



TURNING THE LIGHTS ON A DRUG BOSS

by Detective Sergeant Mike Platzer

OPERATION "NEON" was conducted by the Organised Crime Unit in Northern Region during 1986. It centred on a Hong Kong-born restaurateur/businessman, Phillip Kwong Ying Chan, 48, now serving 16 years for heroin offences, thanks largely to a witness who can be described only as "Bill".

Late in 1986 "Bill" contacted the Australian Federal Police. He claimed to be a long term associate of Chan's going back many years to Hong Kong. His description of Chan's emigration to Australia, the restaurants he operated and Chan's ultimate entry into the pleasure boat industry (which resulted in Chan's bankruptcy) was sufficiently accurate to confirm an intimate knowledge of Chan's affairs.

"Bill" said he believed Chan was involved in the drug trade and had seen heroin in Chan's possession at one of his restaurants. He agreed to observe Chan and report to police.

In February/March, 1986, a target profile was prepared on Chan by the Organised Crime Unit, Brisbane. At this time Chan had, effectively, moved his base of operations to the Gold Coast. His wife held half ownership in the Winner Chinese Seafood Restaurant at Broadbeach and a share in the Surfers' International Nightclub in Surfers' Paradise. Chan himself remained an undischarged bankrupt. The overall projection was that a long term operation, costly in expenditure of manpower and financial resources, would be required to gain a successful conviction against Phillip Chan.

Control of "Bill" was offered to the Organised Crime Unit to help form the proposed operational plan. In speaking with him an unusual factor emerged: "Bill" believed Chan had implicit trust in him. He stated Chan had twice offered him a role as a drug courier. Although the Chinese traditionally are wary in their dealings with "gwi lo's" (round eyes), the possibility could not be discounted.

On April 1, 1986, "Bill" met Chan at a coffee shop in Surfers' Paradise and complained about his personal financial difficulties. Chan immediately renewed his offer that "Bill" become a drug courier and entered into negotiations for "Bill" to bring a "pound" of heroin into Australia from Hong Kong. Organised Crime Unit members watched the meeting.

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Another meeting took place between Chan and "Bill" three days later. Chan stated he would pay "Bill" \$10,000 to import a "pound" of heroin. He would travel to Hong Kong on a pre-booked holiday package. The heroin would be delivered to him and "Bill" would import it into Australia packed inside his boots. Exact timings would be worked out later but meanwhile "Bill" should get costings and make preliminary bookings for his trip.

During April "Bill" had several more meetings with Chan, both at the Gold Coast and in Brisbane. All were watched by Organised Crime Unit or Observation Squad members. All of the conversations were recorded although Chan took the precaution of shifting tables during the meetings and warning "Bill" to keep his voice down in case the police were bugging them.

On the evening of April 13 a significant meeting took place. Chan took "Bill" with him from the usual coffee shop to the Surfers' International Nightclub which was closed at the time. Another party entered the scene. Chan explained the newcomer was the man who would take the heroin from "Bill" after it had been imported. A car registration number was the best identification that could be obtained at that time and, not surprisingly, the details were false. It was two weeks before positive identification placed the suspect as Raymond Keith Speller Johnson. (Later gaoled for 15 years for heroin offences).

By this time Chan was becoming specific in his directions. "Bill" would be given half a Hong Kong \$10 note before leaving Australia. The day after his arrival in Hong Kong, Chan would telephone him for details of his hotel room to pass on to the heroin supplier/suppliers. "Bill" would be contacted by a man with the other half of the note. He was to do exactly as he was told by this contact. It was important to dress as a normal tourist. They would take him for a walk and a car ride to ensure police surveillance was not being conducted. If the drug suppliers were satisfied the heroin would be delivered. It would be in the form of a twenty five ounce "brick" which "Bill" should chop up and pack into his boots. He must, on no account, leave the heroin in his hotel room if he went out for any reason because the suppliers may try to steal it back. If he left the hotel he was to wear the heroin in his boots and get used to walking normally with it. Chan would phone every day to ask whether "Bill" had received the "watch". An affirmative reply would confirm the safe delivery of the heroin.

