

THE TRIBUNAL RESUMED AS FOLLOWS ON WEDNESDAY, 23RD MAY, 2001 AT 11AM.

CHAIRMAN: We will take up the reading by Mr. Lehane, the Registrar, of the remaining 19 days of Mr. Haughey's examination on deposition over the past couple of months. It is not a light task for the Registrar to read continually for four hours a day, particularly as we have been careful not to edit or sanitise those limited portions of the transcript that may not completely cohere or hang together, but we have calculated that if four hour days on the normal sitting days are done over today and the two days following, we will probably, by Friday afternoon, have completed either all or virtually all of the remaining transcripts.

DAY 2 OF THE DEPOSITION OF MR. CHARLES J. HAUGHEY WAS READ INTO THE RECORD BY THE REGISTRAR AS FOLLOWS:

"THE DEPOSITION RESUMED AS FOLLOWS ON FRIDAY, 19TH JANUARY 2001 AT 11AM:

CONTINUATION OF EXAMINATION OF MR. HAUGHEY BY MR. COUGHLAN:

MR. McGONIGAL: Mr. Commissioner, just one matter I want to get to before you recommence. That is that the witness received a letter yesterday evening at six

o'clock containing an indication of what it was hoped would be discussed today and he didn't get it till six o'clock and he hasn't had a chance to go through the material in which it's based because it arrived too late. I just want to advise you of that, so that that is the position.

MR. COUGHLAN: That, Sir, of course arose, Sir, out of Mr. Haughey being asked to be referred to specific matters yesterday which the Tribunal did in the afternoon and sent to Mr. Haughey. Of course all of this material has, over many months, been furnished to Mr. Haughey previously, but what I intend doing is to go through it slowly with Mr. Haughey today even more slowly today, if that be the case, Sir, so I don't have any difficulty with that.

COMMISSIONER: If it transpires that there does lack of any opportunity to consider documents as fully as desirable, it is sought to revise any answers or to delay an answer or to consider the matter further, of course, I will have regard to any requests.

Q. MR. COUGHLAN: I think, Mr. Haughey, if it would be of assistance to you, if you had the letter which was sent to you and the two volumes of transcripts which were also sent and I will refer you to specific items to assist you in answering any questions I may ask. Perhaps I should first of all explain, if you see

Volume 30 of the transcript of the evidence taken at the Tribunal, Mr. Haughey, that contains the evidence of Ms. Eileen Foy to which I will be making reference today and I will also be making reference to Volume 33, but you need not concern yourself with that at the moment.

Now, I think there is reference in the letter to various questions and answers given by Ms. Foy, but unless you wish to revisit some of these, it is not my intention to go through all of them, because we did deal with some matters yesterday. I think Question 73 and 74 of Day 30 deal with a matter which was dealt with yesterday, namely that the account was in the name of Mr. MacSharry, Mr. Ahern, and yourself and that it required two signatures. Would you agree with that, for the purpose of issuing cheques?

A. I thought you were saying that you dealt with these yesterday, no? You are asking me now?

Q. I am summarising them here and now at this particular stage. These are matters which seem to have been dealt with yesterday but just that you wanted to be referred to specifics and that's what I am doing now, but I don't think there is any great difficulty with that particular proposition, is there, that the account was in the name of the three persons I have mentioned and that for the purpose of cheques, two signatures were required?

A. Yeah, that's correct.

MR. MCGONIGAL: The matter which was of some concern, Mr. Commissioner, was the legal basis for this account which was raised yesterday. I don't know whether Mr. Coughlan has had an opportunity to clarify the legal position in relation to this account.

MR. COUGHLAN: This is a matter, Sir, and I don't wish to waste too much time and might I suggest as a way that matters may proceed, is that if My Friend has any issues to raise, in order to maximise the hour for the examination of the witness, that issues may be raised beforehand or after the hour period, but it is a matter which was dealt with in the opening or the outline statement made by me on behalf of the Tribunal on Day 30 and it is set out at pages 1 to 21 in Volume 30. I don't wish to go into it in any great detail at this stage.

COMMISSIONER: I think we should proceed and endeavour to maximise the hour and this will be without prejudice to any matter of submission or argument.

Q. MR. COUGHLAN: Now, the second reference in the letter of the 18th January, 2001 is to Questions 81 and 84 of Day 30 in the evidence of Ms. Eileen Foy and that just merely indicates that the payment from the Exchequer known as the Party Leader's Allowance was made by way

of cheque, that you would have endorsed it and she would in turn have lodged it to an account in the name of yourself, Mr. MacSharry and Mr. Ahern. Again I don't think anything controversial arises in relation to that.

A. I don't understand Question 81: "In other words, you were jogging people on..."

Q. Well what I am doing there, Mr. Haughey, in that line of questioning of Ms. Foy, we were dealing with how the fund was operated. She had indicated previously that the fund that the account might not always have been flush with funds and that she had to manage the fund and on occasions jog people along in relation to either perhaps waiting for a payment or dealing with matters on account. I think that but you continue on into 82 then. It says, "Now, I think that you informed the Tribunal that the Leader's Allowance was paid by cheque in the name of the Party Leader on a monthly basis

A. On Question 81, I think is important to remember Eileen Foy is indirectly mentioning it there and that was we were always short of funds.

Q. Yes. I am not

A. Continually and permanently short of funds.

Q. But I think it goes on to say that, if you go to Questions 82 and 83 and 84, the payment from the Exchequer was by way of cheque. It would be endorsed by you and she would lodge it to the account. Is that

your recollection of events?

A. Yes.

Q. Now, again at Question 87, if I may deal with this in general terms in the first instance, that there might be occasions where there would have been an adjustment between that particular account and the Fianna Fail Party Headquarters account where money may have been lent or expended for a particular purpose so there might have been some movement on occasion between the two accounts. Would you have any recollection of that or would you have any reason to disagree with her recollection in relation to that?

A. I would have a not too clear of a recollection on that.

At times we would pay, either pay money directly to Mount Street because they were short of money or alternatively pay bills on their behalf, that would happen at election time mainly. But I don't also, I would not accept, I don't think I could accept that Mount Street always paid us back.

Q. I see.

A. I don't think that was I am not sure, but I don't think that was the position.

Q. Well, I take it that it was Eileen Foy's job to seek to get it back anyway I suppose?

A. Not particularly, because we were after all, we were the same organisation.

Q. Yes, but from the point of view, I take it you would

agree that she would have kept some type of record of monies which may have been lent or given to Mount Street and that the monies were to come back. She recorded that at least.

A. She certainly would, yes, but I am making a point that I don't think she would necessarily go after Mount Street to get money back. I am sure she didn't. I don't know, but I am sure she didn't. Because, I mean, we were all part of the same organisation, but I mean, there was no great rigidity or formality about these things. In fact, there was the whole arrangement was quite loose on a personal basis between Eileen Foy and our counterpart in Mount Street.

Q. Now, I think Questions 94 to 107, again I will give it to you in general terms first and if there is anything specific I wish to refer to arises, we will deal with it, but she describes in that series of answers to questions how she kept records, that she had a cheque book, that she would fill in the stubs, that she had ledgers and she would enter into the ledgers the various drawings on the account and that in most instances, she believed that she would have kept any invoices or bills which might have been received and which had been paid or which were pending. Again would you agree that that was probably the general way that it was kept?

A. Yes, but I wouldn't know that.

Q. I appreciate that you would not be involved in the detail of it, but you do accept that Eileen Foy probably kept records in that fashion?

A. Well if Eileen Foy says she did, I am sure that's correct.

Q. Now, the next series of questions as indicated in the letter at Roman numeral 5 are Questions 127 and 130.

Ms. Foy informed the Tribunal that she would have requested Mr. Ahern for administrative or practical convenience to sign a number of cheques in blank to enable her to carry out her administrative functions.

Q. MR. COUGHLAN: Perhaps, Mr. Haughey, if I just ask you, and I understand of course that it's something that you may not be in a position to assist the Tribunal with, because as I understand the answers that you gave yesterday and from the evidence of Ms. Foy, that cheques would be prepared and brought to you for signature so you may not be in a position to say whether or not Ms. Foy would have had them pre-signed in a block manner by Mr. Ahern.

A. I wouldn't know of any such arrangement.

Q. Now, I think Ms. Foy informed the Tribunal at Questions 161 and 163 that as she didn't have need for petty cash, that there was no need for cash to be obtained for the operation of the office. Would you know anything about that?

A. Sorry, would you repeat that again?

Q. I think, if I could generally summarise her evidence, because we will be coming to a cheque or a number of cheques that were made payable to cash. And I was asking her if there was ever need for her to draw cash, for example, for petty cash purposes or for some other stated purposes and she indicated that there was no need in the running of the office to have cash and to the best of her knowledge, there wasn't even a need for a petty cash book or a petty cash float. Would you agree that there was no need for cash for the running of the office?

A. I am reluctant to query anything Eileen Foy would say, but I can't imagine the office functioning without some sort of cash because, as I mentioned to you yesterday, the press office, in particular I think, would need cash payments from time to time, but I there may have been some other way of dealing with that.

Q. Very good. I think I should just also bring it to your attention that around the time of an Ard Fheis, there may have been need for some cash availability and both Ms. Foy and Mr. Ahern gave evidence about that, that there might be need for some modest, some perhaps  $\frac{1}{2}$ 1,000 or thereabouts, for general refreshments or matters of that nature.

A. Oh certainly, yes, but I am just trying to think that I would almost certainly have paid a lot of those, from time to time paid those things myself personally out of

my own pocket.

Q. Now, I think in Questions 173 and 174 she informed the Tribunal that she had no specific recollection of cash drawings being made on the account, but that if she had been asked on a very few occasions to make out a cheque for a certain amount but to leave the payee blank or to leave it out to cash if the details were not available but that the purpose of payment would be asserted and recorded on the cheque stub. I think what she was indicating there, if I am correct, Mr. Haughey, is that if the payee was left blank on a cheque which she brought to you for your signature, or if it was indicated that the payee was to be made out to cash, that you would give her a reason which would enable her to record the purpose of the payment on the cheque stub and to enable her to enter it into her ledger. Would you agree that you would have given such explanations to her?

A. Well, I can't think that there would ever have been an occasion when cheques would be brought to me without the payee being inserted, whether it was cash or otherwise.

Q. Well, perhaps I think she was indicating in that regard that she might not have a name for the company or, say, there was a bill due to somebody or who the cheque was made payable to but that nevertheless, if the payee was left blank or if it was made out to cash, that you

would have given her a reason to enable her to keep her records?

A. I think she said that somewhere else, that always if she made cheques out to cash that she would be told at the time what the purpose was and she would enter that in her records.

Q. And would you agree with her evidence in relation to that?

A. Oh I agree with what she is saying in that regard.

Q. That you would always have given an explanation or a reason?

A. That if she asked me or if I asked her to make a cheque out to cash, that I would tell her why and what the purpose was and that she would enter that in all her different records.

Q. Now, in the series of questions 198 to 204, I think she informed the Tribunal that where cheques were made payable to cash, that she herself would never have initiated that process, but would have been informed probably by you to do so and the reason given to her.

Would you agree with that?

A. Well, I can't say, because she says "Probably by me."

I can't recollect any circumstances where that sort of situation would arise. I mean, I am just reading this. She says, "it was more than likely" and then somewhere else she says "probably" so, as I say, I can't recollect any such situations.

