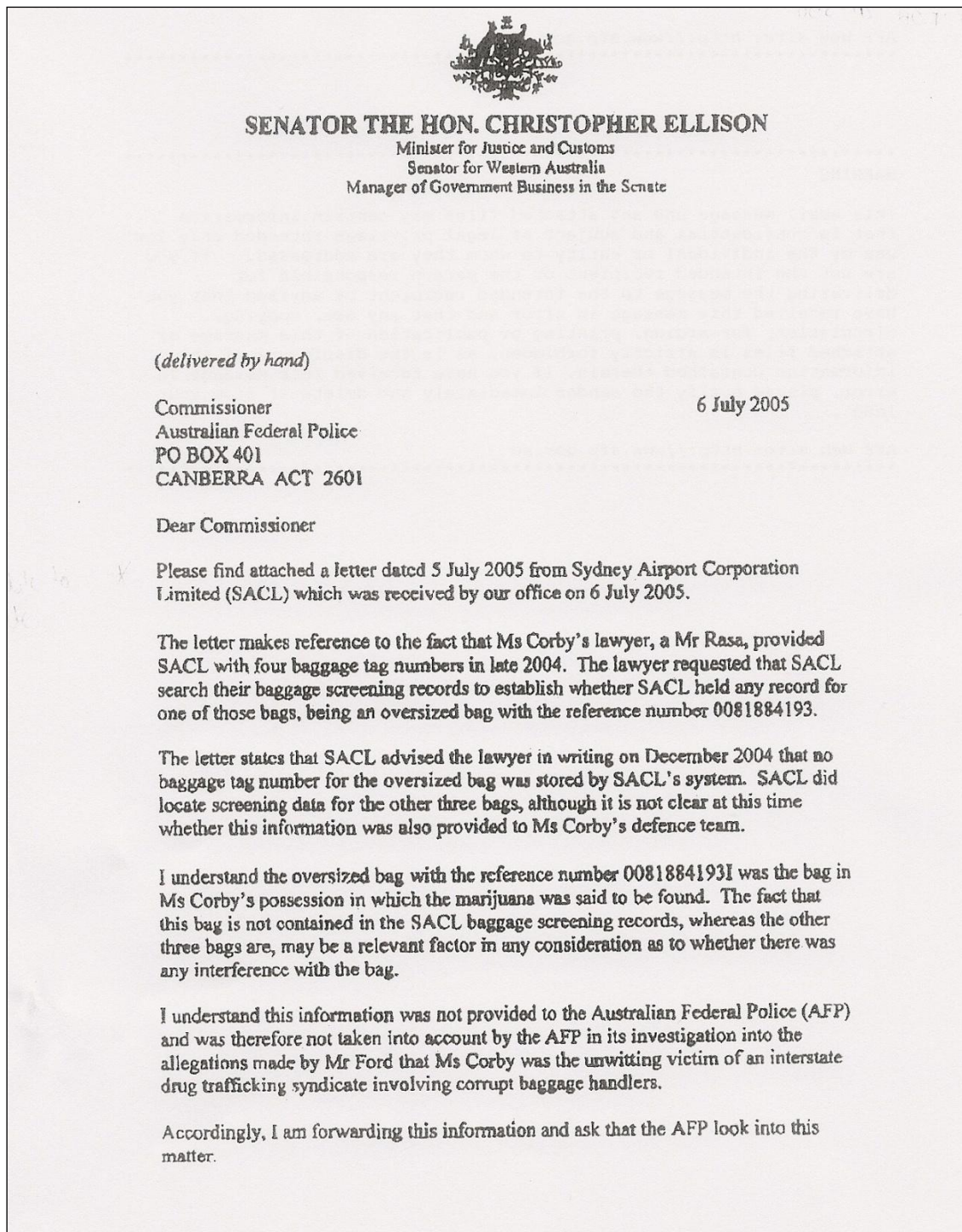
### [Anomaly #4]

**In correspondence, why did the AFP dramatically switch the critical focus from such significant information to one specific scenario, at the expense of all others? Equally, why did they switch it from the wider implications of the new information?**

## [Luggage Tags & Screening Records]

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Justice & Customs Minister, Christopher Ellison, now takes up the game:




## [Luggage Tags & Screening Records]

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In addition to the above, could you also inform me as to which persons have been contacted by the AFP in the course of their investigation in connection with the organisations referred to in paragraph 5 of AFP Ref: 3334222.

Yours sincerely



CHRIS ELLISON  
Senator for Western Australia

It is somewhat curious that this letter, delivered to Keelty by hand, is written in a manner which suggests that it initiated the discussion. However, as it refers to the reference number of the AFP's briefing note, it was in fact a response.

The letter provides further details of Mr Max Moore-Wilton's letter: that data was available for three of the bags Schapelle Corby checked in, but not for the boogie-board bag.

He states that it is not known whether this information was provided to Schapelle Corby's lawyer, who had been led to believe that no data existed for any bag at all on the flight.

Although he confirms that he recognizes the legal and judicial importance of this new information, by commenting that it "*may be a relevant factor in any consideration as to whether there was any interference with the bag*", he wholly understates it.

He then takes up the *tunnel vision* theme, introduced by the AFP, that this revelation can only be considered in the context of the John Ford allegations, which the AFP had already dismissed.

### ESTABLISHING THE EXTENT OF AWARENESS

In the last paragraph Ellison seeks to establish who the AFP has contacted, from amongst those who may be party to information on the baggage tags. This could be interpreted as asking the question: "*Who have you discussed this with?*"

### [Anomaly #5]

**Why was Ellison concerned about who was aware of the baggage tag information, given that he now knew that Schapelle Corby's boogie board bag was the only bag not recorded on the SACL system?**

Note: There is no doubt at all that had Schapelle Corby's lawyers been aware of the issue, it would have been presented as key and central evidence for the defence.

## [Luggage Tags & Screening Records]

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On the 11th July 2005, Mr Keelty issued the following:

11 July 2005

Mr Michael Taylor  
Secretary  
Department of Transport & Regional Services  
GPO Box 594  
CANBERRA ACT 2601

Dear Mr Taylor

Further to my conversation with you on 8 July 2005, I seek the assistance of your Department in providing information to the AFP about the processing of baggage belonging to Ms Schapelle Corby on 8 October 2004.

The attached documents describe the apparent process relating to Ms Corby's baggage. On face value, it appears 4 baggage items belonged to Ms Corby, 3 of which appear to have been screened in the normal manner.

The 4<sup>th</sup> baggage item, apparently an oversized item does not appear to have been screened in the same way which may or may not be unusual. However, if this is the case, then the concern expressed to me by my Minister and repeated by the Prime Minister in a conversation on 8 July 2005, is that there was potential for baggage to have been carried by an Australian airline operator that has not been subjected to any screening.

I would appreciate any information your Department may be in a position to provide regarding:

- The 4<sup>th</sup> baggage item belonging to Ms Corby and how it was handled through the screening processes;
- The normal process that should have been applied to Ms Corby's baggage;
- Any deviation from the normal process that may be relevant to consider;

- Whether any gap exists in the processes that may relate to other baggage; and
- Any other relevant information.

As the issue is referred to in correspondence from Ms Corby's legal team to the Government, I would appreciate an urgent response.

Thank you for your assistance in this matter.


Yours sincerely

M J Keelty



## [Luggage Tags & Screening Records]

The response was lengthy, and provided even greater clarity for both Keelty and Ellison:



**Australian Government**  
**Department of Transport and Regional Services**

*File Reference: P2005/0008*  
*Contact Name: Darren Grouble*

Mr Mick J Keelty  
Australian Federal Police Commissioner  
Australian Federal Police  
GPO Box 401  
CANBERRA ACT 2601

**Subject: Checked Baggage Screening Process for Ms Corby's Baggage**

Dear Mr Keelty

I refer to your letter of 11 July 2005 concerning information on the process involved in screening Ms Corby's checked baggage on flight AO 7829 on 8 October 2004.

In response to your queries I provide the following:

**How the 4<sup>th</sup> baggage item of Ms Corby's was handled?**

The Department of Transport and Regional Services (DOTARS) understands that Ms Corby's lawyers have already been in contact with SACL about baggage reconciliation.

[words from Ellison letter] — *Need to insert wording.*

SACL may be able to provide you with more information on how the 4<sup>th</sup> baggage item was handled.

**The process used for checked baggage screening**

The process for CBS that would have applied to flight AO 7829 is as follows:

- Baggage arriving on a domestic flight for an international transfer is injected into the CBS in-line baggage handling system (BHS). The BHS identifies the baggage tag barcode as it relates to a particular flight. Cleared bags are then transferred into the appropriate aircraft baggage containers;
- Oversized bags or those bags not identified by the BHS (due to the barcode not being read) are checked through a supplementary CBS machine and then transferred to aircraft baggage containers. This is a manual process, requiring manual scanning of the baggage tag barcode.

**Deviation processes from the normal checked baggage screening process**

Prior to 1 January 2005 a percentage of bags on International flights were subject to CBS, except where specific threat or intelligence dictated a need to require 100% CBS to be performed. As advised above 100% CBS was being applied to passenger flights to Indonesia.



### Gaps in the checked baggage screening process

DOTARS believes that there are opportunities present in the CBS process. Specifically in relation to CBS processes that are manual in nature. Where there is human involvement there is potential for opportunities to be created during the CBS process.

The Australian Government decisions are in line with international treatments for checked baggage. If anything the Australian Government approach is strengthened due to the implementation of the 100% CBS requirement a full year prior to the international implementation date. The Australian Government continues to introduce tighter procedures across industry, including the 7 June 2005 decisions on a range of measures which will harden activity at Australian airports.

SACL's inability to implement the Australian Government's decision in relation to an in-line system by 1 January 2005 poses a potential inconsistency in the system.

Whilst bags not subject to an in-line CBS system are manually processed, this system does appear to offer an area of potential weakness. Where ever human involvement is involved, there is the potential for system failure.

Yours sincerely

Michael J Taylor  
Secretary  
Department of Transport and Regional Services

July 2005

This confirmed clearly that:

- All bags destined for Indonesia were mandated to be screened "*100% CBS was being applied to passenger flights to Indonesia*")
- The boogie board bag would have been manually screened ("*Oversized bags... are checked through a supplementary CBS machine*")
- The system was patently open to abuse and corruption (eg: "*potential for opportunities to be created*", "*potential for inconsistency in the system*", "*area of potential weakness*", "*potential for system failure*").

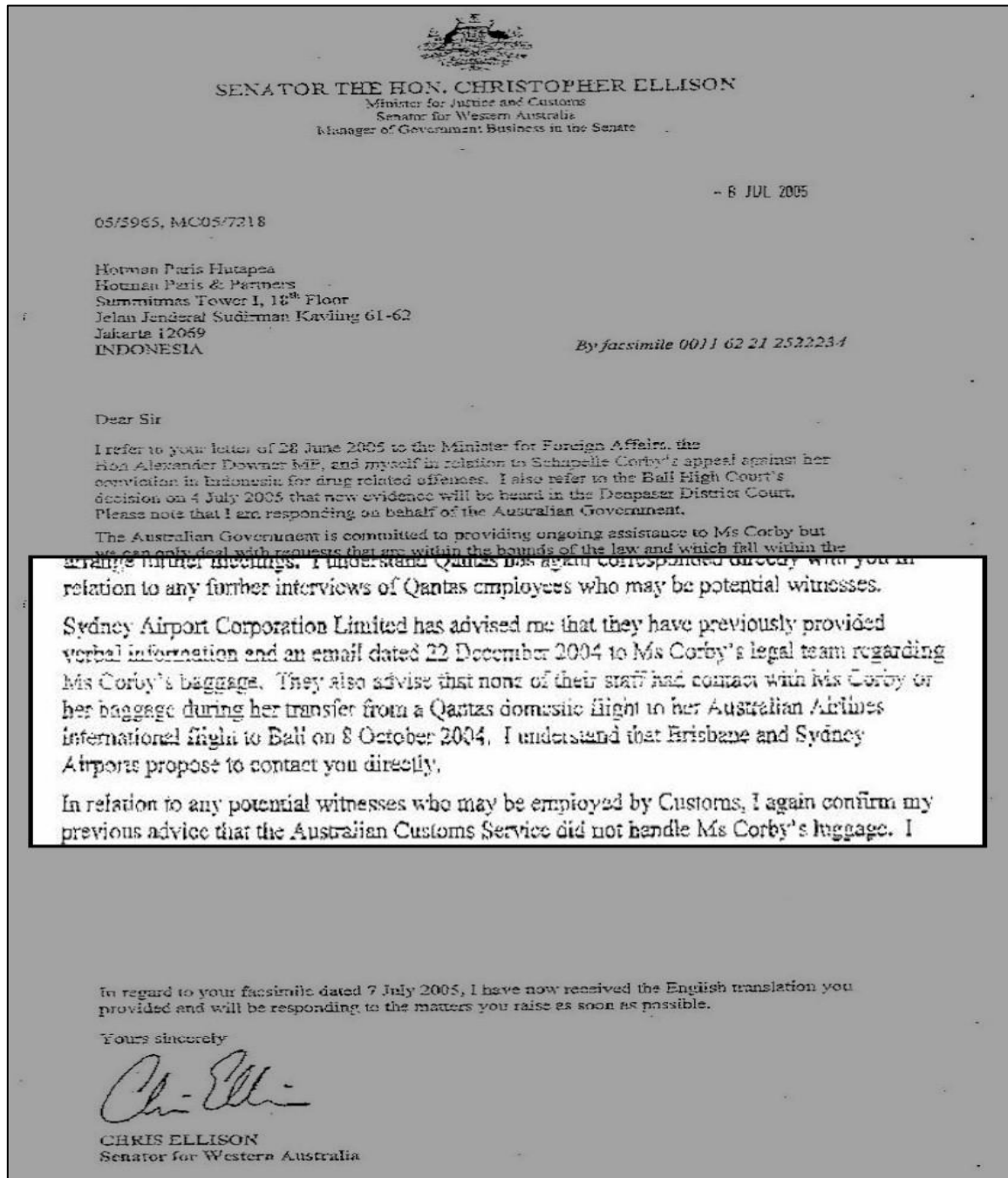
At this point, Keelty, Ellison and other recipients already knew that Schapelle Corby's boogie board bag, and only that bag, was not screened or even present on the system at all.

They therefore had a comprehensive canopy of evidence which would have been of vital importance to Schapelle Corby and her lawyers. Note also that as a qualified lawyer, Ellison would have been well aware of its crucial importance.

## [Luggage Tags & Screening Records]

### WITHHOLDING OF EVIDENCE – SCHAPELLE CORBY

On July 8<sup>th</sup>, just two days after discussing the new evidence with Keelty, Ellison wrote directly to Schapelle Corby's Lawyer, Hotman Paris Hutapea:



Even though he directly referred to the transfer of the bag at Sydney Airport, he withheld the new evidence. Further, the comment that "*none of their staff had contact with Ms Corby or her baggage during the transfer*" is clearly misleading within the known context.

