

Immigration fraud and the need for reform

By **Sergio R. Karas**

Law360 Canada (August 20, 2025, 11:43 AM EDT) -- Canada is known as a welcoming country for immigrants, but there is a serious problem with some unscrupulous immigration consultants who take advantage of people's trust, hopes and money by committing fraud and engaging in dishonest practices.

From forged documents and fake job offers to unlicensed operations and outright scams, these actors harm individuals and undermine confidence in the immigration system. Governments and regulatory bodies, including the Canada Border Services Agency (CBSA) and the College of Immigration and Citizenship Consultants (CICC), have reported numerous investigations, convictions and disciplinary actions involving consultants who falsified documents, misrepresented services or charged fees without delivering the services promised.



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This growing concern is reflected in the data on misrepresentation and fraud reported recently by the Canadian Immigration Lawyers Association (CILA). According to their report, *The State of Immigration Fraud In Canada*, refusals for temporary residence applications based on misrepresentation have sharply increased from roughly 26,000 in 2022 to a staggering 46,000 in 2023. In the first half of 2024 alone, more than 52,000 such applications were rejected by Immigration, Refugees and Citizenship Canada (IRCC). The trend is equally stark when looking at suspected fraud across all immigration streams. In March 2025, IRCC reported that in 2024, it investigated over 9,000 suspected cases of immigration fraud each month, resulting in thousands of refusals and multi-year bans for applicants found to be acting in bad faith.

In October 2024, the CBSA secured the conviction of Balkaran Singh, a Winnipeg-based Regulated Canadian Immigration Consultant (RCIC), for misrepresentation under the *Immigration and Refugee Protection Act* (IRPA). Singh was found guilty of creating fraudulent documents and falsifying job offers for his clients. His sentence included 21 months of house arrest, a prohibition from practising as an immigration consultant and a \$50,000 fine. Earlier in 2024, Maneet "Mani" Malhotra, owner of NAMI Immigration Inc. in Ontario, was convicted after a CBSA investigation revealed that she had offered unauthorized immigration services, forged documents and fake job offers, while charging substantial fees to her clients. Malhotra was handed an 18-month conditional sentence, which included six months of house arrest, and was ordered to pay \$148,000 in restitution to her victims.

One of the largest immigration fraud cases in British Columbia's history involved unlicensed consultants running New Can Consultants Ltd. and Wellong International Investments Ltd. Between 2006 and 2013, they defrauded approximately 1,600 clients out of roughly \$10 million by producing counterfeit Canadian residency documents and also assisting with fraudulent citizenship applications. Another regulated consultant was convicted in October 2024 of misrepresentation under the IRPA. Evidence showed that he created fraudulent documents and falsified employment offers for clients. His sentence included two years of house arrest, community service, prohibition from practising and a \$50,000 fine.

Fraud is not only perpetrated inside Canada. High-profile transnational schemes have been revealed that demonstrate how fraudulent networks exploit aspiring migrants abroad. According to the *Times of India*, early 2025 saw a spate of large immigration scams targeting individuals aspiring to move to Canada.

To understand why these fraudulent activities continue to proliferate, it is necessary to review how the immigration consultants' regulatory scheme falls short in multiple areas:

- Enforcement is weak, and disciplinary actions are often slow.
- Limited resources hinder effective investigation and prosecution.
- Vulnerable clients often lack knowledge and language skills.
- High demand makes clients easy targets for scammers.
- Fraud schemes involve complex, cross-border networks.
- Victims have limited options to recover losses or fix issues.
- Fraudulent applications delay the processing of genuine cases.
- Many clients don't know how to verify licensed consultants.
- Some consultants operate without proper licensing or oversight.

According to CILA, several reforms could be implemented without delay:

- Strengthen regulation and enforcement by increasing audits, expanding investigative resources, prosecuting Labour Market Impact Assessment (LMIA) related fraud, ensuring only licensed representatives provide advice, improving cross-border cooperation, and creating a dedicated task force to track down ghost consultants.
- Expand public education and awareness efforts through multilingual social media campaigns, fraud-alert pop-ups on the IRCC website, targeted outreach to international students, easy-to-understand guides, dedicated helplines, and partnerships with trusted community leaders.
- Encourage fraud reporting by allowing victims to come forward without fear of immigration penalties, supported by strong whistle-blower protections to help investigators build stronger cases.
- Impose stricter penalties for fraudulent consultants, including higher fines, longer prison terms, and the creation of a publicly accessible blacklist of offenders.
- Empower the regulator by requiring regular and unannounced audits of licensees, while directing the CICC and provincial law societies to focus on high-risk areas such as LMIA applications.
- Establish a victims' compensation fund administered by the CICC, supported by mandatory liability insurance for all immigration consultants.
- Increase transparency and oversight by monitoring online job advertisements, publishing a registry of LMIA-approved employers, and introducing online tools for applicants to track their case progress.
- Require formal advice declarations from applicants who file without a representative form, confirming they have not received any paid third-party assistance.

The January 2025 draft of IRCC regulations proposes reforms, including expanding the CICC's authority over investigations and discipline, creating a compensation fund for victims of unethical consultants, and empowering the immigration minister to step in if the CICC board fails in its duties. While these steps indicate progress, they do not fully address the root causes of the problem. Canada continues to allow immigration consultants to exist and operate overseas, while heavily regulated immigration lawyers already provide the same or better services under more rigorous oversight and ethical obligations.

Given the persistent cases of fraud and misrepresentation that continue unabated despite years of regulatory attempts, it may be time to consider whether consultants should only operate under lawyer supervision to better safeguard vulnerable applicants and uphold the integrity of Canada's immigration system.

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