

# Submission to the Parliamentary Joint Committee on Corporations and Financial Services

## Re: The impairment of customer loans

This report uses two cases, those of Rita Troiani and Janine Barrett, to clearly demonstrate how the National Australia Bank uses various methods to: Engineer Defaults and Force Foreclosures.

Our cases illustrate important points that you are investigating: banks constructing a default by manipulating security valuations; banks manipulating the roles of valuers and liquidators; the cold hard way we were never given a fair go to rectify our position; bank machinations such as siphoning of funds to hidden accounts to impair cash flow and force default.

Thank you,

Rita Troiani  
Janine Barrett

PS – We deliberately mention the names of the people involved in this case. We kindly request that the Senate give these people a right of reply before you accept this submission. This is only fair. We want the people involved to know that no matter how long it takes justice will be done and that government will no longer protect them with wilful blindness and censorship.

To assist you the relevant contact details are in the email delivering this submission to you.

We had a thriving business from 1974 to 1993. Our personal wealth was in the millions:

<b>WBB factory \$70 million</b>	<b>2 farms at Yeppoon \$4 million</b>
<b>Clay pits - \$40 million</b>	<b>Display home and land at Bargara</b>
<b>Sand and Gravel pits - \$15 million</b>	<b>Display home at Mackay \$310,000 *</b>
<b>Engineering Firm - \$3 million</b>	<b>*Vacant Block Next Door</b>
<b>Industrial Land at Yatala \$1 million</b>	<b>Land at Caboolture \$500,000</b>
<b>WBB office underwood \$300,000</b>	<b>Sugarcane Farms \$2 million</b>
<b>150,000 shares \$500,000 Wide Bay Australia</b>	<b>Land that was divided into 24 blocks At Lawrence Street Bundaberg</b>
<b>Sold \$250,000 shares to Japan</b>	<b>Hunter St, 5 Blocks \$400,000</b>
<b>Patents on bricks unknown value</b>	<b>Water front Blocks Moore Park \$300,000</b>
<b>Land at Aldershot which now has a coal mine</b>	<b>Various other properties</b>

In 1993 the National Australia Bank induced us to bring our business over from the ANZ. We got a loan with the NAB (the biggest mistake of our life) which proceeded to cause the demise of all our businesses - not just Wide Bay Brick Works. Our case is gargantuan in its scope and complexity. The NAB used multiple vehicles to bring us down, forcing us to sell up all our assets along the way. We have included a timeline summary in the Appendix which shows how the defaults were manufactured by NAB and their assorted conspirators.

**The siphoning we have clearly identified appears complex at first glance but is actually quite a simple process. National Australia Bank secretly shifts the limit on bank accounts, sets up fake direct debits which bounce when the limit is changed by the bankers and then the payment is removed.**

They repeated this pattern for six years, with an average \$1 million per year stolen. Total paid, not including the money that was siphoned, was \$16 million for a \$7.45 million loan. We owed National Australia Bank nothing. National Australia Bank owes us.

Including siphoned money, a total of \$34 million was paid to the National Australia Bank, this destroyed us. Table 1 in the Appendix below shows you the value of our properties presale and the values realised by NAB after the forced sales.

You may wonder - why would NAB do this? Well there is more to it than just enriching bankers, lawyers and other self-interested associates. Once the case was thoroughly investigated it became clear that right from the start NAB was actively working against Sante's interests and in fact was helping Sante's competitor Boral. It turned out that NAB and Boral had directors in common including former NAB Managing Directors

Sante was an intelligent hard working man, but English was his second language, he depended on his hired help to manage financial and legal aspects of the business. Unfortunately several key trusted people conspired with NAB. The conspirators know exactly what was done and they are still profiting from their despicable actions. **Sante died in 2007 from two strokes** due to the escalated stress of National Australia Bank's criminal acts. I continue the fight for justice for him. I just cannot understand why politicians involved in various inquiries and committees do not take appropriate action.