## [Luggage Tags & Screening Records]

On 11<sup>th</sup> July 2005, just five days after Ellison and Keelty's exchange, Schapelle Corby's lawyer, Hotman Paris Hutapea asked Keelty a direct question:

1200526201 09:58 FROM HOTMAN PARIS & PARTNERS TO 49548500161262732923 P.01 22

**Law Firm**  
**HOTMAN PARIS & PARTNERS**  
Summitmas Tower I, 18<sup>th</sup> Floor  
Jalan Jenderal Sudirman Kavling 61 - 62, Jakarta 12069, Indonesia  
Telephone: (+62-21) 2522460, 2523468 Facsimile: (+62-21) 2522234, 2522841  
Email: [hopp@uninet.net.id](mailto:hopp@uninet.net.id)

**FACSIMILE TRANSMISSION FORM**

Fax : +61 2 62756796, +61 2 6273 2923, +61 2 6273 7098, +61 2 778495 Date : 11 July 2005

To : Mr. LB Woodward (Australian Customs Service) Ref : R12 /88.01/HP&P

Mr. Mick Keelty (Australian Federal Police Commissioner)  
C/o: Mr. LB Woodward

CC : THE HON. JOHN HOWARD MP Prime Minister of Australia Parliament House - Canberra

SENATOR THE HON CHRISTOPHER ELLISON Minister of Justice and Customs

MR. KIM BEAZLY THE OPPOSITION LEADER

At : AUSTRALIA From : Hotman Paris Hutapea, S.H., M.Hum.

Re : Ms. Corby

No. of Pages (including this page): 2- page(s)

OFFICE OF THE PRIME MINISTER  
RECEIVED IN CANBERRA  
11 JUL 2005  
Referred to PMHC  
AS SB PO JFX

3. Does any passenger's bag always pass through x-ray checking? Please give us the name of officer who did the x-ray checking for passenger's baggage of flight AO 7829 from Sydney to Denpasar on 8 October 2004?

Minister for Justice and Customs, in which letter I quote Mr. Woodward's statement as follows:

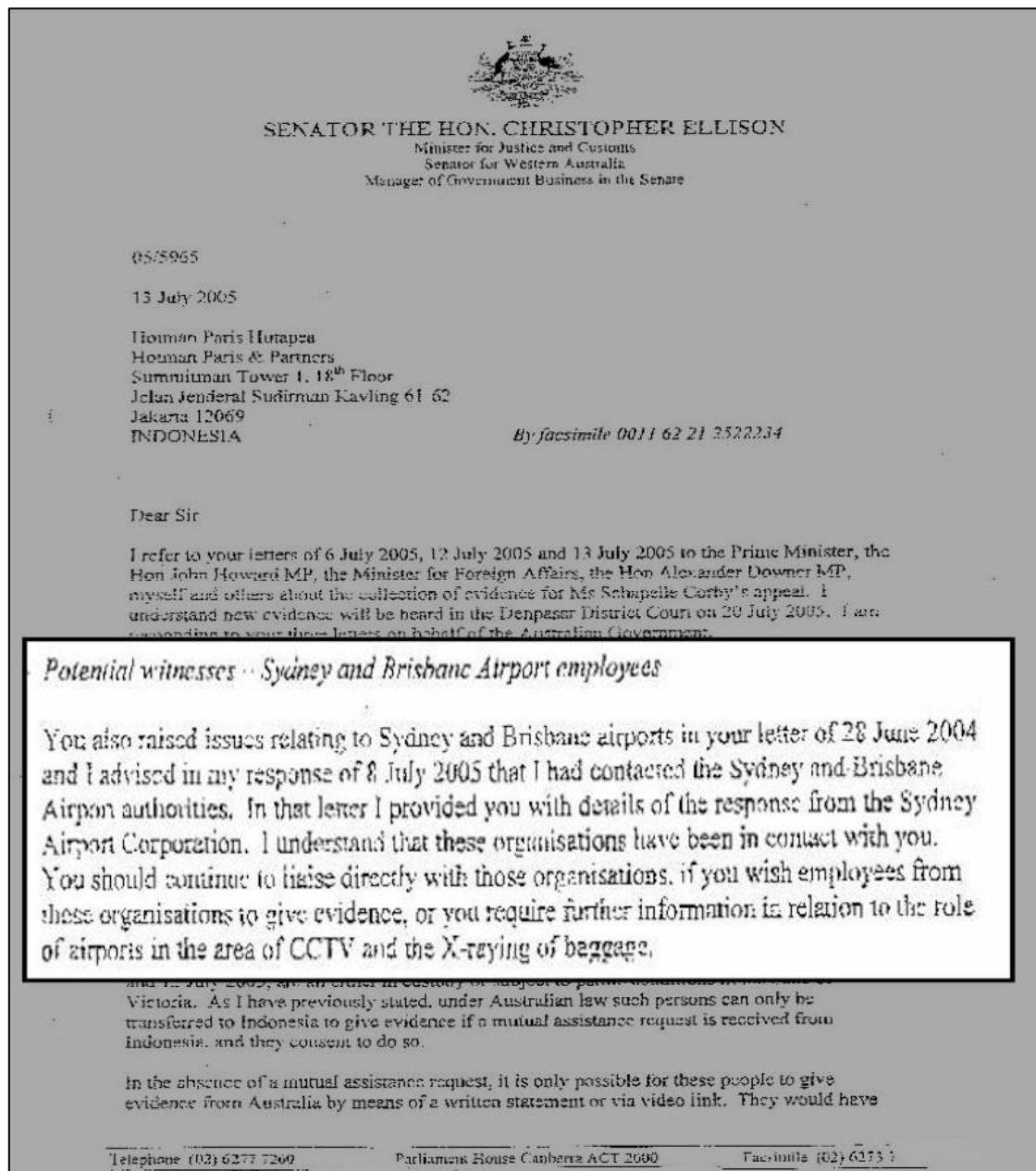
"More ever there was no customs examination of any baggage on Ms. Corby's flight (AO 7829) from Sydney to Denpasar on 8 October 2004"

Ellison and Howard also received this correspondence directly (this copy was obtained from the Prime Minister's office).

Two days later, on 13<sup>th</sup> July 2005, Ellison replied.

Despite being asked the question directly, Ellison again failed to provide any of the new evidence:

## [Luggage Tags & Screening Records]



Indeed, none of these individuals provided the new evidence at any stage. It was denied to Schapelle Corby and her legal team throughout her legal process.

### [Anomaly #6]

**Ellison and Keelty withheld central and potentially critical evidence from Schapelle Corby's legal team, regarding bag scanning, even when asked directly about it.**

**Equally, they withheld information, provided by DOTORS, that flights to Indonesia required 100% scanning, and that the situation at Sydney airport was wide open to abuse.**



## [Luggage Tags & Screening Records]

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### WITHHOLDING OF EVIDENCE – MISLEADING PARLIAMENT

Given that, just days earlier, they had discussed it, and had acknowledged it specifically, it is not conceivable that Ellison and Keely didn't understand the critical importance of this information to Schapelle Corby.

However, not only was this not conveyed to Schapelle Corby herself, but just a matter of weeks later the prepared answers to *Possible Parliamentary Questions*, included the following:

<p><b>Possible Parliamentary Question—Minister for Justice and Customs</b></p> <p><b>Schapelle Corby – appeal to the Bali High Court</b></p> <p><b>Possible question</b></p>
<p><i>If asked whether the Australian Government is aware that Schapelle Corby's boogie board was not screened at Sydney Airport</i></p> <ul style="list-style-type: none"><li>• The Australian Government is aware of comments about the screening of Ms Corby's boogie board bag at Sydney Airport.</li><li>• Screening of checked baggage at the International Terminal at Sydney Airport is carried out by Sydney Airport Corporation Ltd (SACL).</li><li>• I understand SACL informed Ms Corby's lawyers about this issue as early as October 2004.</li><li>• On 12 June 2005 the Minister for Justice and Customs wrote to Ms Corby's lawyers suggesting they approach the operators of Sydney and Brisbane Airports regarding the handling of her luggage in Australia.</li><li>• I understand that SACL has had continued contact with Ms Corby's lawyers about the handling of Ms Corby's baggage.</li><li>• It is important to note that the screening of checked baggage for flights leaving Australia is undertaken for aviation security purposes. The screening process is not intended to detect drugs.</li></ul>

### [Anomaly #7]

In pre-prepared responses to *Possible Parliamentary Questions*, there was no reference whatsoever to the central new evidence, which was circumvented by a variety of tangential responses. The information was thus withheld from the Australian Parliament. MPs, Senators and the public were clearly misled.

## [Luggage Tags & Screening Records]

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### THE LACK OF AFP INVESTIGATION

Given that screening data for a large bag, which was carried on an international flight and which contained marijuana upon collection, was either deleted or never created, one might expect a serious police investigation to ensue.

Further, with repeated questions regarding airport security being raised in the public domain, one might expect a high degree of transparency for such an operation.

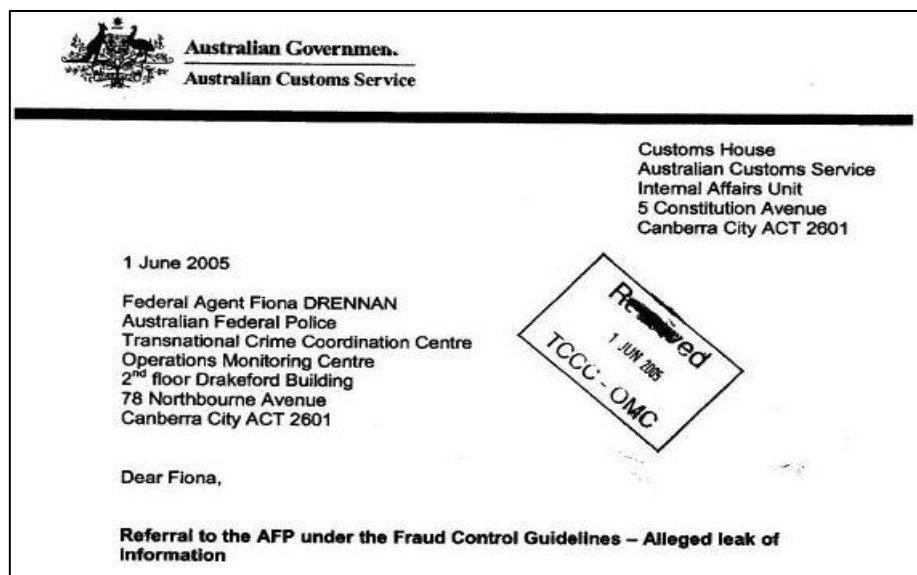
However, we found no evidence of even a cursory examination.

### [Anomaly #8]

**Despite the serious implications for the welfare of Schapelle Corby, and equally, with respect to wider airport security, we found no evidence that the AFP conducted an investigation into the issue of the *missing boogie board bag* screening data.**

### THE KESSING REPORTS

It should also be recorded at this juncture that on 1st June 2005, Ellison had asked the AFP to investigate the leaking of the so-called *Kessing Report* (see Section 2.5). He must therefore have been aware that it revealed that "*passengers' baggage containing large amounts of narcotics being diverted to domestic carousels to avoid Customs inspections*" and that dozens of security screeners had "*serious criminal convictions*".



Referral Note: Customs to the AFP

Further, Allan Kessing has directly confirmed to *The Hidden World Research Group* that this information had already been uploaded to the AFP systems.

## [Luggage Tags & Screening Records]

On 11<sup>th</sup> July 2005, Schapelle Corby's lawyer also directly requested a copy of the information contained in this report:

1200526201 29:58 FROM HOTMAN PARIS & PARTNERS TO 49548500161262732923 P.01 23

**Law Firm**  
**HOTMAN PARIS & PARTNERS**  
Summitmas Tower I, 18<sup>th</sup> Floor  
Jalan Jenderal Sudirman Kavling 61 - 62, Jakarta 12069, Indonesia  
Telephone: (+62-21) 2522460, 2523468 Facsimile: (+62-21) 2522234, 2522241  
Email: [hopp@uninet.net.id](mailto:hopp@uninet.net.id)

**FACSIMILE TRANSMISSION FORM**

**VED**  
**11 JUL 2005**  
**MCU**

Fax : +61 2 62755796, +61 2 6273 2923, +61 2 6273 7098, +61 2 778495 Date : 11 July 2005

To : Mr. LB Woodward (Australian Custom Service) Ref : N/A /88.01/HP&P

Mr. Mick Kelty (Australian Federal Police Commissioner)  
C/o: Mr. LB Woodward

CC : THE HON. JOHN HOWARD MP Prime Minister of Australia Parliament House - Canberra

SENATOR THE HON CHRISTOPHER ELLISON Minister of Justice and Customs

MR. KIM BEAZLY THE OPPOSITION LEADER

At : AUSTRALIA From : Hotman Paris Hutapea, S.H., M.Hum.

Re : Ms. Corby

No. of Pages (including this page): 2. page(s)

4. I understand that the Australian customs issued A CONFIDENT CUSTOM REPORT on drug trafficking, which may relevant for Ms. Corby's case. Can you fax to my office copy of the above confidential custom report.

Minister for Justice and Customs follows:

"More ever there was no customs examination of any baggage on Ms. Corby's flight (AO 7829) from Sydney to Denpasar on 8 October 2004"

This was never provided.

### [Anomaly #9]

Neither the AFP, nor Customs, informed Schapelle Corby of the information detailed within the "*Kessing Report*", despite this being of fundamental relevance and importance to her defence case. As with the crucial bag screening information, it was withheld.

## [Luggage Tags & Screening Records]

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### NOTE: THE RETROSPECTIVE DELETION OF EVIDENCE

There is one other possible scenario relating to the AFP's words "*baggage tag number 0881884193 (oversized bag) was at no time stored or recorded in their baggage screening system*". This is that SACL system data for the boogie board bag was actually created, but was subsequently deleted by a party or parties unknown.

Contact was therefore made with individuals across a number of relevant organizations, including SACL and Qantas. All stated that in 2004 baggage tag data would be created on the SACL system when the bag was checked in at Brisbane Airport. Equally, aviation regulations imposed the following requirements upon Qantas:

[*Regulation 2.18 What airport operator's TSP must contain — checked baggage screening*

Only screened and cleared checked baggage may be loaded onto an aircraft operating international air screened services (see regulation 4.24).]

[*Regulation 4.24 Aircraft operators not to permit checked baggage to be loaded - international air service.*

This regulation obliges the operator of an international screened air service to only load checked baggage that has received clearance. Contravention is an offence of strict liability attracting a maximum penalty of 50 penalty units].

Had the boogie board bag not been screened, then by virtue of loading it on to flight AO7829, Qantas would surely have been in breach of these stipulations.

Whilst it is not the purpose of this report to speculate, for the deletion of data proposition it is difficult to look beyond:

- the corrupt baggage handlers seeking to hide incriminating evidence on themselves
- SACL staff seeking to hide the alarming insecurity evident at Sydney Airport
- A third party removing proof of an empty bag, with the disastrous ramifications of this scenario regarding the strategic political relationship with Indonesia.

As stated above, there is no evidence to suggest that this aspect was ever investigated by the AFP.



## [Luggage Tags & Screening Records]

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### SUMMARY: THE WILFUL WITHHOLDING OF EVIDENCE

As demonstrated above, a variety of information and data, which was of vital importance to Schapelle Corby, was withheld by identified individuals within the Australian government and its agencies.

This included specific information regarding dangerous insecurity at Sydney Airport, involving systemic corruption and drug syndication.

It also included the disclosure by SACL that Schapelle Corby's boogie board bag was the only item for which screening data was *missing*.

This alarming situation began during her initial trial, as the AFP had already been provided with the *Kessing Reports* in December 2004 / January 2005 by Allan Kessing himself. Indeed, all the information discussed and revealed in this section was in the hands of a multitude of important players well before the start of Schapelle Corby's final appeal.

Despite the high profile court outcomes, direct requests from lawyers, and the increasingly grave circumstances of Schapelle Corby herself, including descent into serious mental illness, it was never disclosed to her.

The material re-produced above demonstrates beyond reasonable doubt that this evidence was wilfully withheld.