Q. I think again she deals with this at Questions 213 and 214 on page 55, Mr. Haughey. I think she indicates there that she had no specific recollection of making cheques out to cash but that if she had, she would have been given a reason.

A. Yes, I must say in general that I have no particular recollection of all these

Q. Yes, I understand.

A. mechanical details.

Q. Yes. Now, at Question 223 it reads: "Right, well perhaps we will just go into some of the specific cheques and you can tell us what your recollection is relating to them. The first one is just before we deal with the specific cheques, if I might just refer you to the cheque dated 16th June 1989 in the sum of i;½25,000 and it's indicated that that's the last one."

And she answers, "Yes." And then she is asked: "In the series of cheques you have been asked for your comment on and we have had evidence this morning that this particular cheque payment found its way into an account called an Amiens Account in Guinness & Mahon Bank and she answers "I heard that." And then she is asked "Now, can I ask you this: Did you ever take that cheque to Guinness & Mahon?"

Answer: I have never been in Guinness & Mahon Bank.

Question: Right. Did you ever send that cheque or any cheque to Guinness & Mahon bank to your knowledge?

Answer: No.

Question: No?

Answer: I had no dealings with Guinness & Mahon.

Question: Right. I'd like to extend that a little then. Did you ever have any dealings with Mr. Desmond Traynor? Did you ever convey any cheque to him?

Answer: No. I know the name but I have never had any dealings with Mr. Traynor.

Question: You never dealt with Mr. Traynor?

Answer: No.

Question: You just know that name. Did you ever deal with Mr. Traynor's secretary, to your knowledge, a Ms. Joan Williams?

Answer: I have spoken to her on the phone but that might have been only to get her on the phone to talk to Mr. Haughey.

Question: To talk ... You would just get her on the phone. Answer: I'd just get her on the phone to talk to Mr. Haughey. I never had any conversation with her of any description.

Question: I see. But do you recollect, I take it, that Mr. Haughey might ask you to get any number of people on the phone?

Answer: Yes, it's just that I know the name.

Question: You know the name and you remember contacting her to say Mr. Haughey wished to speak to her, is that correct?

Answer: Yes. Question

Question: Right. Well, when you were making that connection for Mr. Haughey, can you recollect whether you ever asked to get Ms. Williams or Mr. Traynor, can you remember who Mr. Haughey wished to speak to?

Answer: I can't.

Question: But you know the name?

Answer: I just know the name, but I have had no dealings with her.

Question: So far as you were concerned, you have no knowledge good, bad or indifferent as to how this particular cheque [EXHIBIT 1] found its way into an

Amiens account? Answer: I never even heard of the

Amiens Account. Question: And the first time you knew about where it ultimately resided was when the Tribunal brought it to your attention and this started the line of inquiry, isn't that correct?

Answer: That's correct."

Now, that is the cheque. I think you got a copy of that cheque last night with the letter, and that is the cheque which, in the first instance, drew the Tribunal's attention to this account in the name of yourself, Mr. MacSharry and Mr. Ahern. And the Tribunal received information from Guinness & Mahon bank that this particular cheque made payable to cash drawn on that particular account in Baggot Street was

lodged to an account controlled by Mr. Traynor in Guinness & Mahon Bank called an Amiens Account and from that account, payments were made to the Haughey Boland No. 3 Account which were used for the bill paying service operated on your behalf. Do you know anything about how that cheque ended up in that particular account, Mr. Haughey?

A. I have no recollection of that cheque. It has been drawn to my attention that it was dated 16th June, which was the day after the general election.

Q. Yes. That is correct.

A. Which is odd because the day after the general election everybody, myself included, would be at the counts, so it's a bit odd, but otherwise I have no recollection of it whatsoever.

Q. Well, the three people who had a role to play in the drawing of that cheque were Mr. Ahern signed it of course, you signed it, Ms. Williams, in her evidence or I beg your pardon, Ms. Foy, in her evidence informed the Tribunal that she filled in the amount in writing and the figures on the cheque but she is not sure whether she filled in the word "cash" on the thing.

A. I can't help you.

Q. Now, the date that's put on the cheque is 16th June, and as you correctly say, it was the day after the general election of that year, isn't that correct?

A. Well, yes, that was the day

Q. I think that's correct, Mr. Haughey. Now, it was lodged to this account in Guinness & Mahon on the 20th June which was some four days after the date on it.

Ms. Foy did not lodge it to Guinness & Mahon, did not send it to Guinness & Mahon, had no dealings ever with Mr. Traynor, and her only dealings with Ms. Williams was to get her on the telephone for you. Would you accept that the only way it could have got to Guinness & Mahon was through you in some manner?

A. Certainly not. I never made a lodgement to a bank for the last 30 years.

Q. I am not suggesting that you yourself made the lodgement, Mr. Haughey, but that it got to Guinness & Mahon through you in some manner?

A. No sir.

Q. Well, if you didn't make a lodgement yourself

A. I didn't make a lodgement myself.

Q. I am not disputing that, Mr. Haughey. Who could the cheque have been given to that it would find its way into an account controlled by Mr. Traynor?

A. I don't know.

Q. Now, I think whilst you did not make lodgements yourself and I don't think there is any controversy about that, do you accept that lodgements were made on your behalf to banks during the 30 years that you speak about?

A. I don't I am not clear on the drift of that

question. Lodgements made to banks

Q. On your behalf.

A. What banks?

Q. Well, I think, and if I just go through this slowly with you, for example

COMMISSIONER: We are a little past the half-way mark, Mr. Haughey, would you like to take a five minute break or would your preference be to finish the session?

A. Maybe if we go on for the moment.

COMMISSIONER: Certainly. Let me know if you have...

Q. MR. COUGHLAN: Well we know that sums of money which were made available for your purposes by Mr. Bernard Dunne, for example.

A. From who?

Q. Mr. Bernard Dunne, Mr. Ben Dunne

A. I don't know what the question is.

Q. That those monies

A. You are telling me what you know.

Q. Those monies were lodged to bank accounts which were used on your behalf. Would you accept that?

A. I can't say, I can't say yes or no to that. That's what the Tribunal is all about I think, isn't it.

Q. I see. Well, we know that there were monies paid to the Haughey Boland No. 3 Account which were used for the purpose of your bill paying services, isn't that correct?

A. There was a bill paying service in Haughey Boland, yes.

Q. To which money was lodged to enable them to draw cheques to meet the bills, isn't that correct?

A. I don't know the details of that.

Q. I am not asking you about the details and I wouldn't expect you to, but

A. You are asking me about lodgements.

Q. To accounts which were for your benefit, Mr. Haughey?

A. You are asking me about specific lodgements.

Q. I am asking a general question, I am sorry if I am confusing you and I will take it slowly again so.

There were lodgements made in the first - if we take them step by step - to the Haughey Boland No. 3 Account to enable them to meet the requirement of the bill paying service, isn't that correct?

A. This would be a logical conclusion, but I have no knowledge of the details of any such lodgements, but

Q. Very good. But I could ask you just to

A. The general principle is if money was paid out of an account, presumably money had to be put into that account.

Q. Yes. And I think that there were even lodgements made to accounts in your own name in Guinness & Mahon in the early 1980s, isn't that correct?

A. I recall we had some reference to this in the public hearings. But I also made it quite clear at those public hearings that I did not know of the existence of

those accounts, didn't know of their existence and had no connection with them good, bad or indifferent.

Q. Well

A. And I think I also said that time to you and I don't know, I think you accepted it, that I never made any lodgements to those accounts or wrote any cheques on those accounts.

Q. But if a cheque was drawn on the account in Allied Irish Banks Baggot Street, that is, if I just use the Party Leader's Allowance account if I may use it for shorthand purposes at this stage, and it was made payable to cash, do you know if, for example, there was any indebtedness to Guinness & Mahon or to Mr. Traynor for the purpose of that cheque being drawn and finding its way into an account of Mr. Traynor?

A. No, I do not, but then I don't know that there wasn't.

Q. And that would be from that account, an indebtedness from that account to Mr. Traynor. You don't know anything about that?

A. No.

Q. As to how a cheque from that account made payable to cash would have ended up in an account controlled by Mr. Traynor, can you offer any explanation as to how that might have occurred?

A. No. Unless Mr. Traynor was owed something.

Q. By whom?

A. By the Party. He may have paid some account but

that's pure, pure speculation. But you are asking me these questions. Pure, pure speculation on my part but if something was paid to that account, that was Mr. Traynor's account, it wasn't my account, then one possibility, among many, is we may have been repaying something that he paid on behalf of the Party.

Q. Might I suggest to you, Mr. Haughey, that the most likely explanation is that you gave this particular cheque to Mr. Traynor?

A. No, I did not. Let me rephrase that. I am certain that I did not put that I have certainly no recollection of ever giving any cheque of that kind to Mr. Traynor.

Q. There were three people who were involved in the drawing of this cheque, there is Mr. Ahern who has given evidence that he has no recollection

A. Mr. Coughlan, I am getting tired of this matter. I am getting tired and thank you, Chairman, for your consideration. You have asked me a question about this cheque. And I don't know why after 30 or 20 or whatever number of years it is, this one cheque has been taken out, looked at, examined, theories evolved about it. I told you that I don't remember the cheque or anything about it.

Q. Very good. But what I want to ask you now, Mr. Haughey, is, of the three people who were involved

A. Ask me questions, Mr. Coughlan, but don't be making

suggestions to me.

Q. Of the three people who were involved in the drawing of this cheque, you were the only one who had a contact with Mr. Traynor, isn't that correct?

A. I don't know that. I don't know that, for instance, Mr. Bertie Ahern, I am not saying he had, but I don't know that he never had any knowledge or contact with Des Traynor. Des Traynor was a very active person in business commercial life in this city. Why do you say that? Why do you say that to me?

Q. Well if I put it to you this way. Ms. Foy said the only person who would have been left with the cheques were you. Any cheques

A. Excuse me?

Q. Mr. Ahern pre-signed all cheques in block. The only one who was left with cheques was you.

A. Sorry, excuse me, the own person left with

Q. Left with cheques was you or her.

A. Ah yes.

Q. She has given sworn evidence that she had never had any contact with Mr. Traynor, Guinness & Mahon Bank or with Ms. Williams other than to get Ms. Williams on the phone for you. Now, do you accept that.

MR. MCGONIGAL: She has also said, and it was not referred to by Mr. Coughlan, "If I was asked to make out a cheque for cash I was asked to make it out, I

would have been given a specific reason for it. I

would have been told what it was for. That would have been written into the accounts.

Question: I just want to ascertain from you if you were asked to make a cheque out payable to cash would you have put the reason in the stub?

Answer: I would and in the accounts.

Question: And you would have entered the reason in the ledger?

Answer: I would have."

MR. COUGHLAN: Sorry, if Mr. McGonigal

MR. MCGONIGAL: That was 214, I don't know the questions which Mr. Coughlan

COMMISSIONER: I recall

MR. MCGONIGAL: And if Mr. Coughlan stuck to the evidence instead of speculating, we might move this forward much more quickly.

MR. COUGHLAN: If Mr. McGonigal stopped intervening we might move it forward.

Q. Now, Mr. Haughey, isn't it correct that you are the only one who would have been left with the cheque for  $\$25,000$  made payable to cash?

