

Operation Dogwood

Drug funded high life ends

By Detective Sergeant James Torr

The high life of drug trafficker Graham James Daubney ended in a Sydney court in November 1993 when he was sentenced to 22 years jail for importing more than 16kg of heroin into Australia from 1986 to his arrest in 1990. The sentencing judge described his scheme to import heroin as "ingenious", but perhaps equally ingenious was the AFP investigation that put Graham Daubney behind bars.

Mr Daubney was caught importing 2kg of heroin in April 1990, but through some excellent and detailed investigations he pleaded guilty to importing more than 16kg over some 15 separate occasions in the past four years.

Daubney comes to light

An Australian citizen with travel and identity documents in the name of Bruce William Keeffe arrived in Honolulu on December 29, 1988 and was found to be carrying US\$80,000 in a brief case. He was questioned about the money by US authorities and released. While in Hawaii, Mr Keeffe purchased a number of Salvador Dali artworks from a well-known art gallery while he and his family stayed at the Hilton Hotel, Waikiki.

Although Mr Keeffe paid cash for his stay at the Hilton, he was asked to provide a credit card imprint as a reference and obliged with a visa card in the name of Graham J. Daubney.

In 1989, when an Englishman was arrested in Bangkok for cocaine possession, the telephone number of an Australian known as Gary Alfred Pye came to notice. Mr Pye, who was a frequent traveller between Australia and Thailand, was at the time assuming ownership of a penthouse condominium at Pattaya Beach in eastern Thailand that was owned by a Colin Case. The telephone number of Mr Pye

was connected to a house in Carlingford, Sydney, occupied by Graham Daubney and his family.

In December 1989, AFP Drug Operations Division officers in Sydney raided a unit at Tamarama and during the search, Robert Bruce Stalder, well known to police as a drug trafficker, arrived and attempted to flee the premises. He was injured in a violent struggle with arresting police and died a few days later in hospital. At the time of his arrest, Mr Stalder had used the name Colin Case to borrow a BMW car from a car dealer.

Over the following two years, a brief of evidence was compiled against Mr Daubney which implicated him and Mr Stalder in the systematic importation of 120kg of high purity heroin into Australia and the laundering of extensive assets. Evidence was collected in South East Asia, the USA, Europe and Australia culminating in 15 charges of importing heroin under the Customs Act. Approximately \$2 million in assets would be seized from an estimated turnover of \$21 million generated by the importation.

Establishing the identities

It was quickly established that Mr Daubney was a person of considerable wealth, living in a large new house, driving a new BMW, possessing a very valuable art collection and travelling frequently. This considerable wealth had been accumulated since Mr Daubney had been released from jail in 1982 after a lengthy sentence for supplying heroin. A comparison of passport applications left no doubt that he had assumed the identities of Mr Keeffe and Mr Pye.

Intelligence indicated that Mr Daubney was in Thailand but no mention of his name appeared on flight manifests or customs clearances. By an intricate process of

elimination involving airline and accommodation bookings, the liaison officers and the Bureau of Criminal Intelligence in Australia identified that Mr Daubney was using the name Robert Ian Hamilton. An opportunity now existed to monitor Mr Daubney's return to Australia from Thailand via Singapore.

Surveillance on Mr Daubney involving the Royal Thai Police, Central Narcotics Bureau Singapore and the AFP in Melbourne and Sydney took place. He was seen posting parcels in Singapore before his departure for Melbourne. On his arrival in Melbourne, Mr Daubney immediately travelled to Sydney via a domestic flight. During the next few days he was seen at several North Shore post offices and so an alert was put in place on parcels from Singapore fitting the description of those sighted by the Central Narcotics Bureau. A parcel fitting the description was identified by Australia Post and held for examination.

Daubney's import methods identified

The investigation took on a greater urgency now that the suspected narcotics had arrived. The burden on the police to prepare the strongest brief of evidence possible meant that ideally, Mr Daubney would be apprehended collecting the narcotics. He could be expected to abandon the drugs if he felt the parcels were not being delivered on time and in the usual manner.

The investigating officers now were working against the clock if they were to make a successful controlled delivery. Matters such as logistics, staffing, technical support, surveillance, communications and, importantly, contingency plans had to be organised quickly.