### FOOTNOTE: FREEDOM OF INFORMATION ACT

Subsequent to the production of this report, a *Freedom of Information* request was submitted to the *Customs & Border Protection Service* for all materials relating to Schapelle Corby. None of the material known to exist, and already held by *The Hidden World Research Group*, including the correspondence to and from Justice & Customs Minister Christopher Ellison published in this report, was provided.

It is recommended that this extraordinary lack of retained documentation by a government agency is investigated by an external party.

### 2.4.2 CONFIRMED AWARENESS

Whilst Ellison and Keelty were central to the events revealed in the previous segment, a number of others played critical roles, or were at least aware of important evidence which was not provided to Schapelle Corby.

#### PRIME MINISTER JOHN HOWARD

John Howard was the Prime Minister of Australia until the 3rd December 2007. His awareness of the missing boogie board bag screening data was revealed by Keelty, who stated that he discussed the issue with him on 8th July 2005.

The 4<sup>th</sup> baggage item, apparently an oversized item does not appear to have been screened in the same way which may or may not be unusual. However, if this is the case, then the concern expressed to me by my Minister and repeated by the Prime Minister in a conversation on 8 July 2005, is that there was potential for baggage to have been carried by an Australian airline operator that has not been subjected to any screening.

Note also that, as Minister for Justice and Customs, Ellison reported directly to Mr Howard, and must surely have discussed such a politically sensitive matter with him.

There is also every possibility that he may have discussed the issue with Max Moore-Wilton.

#### MAX MOORE-WILTON (SACL)

Max Moore-Wilton became the CEO of Sydney Airport Corporation Limited (SACL) in December 2002. SACL itself was majority owned by Macquarie Bank, after the government privatised it and gave it a 99 year contract to lease and operate the airport.

Whilst the political difficulties created by the Schapelle Corby situation, for Ellison, Howard and Keelty, are clear enough, and the motive to withhold the information is obvious, the situation for Mr Moore-Wilton was also somewhat awkward.

For example, he had just overseen a substantial \$AU 4.25 million upgrade to the SACL system. The last thing he would surely have wanted, therefore, were fingers pointing at it for its failures. The SACL upgrade had been proudly announced in May 2004:

### Project BICEP



[www.xylogy.com/documents/bicep\\_SAirport.pdf](http://www.xylogy.com/documents/bicep_SAirport.pdf)

This was published just a few months before Schapelle Corby flew, and the subsequent internal disclosure that SACL held no records at all of her fateful boogie board bag.

### [Anomaly #10]

**Whilst he went to the government with his information regarding the missing data, Moore-Wilton of SACL made no comment at all in public about it, and did not contact Schapelle Corby's family to disclose the disparity between the boogie board bag and the other bags.**

It is also worthy of note that Moore-Wilton was the former head of the Prime Minister's Department, under John Howard.

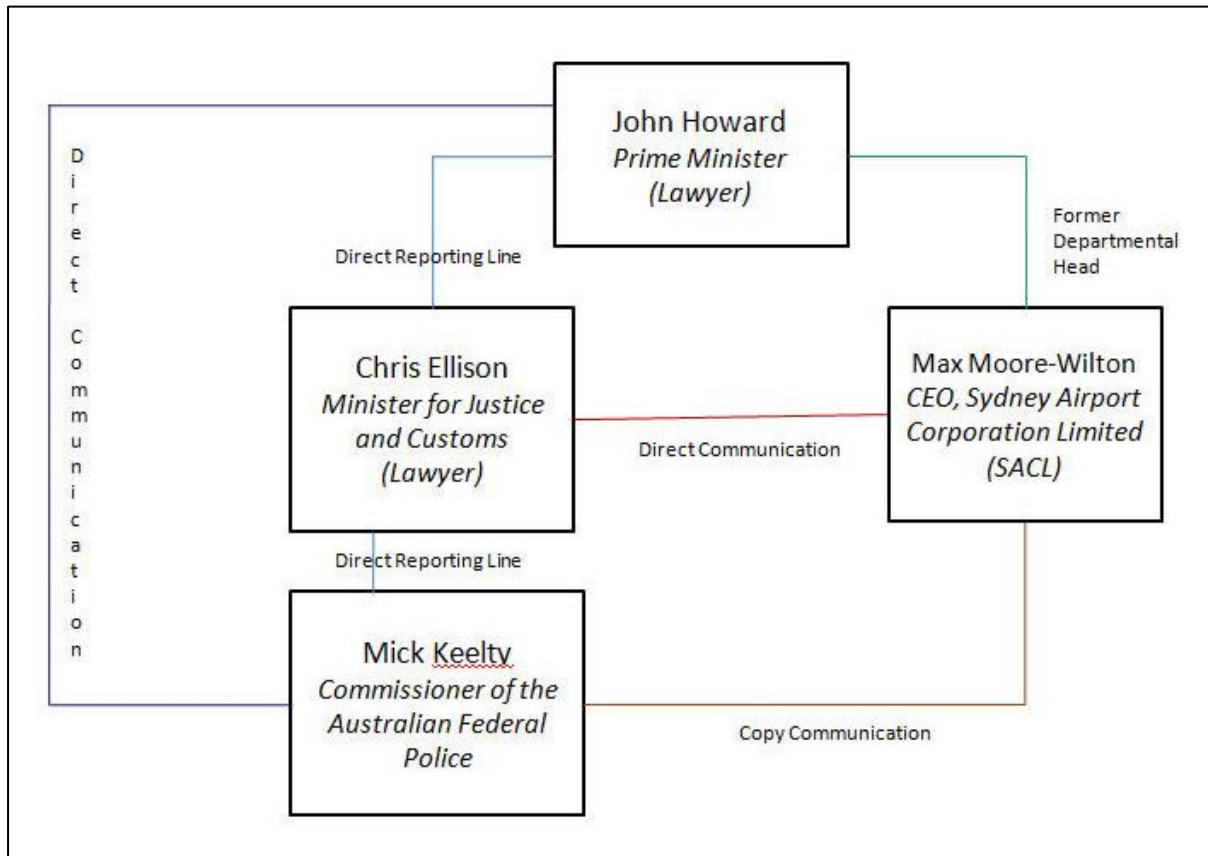
Indeed, the following was stated in Hansard on 21<sup>st</sup> June 2006:

*"So the Department of Transport and Regional Services allows Sydney airport to continue an operation that fails to meet the standard which the government itself set and the deadline of 2004 for that standard to be met. It happens to be an issue of speculation—more in the industry than in politics—as to how that conversation went that enabled the corporation that Max Moore-Wilton heads up to get that special exemption, but there are plenty of other people in the industry who have cast a cynical eye over the arrangements that have seen this government allow Sydney airport to operate a less secure screening process than other airports in Australia are obliged to follow."*

## [Luggage Tags & Screening Records]

### CONFIRMED AWARENESS MAP

The relationship between those with confirmed knowledge of the new evidence regarding Schapelle Corby's boogie board bag can be represented by the following diagram:



All four of these individuals had varying degrees of vested interest in the *status quo* being preserved, by virtue of their positions and roles. They all benefited from the information being withheld from Schapelle Corby.

Howard, Ellison and Keelty, however, were also directly involved in other disturbing aspects of the Schapelle Corby case. Equally, in addition to their knowledge of the central importance of the new evidence, they were fully aware of the personal implications for her of its non-disclosure.

It is also noteworthy that all three have been heavily criticized by Schapelle Corby's lawyers with respect to their actions and comments pertaining to a number of other legal facets of the court case itself. See *Supplemental Report 1* for further information.



## [Luggage Tags & Screening Records]

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### QANTAS

As documented in several sections of this report, the involvement of Qantas was also central to a number of the many disturbing aspects of this case.

The following extract, from a letter from Moore-Wilton to Ellison, indicates that they were also made aware that the screening data was missing only for the boogie board bag:

We did, however, locate screening data for the other 3 baggage tag numbers provided by Mr Rasa. In view of the fact that the presentation of bags for screening is the responsibility of the relevant airline and its baggage handler, and that Qantas in this instance was the only entity that could confirm the baggage tag number provided by Mr Rasa for the oversized bag was in fact issued to Ms Corby, we advised Qantas and the Department of Transport's Office of Transport Security of the results of our enquiries.

Moore-Wilton also appears here to be anxious to pass responsibility to that airline, even pressing the point that Qantas issued the tag number as an indirect argument to support this proposition. However, he is unequivocal in stating that Qantas had been passed the information.

If this is the case, Qantas joined Ellison, Howard, Keelty and Moore-Wilton in not providing this vital information to Schapelle Corby or her lawyers.

It should be noted that, as with each of the other four parties, Qantas also stood to benefit from avoiding public awareness of the serious security failures, which disclosure would have guaranteed.

This was particularly the case, given that the news that a number of their Sydney Airport baggage handlers were involved in serious drug syndication was already in the public domain (see Section 3.4).

### 2.5 THE CULTURE OF COVER-UP

#### 2.5.1 ALLAN KESSING


One aspect of this affair which is absolutely clear is the existence of a culture of secrecy, and cover up of any information which exposed any form of insecurity or corruption. The withholding of evidence, which could have been critical to Schapelle Corby, is only one manifestation of this tendency. Research reveals that it is also exemplified by a substantial volume of correspondence, parliamentary reports, reviews, and similar documentation.

As referenced earlier, one example relates to an article published in *The Australian* on 31st May 2005. This revealed that a confidential customs report had identified substantial levels of criminal activity at Sydney Airport: *"Workers at the nation's largest airport, including baggage handlers with high-level security clearances have been involved in drug smuggling...."*, *"The report, obtained by The Australian, details serious security breaches and illegal activity by baggage handlers, air crew...."*

The government and the AFP immediately concentrated on suppressing the leak and tracking down its source:

01-JUN-2005 10:14	EXECUTIVE SERVICES	+61 7 36334955	P.02/05
01-JUN-2005 08:25	FROM-Customs Exec. C.O.	+61 2 9275 6786	T-559 P.002/005 F-046



**Australian Government**  
**Australian Customs Service**

**Ministerial No:**

**Minister for Justice and Customs**

**cc Attorney-General**

**Investigation into the Alleged Leak of Information to The Australian Newspaper**

**Deadline: Urgent - As soon as possible**

**Proposed action**

That the alleged leak of information to The Australian be referred to the Australian Federal Police for investigation.

**Reasons for proposed action**

1. An article in The Australian on 31 May (copy attached) refers to a "Secret Customs report" which exposes criminal links.
2. It is apparent from the article that The Australian has access to an internal document in relation to risks inherent in a range of activities in Sydney Airport.
3. The Australian Federal Police (AFP) have been approached to undertake an investigation into the leak of this document.
4. The AFP has advised that in accordance with the Commonwealth Fraud Control Guidelines, this type of incident should be first reported to the Minister by the Department Head for referral to the AFP for investigation.
5. It is appropriate that the AFP undertake an investigation into the leak. In doing so, Mr Geoff Lanham, Manager Internal Affairs, will be the Customs contact and will assist the AFP as required.

## [Luggage Tags & Screening Records]

01-JUN-2005 10:14 EXECUTIVE SERVICES  
01-JUN-2005 08:26 FROM-Customs Exec. C.O. +61 2 6275 6706 T-658 P.003/006 P-048

2

**Recommendation**

That you agree that the leak of the internal Customs document referred to in The Australian article of 31 May, be referred to the AFP for investigation.

SIGNED / ORIGINATED BY:

*[Signature]*  
L B Woodward  
Chief Executive Officer  
6275 6800  
31 May 2005

Approved/Not Approved

*[Signature]*  
Minister for Justice and Customs  
116105

*Please also advise whether the leak of this document had the potential to prejudice any ongoing operation*

The author of the original report was a customs officer called Allan Kessing. The ABC took up the story as follows:

And the government went on a witch hunt, looking for the person who leaked the Kessing reports. In the wash up it fingered Alan Kessing himself who was charged, tried, convicted and sentenced.

<http://www.abc.net.au/local/stories/2009/04/03/2534187.htm>

This is only one such example of where priority was set, many of which significantly disadvantaged Schapelle Corby.

Indeed, the author of the above article in The Australian stated that: "I did check on that theory and have made contact with the two sources we've been dealing with extensively over the last couple of weeks and put that scenario [drugs inserted into Schapelle Corby's bag at Sydney airport] to them. They support that scenario completely....".

## [Luggage Tags & Screening Records]

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Allan Kessing himself stated that: *"So everybody, during the Schapelle Corby matter, were just running for cover, because if the reports proved one thing, it was that baggage handlers were less than virtuous, shall we say? Sheer terror, I would put it at. A lot of people knew that a lot of other people knew that we knew that the situation was ramshackle."*

He further documented the position of the Howard government in 2009. The following is an extract from a radio interview with the ABC:

Allan Kessing: Well I must say they weren't ignored, they were suppressed and they were suppressed for the most banal of reasons, the commercial cost to the privatized airport corporation. If they were ignored, that would be one thing and you could just say oh well that was a bad judgment call. But they were not ignored, they were actually suppressed and we were told why they were suppressed because of the commercial cost.

Monica Attard: And your reports found all manner of security problems.

Allan Kessing: Oh from the cleaners to you know to higher customs officers yes.

He continued: *"Yes but don't forget that when the first newspaper reports came out, first of all the deputy prime minister at the time John Anderson denied that there were any such reports. The next day they said yes there were some but they were a minor piece of internal documentation. By the third day I think he'd resigned and as you say, sometime later the prime minister, well in order to 'quell public concern' was the actual phrase he used brought out John Wheeler. And the only reason there was any public concern is because of the newspaper reports."*

The Shadow Minister for Defence and Homeland Security at the time, Robert McClelland MP, commented as follows:

*"Today's report of a Customs investigation into Sydney's airport virtually shows that our security as at Australia's airports is a farce. The report suggests widespread involvement in drug trafficking by baggage handlers and other staff. Crew employed overseas are potentially involved in drug smuggling, secret spots at airport utilised are used by these rings and indeed the existence of rings in some cases are ethnically based. These are very, very serious matters. The report says they are not simply indications of criminal conduct but they could in fact be indicators of a potential terrorist event. This is very, very serious."*

[parlinfo.aph.gov.au, May 2005]

He also referred directly to its relevance to Schapelle Corby:

*"Well it beggars belief that the contents of this report or at least some of the incidents were not provided to the defence in the Schapelle Corby case."* [parlinfo.aph.gov.au, May 2005]



## [Luggage Tags & Screening Records]

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### ALLAN KESSING AFFIDAVIT

The following are extracts from an affidavit provided by Allan Kessing (full copy on Expendable.TV):

#### AFFIDAVIT

I was an Australian Customs officer for 15 years, with 6 years spent in investigation, Intelligence & Analysis. I was stationed at Sydney Airport from 1994-1996 and again from 2001 until my retirement in 2005. In 2002 I was appointed to compile a report on crime & corruption at Sydney Airport. The process involved collecting, collating & corroborating data from many sources, including Qantas & other airlines as well as the AFP (Australian Federal Police) & State Police data bases and similar organizations.

.....

It was clearly demonstrated that crime among airport staff - particularly baggage handlers - at Sydney Airport was a major problem. Significantly for Ms Corby's case, the long held information showed that airport staff were involved in significant illegal activity, and the new research found this was continuing.

The most common examples were;

- 1) tampering with checked-in luggage to move goods from one area to another
- 2) stealing from checked-in luggage
- 3) moving drugs through the airport, usually for big drug syndicates
- 4) baggage handlers involved in crime/moving drugs organized to be rostered on at the same time to work together.

The final reports were submitted to the Australian Customs Service airport management in September 2003, which was more than a year before Schapelle Corby was arrested on October 8<sup>th</sup> 2004. During Ms Corby's case, the Australian Federal Police repeatedly stated that there was not a problem with crime/drugs at our airports.