A. No. I don't accept that.

Q. Very good. Well can I ask you this, who was the other

person or persons

A. That's not for me to say

Q. Mr. Haughey, please now, you signed this cheque for  $\text{€}25,000$  made payable to cash. Who would you have given it to?

A. First of all, I keep telling you and I don't know why you don't accept it, that I don't remember anything about the cheque. Now, you either accept that or you don't or you are trying to make me give some answer that fits into your own preconceived ideas of what happened. And I am not going to do that.

Q. What I am asking you about is your practice. Would you have given

MR. McGONIGAL: That's not a practice. You were asking him about a specific cheque. If you want to ask him about his practice, now, that's a different matter.

COMMISSIONER: Proceed.

Q. MR. COUGHLAN: Now, Mr. Haughey, the cheque any cheque for  $\text{€}25,000$  cash, who would you have given that to in the office? Who would you have given that to in the office?

A. The normal procedure would be, and I think you know this, that Ms. Foy would bring me cheques which I would sign and then she would take them away again. I wouldn't give them to anybody, Mr. Coughlan.

Q. Perhaps at this stage, I would refer you to Question 354, Page 73 of the transcript.

A. 354?

Q. Yes.

A. That's not in the 61 questions you have listed.

Q. If we go back to 352. I am just referring you now, page 73. And we'll take you through that slowly now.

It's included in the list. 352: "Did you ever leave a cheque with Mr. Haughey other than in instances where you might have left invoices that he would deal with later if he was busy? Did you ever leave a cheque with Mr. Haughey filled out by with you Mr. Ahern's signature on it, it having gone on to ... when it was blank, did you ever leave a cheque in that state to Mr. Haughey?

Answer: Made out to a specific amount?

Question: Made out to a specific amount.

Answer: With no payee?

Question: With no payee.

Answer: The only one I would ever have left a cheque with like that would be Mr. Haughey.

Question: The only one would be Mr. Haughey. And would that have occurred on more than one occasion?

Answer: I don't remember, but if you are asking, you have asked me would I have left a cheque with anybody for  $\frac{1}{2}$ 25,000? I most certainly wouldn't. The only one you would leave a cheque with, I would have left a

cheque with for i;½25,000 having been given a good reason why this was being done and which was logical would have been Mr. Haughey. I would have been given a reason."

Now, this cheque, Mr. Haughey, made out to cash ended up in an Amiens Account controlled by Mr. Traynor.

A. You keep saying that. Is this just to wear me out or something?

Q. No, Mr. Haughey

A. You keep saying the same thing over and over again.

And I have given you my answer and I can't give you any further answers and I think what Ms. Foy is saying there in that thing bears out what I am saying, that normal procedure would be that she would bring me in cheques. I would sign them and she would take them away.

Q. So can I take it then that as regards the practice, only she, that's Ms. Foy, or you would have had the cheques when they were countersigned by you?

A. I can't even say that, but that would be the normal practice. She might there and then have given them to someone.

Q. Now, if I might then take you to page 78 of the transcript, Mr. Haughey and perhaps just to give a more complete picture, if you go to page 77, the preceding page, it's Question 385 and she says: "And I think you

say that you resigned your position as private secretary to Mr. Haughey in February 1992 immediately after Mr. Haughey had been preceded as leader of Fianna Fail and as Taoiseach by Mr. Reynolds. Is that correct?

Answer: Correct.

Question: I think you have informed the Tribunal that in your view it was a time of great political upheaval and the circumstances in which you left the Department of the Taoiseach were fraught and consequently your memory of the details of those events is unclear?

Answer: That's correct, yes.

Question: And you say that you have no knowledge of what happened to either the ledgers in which you kept the accounts relating to the Leader's Allowance or the invoices after you left your position.

Answer: That's correct, yes.

Question: But that you recall the contents of Mr. Haughey's office being put into boxes as part of his move out of Taoiseach's office, is that correct?

Answer: That's right.

Question: That you do not know specifically if these items were included in the boxes and you have no further knowledge of what happened to the boxes or their contents. Answer: That's right.

Question: But you had the impression that some of the material may have gone to Fianna Fail Headquarters in

Mount Street but that you have no real recollection of this. Is that correct?

Answer: That's correct.

Question: And I think you have informed the Tribunal that you personally did not keep any material relevant to the administration of the Leader's Allowance and that you are not now in a possession of any such material nor did you have the benefit of any relevant material such as cheques, copy statements introduced to you by the Tribunal? Answer: That's correct.

Question: That wasn't used when you prepared in your memorandum and that you prepared your memorandum from memory?

Answer: From memory, yes.

Question: Can I ask you this: Did you make any inquiries of anybody since you have been asked by the Tribunal to assist it as to where the particular documents may be?

Answer: No. I think the Tribunal pursuing that and

... Question: Well I am asking you did you speak to anybody in Fianna Fail?

Answer: Did I ask anybody?

Question. Yourself?

Answer: No, I didn't.

Question: Did you ask Mr. Haughey?

Answer: I went to see Mr. Haughey about a year ago.

Question: Yes.

Answer: Maybe a bit longer and I said

Question: Sorry, all I was asking, did you ask him about this?

Answer: Just let me

Question: Yes.

Answer: I said I had been asked about all this and that I had no records and had he? And I didn't really get an answer."

A. Now, this is one thing I am clear about. And Ms. Foy came to me after she had given this evidence and we didn't discuss anything except the question of the records and I drew her attention to that and I said, you know, that that's not correct. And she said, "Yes I know that, but I was confused and I thought I was answering a previous question." And I said to her, "Will you please therefore get your solicitor to write to the Tribunal and explain that to them." Now, I don't know whether her solicitor has done that or not but that is a clear recollection I have, because it was unusual that she would come to me that time because of the Tribunal and we didn't tried to not have any contact in case implications would be read into that, as they are read into most things, and that's why that particular episode is clear in my mind, that she said she was confused, she thought she was answering a different question and I said, "Well please write to the Tribunal and ask your solicitor to write to the

Tribunal and tell them that."

Q. Thank you. That's an hour now, Sir.

COMMISSIONER: I think we are just about on the hour now. Thank you very much, Mr. Haughey. I understand the legal advisers on both sides may have discussed the possibility of returning to the original venue, that's perhaps a place that might be more comfortable for Mr. Haughey. I am not sure if some discussions have taken place.

MR. MCGONIGAL: Mr. Haughey has indicated to me that he is happy to stay where he is.

COMMISSIONER: I think it's already been indicated that because of conference requirements there is nowhere available in the entire castle precincts on Monday or Tuesday, so Wednesday at eleven o'clock would be suitable for resumption.

MR. MCGONIGAL: Just one matter before you go that I want to draw your attention to, Sir, and that is page 84, Questions 427 onwards, seem to be relevant to whether it was the practice or the cheque that Mr. Coughlan is talking about and questions by Mr. Nesbitt to Ms. Foy and her recollection in relation to that cheque.

COMMISSIONER: We will recheck those again, Mr. McGonigal, over the weekend. Thank you.

THE DEPOSITION THEN ADJOURNED UNTIL WEDNESDAY, 24TH  
JANUARY 20001 AT 11:00AM."

DAY 3 OF THE DEPOSITION OF CHARLES J. HAUGHEY WAS READ  
INTO THE RECORD BY THE REGISTRAR AS FOLLOWS:

"THE DEPOSITION RESUMED AS FOLLOWS ON THURSDAY, 1ST  
FEBRUARY 2001 AT 11:00AM:

MR. COUGHLAN: Mr. Haughey, I think you may remember on  
the last day you were here I had asked you about  
whether you had a memory of meeting Ms. Eileen Foy in  
relation to her seeking information about the records  
which she kept in respect of the Party Leader's  
Allowance and you said you had a recollection and you  
gave a response to that. Well, obviously because it  
was something which affected Ms. Foy, we had to put her  
on notice of that and we have received a response. I  
don't intend dealing with that with you today. I'll  
give you a copy of her response and you can consider it  
in due course, if that's alright.

Now, what I'd like to deal with if I could today, Mr.  
Haughey

A. On that matter, it dawned on me after I left the last  
meeting and I suppose it should have presented itself  
to me when discussing it, that a lot seemed to hinge on  
the fact that 'cash' on that particular rather

illegible cheque duplicate was not in Eileen Foy's handwriting. I just wanted to make the point that it wasn't in my handwriting either. That didn't emerge and it only dawned on me afterwards it was not in my handwriting.

Q. Very good. In fairness to everybody, when Ms. Foy gave her evidence, she wasn't quite sure about the word 'cash' written on the cheques. She had doubts as to whether it was her, she wasn't saying it definitely wasn't. I think that makes that clear - that aspect of matters.

Now, what I'd like to deal with, Mr. Haughey, if I could, is a certain number of cheques which were drawn on the Irish Permanent Building Society account with the Bank of Ireland and which were, in some instances, made payable to Fianna Fail, in another instance was made payable to you but Mr. Farrell said for a specific purpose and also a payment which was made payable to you for your own electoral purposes, your own personal electoral purposes. Now, in the course of its inquiries, the Tribunal was informed that in the year 1986, there were two cheques drawn on the Irish Permanent Building Society, each in the sum of sorry, in the Irish Permanent Building Society's account with the Bank of Ireland, each in the sum of  $\text{€}1/250,000$  and both were made payable to Fianna Fail. The first one was dated 19th March, 1986 [EXHIBIT 1] and the

second was dated 17th October, 1986 [EXHIBIT 2]. I

just I'll hand you a set of documents now -

(Documents handed to witness)- showing those particular

cheques. Now, these would have been furnished to you

previously, but just for the purpose of dealing with

them today, I have given you this fresh set. And you

will see the two cheques. The documents also show the

cheque stubs and the back of the cheques, both of which

are endorsed on the back; the first cheque which is

dated 19th March, 1986 for  $\text{€}1/250,000$  [EXHIBIT 3] was

endorsed on the back for Fianna Fail 'Charles J.

Haughey' [EXHIBIT 4]. And the second cheque dated 17th

October, 1986 for  $\text{€}1/250,000$  was endorsed on the back for

Fianna Fail 'Charles J. Haughey' [EXHIBIT 5]. The

bundle of documents also has the cheque stubs and the

first cheque stub which was written in the handwriting

of Mr. Farrell's secretary records: "19/3/1986 Fianna

Fail sub,  $\text{€}1/250,000$ " [EXHIBIT 6]. And the second stub

which has written on it: "17/10/1986 Fianna Fail sub,

$\text{€}1/250,000$ " [EXHIBIT 7]. Just to complete the picture:

there are bank statements, two bank statements for the

account of the Haughey/Ahern/MacSharry Account [EXHIBIT

8], which was the Leader's Allowance Account in Allied

Irish Banks Baggot Street, and they show, both the two

statements show the two  $\text{€}1/250,000$ s or show two sums of

$\text{€}1/250,000$  being lodged to that account. The cheques also

contain the stamp of Allied Irish Banks, the Baggot

Street branch.

Now, can you assist the Tribunal at all about these cheques?

A. No, I can't. The only thing I can point out is that we were, in 1986, we would have been in opposition and presumably there were funds raised in the normal way to keep the Party going in a lean period of opposition.