**Contractual issues:**

There were various bill facilities, accounts and unit trusts set up – without our knowledge - to siphon the money. We were set up with an O/D2 where National Australia Bank siphoned our bill facility - effectively cash flow to the business. **Cash Management Account (...1886) was set up**

WIDE BAY BRICK WORKS (WBB) – Bundaberg, Queensland

Rita and Sante Troiani

to siphon \$40k - >\$48k per week for six years, double what the loan repayments were supposed to be. Control Cash Management Account (... 6147) was set up to siphon more payments direct to the Unit Trust. The Unit Trust was set up to acquire control over the properties and “stash” the millions of dollars which had been siphoned. Twelve Court cases and not once did National Australia Bank attempt to collect on the Unit Trust that we knew nothing about.

<b>Name of Account</b>	<b>Account Number</b>
WBB National Cash Management Account <b>(Unknown to us until 1995)</b> (opened 1993 – 1999)	784 571-61551-1886
WBB Control Account NAB Cash managing account <b>(Unknown to us until 2015 – Unknown when opened or closed)</b>	084571-46668-6147
WBB Business Cheque Account (23/02/98 – September 1999)	084 571-69853-6412
WBB Business Cheque Account (1993 – 23/02/1998)	084571-60953-1733
WBB No 2 A/C (OD2- a matured bill account – was converted to fully drawn loan) Unknown to us until 2001 (opened 1996-1999)	084571-66518-5675
WBB Unit Trust <b>(Unknown to us until 2015 – Unknown when opened or closed)</b>	084571-64696-5418
Contract Finance Lease <b>(Unknown to us - see Appendix)</b>	471879787

*Note: 1994 information is not included in this document as I do not have WBB Business Statements.*

Enio Troiani	Company engineer- ph 0402 844 042
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### **15 Years Later - same bank, same branch**

NAB client - Janine Barrett - was siphoned from in exactly the same manner as the Troianis - but for a \$150 per week payment over a 6 year period. Large or small, they appear to be targeting many unaware clients. Janine was defaulted by National Australia Bank. FOS has determined that there was maladministration of the paperwork in her personal loan and that it was National Australia Bank at fault. Later it became clear that her account was being siphoned from. The Financial Ombudsman Service ignored the default in their determinations. Siphoned in an identical manner to the case commonwealth bank 2012, the police are currently investigating.

### **Identifying markers for both cases**

- **Extremely long timeline with extensive issues of concern**
- **Escalated interest**
- **Abusive and Unconscionable Penalty Fees**
- **Contractual issues**
- **Siphoning**
- **Defaulted illegally**
- **Payment schedules incorrectly set up**
- **Office Suspense Account**
- **Deceptive and unconscionable fraudulent banking and loan creation**

### **Conclusion:**

Our case is a textbook example showing how NAB engineered a default which enriched the bankers greatly while leaving my family destitute and grieving. There is no doubt our loans were deliberately impaired by NAB. This Inquiry must consider changes to the law that will stop predatory banking practices. Banks are stealing people's life savings. Banks appear to be stealing from their clients in a multitude of ways.

These cases demonstrate that there are criminal elements working within NAB. They are running a sophisticated organised crime ring that profits greatly at the expense of thousands of National Australia Bank customers.

It is not just money these criminals are stealing. It is our time and our lives. They are stealing the joy that families could have been sharing. After decades of work we were left penniless, my husband suffered and died a horrible death. I am a mature aged person and I now survive on a pension and make very little by packing avocados. Do you think it would be reasonable for me to expect you to take the issues discussed here and in the other submissions you receive seriously? Please make sure a proper investigation is implemented and make sure to put in place real solutions.

Widespread criminal banking should be seen as a crime against humanity and politicians must take action. You must help bring about reforms that will make the banking and finance industry function honestly and in the interests of customers. It is not reasonable to say that shareholders would suffer if banks operated honestly. Shareholders should not be profiting from the proceeds of crime and neither should bank CEOs or politicians.

Yours sincerely,  
Rita Troiani

PS – listed below are some informative resources - please take the time to read these. They will help you understand how NAB did what they did to us and how they almost got away with it.

There are many people that have been harmed in the same way – we are by no means the only ones. I hope your inquiry has been publicised widely enough for others to use this opportunity to help you understand how banks engineer defaults. It really is important for the government to help stop this type of predatory and criminal bank behaviour.