The reports were passed on to the AFP and it was stated in the NSW District Court in 2007 in sworn testimony, that further analysis & confirmation was made by AFP officers.

All available data indicated a major problem with airport crime. It was revealed in police statements given to the NSW District Court in 2005 that an international drug smuggling ring shipped 9.9kgs of cocaine from Argentina through Sydney Airport on October 8<sup>th</sup> 2004. The cocaine was in a brief case which was removed by corrupt baggage handlers before it reached Customs. This flight arrived a short time before the loading of transferred luggage onto Schapelle Corby's flight to Denpasar, Bali.

The crime & corruption at Sydney Airport was well known to the Australian Customs Service, Sydney Airport Corporation management and the Australian Federal Police and further confirmed by my reports - which collated, corroborated and refined existing data as well as establishing new information. However, this did not become publicly known until after the verdict in the trial of Schapelle Corby which resulted in a sentence of 20 years.

## [Luggage Tags & Screening Records]

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The Australian Federal Government was then forced by public concern, following the media reporting of the situation at Sydney Airport, to commission an official investigation into airport crime – this time by a high profile UK expert in aviation security, Sir John Wheeler, who was brought out from England specifically for the purpose. His report came to the same conclusions as my own and he made a series of recommendations endorsing those made previously by a number of investigators, apart from myself. The Federal Government subsequently promised to implement these recommendations at a cost exceeding \$200 million.

In my opinion, it would be almost impossible for a checked-in bag containing 4.2kgs of marijuana to pass undetected through two major Australian airports - Brisbane and Sydney - without being detected – unless that bag was assisted by criminally corrupt airport staff. There are sniffer dogs and x-ray machines at both airports and the bags would have been handled several times by different individuals to load, unload, transfer & reload onto the Denpasar flight before leaving Australia.

The fact that the bag of marijuana was so easily detected by customs in Bali showed that there was no attempt at sophisticated concealment. Ms Corby's bag was checked-in in Brisbane Domestic Airport, and went through to Sydney Domestic and then Sydney International and then onto Bali, yet nothing was detected in Australia.

It was noted in my reports that Sydney Airport Corporation, the airlines and the police acknowledge that airport staff tamper with luggage and steal from travellers' bags. If major action was taken to rectify this situation it would cause chaos and Sydney Airport would quickly come to a grinding halt, costing millions of dollars.

The Sydney Airport Corporation tolerates the situation and the airlines are insured for lost/stolen luggage and consequently budget for insurance to cover travellers' claims.

Mr Kessing re-affirmed this affidavit in March 2011.

### **2.5.2 FURTHER BAGGAGE HANDLER INFORMATION**

A significant amount of other baggage handler related information was also withheld from Schapelle Corby, and largely from the media. For example, in 2009 the AFP submitted the following to a Parliamentary Joint Committee:

For example, an AFP operation in 2007 involved the investigation of a group of baggage handlers who were suspected of being involved in an interstate drug-trafficking and distribution network. The investigation involved the combined resources of the AFP, Customs and Border Protection, Northern Territory Police Western Australian Police and Queensland Police. A total of six offenders were arrested and convicted including a baggage handler, in relation to drug possession and trafficking charges.

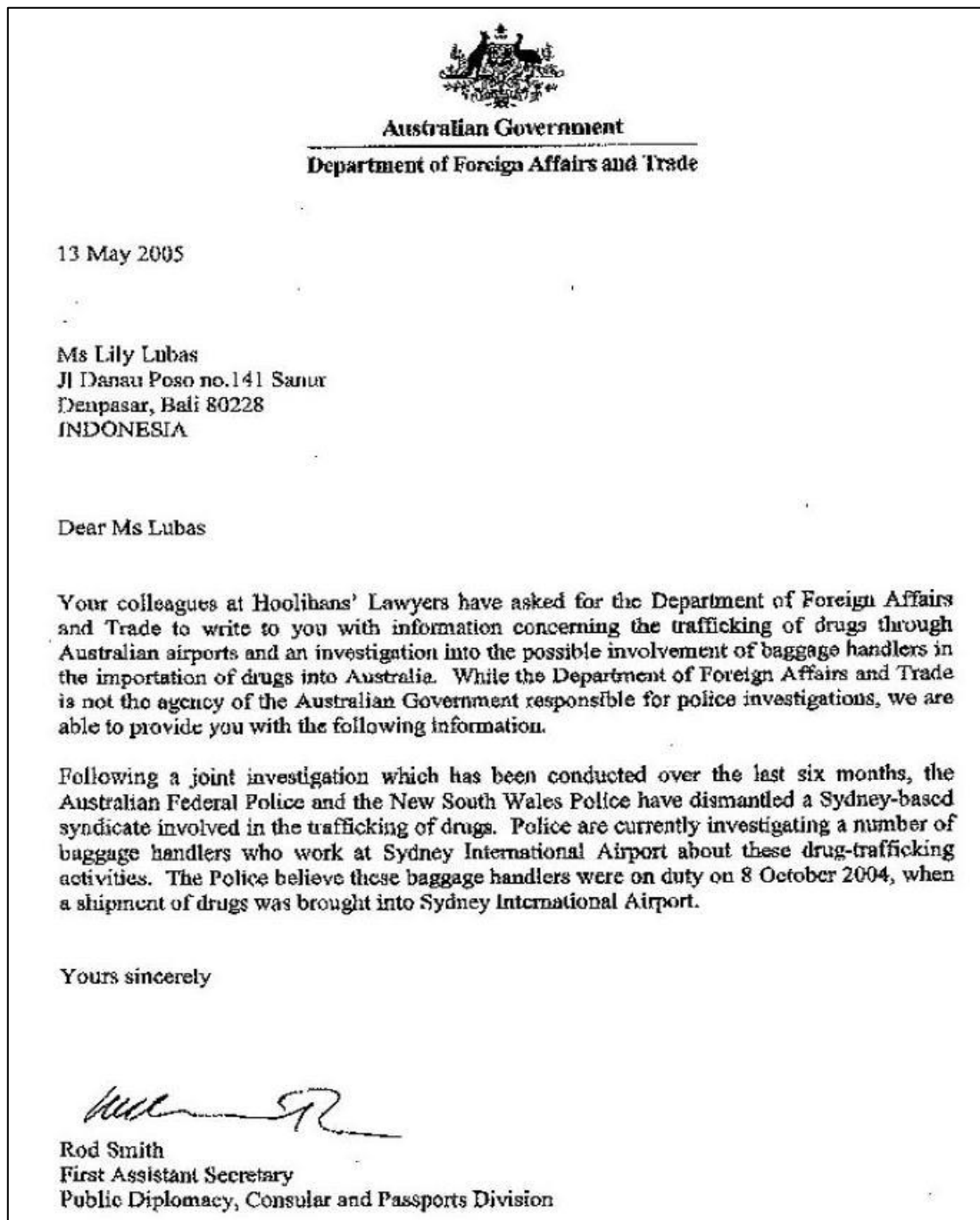
Note that Schapelle Corby's case was still in legal process during the period quoted.

## [Luggage Tags & Screening Records]

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The question of why the baggage handlers, who were dismissed as a result of the *Mocha Operation* (see Section 3.4.1), were never prosecuted is also frequently cited as evidence of the overriding policy of secrecy adopted with respect to these matters.

With respect to this operation, however, DFAT confirmed that corrupt baggage handlers were in situ at Sydney Airport at the same time as Schapelle Corby passed through:



### 2.5.3 THE KEELTY STATEMENT

As Schapelle Corby's original trial proceeded towards its conclusion, there is no doubt that pressure was mounting upon SACL, Qantas and Ellison in particular.

Further, if Schapelle Corby was acquitted, the pressure would only increase, as the inevitable questions regarding the source of the marijuana would undoubtedly lead to more rigorous scrutiny of Sydney Airport, and the lack of government and AFP action to address it.

The awareness map and correspondence provided earlier indicate the intrinsic relationships between these parties.

Just a couple of weeks before the verdict, and despite the fact that the AFP had been provided with the *Kessing Reports*, that they were actually investigating drug syndication at the airport (leading to arrests and charges), and that a catalogue of clear evidence was in wide circulation, Keelty stated that:

*"There is very little intelligence to suggest that baggage handlers are using innocent people to traffic heroin or other drugs between states".*

One can only speculate how much damage this clearly flawed media statement, from Australia's top policeman, did to Schapelle Corby's prospects. The subsequent verdict and grave outcome for her is of course well known.

The Law Council of Australia was very explicit:

#### **Law Council outraged by Keelty's Corby comments**

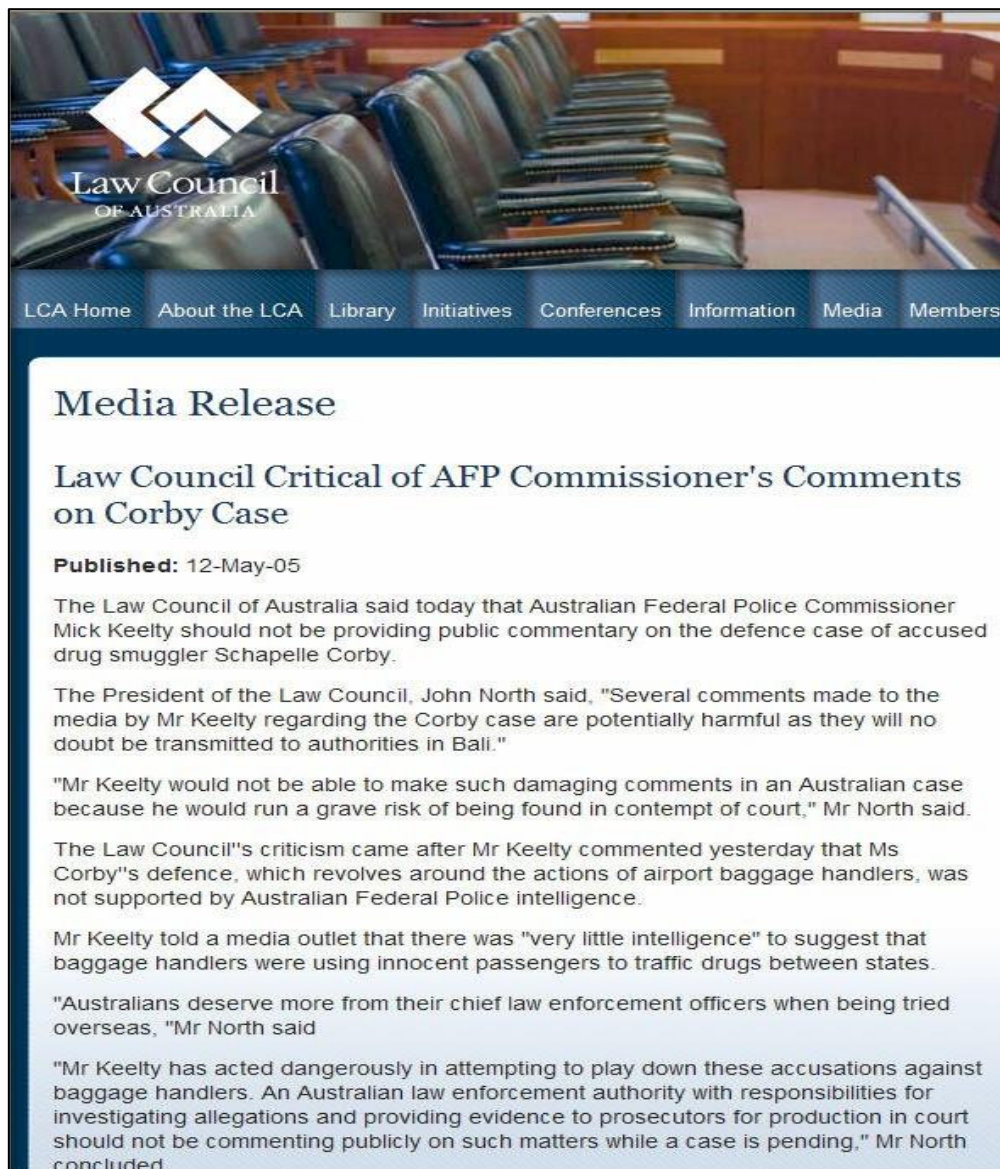
ABC News: Posted Thursday, 12 May 2005, 8:25am AEST

Updated Thu May 12, 2005 11:31am AEST

<http://www.abc.net.au/news/stories/2005/05/12/1366643.htm>

They issued the following formal statement:





One of Schapelle Corby's lawyers stated that: *"It's our very firm belief that an enormous amount of damage was done by inappropriate comments (made), not just in the last few days but over the last few months, by Mr Keelty" and "Every step of the way he's been there to put the boot on to the defence, which is hurting Schapelle. We are floored by it. The day before we are back in court for the last day, he puts the boot in again"*

However, what is certain is that with a guilty verdict and a subsequently compliant media (ref: the *Expendable Dossier*), pressure on Ellison, Moore, Howard and the government itself regarding airport insecurity receded significantly.

### [Anomaly #11]

Given that the *Kessing Reports* had been provided to the AFP earlier in the year, that the AFP were actually investigating drug syndication at Sydney Airport, and that a substantial catalogue of supporting evidence was already in wide circulation, why did Keelty state the following to the media just weeks before the verdict in Schapelle Corby's Bali trial: *"There is very little intelligence to suggest that baggage handlers are using innocent people to traffic heroin or other drugs between states"*?

Note: During this stage of the investigation we also found that Keelty was in direct contact with a journalist called Keith Moor. Mr Moor was the recipient of leaked information from the police, from which he produced damaging allegations against Schapelle Corby herself (10th December 2005). Whilst the information and allegations were subsequently shown to be entirely false, the source of the leak has never been investigated, despite repeated requests. Equally, a variety of media outlets cited Ellison's office, prompting him to subsequently deny any role.

We recommend that this matter is now investigated by an external agency. More information on this incident is available on *The Expendable Project* website.

### 2.5.4 THE COVER-UP CULTURE

Robert McClelland MP: *"Clearly there is an indication of criminality involving baggage handlers and drug smuggling in our airports. It beggars belief why this wasn't provided to or at least some of this information was not provided to the Schapelle Corby defence. That is one thing. Certainly if this report has been available since September - why did the Government remove the inspector of Transport Security in February and two of his staff? In circumstances where there is systematic evidence of systematic criminality suggesting potential terrorist events could take place based on the systems used by these criminals."*

Whilst McClelland failed to follow up the issues he raised once in office, his statements are indicative of the wider culture of secrecy, suppression and laissez-faire. As Section 2.4 reveals, this created the climate for the direct withholding of primary and potentially critical evidence, specifically regarding Schapelle Corby's boogie board bag.

It is also within this culture that the whole myriad of alarming incidents occurred, from the clear discrepancies relating to the boogie board bag handling and screening, to the disturbing conduct of individual politicians and police officers, and to the hugely disturbing matter of the unavailability of CCTV footage from three Australian airports (see Section 3).