Q. Now, do you remember at all if you made any approach to Dr. Farrell in 1986?

A. No. I don't think I ever made a direct approach to Edmund Farrell. I don't remember making one in 1986 in any event.

Q. I am only asking about 1986 because, in fairness to you, I'll come back to something later and I don't hold you to your answer there that you never made an approach because I will have to put something to you about the evidence that Dr. Farrell gave of an approach at a later stage but just for the moment, if you didn't make an approach to Dr. Farrell in 1986, how do you believe an approach might have been made?

A. I don't know.

Q. Would letters have been issued would letters have issued from the Fianna Fail organisation seeking subscriptions, for example?

A. Possibly from the Committee, the Fundraising Committee. But I don't know. We were in opposition at the time

and I think always short of money and it's likely that an approach would have been made to him, but I am not I wouldn't know from what direction or by whom.

Q. Well, we have had some evidence of fundraising from people like Mr. Paul Kavanagh and Mr. Eoin Ryan and people who served on the Committee in a fundraising capacity and would you agree that the usual way that money was raised was that the Committee would identify potential contributors, perhaps write to them and then members of the Committee would be allocated different people to follow-up?

A. That would be more in a General Election context.

Q. Yes, I see. Now, Dr. Farrell gave evidence that he doesn't have a recollection of you seeking a contribution and he presumes that the contribution must have been sought in the normal way, his society having made contributions to other political parties as well and that it would probably be in the form of a letter requesting a donation or perhaps somebody making contact and seeking a donation. But you have no recollection of doing it yourself?

A. No, and I don't think I would have. Paul Kavanagh mentioned to me at some stage, I can't remember when it was, that Edmund Farrell was one of the people who was anxious to or prepared to assist me personally politically, assist me in a political sense, because he was a very firm believer in what I was trying to do and

well, to put it simply, wanted to be part of it. Now, Paul Kavanagh, as I say, mentioned that to me at some stage, I am not quite sure when.

Q. Now, would that be, to your understanding, assistance in relation to political contributions or assistance personally?

A. Personally politically, as it were. For me as a political person, these were Fianna Fail to be used as I saw fit, but given to me as a political leader and because of my work as a political leader. And also I think because well, I am only thinking this, but I mean, the impression Paul Kavanagh conveyed to me was that the country was in very dire straits in 1986. It's difficult to it's difficult for any of us to recall now the absolute disastrous situation, financial and economic, in which we were in 1986 and most thinking people were frightened, frightened of what was happening and whether the International Monetary Fund were going to be called in and at that time, I think it's widespread, a fairly widespread feeling that Fianna Fail offered the only hope of coming back into government and taking the action that was necessary to deal with this situation and I would be sure that Edmund Farrell was one of those sort of people and in that respect, that he would have been prepared to provide funds.

Q. And was it your understanding from whatever information

was conveyed to you by Paul Kavanagh, that there was no distinction conveyed, to you at least, between a donation to Fianna Fail, a donation to you in your personal political capacity and you personally? Is that your understanding?

A. I would be surprised if Paul Kavanagh hasn't told you that.

Q. I am just asking you, was that your understanding?

A. Yes.

Q. That would be your understanding?

A. I mean, I am sure you have ways of verifying that yourselves as a Tribunal.

Q. Now, because in 1986, and in fact over the subsequent years you would appreciate that we have had access to Fianna Fail financial records and have been furnished with lists of political contributions made primarily at election time of course, but that in 1986, a donation of, or a contribution of  $\text{€}100,000$  was a huge contribution, would you agree?

A. No. Well, I can't quite recollect

Q. Well, perhaps I can be of assistance to you

A. No, what I mean is I can't recollect whether there would have been a number of, say,  $\text{€}50,000$  subscriptions at election time. There may have been. It would have been a substantial contribution, yes, but bearing in mind the size of the Irish Permanent, very much a leading financial institution in the country, I'd like

to say en passant, to my almost certain recollection, neither Edmund Farrell nor the Irish Permanent ever, ever sought any preference or favours or concessions or anything of that nature. I mean, I am almost absolutely certain of that.

Q. These two payments in 1986 were made payable to Fianna Fail. From our examination of Fianna Fail financial records over the years, and from evidence which was given by Mr. Sean Fleming who dealt with the finances in Mount Street, there was a fairly tight control kept on matters in this respect. All contributions or donations were recorded and in virtually all instances, acknowledgements or receipts were issued in respect, even down to in some instances, contributions of  $\text{€}1$ .

A. With all due respects, Mr. Coughlan, that's just rubbish.

Q. Very good.

A. Because I am sure your own investigations have shown that one of the big problems that we always had, not just at that time, but as far as I can remember, as president of the organisation, one of the problems, continuing problems was that deputies, individual deputies in their constituencies would receive contributions and would, maybe correctly, not hand them on into Fianna Fail in Mount Street, but put them into their own constituency funds or use them for their own, for their own election campaigns. So it would be quite

ridiculous for anybody to suggest that every possible contribution made, certainly at election time and in between elections was religiously handed into Fianna Fail at Upper Mount Street.

Q. Well, perhaps I should deal with it this way so. As far as Mr. Fleming was concerned as the person administering the funds in Mount Street, anything he received, he meticulously recorded and issued receipts for?

A. That's not for me to say, because

Q. Well, over your years as president of the Party and I think the Accounts Department were

A. Over the years I never had very much to do with the accounts at Mount Street. That was a National Executive matter and there were Fianna Fail trustees, treasurers rather, there were national treasurers appointed, part of the office of the National Executive and between them and the General Secretary and whoever was looking after the accounts from time to time, that was all handled there.

Q. At that level?

A. Yes, and I would have fairly satisfied I never had anything to do with that; very, very little to do with that.

Q. Other than that you might be told what the bottom line was on occasion or

A. Oh we were told frequently and we were, we were always

short of money and certainly in the eighties we had so many elections and very expensive, very costly elections following each other very, very, very rapidly, uniquely so, that Mount Street, as we call in the Dail and Leinster House, we would always refer to it as 'Mount Street', Mount Street would be getting further and further into debt and that, I don't recall what period of time it was, but we would, in the Party Leader's Account, we would help Mount Street out. We would sometimes, sometimes pay the wages for them when they couldn't and if they were, if they were pressed very hard by the creditors arising out of elections or otherwise, if the thing was getting to a crisis stage, I think they would go to Eileen Foy and look for to pay a particular bill. But otherwise, as I say, Mount Street I would not be familiar certainly with the accounting procedures of Mount Street or even with the details of the account except, as you say, to be informed from time to time of the seriousness of the situation. Indeed, I think Clue Assange is much the same today it seems I see newspaper reports that they are thinking of selling Mount Street itself.

Q. If that be the case so, Mr. Haughey, can we take it that anything that came into Mount Street, any cheques that came into Mount Street, any contributions that came into Mount Street, were handled by Mount Street and not by you at all?

A. Oh certainly not, no, not physically by me, no.

Q. And you would have had no reason to be involved with endorsing any cheques which would have come into Mount Street?

A. No, unless they were made out to me personally. But

Q. Now, these two particular cheques for i;½50,000, each were made payable to Fianna Fail and they are recorded on the Irish Permanent side as being subs or subscriptions to Fianna Fail. That is what Dr.

Farrell's secretary recorded in the stubs of the cheques and he has informed the Tribunal that he would have furnished her with that information and he would also have had to furnish that information to the Society to justify the payments as political contributions or political subscriptions. Now, if you didn't made a request of Dr. Farrell yourself and you have no recollection of anyone doing it on your behalf, do you know how it came about that you endorsed these cheques and that they were lodged to the Party Leader's Allowance Account in Baggot Street?

A. No. No, I can't but I wouldn't see anything exceptional about it. We were in opposition. We were very, very active in opposition at that time. We did an enormous amount of things. We carried out an awful lot of research - we had a firm, I forget their names, something 'and Attitudes', we were continually getting them to do polls for us. We were continually preparing

policy documents, holding press conferences. Generally speaking, we were very, very active opposition and incurring quite a lot of expenditures. So that very often Mount Street would not be in any position to pay, to meet these expenses that it would not be unnatural, I think, if we - if some contributions like that came in, that we would lodge them to the Party Leader's Account for party purposes.

Q. But

A. I am fairly clear that that would have been the position. As I say, we were incurring heavy expenses as an opposition party by the Party, as distinct from the Organisation.

Q. Why, Mr. Haughey, would the  $\frac{1}{2}$ 100,000 not just have been lodged to the Fianna Fail account in O'Connell Street if the cheques were made payable to Fianna Fail and they came into Mount Street and then Mount Street would be able to use that  $\frac{1}{2}$ 100,000 for appropriate disbursements?

A. It was a question of whose need was greatest. AS I say, we were engaged in a variety of Party operations, Party activities, major party activities and it would be perfectly normal for me to lodge - I mean, Fianna Fail was Fianna Fail to lodge those cheques to the Party's account, Party Leader's account. I wouldn't see anything exceptional in that.

Q. Well, do you think that these two cheques

A. Particularly in view of the fact that from time to time we would pay Fianna Fail bills if that was necessary.

Q. Do you think it could have been the situation, Mr. Haughey, that these two cheques might have been viewed as being in that category you described Mr. Paul Kavanagh telling you about, that this was Dr. Farrell supporting you as a politician, Fianna Fail as a party, and you personally? Do you think that they might have been viewed as being in that broader type of category?

A. I am trying to think now, but I don't think that Dr. Edmund Farrell, as an outside non-political person, would have distinguished, you know, whether it was Fianna Fail Mount Street or Fianna Fail Leinster House.

Q. Or even you?

A. Or even me, yes; me as Party Leader.

Q. Yes, but you as a politician and as a person as well, I think that that was your understanding of what the type of support that he might have been prepared to give as enunciated to you by Mr. Paul Kavanagh at least?

A. Yes.

Q. Now, could I ask this: if the and of course, I suppose, all political parties were under pressure in the eighties by reason of the, as you say, the number of elections, general elections that had taken place that if the Party, that is the Fianna Fail Party in the 1986 was under financial pressure and I think that there is no doubt but that was the case, would other

people have been approached apart from Dr. Farrell or the Irish Permanent Building Society for substantial contributions, to the best of your knowledge?

A. You mean in between?

Q. In 1986.

A. Yes, possibly. I wouldn't be sure. But I am sure if we were strapped, as we were, for money.

Q. Do you recollect any other substantial contributions of that category, you know, in the  $\text{€}1/250,000$  category?

A. Not off hand, no.

Q. Just to, if I could, and it might be of assistance to you over time in thinking about the matter. From our analysis of contributions to Fianna Fail and I say primarily at election time, the largest contribution that we have identified either personal or corporate was  $\text{€}1/2100,000$ , so that's up to date.

A. I think I told you already in evidence, did I not, at some stage, maybe it was at a public session, that I remember one or more  $\text{€}1/2100,000$ . Did I not say that?

Q. You may have, Mr. Haughey, but I just sort of, that may be of assistance to you if there were what I call big contributors in 1986, if to date the largest we have seen is  $\text{€}1/2100,000$  from a substantial contributor, that

MR. McGONIGAL: It occurs to me, Mr. Commissioner, if Mr. Coughlan feels that it is relevant to go into the Fianna Fail accounts or records, that Mr. Haughey

hasn't seen those and if he thinks that they would be of benefit to him, they don't seem to me to come within the Terms of Reference but if he thinks they would be of benefit to him, maybe he should give them to Mr. Haughey to see if that affects his memory in any way and it might move this thing forward.