## Resources:

1. ***The Shadow Ledgers and the Default Process in the Australian Bank Sector*** by John Salmon and Evan Jones. NAB Whistleblower John Salmon exposed how NAB did us in. This is important reading for your inquiry –  
[http://sydney.edu.au/arts/political\\_economy/downloads/SalmonJonesBankDefaultAccountingRevised.pdf](http://sydney.edu.au/arts/political_economy/downloads/SalmonJonesBankDefaultAccountingRevised.pdf)
2. ***(The Sting) Summary Judgement to the NAB by QLD Chief Justice Paul de Jersey*** – Article by Evan Jones with assistance of Rita Troiani. A clear explanation of what happened to Sante and I –  
<http://bankvictims.com.au/national-australia-bank/item/10975-the-sting-summary-judgement-to-the-nab-by-qld-chief-justice-paul-de-jersey>

## Appendix

### Table 1. NAB sells up the Troiani properties. Forced Sales at criminally low prices.

This table shows the presale value and forced undersold value orchestrated by NAB during the fire sale of the Troiani's vast wealth. Sante ran many successful businesses for many years prior to any dealings with NAB. He and Rita owned these properties outright prior to NAB becoming involved.

Location	Presale value	Forced sale price
Display home at Bargara	\$350,000	\$185,000
Land at Bargara	\$35,000	\$27,000
Clay reserve (WBB)	\$20 million	\$400,000
Wide Bay Brick Works (WBB)	\$81 million	\$3.12 million
Display home at Mackay	\$250,000	\$40,000 (sold as a vacant block)
Caboolture (industrial land)	\$240,000	\$150,000
Engineering firm	\$1.25 million	\$760,000
Cane farm at Moore Park, sand and gravel pits	\$17 million	\$900,000
5 sea front blocks at Burnett Heads	\$400,000	2 blocks sold \$63,000
WBB office Brisbane	\$300,000	\$125,000
Unit at Bargara, seafront	\$220,000	\$372,000
4 blocks at Moore Park	\$180,000	\$120,000
3 sea front blocks at Moore Park Beach	\$450,000	\$300,000
Patents and designs on bricks	Never valued	Not valued in sales (potentially hundreds of millions of dollars)
Laurence St (24 blocks)	\$380,000	\$120,000
Yeppoon (farm)	\$1.8 million	\$1,450,000
Yeppoon (farm)	\$2.2 million	\$360,000
<b>Presale total</b>	<b>\$107,738,000</b>	
<b>Forced sale total</b>		<b>\$7,187,000</b>

*Note: Shares were also sold to Japanese for \$250,000 however Rita and Sante did not receive the profits from this sale.*

**Difference between presale and forced sale is \$98,551,000**

## Default Time Line with Payment and Bankruptcy Charts – Troiani Vs NAB 1995- Illegal default

**From WBB working account  
....1733 to Contract ....787**

Date	Payment
3 January	\$107,348
31 January	\$107,348
28 February	\$107,348
31 March	\$107,348
2 May	\$107,348
31 May	\$107,348
1 August	\$107,348

**Cash Management Account Deductions  
(destination unknown)**

Date	Payment
6 October	\$48,000
13 October	\$48,000
20 October	\$48,000
27 October	\$48,000
3 November	\$48,000
10 November	\$48,000
14 November	\$48,000
17 November	\$48,000
24 November	\$48,000
1 December	\$48,000
8 December	\$48,000
15 December	\$48,000
22 December	\$48,000
29 December	\$48,000

This was clearly a manufactured and illegal default. WBB was overcharged for the year 1995. NAB's money laundering and siphoning forced the default. WBB was charged default penalty interest rates and not notified of this default until 1999.

**1996 - Illegal default**

- forced to sell property undervalue
- added KPML payment to default overcharged

**1998 - Illegal default**

- a letter states 1997 NAB will waive payments for a period of 9 weeks to 31 October 1997
- "the sum of \$450,000 allows company to retain the "retained" money"
- Does not state this has to be paid back

This caused NAB to cancel the overdraft and switch to a cash only account. However, the letter then states that they can have a \$312,000 overdraft.