### 2.6 THE FATE OF THE BOOGIE BOARD BAG

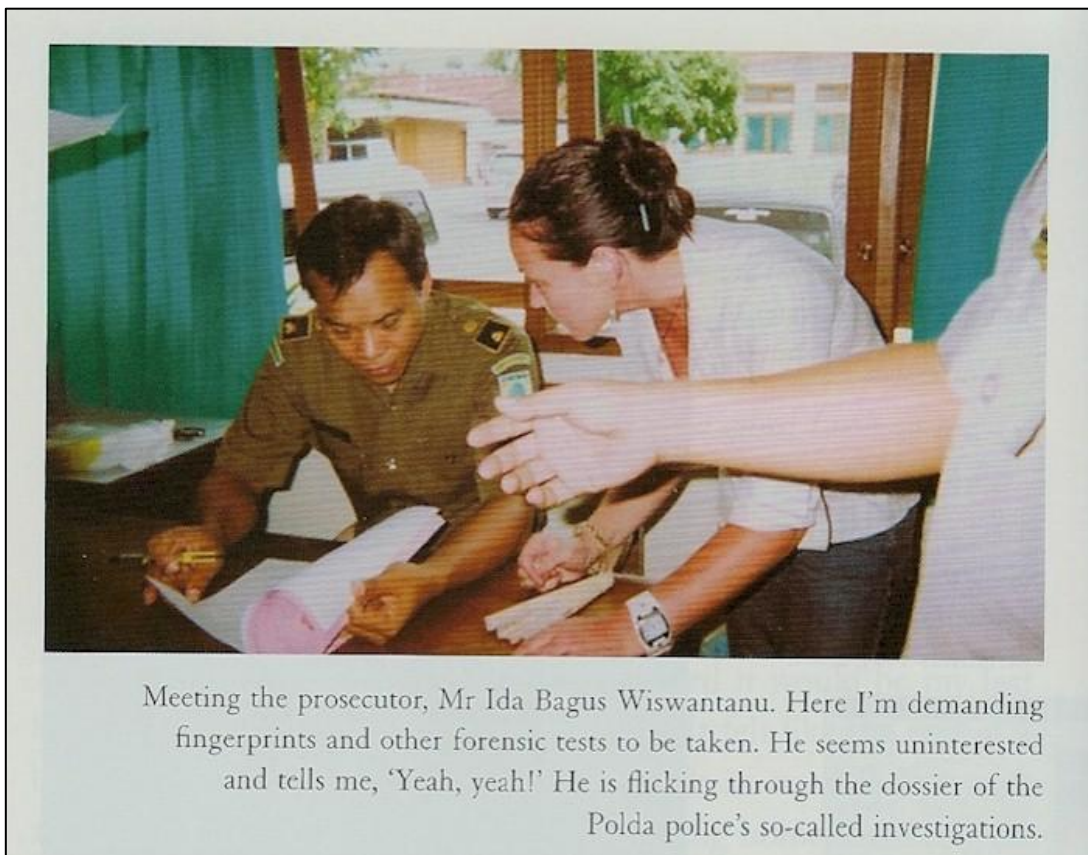
Having left Australia, the fate of Schapelle Corby's boogie board bag is well documented. Upon collection in Bali it contained 4.2 kg of marijuana, but as a source of evidence, its value diminished throughout the following months.

Schapelle Corby herself quickly understood that the bag itself was central to her fate. She immediately asked for the bags to be weighed, to demonstrate that they were 4.2kg heavier than when she departed Brisbane. Her requests were refused.

She also understood that the bags and the marijuana might hold vital clues regarding the source of the drugs, such as fingerprints or DNA. Her efforts to prevent Indonesian court officials and others from handling the bag and contaminating it also failed.

Regardless, she continued to use every means at her disposal to seek to have the evidence properly examined, and to have the marijuana tested for country of origin.

She urged the prosecutor, in front of witnesses, to allow forensics tests and fingerprinting:



*Courtesy 'My Story' Pan Macmillan*

## [Luggage Tags & Screening Records]

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She formally requested intervention from the Australian consulate:



Her lawyers sought, at every opportunity, to force legal intervention, including last ditch appeals to prevent the Supreme Court from burning the evidence:

[Reference: See video footage on [www.expendable.tv](http://www.expendable.tv)]

All these efforts, and others, are an indisputable matter of public record.

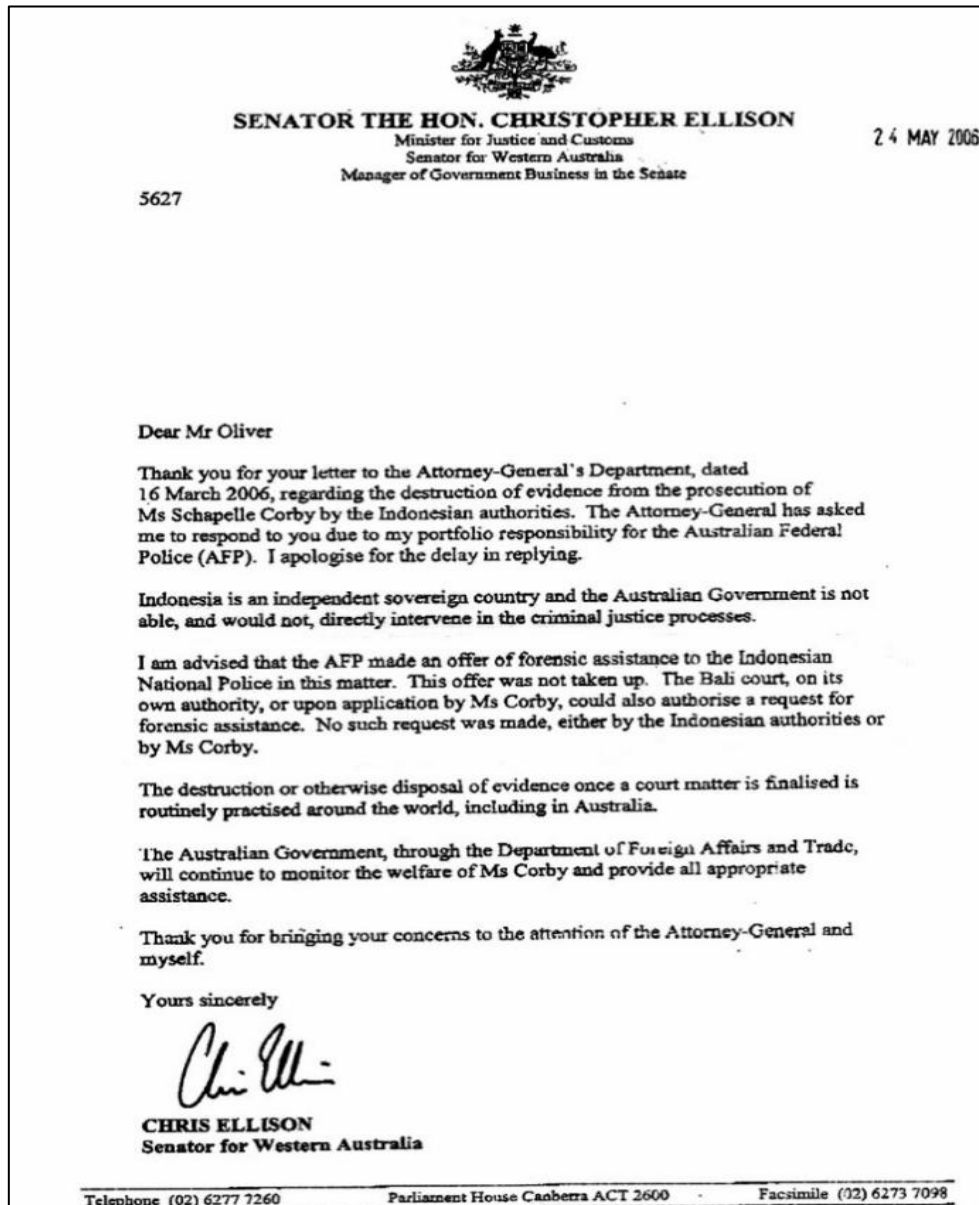
But she failed. The court refused throughout, and the Indonesian Supreme Court had the bag and its contents burned, so that it could never be tested.



## [Luggage Tags & Screening Records]

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However, in a letter to one of his constituents, the Justice and Custom's Minister, Chris Ellison, who features heavily in this and other reports, retrospectively represented this situation as follows:



Note that he also downplayed the burning of the evidence, which is most certainly not *routine* when the defendant is openly asking for it to be tested.

### [Anomaly #12]

Why did the Justice and Custom's Minister Christopher Ellison, in his letter to a member of the public, contradict what had actually happened in Indonesia with respect to the marijuana and the boogie board bag?

## [Luggage Tags & Screening Records]

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### ADDENDUM: THE APPEAL

Whilst it is outside the scope of this report, it is nonetheless noteworthy that Ellison was also linked to the events surrounding Schapelle Corby's unsuccessful appeal.

Two QCs, Mark Trowell and Tom Percy, were pressed on to the Corby family to *assist*, despite questions of how non-Indonesian speaking Australian lawyers could possibly offer real help. The *Sydney Morning Herald* edition of 27th June 2005 reported subsequent events as follows:

Mr Trowell's hotly contested comments could hardly have been more provocative, more damaging or more calculating. In less than two days, predictably, they caused the demise of Corby's legal team, swiftly followed by its partial reinstatement.

However, Mr Trowell was not about to explain his extraordinary attack half-way through Corby's appeal, despite being warned in advance by Corby's Jakarta lawyer, Hotman Paris Hutapea, that it would be extremely damaging to her case. "There are reasons for it," he said.

Mr Hutapea and the rest of Corby's original legal team say that instead of helping, Mr Trowell's comments have harmed Corby's appeal and diverted criticism from the Federal Government. Because of his friendship with the Minister for Justice, Chris Ellison, and his former role in the West Australian Liberal Party, they see him as a wrecker.

The eventual *State Administrative Tribunal* into Trowell's misconduct, stated that:

398 In considering this issue, it is to be remembered that on his evidence the practitioner, in error, on our finding, did not regard Ms Corby as his client. We think his motivation generally in making the statements to the media was the interests of the government and (regrettably) publicising his own personal role and conducting his dispute with Mr Rasiah. .

[The full transcript can be found in the library on [www.expendable.tv](http://www.expendable.tv)]

In view of the consequences of the appeal failure for Schapelle Corby, questions have been asked regarding Trowell's role, and in particular, his relationship with Ellison and the government. Given that he told the tribunal that he believed the government was his client, what was, or what did he believe, his mission to be?

No answers have been forthcoming.

It is also a relevant point here that at the appeal itself, the key issues pertaining to the boogie board bag with respect to corruption and insecurity at Sydney Airport, were relatively subdued. Accordingly, media reporting of this aspect in Australia, and elsewhere, was muted.

## [Luggage Tags & Screening Records]

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### CUSTOMS MINISTER CHRISTOPHER ELLISON

Schapelle Corby's lawyer was unaware of many of the disturbing matters documented within this report. However, even without this information, he experienced a series of difficulties and obstructions, when seeking to assist his client.

On 12<sup>th</sup> August 2005, he documented these in a formal complaint to Prime Minister Howard, in which he outlined the disturbing conduct of Ellison throughout the case.

Law Firm  
**HOTMAN PARIS & PARTNERS**

OUR REF: 0348/88.01/HPH YOUR REF:

12 August 2005

THE HON. JOHN HOWARD MP  
Prime Minister of Australia  
Parliament House – Australia  
Canberra  
Fax No. 61-2-6273 2923

SENATOR THE HON. CHRISTOPHER ELLISON  
Minister for Justice and Customs  
Parliament House  
Canberra ACT 2600  
Fax: +61 2 6273 7098

THE HON. ALEXANDER DOWNER, MP  
Minister for Foreign Affairs of Australia  
Ministerial Office  
Parliament House  
Canberra  
Fax: +61 2 6273 4112

RECEIVED  
16 AUG 2005  
MCU

OFFICE OF THE PRIME MINISTER  
RECEIVED IN CANBERRA  
12 AUG 2005  
Referred to: *pmc*  
*RS NW 23*

*JH 30763*

This met with the same fate as his repeated requests for information and assistance.

The full complaint is documented in *Supplementary Report 1*.

## 3. CCTV FOOTAGE

### 3.1 INTRODUCTION

The issue of the complete lack of availability of the CCTV footage from Australian airports has caused controversy and disbelief from the outset.

This is not least because the original question, with respect to Schapelle Corby herself, is as relevant today as it was in 2004: *If Schapelle Corby was guilty, why would she continually beg Australian airports for CCTV footage which would show her bag bursting with marijuana and thus condemn her?*

So what about that CCTV footage? Why was it, and is it, unavailable from **three** Australian airports (Brisbane, Sydney Domestic, Sydney International)?

Again, a number of internet websites provide a good overview of this aspect:

During the show trial, Schapelle Corby begged for CCTV footage to be released from both Brisbane and Sydney airports. These may have shown clearly that her bag was virtually empty when she departed. The footage could have provided direct and unambiguous proof that the marijuana was placed after she handed the bag over to the handlers.

One might imagine that provision of the footage would have been a formality, given its importance for Schapelle Corby's life. But incredibly, no footage was provided. After initially stating that the Brisbane footage was in good order, the airport later changed this to a story that the cameras were being repaired, and then finally to a position that they were turned off.

The Sydney Airport and Qantas situation was even more disturbing. Despite a major drug operation being underway and a flight carrying cocaine being there at exactly the same time as Schapelle was on the airport [8] they too stated that they had no CCTV footage available! This despite the airport (and airline) having a very comprehensive CCTV system in place, including coverage of the baggage handling areas [34].

No cameras running or footage available across two major airports, post 9/11 and post the Bali bombings? Those airports being direct international links to Islamic countries, and whilst a drugs operation is actually underway at one of them? Do they really believe that to be a credible story?

Let us look a little more closely.



### 3.2 FIRST STEPS

Given the disparity between an almost empty boogie board bag, and one containing 4.2kg of marijuana, Schapelle Corby and her family realized from the start that CCTV footage of her checking her bags in would prove her innocence. Even in the midst of the inevitable chaos, a range of initiatives were taken.

For example, family friend and supporter, Guy Pilgrim, went to Brisbane airport in person on 14th October 2004 in physical pursuit of the footage. He recorded his experience on video through a chat with Schapelle Corby's mother, Rosleigh Rose:

**Guy Pilgrim**

I went the Brisbane airport on Day 5, so that was 14th October. Schapelle was arrested on the night of the 8th. I went the Brisbane airport after I'd found that there was no security footage from the baggage check-in counter and that there was no individual weights. And I went to the Brisbane airport and I said to them *"Is there any problem with the general surveillance footage from the general public areas?"*

And they said *"No, no, there's no problem with that. So long as Schapelle's lawyers had requested it, it would be retained"*. And I said *"Well they HAVE requested it. They have been requesting it from 2 hours after her detainment and it still has not arrived, so I'm just trying to push the process along"*

They said *"We cannot act on your say so, because you are not a direct family relative, but so long as they request it, it will arrive."*

So I went to the Federal Police the next day who themselves rang the airport as well and they said there is no problem with that general surveillance footage, and so long as it has been requested it will be presented. It never ever did get presented.

Now what other stories... now you've got a lot of stories in relation to that as well.

**Rosleigh Rose**

Yes, well first off it was a public relations officer Jim Carden.... and he said yes he has got the footage but he hasn't got time to look at it. And I said well, I'll look at it. I'll make time. And I've told you the time, exactly where I parked my car, surely with the equipment you have you just press a button and it goes back to that time and that day? He said it's not as easy as that, we have to have the time, so I said I'll make the time I will come out and have a look at it. He said *"Oh no, you can't because of breach of privacy"*.

Steve Hyatt, custom services, he's from Qantas security. I had a meeting with him he was very very nice. He said he has to ring Sydney to see if the tape is available. He rang Sydney but he had to get back to me, they were finding out if the surveillance tape was still stored or whatever. So anyway, by the time I got home he rang me and he said no, it had been wiped.

But in the meantime I had asked security people around the airport about the tapes. They said they were not turned on.