The seized parcel was addressed to Mr P. Altona, care of Castle Hill Post Office and contained, among

other items, three cardboard-backed paintings. The laminated cardboard of each picture was found to have a cavity filled with a plastic bag containing 60 grams of high purity heroin. During the course of the day, April 10, 1990, more suspect packages were identified and seized. Drug Operations Division officers, who were now running the investigation, decided to substitute the heroin and attempt to deliver the Castle Hill parcel in an effort to apprehend whoever collected it. At the same time, search warrants were prepared for Mr Daubney's Carlingford home and other associated addresses.

The arrest

The investigation moved rapidly during the next day. Mr Daubney's house was raided at 5pm. Once the premises were secured an interview with Mr Daubney began. At first he denied recent travel abroad or knowledge of heroin imports from Singapore. However, two parcels were soon found which contained paintings secreting heroin in a similar manner to those previously seized. This provided a total of 360 grams of heroin on the premises. After this, Mr Daubney made partial admissions as to his collection of some of the packages. During the search, evidence of wealth was observed and many Salvador Dali paintings were seized as was Mr Daubney's BMW. Evidence of false names as well as stamps and blank identification cards were seized. His tax documents also were seized as evidence.

Mr Daubney was arrested and charged at the Sydney Police Centre early on April 12, 1990.

The brief - working backwards

At this early stage of preparing the brief of evidence it was obvious that Mr Daubney had been particularly successful importing heroin. The 12 parcels now seized from his last trip totalled more than 2kg of heroin and the evidence held would substantiate charges of being knowingly concerned in that importation. Even though it was obvious from the immigration records that Mr

Keeffe, Mr Pye and Mr Hamilton had travelled a great deal to Thailand and Singapore, little direct evidence was held that heroin had been imported on each trip. There was the evidence of wealth, Mr Daubney's extensive drug related criminal history, his reliance on falsely obtained passports, his regular international travel, and his lack of legitimate employment which all stood to incriminate him in many more heroin importations. However, more evidence would be needed if further charges were to be laid.

Mr Daubney's own immodesty eventually provided the required evidence.

Over Easter of 1990, Mr Daubney shared a cell with an informer to the NSW Police who taped a number of conversations with him in which he described in astonishing frankness his success over the years as a drug trafficker. Mr Daubney described how he and his best friend Robert Stalder had imported a total of 60kg of heroin from Thailand between 1986 and 1990. He described in detail his early techniques, his apprenticeship as a drug trafficker, his big successes, the evolution and refinement of his techniques, and his purchases of art and property. Mr Daubney's statements, from tiny detail to major boast turned out to be no exaggeration.

To corroborate Mr Daubney's information, several inquiries were made locally and overseas including:

- obtaining the Pye passport he used and more heroin from a storeroom of a Singapore hotel.
- corroborating his arrival and arrest at Perth airport in 1986 under the name of McDonald.
- confirming his use of the names of school friends as addressees on the heroin parcels.
- confirming his use of a heroin packaging press in Thailand in the penthouse at Pattaya.
- confirming that he had assumed ownership of the penthouse from Colin Case (ie Robert Stalder), who had recently died.

- locating a souvenir shop in Pattaya from where he purchased artwork.
- full historical checks of the immigration records of Thailand were conducted in all the six known names used by Mr Daubney between 1986 and the time of the investigation. These checks together with hotel records from Singapore and Thailand combined with Australian immigration records, identified and proved the number of heroin importations by Mr Daubney.

An unusual inclusion in the brief of evidence was a chart which was prepared by the AFP which included every day between 1986 and his arrest on April 11, 1990. The chart chronologically listed the evidence held to show Mr Daubney's 15 known heroin importations and passport offences.

The wealth of evidence came together in a cohesive pattern to show travel around the world, name changes at international borders, purchases at different cities in one name at the same time as a hotel is booked in another, a hotel phone record showing a call to a known associate's number in Australia although booked in a different name.

In short, an intensive and very successful four-year career as a drug trafficker unfolded on the chart. Mr Daubney's travel showed as a red line moving from country to country in all his different names, when the movements of his wife and family were charted in their real names they corresponded exactly with many of his travels.

Mr Daubney was convicted of all charges in the Sydney Supreme Court on October 21, 1993.

On the night of his arrest he asked if he would ever see his wife and family again outside of a jail. On November 26, 1993, his question was answered when Justice James in the Supreme Court sentenced him to 22 years jail with a non-parole period of 16-and-a-half years, a sentence which reflected the severity with which the court viewed his crime.