

# HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

## REVIEW OF THE FOUR MAJOR BANKS (FIFTH HEARINGS)

### NAB

#### NAB04QON:

Introducers program – ASIC breach notice	<p>[Concerns raised about the Introducers Program by a whistleblower]</p> <p><b>CHAIR:</b> Can you take this on notice: when were the staff who were associated with the breach dismissed? Was it before the informal? Could we have an itemisation of events?</p> <p><b>Mr Chronican:</b> Sure.</p> <p><b>CHAIR:</b> Complaint raised; investigation held internally; staff dismissed? When was the informal complaint, what happened thereafter, then what happened with the formal complaint?</p> <p><b>Mr Chronican:</b> I can give you as much as I have, and we'll come back to you with the balance. The initial two whistleblower reporters were received in September and October 2015. It was investigated, and ASIC were notified in December 2015—</p> <p>...</p> <p><b>CHAIR:</b> So you'll take on notice the sequence—</p> <p><b>Mr Chronican:</b> I'll just get you the timing of those events relative to the earlier events I mentioned.</p>	Hansard pp. 57-58
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#### Answer:

NAB commenced comprehensive investigations into allegations of potential misconduct by bankers and Introducers in the Greater Western Sydney (GWS) area in October 2015 following a whistleblower report that month. NAB first wrote to ASIC in December 2015 about its investigation into the GWS fraud event and lodged a breach report with ASIC on 3 February 2016. Following further investigation on a broader scale, a subsequent breach report was lodged with ASIC on 31 August 2016 regarding further instances of NAB bankers not adhering to the NAB Code of Conduct.

NAB staff were terminated progressively as investigations were completed into individuals following the completion of due process. The earliest terminations were in November 2015, followed by further terminations in December 2015, July 2016, August 2016, January 2017 and April 2017.

44 NAB staff (out of the 61 bankers of interest) had internal consequences applied (red conduct gate) for serious misconduct, and of those, 21 bankers were terminated or are no longer with NAB following investigations. 100 introducer agreements were terminated. To date ASIC has banned four bankers who were involved in the GWS fraud event.

On 25 March 2019 NAB announced that it would end its Introducer payments program effective 1 October 2019.