- Why cancel an overdraft then give them an overdraft?
- The limit on this overdraft was continually shifted to siphon money

**1999 - Illegal default**

- Sante and Rita unaware of O/D2 ...5675 until 2001
- Default letter for O/D2 ...5675 for \$6,278,936.40 on the 4<sup>th</sup> of August 1999
- O/D2 ...5675 statement balance states \$3,160,673 on 11 August 1999
- Difference is \$3,118,263
- This is an incorrect default letter
- 31<sup>st</sup> March 2000 WBB sold to QC bricks
- O/D2 ...5675 states 7<sup>th</sup> July 2000 credited from Realisation Account \$1,128,564
- \$1,128,564 was credited to O/D2 ...5675 for four months after the brickworks were sold.

**Bankruptcy Chart**

Date	Description	Debt Owning	Credit
1993	O/D 2 limit	\$7,540,000	
1999	March, Bad debt write off		\$2,000,000
1999	August default letter O/D 2	\$6,278,936	
1999	August statement O/D 2	\$3,160,673	
2000	March WBB sold (not applied to debt)		\$3,120,000
2000	August O/D 2 statement (not inclusive sale price of WBB)	\$1,935,071	
2000	Bankruptcy (crossed out)	\$7,154,585	
2000	Bankruptcy	\$5,363,219	
2002	Bankruptcy	\$3,451,599	

2003	Bankruptcy	\$3,451,599	
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**NAB seems very confused with such a variety of figures – all for one debt.**

Refer to 2000 O/D 2 statements \$1,900,000. Rita and Sante were not able to access their account after WBB was foreclosed on in March 2000. \$1,900,000 would be the true debt. Not the fictional figure NAB has made up.

\$3,120,000 credited from the WBB sale.

\$1,900,000 was the true debt.

**Therefore \$3,120,000 (credit) minus the \$1,900,000 (the true debt) means that Sante and Rita were actually \$1,220,000 in credit.**

- 23 properties sold - no sale prices showing up on accounts - \$7,800,000 forced undersold properties
- \$9,000,000 to CMA for payments for lease ...1886
- \$107,000 per month payment to lease value \$18,000,000 Contract Lease ...787
- \$34,800,000 injected in capital on a \$7,450,000 debt (O/D 2 ....5675)

**Sante and Rita Troiani did NOT OWE NAB**

**The Mysterious Contract Finance Lease - 471879787**

NAB audit certificate of WBB accounts lists O/D 2 and WBB working account. There is no listing of the Finance Lease 471879787

NAB letter states lease facility of \$9,128,364. Daily accrual interest is non applicable. This is a separate facility to O/D 2 (... 5675). Extremely generous terms from NAB for a \$9 million loan. This could be Contract ...787 or account 4571-999999947 where 2 payments of \$107,339 are tracking to and \$47,000 in monthly interest was paid. **Both accounts unknown to Sante and Rita.**

There is no mention of Contract Lease ...787 in any default letters, foreclosure letters or bankruptcy proceedings. mentioned it once in an affidavit full of conflicting statements.

NAB only defaulted, foreclosed and bankrupted WBB on O/D 2 ....5675. (Also - WBB working account which was in credit at the time of default).

\$22,308,541.74 debits

\$18,050,401.12 credits

Payments bounced from WBB to CMA ....1886 then back to WBB then to Contract Lease ....787. This engineered set up incurred a huge amount of reference fees, dishonour fees.

In the last year of Contract Lease ...787 payments did not come from the WBB working account - indicating they had millions of WBB's money stashed to pay this.

Contract ...787 was not closed until August 2000. Brickworks were sold to March 2000.

This facility was hidden from Sante and Rita, loans in their name without their permission. The payments to ...787 only explain a small portion of where the siphoned money went. It does not explain where the \$22 million initially borrowed from ...787 went. NAB will one day soon have to explain where the balance of the siphoned money went.

In addition WBB received a government rebate of \$3,984,550.90 related to the importation of new technology. This was credited to Contract Lease ...787 on 22.5.96. It remained in that account until 28.5.99 when it was removed by NAB. These transactions were unknown to Rita until recently. The situation begs the question – where did NAB put the money? We have been unable to identify any legitimate explanation.

We would like to see NAB and the CEOs involved during the years in question explain themselves in a properly constituted Royal Commission – a Royal Commission with the power to seek redress for white collar crimes.