

# IMMIGRATION NEWS

(Volume 56)

*PATH TO BONUS POINTS USING  
CAPITAL INVESTMENT FROZEN!*



Dear Students

Welcome to the new subscribers and we hope you find this latest edition interesting. This service is brought to you by Australian Immigration Law Services.

## **PATH TO BONUS POINTS USING CAPITAL INVESTMENT FROZEN!**

Due to the adverse publicity and the Federal police becoming involved in the Capital Investment scam in Melbourne by a National Australian Bank employee, all Treasury Corporations authorised by the DIAC have now refused to accept any deposits in order to gain the 5 Bonus Points.

These 5 points are available under the GSM permanent residency applications lodged before the 1<sup>st</sup> of September 2007. Many applicants have yet to deposit their 100K in order to gain their 5 points. This freeze on the ability to deposit the funds will have dramatic effect upon all applicants depending upon these points to obtain residency.

DIAC has advised to the Migration Institute Australia that at this stage they have no intention to arrange another designated security in order for applicants to gain the 5 bonus points thus effectively ending the ability for them to obtain residency through these deposits.

This will obviously create chaos amongst applicants who were depending upon these points to obtain their PR visa's. At this stage it is too early to advise what steps applicants may take as an alternative. We are deeply disappointed for all the honest students who have yet to make the deposits to gain the 5 points they need.

It does not mean that DIAC cannot arrange an alternative in the future.

Students who are affected by this should write their concerns to DIAC's Skilled Migration Policy Section [skilled@immi.gov.au](mailto:skilled@immi.gov.au) and see what they have to say about this disaster.

For those students who have not read information about this loan scam I have

reproduced two news articles below.

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1)

## **THE BANK VISA SCHEME**

By: Leonie Wood

BRISBANE TIMES, 26/11/07

RAJ NARAD must have made lots of friends through his business dealings. Easy finance was his specialty: home loans, business loans, low-doc loans. And from his office in Melbourne's West Footscray, he also ran a surprisingly strong trade in extending a helping hand to hopeful immigrants from the Indian subcontinent.

At least 227 young men and women from India appear to have called on Mr Narad in the past 18 months, all desperate to vault that last hurdle in their immigration applications: each needed just five more points of qualification to secure a residency visa under the Federal Government's general skilled migration program.

One way of garnering those extra points was to secure a letter of reference or other evidence showing the visa applicant had been employed for at least six months in Australia. And as the journalist Heather Ewart revealed on The 7.30 Report in November last year, there were a few migration agents in Melbourne's western suburbs who, for several thousand dollars, could organise fake employer documentation.

Another option was to provide immigration authorities with evidence the visa applicant had invested \$100,000 for at least 12 months in an approved government security, such as treasury bonds. Never mind that \$100,000 may have been a fortune to some aspiring migrants; Mr Narad was an agent who could help them out for a relative pittance.

Conveniently, his friend and business associate Akshay Batra was a lending manager at National Australia Bank's Moorabbin East business banking centre. Loans could be arranged, treasury bonds bought, and if all else went well Indian nationals could soon be flashing residency visas in their passports.

Documents before the Federal Court show Mr Batra set up quasi-overdraft facilities called Flexi-plus and Business-plus accounts for the visa applicants.

With little or no documentation, Mr Batra allegedly approved the loan facilities, then drew down sums in multiples of \$100,000, drafted bank cheques for those amounts and used the cheques to buy bonds from state-based treasury corporations in NSW, South Australia, Queensland and the Northern Territory.

In less than 15 months, 227 of Mr Narad's immigration clients had become the

nominated holders of \$22.7 million of treasury bonds, all financed with NAB's funds.

Yields on the 12-month bonds would mostly cover the interest rate on the loan accounts, but some of Mr Narad's clients also deposited several hundred dollars a month into NAB accounts set up by Mr Batra. Funds would be routinely shuffled from one loan account to another to ensure none went into arrears.

This artfully simple scheme began to unravel just weeks after Mr Batra flew to India in late August for what NAB thought was extended unpaid leave.

In October an NAB colleague noticed that several loan accounts supervised by Mr Batra had fallen into arrears and mail related to those loan accounts had been returned to the bank undelivered. The alarm bells went off when the bank's fraud investigators realised there were almost no documents supporting the loans - no applications and no titles or bond certificates relating to the assets that secured the loans.