Mr. COUGHLAN: I think in the course of public sittings, when Mr. Fleming gave evidence, they would have been displayed with the

Mr. McGONIGAL: I don't think Mr. Haughey was there then.

Mr. COUGHLAN: with the identity of the contributors blacked out obviously.

A. Hmm?

Q. They were displayed at public sessions of the Tribunal when Mr. Fleming gave evidence

Mr. McGONIGAL: I am simply trying to move this forward that the Terms of Reference seem to talk about substantial payments and if this is if the if anyone thinks that this is of assistance to Mr. Haughey or necessary, then it might be of some benefit to show them to him instead of asking him questions about something that he hasn't seen.

COMMISSIONER: Well, this can be dealt with if it

arises. It occurs to me, Mr. Haughey, we have just passed the half time mark. Would your own preference be to take five minutes now or would you be prepared to go on?

A. If you could take five minutes off at the end, Chairman.

COMMISSIONER: Well we won't go beyond twelve.

Q. Mr. COUGHLAN: I'll take the matter up with Mr. McGonigal later, Mr. Haughey, but you can take it from me that the largest contribution that we have seen, I am not saying it's necessarily the largest contribution in light of what you have said of what might have happened to other funds, but the largest contribution, recorded at least, is  $\text{€}100,000$  to Mount Street. I am only saying that to you to see if it would be of any assistance in jogging your memory about other large contributions.

A. In an effort to help the Tribunal have a full picture, I think you are sort of fixating on  $\text{€}100,000$ , you know, a sole contribution of  $\text{€}100,000$ . My own recollection is, at that time, '81/'82 elections, and subsequent elections,  $\text{€}50,000$  - between  $\text{€}50,000$  and  $\text{€}100,000$  wouldn't have been all that exceptional, I don't think so.

Q. I see. Well

A. As I say, I do recollect, I just can't remember what

election it was, maybe it was two separate elections  
but certainly two different contributions of  $\frac{1}{2}$ 100,000.

Q. Well, if they weren't if there were such

A. You see, Mr. Coughlan, may I point out to you,  
elections in those days were beginning to reach, the  
general cost of a general election or presidential  
election was beginning to go well over  $\frac{1}{2}$ 1 million.

Q. Yes, I am

A. And maybe  $\frac{1}{2}$ 2 million and I don't know whether you have  
figures for what we would have collected for any  
particular general election in total, whether it was or  
not

Q. I think we do, Mr. Haughey. I think in '87 it would  
have been  $\frac{1}{2}$ 1 million plus or something.

A. It was more. Anyway, so that I mean, we would have to  
be getting a few, a good few  $\frac{1}{2}$ 50,000s or even a few  
 $\frac{1}{2}$ 100,000s to be getting anywhere near that.

Q. Just for the assistance of the Tribunal, and in the  
light of your general knowledge about these matters, if  
I could ask you this: if there aren't a reasonable  
number of large contributions recorded in Mount Street,  
could it be, and if they occurred, could it be so that  
they were

A. Well, could I ask you, Mr. Coughlan: what sort of range  
would be recorded in Mount Street if there weren't any  
large

Q. Donations, from our analysis, but we will furnish this

in due course, donations in Fianna Fail in 1986 in excess of  $\text{€}1/25,000$ , that's recorded, there were only two.

A. That wasn't an election year. I'm talking about election years.

Q. In this year which was not an election year, this is  $\text{€}1/2100,000$  coming in and it's not recorded in Mount Street at all.

A. Yes, but I mean, I think you were saying to me that  $\text{€}1/2100,000$  would be very exceptional and  $\text{€}1/250,000$  would be exceptional. I am trying to relate that to the sort of flow into a general election fund, either in '81 or '82 or '87. Would I not be right in thinking that there would be a fair number of  $\text{€}1/250,000$ s.

Q. Well, I'll do that analysis in due course, Mr. Haughey, for you, but in 1986

A. I am not too sure what point you are making about these 50,000s.

Q. Well, I am just trying to ascertain that they never went to Fianna Fail in Mount Street or they were never recorded there.

A. They went to the Fianna Fail Party fund, Party Leader's Fund.

Q. Well, is it your understanding so, that a cheque made payable to Fianna Fail could legitimately be endorsed and go into this account?

A. Absolutely, absolutely.

Q. Very good. I'll come back tomorrow, because there was

a very strange sorry, perhaps there was a chain of correspondence occurred between your solicitors and the Fianna Fail Party over particular funds where queries were raised about which Fianna Fail was being addressed, so I just want to

Mr. McGONIGAL: What client the solicitor was appearing for, if my recollection serves me right, but what has this got to do with the Terms of Reference?

Mr. COUGHLAN: I am trying to ascertain whether this was considered by you to be personal money, Fianna Fail money or a combination of both, Mr. Haughey?

Mr. McGONIGAL: Does it matter under the Terms of Reference? If it's substantial payment, then you have authority to find out whether there were any acts or decisions related to it. Can we not get on to that?

It's quite clear what the Terms of Reference say: Identify the payers - whether he agrees with them or not is immaterial - identify the payers, acts or decisions.

COMMISSIONER: Well, you know my difficulty, Mr. McGonigal. I am a commissioner. I can't give rulings on this and I'll note what you say.

Mr. McGONIGAL: I hope someone will think about this.

Q. Mr. COUGHLAN: Now, Mr. Haughey, you will agree that as

these matters unfolded at the Tribunal and as information became available to the Tribunal about these particular sums of money, the Tribunal informed your solicitors about them and sought your views or comments, isn't that correct?

A. My solicitors?

Q. Yes.

A. Yeah, i think there was voluminous correspondence.

Q. Even in advance of the matters

A. I often feel snowed under by it.

Q. Even in advance of the matters being dealt with in public by the Tribunal, and you chose not to make any comment in respect of them, isn't that right?

There was a cheque made payable again to Fianna Fail and it's in the bundle of documents dated 16th August 1991 [EXHIBIT 9] and it's the sum of  $\text{€}1\frac{1}{2}40,000$ . And again this cheque is endorsed on the back by you [EXHIBIT 10]. It's recorded in the stub of the cheque as being a subscription to Fianna Fail [EXHIBIT 11] and it was lodged to, or was part of a sum of money which was lodged to the Party Leader's Allowance in Baggot Street. Again, do you know how that particular cheque which was made payable to Fianna Fail came to be endorsed by you and to end up in this bank account?

(Documents handed to witness.)

A. Who is it from?

Q. It's from Irish Permanent?

A. Where was it lodged?

Q. It was lodged to the Haughey/Ahern/MacSharry Account in Baggot, AIB Baggot Street.

A. No, I don't remember it, but it seems, it seems evident from this what happened. In 1991, August '91, I don't know of anything particular happening around that time.

Q. I think there had been perhaps local government elections, it was just after the local government elections I think?

A. Well, I suppose that would be it then. I mean, I remember at those local elections we put in what my friend Jackie Healy Ray would call, an almighty effort. We ran the local elections as more or less a national campaign and we produced, first of all, we prepared and researched major documents, policy documents so even though they were local elections, I would be fairly sure that there was major rational expenditures by the Party Leader's Account.

Q. By the Party Leader's Account?

A. Probably, yeah.

Q. I see. But do you remember did you solicit that particular payment from Dr. Farrell or did you receive a particular payment from Dr. Farrell?

A. I don't remember, no.

Q. And you don't know how it came to be endorsed by you or lodged to this particular account?

A. Obviously it came into Mount Street, or no, it must

have come into Leinster House.

Q. Into Leinster House

A. And

Q. It's not recorded by Mount Street as being received.

A. Well, then it came into Leinster House, came into the Party directly, maybe brought in by Paul Kavanagh, I don't know.

Q. Were there any other substantial contributions, if you accept that these type of figures are substantial, were there any other substantial contributions which would have come into Leinster House which might have been endorsed by you and lodged to any bank account, apart from these, do you know?

A. I couldn't say that there weren't. But these were frenetic times, you know, I mean '91 was an extraordinarily busy, active time.

Q. Now, were there any other accounts other than the Party Leader's Account that any cheques which you endorsed might have gone into?

A. Made payable to Fianna Fail?

Q. Yes.

A. I wouldn't think so.

Q. You don't think so?

A. I wouldn't think so. I endorsed them on behalf of Fianna Fail, they would almost certainly have gone to the Party Leader's Account or to Mount Street. In fact, I don't know, maybe if they were just made

payable to Fianna Fail and went to Mount Street, I wouldn't endorse them at all. Wouldn't that be right?

Q. That would be right. There was an account in the name of Fianna Fail I think in O'Connell Street branch of a bank. Now, how do you know, or did you, if they did arrive into Leinster House, did you furnish any receipt or acknowledgement to the Irish Permanent that it had been received?

A. Sorry?

Q. Did you furnish any receipt or acknowledgment to Irish Permanent or to Dr. Farrell that the sums had been received?

A. Well, that would be Eileen Foy's job to do that, you know, to issue a receipt.

Q. Do you ever remember giving any direction to her to do it or?

A. Oh no, that wouldn't arise. She would deal with these things as a matter of routine.

Q. Now, if she was dealing with it in the normal course of Fianna Fail's business like Mr. Fleming was dealing with Fianna Fail's business over in Mount Street, there would be no reason to suppose that she wouldn't give a receipt just like Mr. Fleming would give a receipt?

A. I don't know, no, or, as you say, an acknowledgement of some sort.

Q. An acknowledgement of some sort, yes?

A. Sometimes, sometimes - we are on to that word 'donors',

subscribers might say 'I don't want any acknowledgement, I don't want any receipt'. But I don't think that would be the case with Edmund Farrell, I mean a big financial institution, I suppose would need for their own records.

Q. They would, yes, possibly, this being a mutual society.

A. And also I am sure that Eileen Foy, unless she was told by somebody like Edmund Farrell, by the subscriber, that they didn't want any receipt.

Q. Well, Edmund Farrell or the Society, I should add, the evidence that has been given, got no receipts.

A. They got?

Q. They got no receipts. Now, I think there was a cheque then made payable, and this is the 19th October 1990, and it's made payable to you, and Dr. Farrell has given evidence that it was for your own electoral purposes or political purposes sorry, I beg your pardon, well, there was an election in 1989, I am sure you remember it?

A. There were two elections.

Q. Yes. No, one in 1989.

A. Yeah, there were two: General Election and Presidential.

Q. I beg your pardon, yes, of course. It's possibly disrespectful

Mr. McGONIGAL: Wasn't there a European election, Mr.

Commissioner?

Q. Mr. COUGHLAN: I think the Presidential Election may have been 1990?

A. No, no, it was '89. Maybe I am confusing the Presidential and the European. They were both held on the same day. I thought the Presidential was held on the same day, you are right. There was Brian Lenihan, Mary Robinson and that was in late '90, wasn't it?

Q. 1990, I think, yes, but there was a General Election in 1989.

A. And European Election.

Q. And the General Election in 1989 was held on the 15th June, 1989 I think was the date of that election?

A. It was in June anyway, it was in June, yeah.

Q. And Dr. Farrell gave evidence of prior to that election, he was invited to a presentation about the IFSC, which was held one morning I think in the Berkley Court Hotel I think, and that you addressed a gathering?