People, when this happened to Schapelle, even the next day a few days later, people that work at the airport security had come into the shop, the fish & chip shop, and said *"Hey, those surveillance cameras are not turned on. They don't turn on, they only turn on for security only if someone who is important coming or going. And the full security is turned on at Christmas time"* and this was from security people who work at the airport.

Rosleigh Rose summarized the frustration of her family as follows:

**Rosleigh Rose**

They are some of the things that I have been told. You have been told different things. The lawyers were told different stories. My daughter Mercedes, she was told different things. But the only one that we have in writing is that the surveillance system was under repair. But that came well down the track.

You know, it's just... they are covering up something... there's no surveillance there's no security on at all that day. And they've got something to answer for, Qantas.

Rosleigh Rose also kept a diary. The following are some sample entries:

### **Rosliegh Rose Diary Qantas Baggage Weights**

**Monday 1<sup>st</sup> November 2004**

**Time: 4.00 pm**

I rang Jim Carden's mobile (0413120341) at approximately 4.00 pm. I left a message with my number by pressing 1# hash, his phone said they had my number he will call back as soon as possible.

Then I rang public relation's, left a message on an answering machine to call Rosleigh after 9.30 or 9.40 leaving my name saying I am Schapelle Corby's mother.

**Tuesday 2<sup>nd</sup> November 2004**

**Time: 10.30 to 11.00 am**

I rang public relation's around 10.30 or 11.00 am (I think) I said who I am, and I said I was waiting on a call back, she said (receptionist) there was NO message. I asked to speak to Jim Carden, she said he was not there he was away for a couple of days. I stressed it is urgent. She said she would get in contact with him. He rang Back, and said he had the footage but did not know if the film of boarding is there as only some of airport is (security) to look, he said he would not know where to start to look.

I said, it was Friday morning around 5.15 to 5.30 am he said he might not have the time, I said I will, I know who and what to look for, he said NO because of the privacy Act.

**Thursday 4<sup>th</sup> 2004**

**Time: 4.40 pm**

I went to public relations Jim was not there, spoke with his personal receptionist.

**Thursday 4<sup>th</sup> 2004**

**Time: 5.00 pm**

I went to Qantas spoke to someone on baggage about weights; he told me that they would have had security cameras working. I then spoke to Steve Hyatt Customer Service – very nice man.



Schapelle Corby herself reflected upon the CCTV situation in her book, with the following observations:

From day one, Lily and Vasu struggled to get direct answers to direct questions about possible evidence. 'Is there a baggage X-ray scan?' 'Do you have a recorded weight?' 'Is there CCTV footage?' They were simple questions. Yes or no? But my lawyers just smacked up against a matrix of confusion. Trying to figure out the lines of responsibility was like taking a nonstop ride on the Sea World Corkscrew.

'Sorry, we can't help. Please call this person – please call that person – call Qantas – call the Airport Authority – call Customs . . . Sorry, that's carried out by "other agencies".'

My lawyers were infuriated that they couldn't get any answers, and it became obvious that security at Australian airports was definitely not a synchronised, smooth-running, well-oiled machine. We discovered there was not one but many 'agencies' involved in airport security and clearly there was no streamlined approach to either security or the handling of a crisis.

It was a PR crisis for the airports and the airline because of the one undisputable fact, that a whopping 4.2-kilogram bag of marijuana had sailed undetected through not one but two 'high-security' Australian airports. And it was already big news by the time these people were scrambling for their non-answers.

'The CCTV vision did exist, but sorry, it's been wiped. No, sorry, the CCTV vision ~~never~~ existed, the camera was switched off.'

'The X-ray machine was switched off . . . Oh, in fact, it ~~was~~ switched on, but it only scans for explosives.'

'The images are stored for seven days . . . no, thirty days . . . no, just seventy-two hours.'

I needed answers fast – very fast – while the evidence might still exist. My life was at stake; I could get shot dead or locked up for twenty years for this. But as I optimistically waited in my cell for answers, everyone back home was scurrying for cover. It took weeks of endless phone calls to ultimately get nowhere, while any evidence just vanished in the Bermuda Triangle of butt covering and spin doctoring.

My Story - Schapelle Corby with Kathryn Bonella

Her frustrations and despair continued to increase as the answers never came:

*Unfortunately.* This was my life! What the hell was the problem with these people? Aren't Qantas supposed to *help* their passengers? Not only had my lawyers been screaming out for this evidence from day one, but my mum had driven to Brisbane airport four times, begging to see any videotape from that day. She begged them – *begged them* – but no one could even tell her whether it existed or not.

Each time, she got a different story. First it was: 'Yeah, we have it, but we're too busy to look through it.' Too busy? Wasn't this situation exactly the reason why they had multi-million-dollar visual security? Apart from assisting one of their passengers, it might also have helped them discover how 4.2 kilograms of marijuana had got by their airport security.

Mum asked if *she* could look at the tape. 'I'll make the time,' she told them. 'I'll look at it – please . . . please!' But: 'No, sorry, it's against the Privacy Act.' So while I was locked up in my filthy Poldi cell like a caged animal, sure that Qantas would be doing everything possible to help me gather evidence, they were too busy to even look at some footage.

Mum didn't let it rest. But all of a sudden, she was being told different stories: 'The tape never existed'; 'It had existed but it had been wiped.' This was within the first few weeks, before Qantas officially claimed that it was destroyed. Why was it so hard to get an answer? What were they hiding? My lawyers couldn't find out whether it existed either. To then be told in that December email that yes, it had really existed but no more, was gut-wrenching. No one from Qantas had even bothered to view the tape.

My Story - Schapelle Corby with Kathryn Bonella

### [Anomaly #13]

Schapelle Corby, her family, and her lawyers, were given a range of conflicting stories, as they desperately sought the CCTV footage.

Each story though had the same outcome: no CCTV images were provided.



### 3.3 THE CCTV LOCATIONS

Examination of the situation at each airport reveals the increasingly contradictory positions of the AFP and Qantas.

#### 3.3.1 BRISBANE CHECK-IN AREA

Qantas had four cameras in the check-in hall. Their formal position was stated in a letter of 1st December 2004:

4. *Is the CCTV images available for the check-in area? Please provide the relevant coverage w.r.t. for Ms Schapelle's check-in. What is your Policy on this?*

Qantas uses digital video recording equipment to record images from the cameras installed at Brisbane Domestic Terminal. Images are stored in these for a limited period before being overwritten. The retention time is typically about 1 month.

Unfortunately, during October, the recording equipment at Brisbane had been suffering from an intermittent fault and on or about 2nd November the unit underwent substantial repairs which appear to have resulted in the loss of the data pertaining to the period of interest.

Qantas is currently working with forensic technical experts to determine whether there is any useful imagery left of the 8th October 2004 and we will inform you when we have an outcome from this investigation.

But this was not the position of the AFP, as stated by them on many occasions.

For example, the following is a statement made to the *Senate Legal and Constitutional Affairs Committee* in February 2005:

- Qantas advise the closed circuit television (CCTV) recording of the check-in area and air side for 8 October 2004 had been recorded over, and stated it is normal practice to recycle the CCTV tape every seven to ten days.

Another example from many is the following extract from a ministerial brief from the AFP to the Minister for Justice and Customs from April 2005:

4. The investigation also examined baggage handling procedures, security of baggage and airside access to other employees and contractors. Qantas advised the closed circuit television (CCTV) recording of the check-in area and air side for 8 October 2004 had been recorded over, and stated it is normal practice to recycle the CCTV tape every seven to ten days.

### [Anomaly #14]

**Qantas and the AFP provided wholly conflicting stories regarding the fate of the CCTV check-in area footage. The implications of each version with respect to the other party were serious.**

This discrepancy, of course, has a number of significant implications. The possibilities are as follows:

#### **3.3.1.1 The Qantas Version Is Correct**

Let us first presume that the account given by Qantas is correct, noting that they actually operate the equipment and that it is the more detailed of the two.

The first consequence is that when called to account to explain the lack of CCTV footage to assist Schapelle Corby, the AFP did not report the actual reasons provided by Qantas.

Instead of bringing to the attention of their political superiors that the CCTV system at a major airport had not been working properly, or at all, for weeks, if not longer, they claimed a re-write cycle of 7-10 days. This unsurprisingly presented a calm, normal, and secure operation.

Instead of mentioning substantial repairs and data loss, they suppressed the information entirely, claiming it to have been written over, when that was not the case at all. They essentially hid the situation that for an unknown lengthy period there was, at best, intermittent security camera coverage at Brisbane Airport.

Whilst this undoubtedly covered for those responsible for these security exposures, it also deflected attention from Schapelle Corby's immediate need: the CCTV images. If the footage was lost via erasure, the matter itself was self evidently closed, simultaneously closing official pursuit of the images.

#### **3.3.1.2 The AFP Version Is Correct**

The second possibility is that the AFP version is correct, and that there was a 7-10 day re-write cycle. But if this was the case, why would Qantas have invented such a sophisticated story?

There are several potential resultant scenarios. One is that there was corruption at Brisbane Airport and that the CCTV system was in fact sabotaged. Or another possibly is that rather than "*the unit underwent substantial repairs which resulted in the loss of all previously recorded data, including data for 8 October 2004*" (Qantas), the data was purposely and not accidentally erased during this process.

### 3.3.1.3 Another Perspective

Another possibility is that the CCTV footage was seized, perhaps by ASIO. This becomes less unlikely when considered in the context that CCTV footage was unavailable from every potential source across **three** airports.

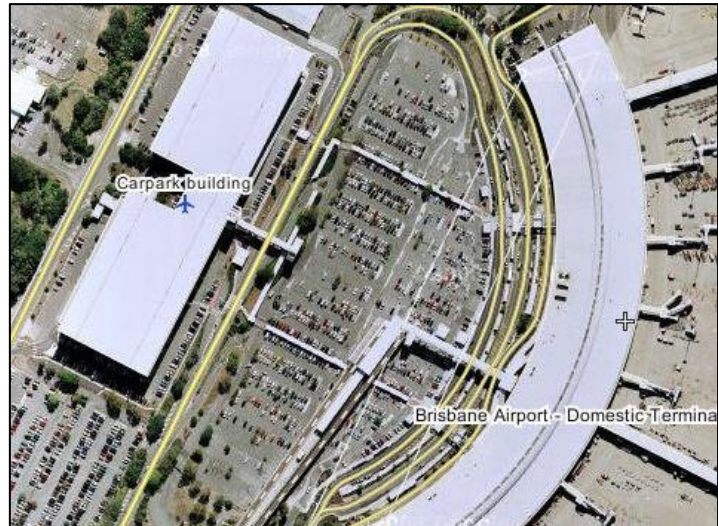
This suggestion is, of course, supported by the strategic political imperative with respect to international relations with Indonesia, and the need to prevent exposure of related domestic issues.

Whichever scenario is correct, at least one party appears to have provided entirely false information.

Regardless of which party this was, and regardless of how desperately Schapelle Corby and her family pleaded for the footage, it was never forthcoming.

### 3.3.2 BRISBANE EXTERIOR

Rosleigh Rose drove her daughter Schapelle, and her friends, to Brisbane domestic airport in plenty of time for their flight. She dropped them outside the entrance and parked the car for a short stay.



There were a number of cameras in situ.



However, when approached, the car park management company stated that there was limited coverage of the car parking area, that most coverage was directed towards the pay stations, that the cameras were triggered by motion sensors and take still photos and that, critically, the cameras had limited storage memory, storing up to two months footage maximum.

Despite numerous enquiries, no footage of Schapelle Corby was ever obtained.



### 3.3.3 BRISBANE AIRSIDE

In July 2005 Qantas submitted the following comment to an aviation security review by *the Joint Committee of Public Accounts & Audit*.

*"At the time of Ms Corby's travel, Qantas had no dedicated CCTV camera coverage of the baggage handling areas at either the Qantas Brisbane Domestic Terminal or the Qantas Sydney Domestic Terminal. There are, however, CCTV cameras installed which cover the apron areas where aircraft are parked. The purpose of these cameras is to cover aircraft operations and movements to and from the aerobridges, and they do not provide coverage of baggage handling, loading or unloading activities."*

#### **[Anomaly #15]**

**Qantas stated that the purpose of the cameras in the apron areas was to cover aircraft operations and movements. However, regardless of purpose, it is certain that they recorded some baggage movements.**

**The question therefore arises of why the images from the appropriate cameras were not retained when Schapelle Corby's family and lawyers were making their requests.**

In addition, a number of media outlets appeared to contradict the Qantas submission. For example, The Sydney Morning Herald stated the following regarding baggage transfers in Brisbane:

All the baggage transfers in Brisbane, at Bay 5 in Sydney and at Piers B and C at the international terminal were monitored by closed-circuit cameras. There are no other security measures - all are big, open areas accessible to anyone with an "airside" security pass.

### 3.3.4 SYDNEY AIRSIDE

The media at the time covered this aspect as follows:

#### **Sydney Airport** Later that morning

At 6am, the travellers flew to Sydney, arriving 90 minutes later. Their bags were taken by baggage handlers to Bay 5 at the Qantas domestic terminal, where they were loaded onto a trolley for transfer to the international terminal. When there was a full load for Australian Airlines flight AO7829 to Bali they were hauled two kilometres to Pier B at the international airport, where handlers scanned them to check they had been cleared for their scheduled flight. The three suitcases went through the security X-ray and onto a conveyor which delivered them to the loading bay in Pier C designated for AO7829.

The boogie board, however, was too big for the conveyor. It was put on a trolley, hauled to Pier C and then, at 8.18am, put into a baggage canister, DQF60342QF, which contained two of the other bags. Its loading sequence was 70, making it one of the last items put into the canister, placing it near the front. It would be one of the first bags taken out when the canister was unloaded in Bali.

The canister was closed by a canvas flap but not locked. It was held at Pier C for 97 minutes until half an hour before the Bali flight's departure.

All the baggage transfers in Brisbane, at Bay 5 in Sydney and at Piers B and C at the international terminal were monitored by closed-circuit cameras. There are no other security measures - all are big, open areas accessible to anyone with an "airside" security pass.

Not one of the security camera tapes recorded in these areas on the morning of October 8 was checked for images of the boogie board or for any unauthorised approach to the boogie board. The images recorded by the Qantas security cameras were wiped after a month, those on the cameras at Piers B and C, controlled by the Sydney Airports Corporation, after 72 hours. Thus Corby's lawyers were denied evidence which might have proved her innocence.

Sydney Morning Herald: March 5th 2005

But the situation was in fact rather more sinister than suggested.

Let's consider how the Attorney General describes the CCTV coverage of the baggage make-up areas:

**HOUSE OF REPRESENTATIVES, QUESTIONS IN WRITING**

**Sydney (Kingsford Smith) Airport**

**QUESTION 3874 Wednesday, 21 March 2007**

John Murphy:

(5) Can the Minister be certain that all sections of the baggage make-up areas of Sydney International Airport were captured by surveillance cameras at all times between October 2004 and March 2005; if so, why; if not, why not.

Philip Ruddock:

(5) Refer to Question 1 above. I am unable to answer this question on behalf of other entities at Sydney International Airport.

(1) A combination of fixed and pan tilt zoom (PTZ) cameras are placed to maximise the fields of view of Customs cameras in the baggage make-up area. This arrangement of cameras means there is built in redundancy of view so that if any camera is temporarily out of service, then there is still capacity to cover the entire area.

So, all areas were covered, and there is even built in redundancy to ensure uninterrupted coverage. The Minister for Transport and Regional Services responds similarly:

**HOUSE OF REPRESENTATIVES, QUESTIONS IN WRITING**

**Sydney (Kingsford Smith) Airport**

**QUESTION 3259 Wednesday, 9 August 2006**

**Mr Murphy** (Lowe) asked the Minister for Transport and Regional Services, in writing, on 28 March 2006:

(1) Does Sydney Airport Corporation Ltd (SACL) have surveillance cameras installed at Sydney International Airport; if so, what are the details and, in particular, does SACL have surveillance cameras installed in the baggage handling areas.