NAB's fraud investigators were called and on November 2, with several of the 12-month treasury bonds due to mature, the bank obtained court orders freezing the treasury bonds.

A week later the bank returned to the Federal Court and secured orders allowing its lawyers to search Mr Narad's home and offices. It seized manila folders and files relating to loan accounts, handwritten notes, photocopies of bank cheques and documents relating to treasury bonds.

In the Federal Court tomorrow, Justice Mark Weinberg is scheduled to hear if Mr Narad or Mr Batra want to make any claim over the documents seized.

Victoria Police's fraud squad has been alerted, as have investigating officers from the Department of Immigration and Citizenship and the Australian Federal Police.

Earlier this month, Justice Weinberg warned NAB's lawyers they should be alert to the possibility Commonwealth immigration laws may have been breached and criminal charges may eventually be laid.

NAB's investigations are continuing, but so far it has not lost track of any of the \$22.7 million.

The bank believes it has isolated all of the accounts operated by Mr Batra in relation to the visa scheme and identified all the bonds he purchased. It is also examining if any of its lending officers elsewhere in Australia had a similar propensity for acquiring treasury bonds with no-doc loans.

At this stage, NAB is not accusing Mr Batra of anything higher than breaching his duty as an employee.

As for the 227 visa applicants, not all have received residency visas yet, but government officials believe the people behind the treasury bonds visa scheme may be associated with at least some of the agents who engineered the immigration rort identified by The 7.30 Report a year ago.

Mr Narad did not respond to requests for comment.

Mr Batra remains in India. He did not respond to a request for comment and his lawyer, Paul Galbally, of Galbally & O'Bryan, declined to comment.

2)

## The Age

By: Leonie Wood

28<sup>th</sup> November 2007

### **NAB lawyers get to examine scam documents**

THE Federal Court has allowed National Australia Bank to examine documents its lawyers seized over a visa scam in which 227 aspiring immigrants acquired \$22.7 million of treasury bonds using funds borrowed from the bank.

Justice Mark Weinberg has also allowed lawyers acting for a NAB lending officer, Akshay Batra, to inspect the material as the bank continues to investigate his role in buying the treasury bonds and establishing loan facilities for the visa applicants, all of whom appear to be Indian nationals.

Mr Batra, who flew to India on extended leave in late August, was suspended from the bank earlier this month and remains overseas. NAB's lawyers had previously told the court that there were almost no documents supporting the loans.

Mr Batra's counsel, Anthony Young, yesterday argued that NAB should file a statement of claim outlining its case against Mr Batra before it examined the seven boxes of documents and electronic files seized from the West Footscray offices of Mr Batra's close business associate, Raj Narad.

Documents before the court indicate that Mr Narad, a finance broker and migration agent, was the contact point for many young Indians needing an extra five points of qualifications to secure a residency visa under the general skills category.

But Justice Weinberg said documents that NAB had already presented to the court gave a "very comprehensive" account of what happened to the \$22.7 million, and he rejected suggestions that NAB's lawyers were fishing for more material. "There's already a

spectre of a detailed case," Justice Weinberg said.

NAB's counsel, Robert Strong, QC, told the court that contrary to the impression the bank gave the court last week, NAB had alerted the Department of Immigration and Citizenship to the scam on November 8, six days after it first approached the Federal Court seeking injunctions to freeze the treasury bonds.

He said the Australian Federal Police were contacted on November 19, but it would be up to the Department of Immigration to decide if the federal police became involved.

Justice Weinberg ordered NAB to file a statement of claim before the case returns to court in early February

.....**end of news articles**.....

**Next AILS Seminar?**

Our next Seminar is on the Friday the 7<sup>th</sup> December at UTS at 2.00 pm (as usual), Lecture Theatre CB02.04.11. The room is marked 04.11. You can find this easily by entering the Tower building at street level and then it is to the left near the IT student support section. Level 4 is actually street level.

I am sorry that we do not have time to respond to general e-mail questions but we do appreciate the feed back that many of you provide. You may ask as many questions as you like during the seminar.

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Kind regards

Karl Konrad  
Managing Director  
Australian Immigration Law Services  
MARN: 9904238

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Australian Immigration Law Services  
Level 1, 30 Carrington Street  
Sydney NSW 2000  
t: 61 2 9279 1991 | f: 61 2 9279 1994  
e: [sydney@australiavisa.com](mailto:sydney@australiavisa.com) | w: [www.australiavisa.com](http://www.australiavisa.com)

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