During his return to Australia "Bill" was to carry the heroin inside his boots

Detective Sergeant Mike Platzer: Resume of Service

Joined Commonwealth Police June, 1978. Performed uniform duties for six months at Brisbane Airport. Transferred to the Criminal Investigation Branch as plainclothes officer. Transferred to Drug Investigation Section, Northern Region in April 1981. Undertook and completed detective training programme. Performed duties in Drug Investigation Section and Organised Crime Unit in Northern Region until September 1, 1986 when promoted to rank of Sergeant within D.I.S., again in Northern Region. Held that position until February 1, 1988 when promoted to Senior Sergeant O.I.C. Legal Services Section, Northern Region. Received two Commissioner's commendations for duties performed in D.I.S. and O.C.U. Completed Law studies in June 1986. Applied for admission as Solicitor of Supreme Court of Queensland on September 19, 1988.

because he was told if he tried to place any of it in his luggage it would be detected by Customs sniffer dogs. On the return flight he must eat and drink whatever was offered but exercise caution with alcohol. He was not to use the toilet within an hour or so of landing. He was told any deviations from those instructions could alert the cabin crew which would point him out to Customs officials.

Once "Bill" had imported the drug he was to go home and make a booking in his own name at the Winner Restaurant for 13 people. In the next few days he should go for walks about his neighbourhood to check for suspicious cars or any sign of police interest. Chan would also have such checks undertaken. If it appeared "Bill" had conducted the importation without coming to police notice Chan would telephone him and make an appointment for him to "do some wall-papering" at the Harbourview Restaurant at Birkdale, just outside Brisbane.

At the stipulated time, "Bill" should take a gift-wrapped package, addressed to Phillip Chan, to the Winner Restaurant and hand it to the owner. The package would contain 15 ounces of the heroin. The remainder was to be held by "Bill" to ensure that the intended purchasers honoured their part of the bargain and paid for the drug. Later that evening "Bill" would meet Chan at the Gold Coast where he would be paid his \$10,000 and be given instructions for the delivery of the remaining ten ounces.

"Bill" was to regard this trip as a test of his reliability. If he succeeded, the next importation would be fifty ounces of heroin and by the end of the year he would have made at least \$70,000 (I couldn't help wondering just what size "Bill's" boots were).

At this stage approval was given by the Assistant Commissioner, Investigations for the operation to proceed. International Division got agreement from the Hong Kong authorities to assist and appropriate authorisations were given for a quantity of heroin to enter Australia for a controlled delivery.

I was to travel to Hong Kong and back on the same aircraft as "Bill" to be alert to any last minute changes in receipt or delivery instructions. In Hong Kong I would liaise between "Bill" and members of the Royal Hong Kong Police but ensure I did not become actively involved in any investigation. Several days after the meeting at Surfers' International Nightclub money for the airfares and accommodation was handed by Chan to "Bill" together with a half Hong Kong \$10 note. After it was photographed, the cash was returned to "Bill" to interfere as little as possible with Chan's arrangements. Effectively, it would be money provided by him that would be directly used to finance the importation.

The half Hong Kong \$10 was not returned to "Bill" until just prior to his departure from Australia to ensure that it was not misplaced. On 21 April "Bill" boarded Qantas Flight 27 to Hong Kong. I travelled separately and was seated where I could see anyone who approached him or appeared to take an undue interest.

In Hong Kong I met Detective Senior Sergeant Russ Harding of the Royal Hong Kong Police Narcotic Bureau. I then travelled to the Grand Hotel in Kowloon where I booked into a room on the same floor as "Bill". I met Inspector Harding later that evening at the Kangaroo Club in Kowloon. By prior arrangement "Bill" entered the Bar some time later. Inspector Harding received a report that "Bill" had not been followed and we struck up a conversation with him. Instructions were given to "Bill" concerning likely delivery methods and how he should react. A contract telephone number was passed to him and codes established.

At about midnight Inspector Harding received a message that the heroin delivery had taken place. We travelled to "Bill's" hotel room. He told us that shortly after he had returned a Chinese man had knocked on his door and presented him with the missing portion of the Hong Kong \$10. He had then taken "Bill" on a long winding stroll through the back alleys and tenements of

Kowloon before finally giving the heroin to him. It consisted of two bags of Number 4 heroin being 700 grams in weight and of 90% purity. Inspector Harding expressed amazement that the delivery had taken place before schedule as did Chan when he telephoned the following morning.

After taking the details from "Bill", Inspector Harding and I returned to the Royal Hong Kong Police headquarters where, in the early hours of the morning, I made an error of judgement potentially hazardous to my health. Russ Harding had secured the heroin and left to make arrangements for scientific examination. I decided to take up his previous offer of refreshments from the staff room and was saved from the attentions of several members of his section by his timely, if somewhat hurried, return! They believed I was the drug offender and couldn't understand why he had been so nice to me, and then, to add insult to injury, I was trying to escape! I was the only one who took some time to see the funny side.