**Mr Truss** (Wide Bay—Minister for Transport and Regional Services)—The answer to the honourable member's question is as follows:

(1) Yes. Sydney Airport Corporation Limited (SACL) currently has approximately 800 closed-circuit television (CCTV) surveillance cameras in operation at Sydney Airport, including cameras installed in the baggage handling areas in Terminal One and Terminal Two of Sydney Airport.

### [Anomaly #16]

**Despite the sophisticated nature of CCTV coverage of the baggage areas at Sydney International Airport, including built-in redundancy, not a single frame of CCTV footage was provided to Schapelle Corby or her lawyers. And again, a range of excuses were presented.**

Seemingly comprehensive and leading edge equipment, in a security imperative setting, produced nothing whatsoever; not even raw footage to search through.

Some light is perhaps shed upon this mystery by journalist Tony Wilson:

An equally damning piece of evidence emerged in April 2006, when Sydney Federal Labor MP John Murphy revealed that two airport security cameras had been sabotaged on three occasions between early October 2004 and May 2005—again during the time when Schapelle and her bags were passing through Sydney Airport.

Mr Murphy said the cameras were located in the baggage area where Schapelle's boogie-board bag would have been. The cameras were the only security measure in that area at the time. He said he had asked the Australian Government as early as May 2005 if the cameras had been tampered with, and it took 10 months to get an answer, with the then Federal Justice Minister Chris Ellison finally admitting it was true in April 2006.

'If the Government had given me an answer when I first raised this matter and had then been prepared to send a representative and give evidence at Schapelle's trial, then I believe this poor woman could well have been freed because of the serious doubt this would have raised,' Murphy said.

Mr Murphy told me these details in a *Gold Coast Bulletin* interview on April 6, 2006. But by the time this revelation was made public, all major appeals for Schapelle in Bali had well and truly ended. Why had the Government kept this significant information quiet for so long when it was obvious it had a real bearing on Schapelle's case? Another unanswered question.

Yet again, Customs Minister Ellison appears to be central to events.



### 3.4 DRUG SYNDICATION AT SYDNEY AIRPORT

#### 3.4.1 THE MOCHA STORY

Knowledge of the *Mocha Operation* created yet another plethora of issues:

##### **The Corrupt Baggage Handlers at Sydney Airport**

Confirmation of the existence of corrupt baggage handlers working at Sydney Airport came via '*Operation Mocha*', a joint investigation by Australian Federal Police (AFP) and the NSW Crime Commission into a drug syndication ring operating through that airport. The syndicate was active on the very day Schapelle Corby flew to Bali, and whilst she passed through the airport [29].

##### **The Consignment of Cocaine**

It has since emerged that a South American plane carrying a consignment of cocaine (and central to *Operation Mocha*) was definitely on the ground at Sydney International Airport at exactly the same time as Schapelle Corby passed through in transit to Bali [8][33].

FOI data reveals that on 8th October 2004 Lan Airlines flight 801 with the drugs shipment on board landed at Sydney International Airport at 7:50 am while Australian Airlines flight AO7829, which Schapelle Corby and three companions traveled to Bali on, departed Sydney at 11:12 am. The overlap is well over 3 hours..

##### **Operation Mocha and Qantas**

*Operation Mocha* was headed by former Assistant director of the NSW Crime Commission, Mark Standen, who was later arrested for conspiring to import drugs into Australia [6] [7].

During the same period, the ABC reported:



The screenshot shows the ABC News Online website. The header includes the ABC News Online logo and a 'Last Update: Thursday, June 2, 2005. 8:00pm (AEST)' timestamp. There are links for 'Print' and 'Email'. The main headline is 'Qantas sacks security manager'. Below the headline is a photo of Geoff Dixon, a man in a suit, with a caption: 'Geoff Dixon says a Qantas security manager sacked due to inappropriate relationships. (File photo) (Reuters)'. The article text states: 'Qantas has confirmed it has sacked one of its security managers. Alan Conwell was a former officer with the New South Wales Police Drug Enforcement Agency and was adversely mentioned in the Royal Commission into Police Corruption in 1996. During the commission he was mentioned in relation to Michael Hurley, who is now wanted for his alleged connection to an international cocaine ring. Qantas employed Mr Conwell in 2001 after the collapse of Ansett and Qantas says it was unaware of his background.'

Hurley was a fugitive alleged to have been a major player in the *Mocha* drug ring [24][26].

A number of Qantas staff and baggage-handlers were stood down or sacked with respect to drug smuggling through the airport, and the consignment in situ when Schapelle Corby passed through [35][36].

We therefore have an international drug operation underway when Schapelle Corby's almost empty bag passed through, a consignment of drugs in situ at the same terminal at exactly the same time, corrupt baggage handlers in place, and Mark Standen running the show.

Ref: Hidden Truth, Schapelle.Net

Further details of the police corruption are provided thus:

### Police Corruption

Operation Mocha was a joint investigation by Australian Federal Police and the NSW Crime Commission into a drug syndication ring. It embraced the cocaine shipment that landed at Sydney airport at exactly the same time as Schapelle Corby landed. In fact, they overlapped by over 3 hours [17].



The screenshot shows a news article from the Sydney Morning Herald (smh.com.au) dated May 11, 2006. The headline is "Baggage handlers 'paid \$300,000' in drug plot". The article text states: "Qantas baggage handlers were paid \$300,000 to smuggle a briefcase of cocaine through Sydney airport, a court was told today. The allegation was set out in court documents tendered during a bail hearing for Ian Robert Chalmers, 40, charged over an alleged conspiracy to import \$15 million of cocaine into Australia. A police statement of facts tendered to the court detailed the crime ring's operations as told to Operation Mocha officers by an informant. In it, Qantas baggage handlers were identified as being part of the long-running operation, smuggling a briefcase containing 9.9 kilograms of cocaine through the airport on October 8 last year. The documents also said the baggage handlers were paid a total of \$300,000 for their part."

The head of Operation Mocha was former Assistant director of the NSW Crime Commission Mark Standen, who was later arrested for conspiring to import \$160 million of pre-cursor drugs into Australia [16] [10]. As operation head the sphere of his influence was clearly significant, although details of exact actions remain vague.



Standen, an ex-AFP officer, had worked in the same office as AFP Commissioner Michael Keelty [18] in Sydney. Whilst Keelty denied reports in 'The Australian' newspaper that he and Standen were close [19] [20], he conceded that they 'might' have been involved in some of the same operations [18]. Nonetheless, this clearly illustrates the seniority of Mr Standen.

Regarding the AFP, Ray Cooper, former AFP Internal Investigator, suggested that they resisted investigation into police linkage to drug operations due to fear of reputational damage [28]: "I think the leadership of the Federal Police were not capable or strong enough to conduct a thorough and honest and open investigation. They were afraid of their reputation. They wanted the World to believe they were the only police force in the World who didn't have corruption."

Ref: Hidden Truth, Schapelle.Net

### [Anomaly #17]

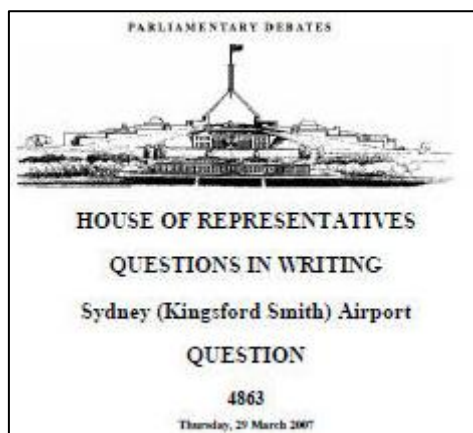
**There was a major drug smuggling operation on the airport, involving corrupt baggage handlers, at exactly the time Schapelle Corby and her boogie board bag passed through. This was at exactly the same time and in exactly the same baggage make up area.**

Or from a different perspective, whilst corrupt baggage handlers were in the process of smuggling drugs, Schapelle Corby's boogie board bag appeared, and what subsequently unfolded was no CCTV footage, missing screening records, and ultimately, even the police who were supposed to be investigating, convicted on corruption charges.

And, of course, 4.2kg of marijuana in a boogie board bag in Bali, and a 20 year sentence for Schapelle Corby.

### THE ATTORNEY GENERAL

In response to a parliamentary question, Attorney General Philip Ruddock described this situation as follows: *"Upon arrival at Sydney Kingsford Smith International Airport, (SKSA) luggage containing narcotics was diverted by a baggage handler prior to an Australian Customs Service examination. The narcotics were then supplied to members of the syndicate"*.



He further stated that: *"The corrupt behaviour was discovered when a human source approached the NSWCC in December 2004 and provided details of the methods used by the syndicate to import drugs through the airport. The human source was told this information sometime after June 2004"*.

It has been speculated that the source came forward when he or she became aware of Schapelle Corby's situation in Bali.



## AIRPORT LAYOUT

The following is an image of the layout of Sydney International Airport:



LAN801 is the flight upon which the cocaine arrived, whilst AO7829 is the number of the flight Schapelle Corby took to Bali.

The Daily Telegraph explained the situation as follows:

A Brisbane man, identified in court as Gary Macdonald, checked two bags on to a flight from Argentina on October 8, 2004 -- but, while he arrived home, his bags did not. A police informant later revealed baggage handlers were paid to remove the bags in Sydney before Customs could inspect them.

Both bags were taken from the LAN801 stand to the baggage make up area, where, like Schapelle Corby's, they were managed by the corrupt baggage handler crew.



### 3.4.2 A QUESTION OF TIMING

The situation becomes even starker if we examine the actual timings.

The boogie board bag was placed into baggage canister DQF60342QF at Pier C at 08.18, having been hauled from Pier B on a trolley. This would have placed it at the Pier B scanning area perhaps 5-10 minutes earlier, circa 8:08 - 08:13.

LAN801, carrying the two bags, one of which held the cocaine, landed at 07:50, docking at Gate 35 for unloading at circa 8:00. The first pieces of baggage would typically arrive at the baggage make up area five minutes later, at around 8:05.

The timing to suggest interaction could hardly be more perfect.

Schapelle Corby's boogie board bag and the two incoming suspect drug bags were almost certainly in exactly the same place at exactly the same time, in an area being managed by corrupt baggage handlers.

The undeniable fact is that the second bag from LAN801 was never seen again, whilst 4.2kg of marijuana was present in Schapelle Corby's bag when she collected it in Bali... the same bag which was unrecorded on the SACL screening system, to which the same baggage handlers were responsible for submitting.

What followed was a series of arrests, dismissals and the inevitable PR operation on behalf of SACL, Qantas and the government.

As earlier sections have revealed, what also followed was the withholding of vital information and data, by a number of parties whose interests were directly or indirectly threatened.

For Schapelle Corby the outcome was devastating.

### 3.4.3 GOVERNMENT CORRESPONDENCE

The government were well aware of this situation. Indeed, under the weight of public opinion they sent the following letter to Schapelle Corby's lawyers in May 2005:



This clearly acknowledged the situation, and confirmed their awareness of the alarming developments.

Despite this, when the public relations crisis had passed just a few weeks later, they didn't inform Schapelle Corby of key new evidence which directly related to it (see *Section 2.4*).

It also proved to be increasingly difficult for Schapelle Corby's lawyers to obtain any information or data from them at all, on any of the relevant issues.

### 3.4.4 PARLIAMENTARY QUESTIONS

Efforts to extract information in Parliament, by John Murphy MP, were also unsuccessful:

Written question by John Murphy MP:

*Have inquiries been undertaken by (a) the AFP, (b) any government department, (c) Sydney Airport Corporation Limited or (d) any other organisation to (i) establish whether the baggage-handler had acted in unison with other individuals, (ii) ascertain whether there have been other incidents or allegations of corrupt or irregular behaviour by employees of any organisation, the workplace of which is located at Sydney International Airport, within those premises and (iii) establish preventative measures to avert future occurrences of corrupt or irregular conduct involving narcotics at Sydney International Airport; if so, what were the findings, conclusions and recommendations of each inquiry; if no inquiries have been conducted, why not.*

Response by Attorney General Philip Ruddock:

- (a) Yes.*
- (b) I cannot comment if other government departments made enquiries.*
- (c) I cannot comment if the Sydney Airport Corporation Limited made enquiries.*
- (d) I cannot comment if any other organisations made enquiries.*
- (i) Evidence will likely be presented in court that persons had contact at SKSA. They may have been Qantas baggage handlers or other staff and they are not specifically identified in the brief of evidence. As this matter is before the courts, it would be inappropriate to comment any further.*
- (ii) I am unable to provide that information.*
- (iii) I am unable to provide that information.*

These responses provided far less information than was already available within the public domain, for example via the following media report (extract):

The Daily Telegraph: April 06, 2006

SECURITY cameras in the baggage handling area of Sydney airport have been repeatedly tampered with, raising fresh questions about a string of drug cases and the threat of terrorism. Sydney Labor MP John Murphy –who revealed the scandal to *The Daily Telegraph* – claimed the security breach cast fresh doubt on the guilt of convicted drug trafficker Schapelle Corby.

It could also have potential implications for other drug matters in recent years, including Operation Mocha in which a syndicate allegedly ran \$30 million in cocaine through the airport with the help of corrupt baggage handlers.

*The Daily Telegraph* can reveal two cameras inside the baggage handling unit were sabotaged on three occasions between October 2004 and May 2005. In answers to questions on notice submitted in Parliament by Mr Murphy, Customs Minister Chris Ellison confirmed the cameras had been deliberately disabled.

*"The customs maintenance provider of its CCTV cameras at Sydney International Airport has been required to adjust two of customs' CCTV cameras in the baggage make-up area of the airport on three occasions between October 2004 and May 2005" Senator Ellison said. "These adjustments were required to correct the field of view following reports from customs' control room operators that cameras were pointing in the wrong direction."*

The cameras are used to monitor the behavior of baggage handlers as they sift through luggage behind the airport's check. The new revelations come after an internal customs report in September 2004 that revealed large-scale corruption among baggage handlers and other airport staff.

*"Intelligence from other law enforcement agencies suggests some Asian-recruited Qantas crew may be involved in narcotics," the report found. The report also revealed baggage handlers would divert bags containing drugs from incoming international flights to domestic carousels so they would not be checked.*

Mr Murphy said the security breach was most relevant to the Corby case and urged her lawyers to act in the light of the new developments.

*"I am sure Schapelle Corby and her legal team would like to know when the first breach occurred and how long it took to be brought to the attention of the Customs Minister," Mr Murphy said yesterday.*

*"Anyone working in this area could have put heroin in a passenger's luggage at either the domestic or international airport at Sydney and that person would never know."*

The same applied to the leader of the parliamentary opposition at the time, Kim C Beazley MP, whose paper, *A Nation Unprepared*, reported the following in August 2005:

Then, following all that, the emergence of the extraordinary classified Customs report which was completed in September 2004 but only made public when it was leaked to a newspaper earlier this year. It revealed shocking security breaches at Sydney's Kingsford Smith Airport.

The report identified dangerous holes such as:

- passengers' baggage containing large amounts of narcotics being diverted to domestic carousels to avoid Customs inspections;
- 39 security screeners out of 500 employed at the airport have serious criminal convictions, with a further 39 convicted of minor matters;
- theft by airport employees from baggage and aircraft duty free trolleys;
- engineers with unauthorised duplicate keys; and
- black spots not under surveillance in the airport's basement corridors that are used as drug drop off points.