A. Mr. Coughlan, you are not deliberately, but you are putting it in very minimal terms. That particular meeting, I would claim, represented a turning point in the financial history of this country. It wasn't just an ordinary electoral meeting. We unveiled at that meeting, if it's of interest to the Tribunal we unveiled in that meeting our plans for a Financial

Services Centre and we made it part of our election platform. It was a major announcement, of considerable significance and we went ahead when we returned to government and established a Financial Services Centre much against the comments and cynical remarks of the body politic in general at that time. Anyway, that's the Financial Services Centre today which has, as I say, changed the whole political history, financial mainly, of this country. Forgive me for saying that.

Q. Not at all, Mr. Haughey. But it was obviously a significant occasion for you as well launching or making a presentation about that, isn't that correct?

A. Well

Q. You remember it?

A. Oh I remember it vividly. But when you say major, it was also, I can't think of the right word, but it was a tense occasion because we were putting something forward revolutionary and we were staking our political future and reputations on it and there was a great deal of cynicism around at the time. I mean, how could Ireland possible develop a Financial Services Centre with London over there and Switzerland and the Bahamas and all the rest of them? So it was it wasn't just another occasion; it was a major venture, if you like, adventure for us as a party, as a party in opposition.

Q. And if we could just move forward: you remember the occasion Dr. Farrell said he received an invitation and

that he saw other people there who were significant people in the financial world, the business world as one might expect at such a presentation or a launch, do you remember that?

A. Oh there were. We tried to get all the financial people there. In fact, the only one of the few people I remember speaking to at the time was Larry Goodman, which I think I have given evidence somewhere else about meeting him and it was the first time I met him.

Q. Dr. Farrell said and gave sworn evidence about this, that when the presentation was over and as people were leaving, that he spoke to you or you spoke to him and that you made a request on that occasion at the Berkley Court for a donation or a contribution for political purposes for yourself. Do you remember that?

A. No, I don't remember specifically that. You mean that I asked him for my own constituency organisation, is that what he said?

Q. Well, what he said was that I think his understanding, his understanding was yes, that this was not a Fianna Fail general approach, but that it was an approach by you in respect of your own constituency, yourself as an individual politician, and that you were seeking a political subscription?

A. It seems totally out of kilter, as it were. I am not saying it didn't happen, and certainly I don't think

I've ever solicited major contributions from individuals for central funds, as it were. I usually left that to the Committee.

Q. Yes, and

A. I am coming to that now. I am trying to recollect my thoughts.

Q. Yes, of course.

A. As I said to you, I mentioned that this was a big tense occasion and whereas my own constituency would always be in need of funds like anybody else, I find it hard to believe that I would, in that type of atmosphere, in that context, solicit a personal contribution for my own constituency. I just find it - but I am not saying it couldn't have happened. It just seems unlikely to me.

Q. Dr. Farrell, when he gave evidence, says that he himself was surprised.

A. Have we got his evidence?

Q. Yes, the transcripts are available and they were furnished and I'll come back to it again if you think it's necessary. He said the reason he remembers it, it impressed the occasion made an impression on him in that he was surprised and because of the location and the event which had taken place. That's how it made an impression on him.

A. The only difference between us is that he was surprised at the time and I am surprised in retrospect.

Q. But you accept that it could have happened?

A. Well, I mean, he gave evidence and was this in public?

Q. He gave sworn evidence to the Tribunal.

A. Yeah, well, I accept that certainly, but again I find

it odd that I would do that. Are we certain that he

didn't volunteer it? I mean, did

Q. No, I think you see, when he gave his evidence why it

made an impression on him was, he was surprised that he

was asked; that you had asked him. That's why it made

an impression on him.

A. Well, I am surprised too.

COMMISSIONER: We are right on twelve o'clock, Mr.

Coughlan, if you are thinking of moving on to another

matter. Thank you very much, Mr. Haughey, for your

assistance.

A. Thank you.

COMMISSIONER: I'd be anxious, in view of what I would

have thought was all our common interests, to try and

complete this process, that we avail of tomorrow.

THE DEPOSITION ADJOURNED UNTIL THE FOLLOWING DAY,

FRIDAY, 2ND FEBRUARY 2001 AT 11:00AM."

DAY 4 OF THE DEPOSITION OF CHARLES J. HAUGHEY WAS READ

IN THE RECORD BY THE REGISTRAR AS FOLLOWS:

"THE DEPOSITION RESUMED AS FOLLOWS ON FRIDAY, 2ND

FEBRUARY 2001 AT 11:00AM.

CONTINUATION OF EXAMINATION OF MR. CHARLES HAUGHEY BY

MR. COUGHLAN:

Q. MR. COUGHLAN: Mr. Haughey, I think, if I might continue

the inquiry concerning the Irish Permanent payments as

they have been described in the Tribunal, and what I'd

like to ask you about now is that in 1989 the Irish

Permanent Building Society made three payments, it was

at the time of the, or around the General Election of

1989 - and if I just explain how the evidence went - to

Fianna Fail in Mount Street, if I may describe it that

way and what is recorded there was a contribution or a

subscription made of  $\text{€}65,000$  to you personally arising

out of the meeting Dr. Farrell said that he had with

you, well a meeting might be putting it too far, a

brief discussion he had with you after the presentation

on the IFSC in the Berkley Court, a contribution to you

for your constituency political purposes of  $\text{€}10,000$  and

there was contribution made of  $\text{€}20,000$ , the cheque

being made payable to you, to assist in defraying some

of the expenses incurred as a result of the medical

treatment which Mr. Brian Lenihan obtained in the

United States. Now, I take it, first of all, in

relation to the  $\text{€}65,000$  payment which was recorded in

Mount Street, apart from sending out the usual letter

under your name, you would have known very little or

next to nothing about that particular contribution,

would that be correct to say?

A. That's correct.

Q. Now, Dr. Farrell told the Tribunal that he received a phone call from you in his office in St. Stephen's Green sometime around the 6th or 7th June of 1989, about a week before the General Election and that you asked him to come and see you, that he went to see you and at that meeting you told him about Mr. Lenihan's health, in general terms what was being done, and of the necessity to raise some money. Do you remember that?

A. No, I thought that was all done by Paul Kavanagh. I thought all the approaches were made by Paul Kavanagh.

Q. I see. So you don't remember Mr. Farrell - first of all, contacting Mr. Farrell and Mr. Farrell coming to see you in your office?

A. No. I don't remember it. It would seem out of the normal run of things, but I am not in a position to say whether it happened or not, but I just to say that it would seem to be out of the normal run of things, particularly at that time and all the hurley-burley of the run up to an election.

Q. Now, he said that he indicated to you that he felt that the Society would be prepared to make a contribution to defray the medical expenses of Mr. Lenihan and that he returned to his office and either on that day or perhaps the next day, requisitioned a cheque for

€20,000 and that this was sent over to your office in Government Buildings, probably brought by his driver.

Do you remember receiving any such cheque?

A. No.

Q. The cheque for your personal political purposes, and I use that when I mean your own constituency political purposes, was also requisitioned and drawn on the same date, that was the 7th June, 1989 and that was for a sum of €10,000 [EXHIBIT 1] and the cheque was made payable to you and that was also sent over to your offices at Government Buildings, do you remember that?

A. No. Mr. Coughlan, have we left the Party leader's Account?

Q. No, we are coming to it now.

A. I have something to say about it.

Q. Yes, and I'll give you every opportunity. The cheque for €65,000 made payable to Fianna Fail [EXHIBIT 2] was also requisitioned and drawn on the same date, that was the 7th June 1989 and he believes that that was probably sent to Mount Street, but that would have been outside your and it's recorded as having been received in Mount Street as well but that's something which would have been dealt with by the Fundraising Committee side of things, isn't that correct?

A. Is it the situation that he remembers sending two to my office and doesn't remember sending one to Mount Street?

Q. No, I think he remembers send two to your office and remembers sending one to Mount Street. But as regards the Mount Street one, you wouldn't have been in any day to day contact which would have enabled you to have any knowledge of that. Now, the two cheques which he says were sent to your office, the one for £20,000 made payable to you, Mr. Charles J. Haughey, TD, he says that was for Mr. Lenihan's expenses and that at his meeting with you, when he indicated that prior to the cheque being drawn, when he indicated that the Society would be prepared to make a donation or a contribution, he asked you to whom the cheque would be made payable and you said to yourself. Do you have any recollection of that?

A. No.

Q. In any event, two cheques dated 7th June, 1989, one for £20,000 was made payable to you [EXHIBIT 3] and one for £10,000 was made payable to you and the cheque for £20,000 was endorsed on the back by you. Would you just confirm that that is your signature? [EXHIBIT 4].

(Document handed to witness.)

A. Yes.

Q. You see on the there will be a photocopy showing the back of the cheque, I think it's the second document?

A. Well, I have a cheque on one sheet and then I have my signature on another sheet.

Q. Yes, that's a photocopy of the back of the cheque.

A. I don't think it proves that I endorsed the cheque.

Q. It does, Mr. Haughey. You can take it from me I can get the original it's the back of the cheque.

You endorsed the back of the cheque.

A. That's all right, yeah.

Q. You accept that that is your signature, do you?

A. Oh I accept that's my signature, yes.

Q. And the other document which has been handed to you is the cheque stub

A. I see the cheque is made out on the 7th June and it's not paid until the 15th June.

Q. Yes, that's correct.

A. The 15th June was election day.

Q. That is correct, that's right. The stub, you also have a photocopy showing you, which is the stub of the cheque-book which shows that particular cheque and what

Dr. Farrell instructed his secretary to fill in: "CJ Haughey (Brian Lenihan)" that enabled him to pinpoint that this was the cheque which was the donation to defray Mr. Lenihan's expenses or to assist in the defraying of them.

Now, that cheque for  $\text{€}20,000$ , together with the cheque which was made payable to you for your constituency purposes were both lodged to the account of Celtic Helicopters at Dublin Airport branch of the Bank of Ireland. Do you remember that?

A. I don't, no.

Q. Do you have any knowledge or understanding as to how both of those cheques could have been lodged to the account of Celtic Helicopters at Dublin Airport branch?

A. No, I can't, I have no recollection of it whatsoever.

Q. As you can see, the cheques are stamped as having been paid on the 15th June, 1989 as you correctly pointed out, and that was the day of the General Election, is that right?

A. Yes.

Q. Now, what then happened in relation to this sum of money of  $\text{€}123,000$  which was lodged to that account of Celtic Helicopters, is that on the 21st June, there was a debit to the account of Celtic Helicopters at Dublin Airport of a sum of  $\text{€}123,000$  [EXHIBIT 5] and that was as a result of a cheque being drawn on that account for  $\text{€}123,000$  made payable to cash. (Document handed to witness.)

COMMISSIONER: Did you say 21st or 31st was the debit, Mr. Coughlan?

MR. COUGHLAN:  $\text{€}123,000$  was the debit.

COMMISSIONER: But 21st or 31st June?

Q. MR. COUGHLAN: I beg your pardon, the actual debit to the account was on the 21st June, the cheque having been written on the, or sorry, the cheque is dated the

18th June, 1989 and I think you have a copy of the cheque there [EXHIBIT 6].

A. That's indecipherable. It could be the 1st, it could be the 10th, it could be the 16th, it could be the 18th.

Q. Mr. Barnacle of Celtic Helicopters gave evidence and accepted, when this particular cheque and Mr. Barnacle is the one who made it available to the Tribunal, informed the Tribunal that that is dated the 18th.

