



Chinese Fake Passports Australian Banking. Chinese mortgage application fraud controversy, fake passports used to obtain Australian bank loans.

CHINESE FAKE PASSPORTS USED IN AUSTRALIAN BANKING



The headlines of Chinese mortgage application fraud and VOI fraud is only two instances of illegal foreign investment in Australia.

In the headlines recently, Chinese mortgage application fraud has been identified and dodgy conveyancing firms are circumventing the VOI requirements however, Australia's big four banks are also aware of a more organised and sinister banking fraud that is yet to gain attention. **Sooner than later, Australian banks will have to come clean.** There are phone conversations and emails being circulated among senior risk assessment analysts within the Australian banking sector that the Chinese mortgage application fraud controversy is bigger than what has been reported in the media.

However, various conversations between risk assessment analysts and senior banking executives have highlighted something new, concealing a scandal far in excess of the reported billions in Chinese mortgage application fraud. Far beyond just speculation, Australian banks and their risk assessment analysts have identified that fake passports have also been used to fraudulently obtain Australian bank loans.

“Some of these Chinese mortgage applications are so fraudulent and fictitious that the person identified on bank documents, actually does not exist”

For the criminal element of overseas property investors, the process appears to be relatively simple and remains unchecked.

Liken to the report by Jonathan Tepper, walk into any of Australia's banks with a fake passport, drivers license or medicare card a fraudster can easily open a bank account and the processes to obtaining a bank loan. This is a mammoth conundrum for banks as, there are no measures in place for a bank employee to confirm that the passport being presented is legitimate.

This conundrum also applies to many Australian Government agencies such as Human Services (obtaining a medicare card) and Vehicle Licensing Authorities in every state. With a fake passport in hand, the extent of taking advantage of banks and Australia's services is seemingly unstoppable once further forms of identification is obtained such as a drivers licence, medicare card, bank statements and the like.

To test this, recently I attended a CBA branch (of which I had never had previously any form of bank account with) and opened a bank account with my drivers license and medicare card. No copy was take and no check was undertaken. It was that simple. Therefore; identifying a fraudulent Chinese mortgage application in hindsight is relatively easy. Should Australian banks be contacting DFAT or other agencies to confirm the validity of Australian passports and other forms of identity ? Assuming a passport is required to open a bank account but, this is the conundrum, as a drivers license will generally do the job. A drivers license obtained from the origins of a fraudulent passport.

Moreover, given the above and my previous article on VOI fraud, the use of a fake passport or any form of manufactured identification during the VOI process is even easier to circumvent VOI as even the most diligent lawyer, legal practitioner or conveyancer will not contact DFAT or any Australian Government agency to validate the passport or drivers licence being presented.

Could this be Australia's version of the USA subprime mortgage crisis ? Unlikely in my opinion however, the many damaging issues such as off-the-plan apartment oversupply, VOI fraud, Chinese mortgage application fraud, and passport fraud combined could undermine the strength of Australia's banking sector and the economy.

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