During the ensuing days a controlled delivery package was prepared by the Royal Hong Kong Scientific Section. It contained a portion of the original heroin mixed with an inert substance.

On April 27 1986 Inspector Harding and I gave the package to "Bill". It was concealed in two tins of weightlifters' dietary supplement. "Bill" had a strong dislike of heroin and he did not want to have it close to his body. Also, the quantity would have made it difficult to fit in his shoes so it was agreed to conceal it in the tins.

We then followed him to Hong Kong International Airport and I boarded Qantas Flight 28 and sat directly behind "Bill". The tins were in his briefcase in the overhead luggage locker. After an uneventful, if sleepless, flight, we cleared Customs in Brisbane. Precautionary counter-surveillance preceded the arrival of "Bill" at the Organised Crime Unit Office where the tins of powder were recovered from him. Pre-arranged delivery instructions were then implemented. Phillip Chan telephoned "Bill" the following day, disguising his voice so effectively that "Bill" refused to speak with him. He then telephoned back, identified himself by name as Phillip Chan and requested the "wallpapering service."

On April 30, 1986 "Bill" was handed a gift-wrapped package addressed to Phillip Chan (it was Chan's birthday on April 28). "Bill" delivered this package to the owner of the Harbourview Restaurant at about 1.00 p.m.



Phillip Chan's "birthday package"

Two hours later Raymond Johnson collected the package from the restaurant and drove to the Gold Coast. Surveillance teams were instructed that Johnson was to be apprehended if he became aware of their presence or a danger of losing contact arose.

Johnson travelled to an address at Mermaid Beach where, before getting out of the vehicle, Technical Services members reported that the package had been opened. Sergeant John Brown and I immediately entered the street and apprehended Johnson who by that stage was standing next to his vehicle with the opened package in his hand.

Teams on standby in Brisbane and on the Gold Coast immediately executed search warrants on several locations and several prohibited immigrants were detained. Surveillance of Phillip Chan had been discontinued earlier in the day due to an increasing risk of detection. At about 8.00 p.m., while a search of the Winner Restaurant was being undertaken, Chan arrived in a taxi. He saw one of our officers and instructed the taxi to leave.

A brief but spirited pursuit followed which was terminated by a creditable tackle about a mile down the road where Chan had abandoned the taxi. I arrived on foot, somewhat out of breath, in time to witness Senior Constable Andy Wilmot's attempt to gain selection in the forthcoming Kangaroo Tour! I gasped out the fact that Chan was under arrest. "I realise that, thank you" he informed me from under Wilmot.

A newspaper lying next to him contained \$5,000 and a further \$5,000 was located in the possession of his brother-in-law at the Winner Restaurant. This was to have been "Bill's" payment.

A few weeks later Phillip Chan conveyed that he wished to co-operate with our investigations. He was interviewed at length and implicated his co-conspirators in the importation. On October 9, 1986 he pleaded guilty in the Brisbane Supreme Court to charges of conspiring

to import and being knowingly concerned in the importation of traffickable quantities of heroin.

His Honour described Chan's criminal enterprise as sophisticated and, in sentencing him to 16 years' imprisonment concurrently on each charge, pointed out that his co-operation with authorities was a persuasive factor in not imposing the maximum term of imprisonment. Chan gave evidence at the trial of Raymond Johnson who was convicted and sentenced to two concurrent terms of 15 years imprisonment for the offence of conspiring to import and possession of traffickable quantities of heroin.



Part of the seized \$10,000.

Tributes

As can be seen from this overview of the Operation, the assistance "Bill" afforded the Australian Federal Police was central to our planning and the execution. He was accurately described by a Supreme Court judge as being a courageous and public-spirited citizen. He was clear, concise and articulate in his evidence. Corroboration by police observations and tape recordings of meetings he had with Chan and Johnson presented a clear picture of how the offences were committed. Telephone conversations with Chan were recorded by "Bill" and produced in evidence. Chan's legal representative observed that there wasn't "a" case against Chan — there were at least a dozen.

The Royal Hong Kong Police Force was invaluable in its assistance and co-operation. Members of the AFP from all branches in Northern Region and International Division combined in a concerted team effort which resulted in a smooth-flowing operation of comparatively short duration. It yielded results beyond expectation. The support of Senior Management in Northern Region and in Canberra from the inception to conclusion of Operation "NEON" was a much needed and valued factor in our success.