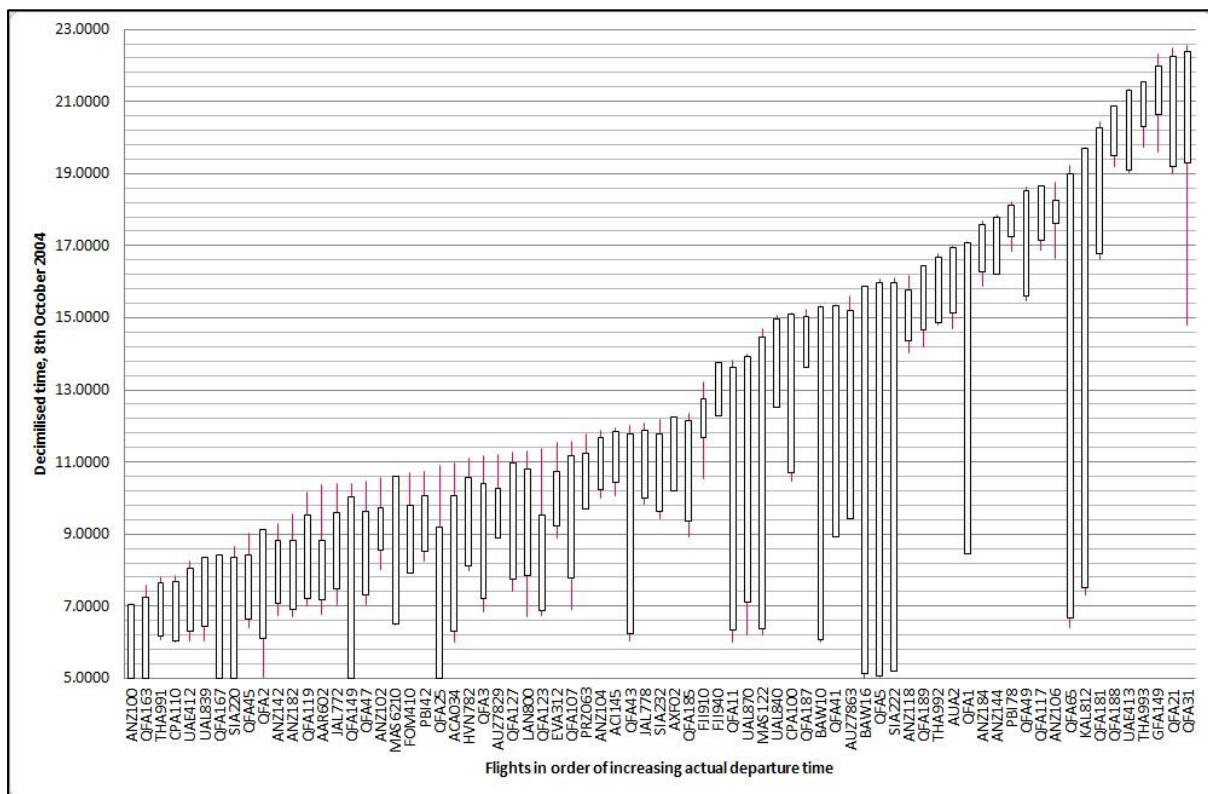


## 3.4.5 THE FLIGHT DELAY PATTERN

### [Anomaly #18]

All but two flights departing Sydney International Airport on 8<sup>th</sup> October 2004, when Schapelle Corby was in transit, were delayed by at least 18 minutes. The delays began within 20 minutes of her luggage reaching the baggage make up area, and continued until shortly after her flight left at 11:12 am.

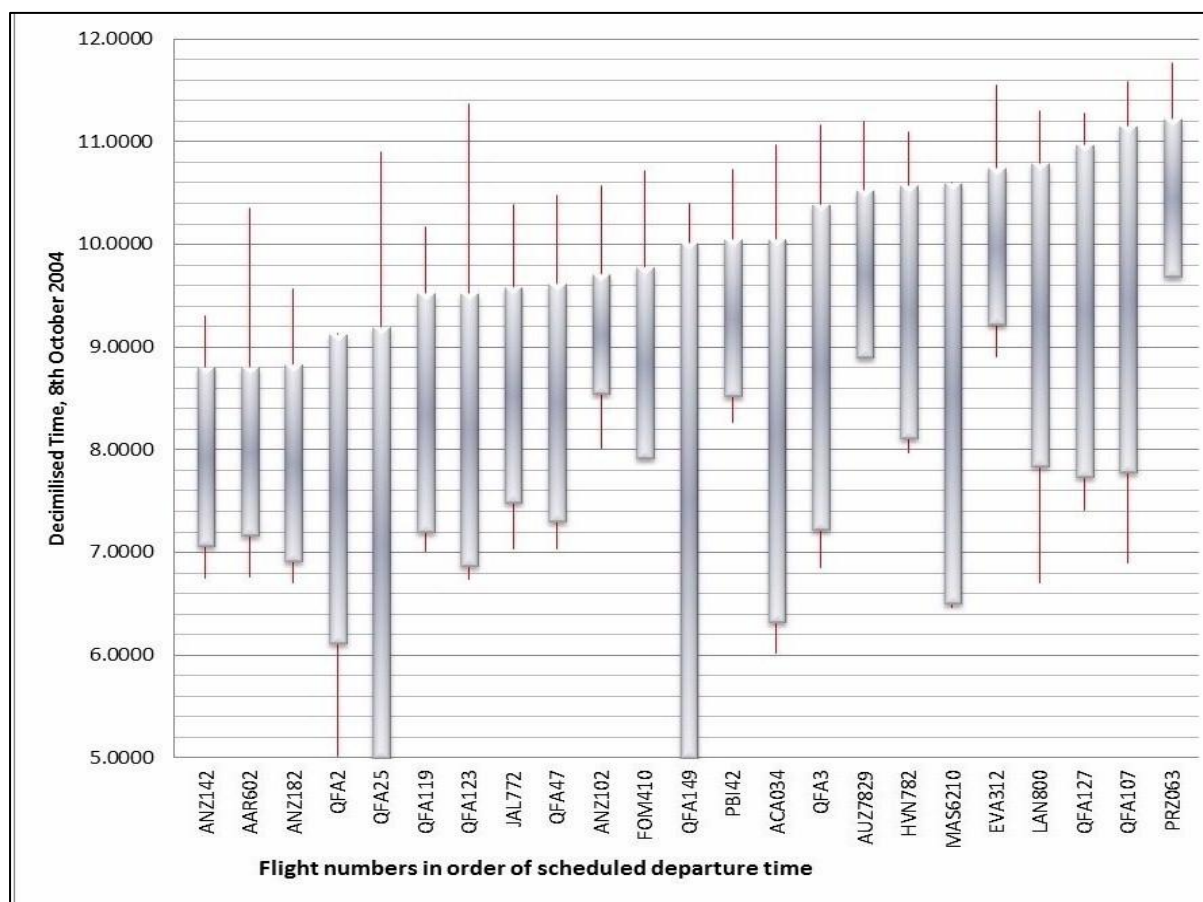
It is suggested that the sequence of delays of so many consecutive international flights may be partially related to problems with baggage handling, and potentially a desperate search for 4.2kg of marijuana. An alternative suggestion is that the delays may themselves have caused take-off orders to change, and thus difficulties with the planned transfers of incoming drugs.



This diagram illustrates the overall pattern of delays for 8th October 2004 (calculated on the differential from the earliest departure time for each flight in the research period). The bottom of each rectangular bar represents the arrival time of the aircraft at Sydney, whilst the top of the bar represents the earliest/scheduled departure time for that flight. The top of each 'wick' (or line extending from the top of each bar) shows the actual departure time. Thus the length of wick shows the delay for that flight.

## [CCTV Footage]

The pattern of delays beginning at approx 08:38 is clear from the extended length of wick for subsequent flights. The following diagram represents a closer view of that period.



Only two local flights to Melbourne, QFA2 and MAS6210, were not delayed during this period [Note that the non-delay of these flights provides an interesting alignment with the testimony of John Ford, which was enthusiastically dismissed by Keelty]. All international flights were delayed. The delay times are as follows:

ANZ142	Wellington	29	QFA47	Wellington	52	HVN782	Ho Chi Minh City	31
AAR602	Seoul	92	ANZ102	Auckland	51	MAS6210	Melbourne	0
ANZ182	Christchurch	44	FOM410	Palmerston	56	EVA312	Taipei	48
QFA2	Melbourne	0	QFA149	Los Angeles	23	LAN800	Auckland	30
QFA25	Brisbane	102	PBI42	Wellington	41	QFA127	Hong Kong	18
QFA119	Auckland	38	ACA034	Honolulu	55	QFA107	Los Angeles	25
QFA123	Mumbai	110	QFA3	Honolulu	46	PRZ063	Denpasar	32
JAL772	Tokyo	48	AUZ7829	Denpasar	57			

No other sequence of delays, even remotely resembling this pattern, was found during analysis of a significant period spanning before and after 8th October 2004. Note that the weather was good, and there was no industrial action.

[Research & analysis: Dr Adrian Bradford, Perth]

## 4. ISSUES & FINDINGS

### 4.1 RECORDED ANOMALIES

Some of the questions, issues and anomalies encountered as listed below:

#### [Anomaly #1]

The boogie board bag with just body board and flippers was overweight with respect to carrier norms, but despite this it was checked through as normal boogie board weight. Had it also contained 4.2kg of marijuana, it would have been grossly overweight, almost certainly triggering a manual check.

#### [Anomaly #2]

Either the check-in operator for unknown reasons allowed significantly overweight bags to be loaded without a charge or a fuss

OR

The data reflecting the weight of Schapelle Corby's bags was increased after check-in.

#### [Anomaly #3]

Only three out of the four bags checked in by Schapelle Corby were present on the SACL baggage screening system. The boogie board bag's tag number (#0081884193) was missing completely.

#### [Anomaly #4]

In correspondence, why did the AFP dramatically switch the critical focus from such significant new information to one specific scenario, at the expense of all others? Equally, why did they switch it from the wider implications of the new information?

#### [Anomaly #5]

Why was Ellison concerned about who was aware of the baggage tag information, given that he now knew that Schapelle Corby's boogie board bag was the only bag not recorded on the SACL system?

## [Issues & Findings]

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### [Anomaly #6]

Ellison and Keelty withheld central and potentially critical evidence from Schapelle Corby's legal team, regarding bag scanning, even when asked directly about it.

Equally, they withheld information, provided by DOTORS, that flights to Indonesia required 100% scanning, and that the situation at Sydney airport was wide open to abuse.

### [Anomaly #7]

In pre-prepared responses to *Possible Parliamentary Questions*, there was no reference whatsoever to the new evidence, which was circumvented by a variety of tangential responses. The information was thus withheld from the Australian Parliament. MPs, Senators and the public were clearly misled.

### [Anomaly #8]

Despite the serious implications for the welfare of Schapelle Corby, and equally, with respect to wider airport security, we found no evidence that the AFP conducted an investigation into the issue of the *missing* boogie board bag screening data.

### [Anomaly #9]

Neither the AFP, nor Customs, informed Schapelle Corby of the information detailed within the "*Kessing Report*", despite this being of fundamental relevance and importance to her defence case. As with the crucial bag screening information, it was withheld.

### [Anomaly #10]

Whilst he went to the government with his information regarding the missing data, Moore-Wilton of SACL made no comment at all in public about it, and did not contact Schapelle Corby's family to disclose the disparity between the boogie board bag and the other bags.

### [Anomaly #11]

Given that the *Kessing Reports* had been provided to the AFP earlier in the year, that the AFP were actually investigating drug syndication at Sydney Airport, and that a substantial catalogue of supporting evidence was already in wide circulation, why did Keelty state the following to the media just weeks before the verdict in Schapelle Corby's Bali trial: "*There is very little intelligence to suggest that baggage handlers are using innocent people to traffic heroin or other drugs between states*"?



### **[Anomaly #12]**

Why did the Justice and Custom's Minister Christopher Ellison, in his letter to a member of the public, contradict what had actually happened in Indonesia with respect to the marijuana and the boogie board bag?

### **[Anomaly #13]**

Schapelle Corby, her family, and her lawyers, were given a range of conflicting stories, as they desperately sought the CCTV footage. Each story though had the same outcome: no CCTV images were provided.

### **[Anomaly #14]**

Qantas and the AFP provided wholly conflicting stories regarding the fate of the CCTV check-in area footage. The implications of each version with respect to the other party were serious.

### **[Anomaly #15]**

Qantas stated that the purpose of the cameras in the apron areas was to cover aircraft operations and movements. However, regardless of purpose, it is certain that they recorded some baggage movements.

The question therefore arises of why the images from the appropriate cameras were not retained when Schapelle Corby's family and lawyers were making their requests.

### **[Anomaly #16]**

Despite the sophisticated nature of CCTV coverage of the baggage areas at Sydney International Airport, including built-in redundancy, not a single frame of CCTV footage was provided to Schapelle Corby or her lawyers. And again, a range of excuses were presented.

### **[Anomaly #17]**

There was a major drug smuggling operation on the airport, involving corrupt baggage handlers, at exactly the time Schapelle Corby and her boogie board bag passed through. Her boogie board bag was in exactly the same baggage make up area at exactly the same time as two incoming bags from the carrier from South America. One bag contained cocaine, the other totally disappeared, whilst the boogie board bag contained marijuana when it was opened in Bali.

### **[Anomaly #18]**

All but two flights departing Sydney International Airport on 8<sup>th</sup> October 2004, when Schapelle Corby was in transit, were delayed by at least 18 minutes. The delays began within 20 minutes of her luggage reaching the baggage make up area, and continued until shortly after her flight left at 11:12 am.

### **[Anomaly #19]**

The fact that all bags other than the boogie board bag were present and correct on the SACL system was an important new piece of primary evidence, and indeed, was central to the case. Keelty, Ellison and probably Howard were aware of this item of key evidence, which may have significantly aided Schapelle Corby's defence prospects. Ellison even pointed out that her lawyers may have been unaware of it, as indeed was the case.

But instead of bringing it to the attention of Schapelle Corby and her lawyers, all parties withheld it. Further, Parliament, and the public were also blatantly misled on a number of occasions. This pattern was repeated with respect to a number of other evidential matters.

Assessment of the motives for this extremely disturbing aspect is outside the scope of this report.

### 4.2 INTERIM HEADLINE FINDINGS

A number of clear headline findings can be reported. These are as follows:

1. The proposition that all the documented anomalies are coincidental is not tenable. Indeed, it is statistically impossible.
2. Given that Schapelle Corby had no airside access, she had no influence at all over the events that transpired once she checked her bags in.
3. Security at the Sydney airports was dangerously inadequate, and the level of corruption was substantial.
4. The priority of all organizations involved was self interest. Qantas and SACL were primarily concerned with protecting their reputation and brands.
5. The AFP and the government engaged in an exercise of limitation of political damage. This embraced media management to a degree which endangered public accountability and the interests of the flying passenger. Schapelle Corby's interests were disregarded.
6. The government and the AFP withheld key and vital evidence. This evidence would have been highly damaging to SACL and Qantas, embarrassing and difficult for themselves, but invaluable and possibly critical to Schapelle Corby.
7. The Australian Parliament was directly misled on a number of occasions.
8. The media and the Australian public were almost routinely misled on a significant number of issues.
9. The possibility that the marijuana found in the boogie board bag was sourced by Schapelle Corby is almost non-existent.
10. Serious questions exist regarding the relationships and interests of individuals within government and the corporations involved, and how this influenced their decisions and actions at the time.



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