



Submission No. 3

Review of Defence Annual Report 2004-2005

Organisation: Department of Defence

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4 August 2006

Dr Margot Kerley
Secretary
Defence Sub-Committee
Joint Standing Committee on Foreign Affairs, Defence and Trade
Parliament House
CANBERRA ACT 2600

Dear Dr Kerley

I am pleased to advise you that Defence has completed the responses to two questions taken on notice at the Joint Standing Committee on Foreign Affairs, Defence and Trade Review of the *Defence Annual Report 2004-05* additional hearing on 16 June 2006.

Enclosed are the responses to two questions from Senator Payne. The responses have been approved by the Minister for Defence.

If you have any questions, please contact me on (02) 6265 6277.

Yours sincerely

Susan Oldroyd
Acting Director
Statutory Reporting and Accountability
Coordination and Public Affairs Division

Enclosure:

1. Defence responses to Questions taken on Notice at the JSCFADT hearing on 16 June 2006.

**JOINT STANDING COMMITTEE ON FOREIGN AFFAIRS DEFENCE AND TRADE
– REVIEW OF THE DEFENCE ANNUAL REPORT 2004-05**

QUESTIONS TAKEN ON NOTICE FROM 16 JUNE 2006 HEARING

Question 1

Senator Payne

Hansard 16 June 2006, p. 30

Army Aviation maintenance records

Please provide the committee with the date Chief of Staff, 16th Aviation Brigade had a discussion with the officer responsible for investigating alleged falsification of Army Aviation maintenance records in regards to contact with Mr Nancarrow.

RESPONSE

During the period 14-17 June 2005, the Chief of Staff 16th Brigade (Aviation) had a discussion with the Investigating Officer in regard to interviewing Mr Nancarrow.

Question 2

Senator Payne

Hansard 16 June 2006, p.35

Army Aviation maintenance records.

- a) Please provide the committee with chronological outline of the investigation into alleged falsification of Army Aviation maintenance records. The chronology should include:
- i) when complaints were lodged;
 - ii) when certain inquiries occurred;
 - iii) when responsibility for specific inquiries and investigations shifted between organisations;
 - iv) when the Investigation Officer was appointed;
 - v) when the Investigating Officer commenced his investigation;
 - vi) when the Investigating Officer concluded his investigation, and
 - vii) other investigations that have taken place since the initial investigation, including those concerned about foreign intelligence contact, immigration and taxation issues.

RESPONSE

The following provides a timeline encompassing the various aspects of 161 Recce Squadron investigations. The area responsible for conducting investigative action is included in brackets at the beginning of each date.

Chronology of Investigations

2004

- 6 September (Army) Mr Nancarrow alleges that in October 2003, an Army member forged his signature, as the trade supervisor, on aircraft maintenance documents.
- 19 October (Army) The Army member was interviewed by a member of 161 Recce Squadron.

2005

- 28 January (Army) A quick assessment into the forgery allegations were conducted by 161 Recce Squadron, in consultation with 36 Security Section.
- 11 February (Army) An equity complaint was lodged by the Army member.
- 18 February (Army) Inquiries established that there were further allegations against members of 161 Recce Squadron of forged maintenance documents.
- 21 February (Army) Military Police commenced an investigation into the falsification of records by the Army member at the request of 161 Recce Squadron.
- 2 March (Defence Security Authority) Due to possible security concerns that were highlighted during the initial investigation, 36 Security Section refers allegations of foreign intelligence service contact, forgery of maintenance documents and inappropriate relationships and commercial ventures to the Defence Security Authority.
- 18 March (Australian Security and Intelligence Organisation) DSA advised the Australian Security and Intelligence Organisation (ASIO) and a decision is made that ASIO will take the lead of the investigation into allegations of foreign intelligence service contact.
- 25 March (Department of Immigration and Multicultural Affairs) Defence Security Authority liaises with the Department of Immigration and Multicultural Affairs concerning allegations of arranged marriages and falsification of immigration documents by an Army member and Mr Nancarrow.
- 28 March (Australian Tax Office) Defence Security Authority liaises with the Australian Tax Office concerning allegations of possible tax evasion in relation to Army members working on mango farms belonging to Mr Nancarrow.
- 5 April (Australian Security and Intelligence Organisation) ASIO interviews Mr Nancarrow. A DSA investigator is present during the interview. The interview centres predominately on Mr Nancarrow's contact with foreign nationals.
- 6 April (Defence Security Authority) The Australian Security and Intelligence Organisation concludes the investigation concerning Mr Nancarrow and

foreign national. Defence Security Authority continues with security related allegations.

- 12 April (Defence Security Authority) Defence Security Authority commences interviews members of 161 Recce Squadron.
- 28 April (Defence Security Authority) Head Defence Security Authority suspends Mr Nancarrow's security clearance and advises Helitech of this action.
- 29 April (Defence Security Authority) 161 Recce Squadron informs Defence Security Authority that an Army member has disclosed elements of the security investigation to Mr Nancarrow and others.
- 9 May (Defence Security Authority) Defence Security Authority refers the allegations of forging of aircraft maintenance documents to Military Police.
- 14 June (Army) Chief of Staff, 16th Brigade (Aviation), appoints an Investigating Officer to investigate allegations of fraudulent logbook entries.
- 15 June (Army) Military Police refer the fraud allegations to the Australian Federal Police (did not occur).
- 17 June (Army) Army Aviation Training Centre completes an audit on all Army Aviation National Aerospace Competency journals, finding ten individual anomalies. One case was referred to the Military Police.
- 14 July (Army) 16th Brigade (Aviation) Investigating Officer completes report.
- 19 July (Defence Security Authority) Defence Security Authority is advised that the Army members who disclosed the security investigation is reported absent without leave.
- 20 July (Defence Security Authority) Defence Security Authority finalises security aspects of the investigation.
- 26 August (Defence Security Authority) A Brief of Evidence is sent to 161 Recce Squadron regarding an Army member. The member is absent without leave and the brief of evidence is returned to Defence Security Authority in October.
- 27 October (Defence Security Authority) The Brief of Evidence is referred to Soldier Career Management Agency.

2006

- 12 January (Inspector General Australian Defence Force) Investigation into harassment claims by a member who was absent without leave.
- 6 March (Army) Military Police transfers investigation of forgery and logbook anomalies to the Australian Federal Police.

7 March (Defence Security Authority) Australian Tax Office advises that secrecy provisions prohibit them from providing any information of an investigation concerning an individuals taxation details.

8 March (Defence Security Authority) Release of Defence Security Authority Investigation Report to:

- Deputy Chief of Army;
- Provost Marshall – Army;
- Commanding Officer 1st Aviation Regiment;
- Officer Commanding 161 Recce Squadron, and
- Commanding Officer 1 Intelligence Battalion.