Now, at the time when Mr. Barnacle furnished this particular cheque to the Tribunal, and he gave evidence subsequently in relation to it, at that time he thought that it was a cancellation of an advance payment for use of helicopter time or hours. That was his belief.

Do you know anything about that?

A. No. If I might interject at this stage to say that you are dealing with a particularly frenetic period of time when the finances of Fianna Fail and the Leader's Account would have been more or less chaotic. There was a General Election in swing, there was a European Election, and there was money being collected for the Lenihan expenses. There would have been money coming and going in all directions at that time and I would certainly have no recollection of any of these details of that period, none whatever.

Q. Very good, well then

A. I doubt very much if anybody else had either, because I

think Eileen Foy has said at one stage that there was enormous pressure, financial sort of pressure of financial comings and goings at the time of the General Election, I think somewhere she used the word 'chaotic', so I am just saying that to say that there is absolutely no way in which I can account or which I can recall any of these particular transactions.

Q. Very good. Well then

A. I mean, I don't know. I am sure you'd have some idea, Mr. Coughlan, but you mightn't have the full idea of anybody who is participating in a General Election campaign, particularly if you are a leader of a party responsible for the whole campaign. The comings and goings of individual payments of these kind would not be top priority.

Q. Well, in any event, if I might just then, Mr. Haughey, continue with the history of this particular sum of  $\text{€}1230,000$ . That cheque for  $\text{€}1230,000$  cash which was drawn on the account of Celtic Helicopters Limited at Bank of Ireland Dublin Airport was subsequently cashed at Allied Irish Banks branch in Baggot Street which was the branch where the Leader's Allowance Account was maintained. It was cashed there.

A. I don't know, but was it cashed or lodged or?

Q. On the 20th June it was actually cashed and I'll tell you the evidence.

A. No, I just accept but what I mean

Q. It was cashed.

A. If it was cashed the money wasn't lodged?

Q. No, no.

A. Well then it must have been used for some other Fianna Fail purpose, Party Leader's purpose.

Q. What Fianna Fail purpose would involve the necessity to cash i;½30,000?

A. It could be a variety of reasons. I mean, there is no point in my speculating about them, but again I refer to the General Election and the aftermath of the General Election and people possibly looking for payment, payment in cash. I don't know, I don't recall. But I mean, there are a variety of possibilities as to why that particular procedure was adopted but the one thing I can say about it is that I had nothing to do with that procedure. I didn't cash I don't think I have ever been in the Allied Irish Bank, whatever it is, in my life. I never cashed I don't remember in the last 30 years ever cashing a cheque in a bank.

Q. Well, I think

A. Let's be specifically clear that whatever happened that cheque and for whatever way it was treated, and for whatever purpose it was treated, I had no involvement in it.

Q. Well, again one might infer as to who cashed it, if it came through you, it might have been Ms. Foy, she did

the banking business, I think, isn't that correct?

That would be fair to say?

A. She attended to all those matters, yes.

Q. And she'd have done things on your instruction and if you asked her to obtain cash, she'd bring it back to you?

A. Not necessarily on my instructions. Possibly on my instructions but I don't think I would get down to the nitty gritty of telling her whether to get cash or not. If she wanted money for Fianna Fail purposes or if it was a reimbursement from Celtic Helicopters to Fianna Fail to the Party Leader's Account, wouldn't necessarily involve my instructions. I mean, Eileen Foy was very a competent thorough person and at that time would handle an awful lot all those matters on her own initiative.

Q. But I just want to ask you now, this is something that you did address your mind to in the recent past and gave great consideration to, isn't that correct?

A. When?

Q. This particular well I think on the 29th July, 1999 after the Tribunal had led this particular matter in public, a statement was issued on your behalf?

A. I thought that was another cheque. I thought that was a  $\frac{1}{2}$ 25,000 cheque.

Q. No, no, Mr. Haughey, it was this particular matter. I am going to hand you, because we tend not to rely in

dealing with Tribunal matters on what appears in the newspapers necessarily, but as a result of a statement appearing in the newspapers [EXHIBIT 7], we inquired of your solicitors if it was a statement issued on your behalf. We asked for a copy

A. That statement was issued on my behalf, yeah.

Q. And obviously it's something that you had to consider and approve of before it was issued, isn't that correct?

A. I had forgotten I thought, it was in my mind, maybe it's arising out of the other thing we were dealing with the last day. I thought it was a cheque for  $\text{€}25,000$ .

Q. Well, what it says is

A. Yeah, I see what it says, yeah.

Q. "Widespread media reports that former Taoiseach Charles J. Haughey diverted for his own use money subscribed to a fund raised to meet the medical expenses of the late Brian Lenihan are untrue.

These reports relate to two cheques dated 7th June 1989 payable to Charles Haughey issued by the Irish Permanent Building Society, one for  $\text{€}20,000$  intended as a subscription to the Brian Lenihan Fund and the other for  $\text{€}10,000$  intended as a political donation. A General Election was held on the 15th June 1989.

These two cheques were inadvertently lodged to the

account of Celtic Helicopters on the 13th June 1989.

On the same day a cheque for  $\text{€}1/230,000$  of drawn on Celtic Helicopters account in Bank of Ireland Dublin Airport.

An examination of the available bank records indicate that this cheque for  $\text{€}1/230,000$  was, in fact, lodged to the party leader's account on the 20th June 1989 in Allied Irish Banks Baggot Street. This was the same account to which the contribution to the Brian Lenihan Fund were lodged.

All of the above bank records are available to the Moriarty Tribunal."

And it's dated 29th July 1989.

Now, what inquiries took place which caused this particular statement to be issued on your behalf, Mr. Haughey?

A. Mr. Peelo, Des Peelo, my accountant, whom I have employed to help the Tribunal with these matters investigated this matter. As I recall it now, we got the paid cheque, Celtic Helicopters got a letter from one of the banks, it might have been their own bank, to the effect that it had been, something for value to Allied Irish, what's the address of that?

Q. Baggot Street.

A. Baggot Street. They got a letter from their own bank to say that that cheque had been delivered for value or something to that, have you got that letter?

Q. Yes. We have, yes.

A. And then they subsequently got the, a copy of the pay cheque I think.

Q. That is correct, that's correct.

A. And that showed that was stamped on the back 'Allied Irish Baggot Street. So from that we are quite clear in our minds, I am still clear in my mind that that cheque was lodged to the Party Leader's Account.

Q. Well, it wasn't

A. Excuse me, that's why that statement was issued.

Q. But, in fact, it wasn't, Mr. Haughey. Because what was lodged to the Party Leader's Account at that time was a sum of money which was  $\text{€}36,000$  [EXHIBIT 8], if I might just explain this to you and, of course, that information would have been available to you or to Mr. Peelo at least anyway, in examining the bank statements and was it from that that the conclusion was drawn that this  $\text{€}30,000$  must have formed part of the  $\text{€}36,000$  which was lodged to the account?

A. I don't know about that, I don't know about that, but at that time we were given a letter, the letter I referred to, which indicated, on the face of it anyway, the cheque had been lodged to the account in Baggot Street and then I was shown a copy, I think it was a copy no, no, the original, a copy of the original with AIB Baggot Street stamp on the back of it.

Q. That is correct.

A. And that gave me the certainty that the thing had gone to Celtic Helicopters by mistake. Had been refunded back to us in some shape or form and been lodged to the Party Leader's Account.

Q. How could it have gone to Celtic Helicopters by mistake?

A. I don't know.

Q. Isn't the only one who could have given it to Celtic Helicopters was yourself?

A. No, not necessarily.

Q. Eileen Foy was the only other person who would have been handling the cheque in your office, isn't that correct?

A. Again not necessarily. Probably.

Q. Who else would have been handling it?

A. Lots of people could have been handling it.

Q. Who?

A. I don't recall.

Q. Well, name one other person other than Eileen Foy.

A. Well, another secretary could have. There are four or five people in my private office.

Q. Yes, but they would have had to have been given the cheques by you because you endorsed the  $\text{€}20,000$  one and the other one was made payable to you personally, isn't that correct, Mr. Haughey?

A. You are trying to that doesn't follow. I mean, Eileen Foy could come into me with a cheque and I could

endorse it and give it back to her. It doesn't follow because I endorsed the cheque that I necessarily had to hand it to somebody

Q. Well,

A. outside of my own office.

Q. Eileen Foy has informed the Tribunal that she did not send these cheques to Celtic Helicopters.

A. Well, I didn't send them either. It wouldn't be it wouldn't be my context it wouldn't be my routine to send cheques like that to anybody.

Q. Well, now let me just continue because it's something you did give consideration to in July of 1999 when this matter was before the Tribunal. There was, on the 20th June of 1989, a lodgment to the Party Leader's Allowance Account, the Party Leader's Account of  $\text{€}36,000$  and from evidence which has been given to the Tribunal on the 6th October, 1999 by a Ms. Mary O'Connor from Allied Irish Banks, the bulk of that lodgment was made up of a cheque which had been received from Mr. Larry Goodman for  $\text{€}25,000$  which was for the purpose of assisting in defraying the expenses of Mr. Brian Lenihan. This, she was able to inform the Tribunal, she could identify by reason of what are known as tracer numbers in the bank's system.

A. These are all technicalities, banking technicalities which are way beyond me.

Q. Mr. Haughey... Mr. Haughey, this is a matter

A. Excuse me

Q. This is a matter which you gave deep consideration to in July of 1999. You asserted in public that this money was lodged to this account. You continue to assert that, Mr. Haughey.

A. Yes.

Q. The evidence is that this money was not lodged to this account, that this sum of  $\text{€}1\frac{1}{2}$ 30,000 drawn on Celtic Helicopters was cashed.

MR. McGONIGAL: What more do we need to know, Mr. Commissioner, for you to make a determination in relation to fact?

A. I don't accept that.

Q. MR. COUGHLAN: You don't accept it? Why don't you accept it, Mr. Haughey?

A. Because my statement made in July 1999 was my understanding of the situation as far as we could ascertain it at that time, which again was ten years after the event.

Q. It was inaccurate, wasn't it?

A. No, it wasn't inaccurate. Why are you saying these things? Are you just trying to humiliate

MR. McGONIGAL: You should listen to him before you

Q. MR. COUGHLAN: Because, Mr. Haughey, the Tribunal sought your assistance in relation to these particular matters

before the evidence was led in public, you did not give any assistance to the Tribunal at that stage, and when the evidence was led in public, you issued a public statement suggesting that what the Tribunal had led in public was erroneous. Listen to me, Mr. Haughey, please. Now, you are continually asserting

A. Are you asking questions, Mr. Coughlan, or making speeches?

Q. I am asking questions.

A. Well ask it then and I'll answer it.

Q. You asserted then and continued to assert that this money was lodged to the account and you know now that it was not lodged to the account.

A. I do not know now. My belief still is that that cheque was lodged to the Party Leader's account in Baggot Street.

Q. Yet you have no memory of it?

A. No.

Q. And what is the basis of your belief so, Mr. Haughey, if you have no memory of it?

A. I already told you and I mean, again, I have told you that when we investigated this matter ten years after the event in July 1999, the evidence we were able to produce indicated to us that that's what happened, that it went by mistake to Celtic Helicopters, it was refunded and was lodged to the Party Leader's Account.

Q. And have you ever reviewed that position with your

advisers since matters moved on in the Tribunal?

A. No, I haven't, no.

Q. Why not?

A. I didn't see the necessity to and I'd just like to say this, Mr. Chairman, if I may, that my efforts on behalf of Brian Lenihan at that time were the most compassionate thing I have ever done in my life. And I think it's absolutely preposterous that this whole genuine charitable effort on my part at that time should now, 20 years or so later, be sought to be turned against me in the most cruel fashion, that I would deliberately divert to my own purposes money which was subscribed by well meaning people for the good and salvation of my friend Brian Lenihan.

At that time, Chairman, I had known Brian Lenihan for 30 years. He was my closest, one of my closest personal friends and certainly my closest political friend. I watched him fade away in the '88/'89 period. I watched over him. I protected him. I kept him in office when it was, when he was hardly able to perform the functions of his office and then when he was first of all, when he went into hospital, the first visit into hospital I kept his job open for him, did it myself insofar as it had to be done and when he came out of hospital that time, I again looked after him in government and personally. When the awful news

came that he had to have a liver transplant, there was absolutely no way that he could get that liver transplant unless I did something about it. There was nobody else, Chairman, nobody else in the position or able or prepared to take the initiative in that regard.

I want to give you, Chairman, if I may, a book that was written by Mrs. Ann Lenihan at that time describing the whole event. I succeeded in raising funds for him to go to the United States. I am certain and I think I will be able to persuade you that all the monies in that fund, all the monies that were raised were dispensed for him, medically or otherwise and that I totally reject, totally reject here in this Tribunal or anywhere else for one moment, in all those circumstances, a man who was in fact in ways closer to me than one of my own brothers, that I would for one moment deliberately divert money raised for his to save his life to any other purpose and certainly not to my own benefit. That's all I have to say, Chairman.

COMMISSIONER: Thanks, Mr. Haughey. I think we may have the book by Mrs. Lenihan. In addition to that I think it was written by Mr. Downey, but if we haven't, I will make it my business to see it.

A. Mr. Downey wrote his own book, but Mrs. Lenihan ghost wrote a book. And if I have it here, and if you like, I would read you one particular paragraph if I may.

COMMISSIONER: Please do.

A. I should preface this by saying, Chairman, that I had interviewed, I think it was earlier at some stage, I had interviewed the National Health or the VHI and they indicated to me that they couldn't be of any assistance and on that basis I went ahead. I will just read to you what Mrs. Lenihan said. This is at the time of, when the news had broken.

"The Taoiseach came over to the Mater to see me and I told him what the diagnosis was and of the decision to go to America. He couldn't have been more supportive. He told me not to worry about anything other than getting Brian to America as quickly as possible and to make sure we had the very best doctors there. He assured me that if we needed anything that I simply had to give him a call. That was very reassuring indeed."

I'd just like to put that into the record, Chairman, on the basis of the whole atmosphere and the relationship between myself and Brian Lenihan and his family and in those circumstances, Chairman, I am saying to you, with the utmost sincerity, that whatever cheques, stubs, copies that Mr. Coughlan can produce, they are, to me, quite irrelevant. They mean nothing. The fact is that I, to save My Friend's life, instituted - took an initiative, instituted the raising of funds, all of which funds were spent in his best interest and I did

not, and couldn't, and wouldn't divert one penny of those funds to any other purpose.

Q. MR. COUGHLAN: Well, Mr. Haughey, I wonder could you assist the Tribunal, when this  $\text{€}30,000$  cheque was cashed in June of 1989, which it was,  $\text{€}20,000$  of that money had been subscribed on the basis that it was for the assistance of Mr. Lenihan. Can you assist the Tribunal as to how that  $\text{€}20,000$  in cash was expended?

A. I can't.

Q. Now, you say, and I just want to ask you, Mr. Haughey, do you remember, and I am just jumping forward a little while, that in relation to the expenses incurred on behalf of Mr. Lenihan, that there was an indebtedness to the Department of Defence of approximately  $\text{€}12,500$  or thereabouts and that related to the cost, I think, of having Mr. Lenihan's private secretary  
Do you remember that?

A. I don't remember it, but I mean, when it comes up now in this context, I recall something of that nature. I wouldn't remember the figures.

Q. And Mr. Spain from the Department of Defence was pushing for payment in respect of that and I think they were the flights for return visits made by Mr. Lenihan to the Mayo Clinic and in 1991 I think a payment was required of  $\text{€}12,500$  to the Department of Defence and Mr. Paul Kavanagh has given evidence to the Tribunal

that you asked him to make one more effort in relation to the defraying of the expenses of Brian Lenihan and you asked him to see if he could raise  $\text{€}50,000$ . Do you remember that?

A. I don't specifically remember it and I don't remember raising  $\text{€}50,000$  but I do have a memory of the general situation and that was that somewhere towards the end, I think was it 1990?

Q. Yes. Or early 1991, yes.

A. Brian Lenihan coming into me and looking for funds to go back to the Mayo Clinic for a check-up and afterwards to go, to take his family on a holiday in Florida, I think that was the picture. And I must have given him money, I don't know, by way of cheque or whatever, to see him through that particular matter and I remember Eileen Foy, I don't actually remember this myself, but she has brought it back to my memory, that after that visit by Brian Lenihan before the end of towards the end, that she said to me some words to the effect, "Look, that's that fund finished.

There is no more money in it. It's all gone. Paid out." And then when this other need came up, arose, I am almost certain I would have called in Paul Kavanagh and said, "Paul, look we need more money for Brian Lenihan's expenses" and he went off and got some more money. That's my general recollection of it.

Q. Yes, now, but what I want to ask is about specifics,

Mr. Haughey. There was a need for  $\text{€}12,500$  to recoup the Department of Defence and that had to be done. I think you would agree, and it was done. Mr. Kavanagh was asked by you, and he has given evidence of this, to raise  $\text{€}50,000$ . There was no need for  $\text{€}50,000$ , isn't that correct? There was need for  $\text{€}12,500$ .

A. You'd have to ask him about that.

Q. He gave evidence what you asked him to do.

A. I accept that.

Q. He then made inquiries and he ultimately obtained a contribution from Mr. Phil Monahan of  $\text{€}25,000$ . He didn't achieve the target of  $\text{€}50,000$ , but he obtained  $\text{€}25,000$  from Mr. Phil Monahan and that went into the Party Leader's Allowance account. We have the cheque here, Mr. Monahan's cheque [EXHIBIT 9], but I don't think there is any great dispute. There was  $\text{€}25,000$  from Mr. Monahan. Why, Mr. Haughey, was there need to raise more money than the  $\text{€}12,500$  which was the sum which was due to the Department of Defence on the back of Mr. Brian Lenihan's medical condition?

A. I don't know. I don't remember. But there was Brian Lenihan was going back you see, that would have been probably before Brian Lenihan went away, whereas the fares would have been after, long after he came back, reimbursing the fares, wouldn't that be right? I mean the fares

Q. Yes, it was a long-standing indebtedness to the

Department of Defence.

A. He went in January '91, I think, back to the Mayo Clinic.

Q. I think it was January, 1990 perhaps? But I stand corrected on that.

A. Which?

Q. I think it was January, 1990, I think you said 1991, I think it was January 1990?

A. I think he went back in January '91. Sure he was fighting the election in 1990. Are you sure that he didn't come into me at the end of 1990 to go to well we can

Q. Yes, that's something that can be checked out. There is no but still, there was  $i_c^{1/2}$  12,500 outstanding and

A. No, no, no. If it was whenever I whenever I asked Paul Kavanagh. We were looking at a situation, or rather Brian Lenihan told me that he was going back, and he was going with his family on a holiday and it was on that basis that I would have asked Paul Kavanagh to arrange some more money. The amount of the fares to be paid only came in afterwards, after he had come back, do you follow?

Q. Yes, yes.

A. Like, I wouldn't I am trying the best I can to sort things out, but I wouldn't have I wouldn't have been asking Paul Kavanagh to raise some more funds in the

light of an air fare of  $\frac{1}{2}$ 12,000 which I wouldn't have known about at that stage, wouldn't have come in till later. I don't know if I am making that clear.

Q. Yes. I can

A. Anyway, I don't know what it's all about, Mr. Coughlan, because my simple statement to this Tribunal is that I did not knowingly or wilfully or any other way divert any monies belonging to Mr. Lenihan to any other purpose and I think you are aware of the fact that at sometime after the General Election of '89, when Brian Lenihan had come back by the way, when I had reappointed him, Chairman, reappointed him as Tanaiste and made him Minister for Defence, to keep him on our political team after the election died down and all that, when Brian Lenihan was back and recovered, he came into my office one day, actually he didn't come to see me, but I think he saw my private secretary or somebody, or one of my aids and asked about the fund, the monies raised and this was conveyed to me, and I would have asked Paul Kavanagh and he in turn went to Eileen Foy and got a list of the subscribers from Eileen Foy this is all, I am quoting from stuff that has emerged subsequently, I wasn't aware of it all at the time, but that he Eileen Foy prepared a list which she gave to Paul Kavanagh. Paul Kavanagh saw Brian Lenihan, showed him the list, went through it with him, and Brian Lenihan personally expressed total

satisfaction with the situation and naturally gratitude to all those who had subscribed and I think he made it his business to go to most of them, maybe them all, and thank them for their assistance. So that's the sort of attitude or these are the circumstances which prevailed.

Q. Mr. Lenihan never mentioned anything to Dr. Edmund Farrell.

A. I don't know.

Q. Dr. Farrell has given that evidence.

A. Okay. But he certainly went into some other people.

Q. Now, in 1989 and Ms. Foy has given evidence that the only substantial money that went into the Leader's Allowance Account in 1989 over and above the Party Leader'S Allowance itself was the

A. '99?

Q. '89, was the money raised for Mr. Lenihan?

A. That couldn't be right. Sorry

Q. She was the one that administered that's the evidence she has given and you say she was wrong?

A. Sorry, you must have misunderstood her.

Q. She said that the only substantial money that went into the Leader's Allowance Account over and above the allowance that was paid from the Exchequer was the money raised for Mr. Lenihan.

A. Sure you know yourself, Mr. Coughlan, that couldn't be right. I mean, a lot of people subscribed, a lot of

people subscribed to the Party Fund, to the Party

Leader's Fund other than to Mr. Lenihan.

Q. Mr. Haughey, who were they?

A. Well, I don't know them at this stage, but there is a figure available that various private donors would have subscribed we discussed this the other day, that they would subscribe to Fianna Fail and it might have been put by me into the Party Leader's Account as distinct from Mount Street.

Q. Who was that, Mr. Haughey? because this was the evidence given by Ms. Foy and our analysis of the account for that year and trying to identify those who subscribed, anyone we contacted seemed to have subscribed for Mr. Lenihan.

A. I am certain that somewhere in the documentation, the Tribunal documentation there is a figure that the Party Leader's Account had been funded by, first of all, the official allowance; secondly, by political contributions made payable to myself and then thirdly, money collected through Paul Kavanagh and Peter Hanley and other people for the Lenihan Fund. Isn't that so?

Q. No, Mr. Haughey.

A. I thought you put a figure on it?

Q. No, Mr. Haughey. What the Tribunal the documents available to the Tribunal show the allowance from the Exchequer and the monies raised by Mr. Kavanagh and Mr. Hanley on behalf of Mr. Lenihan. Now, there may

have been other minor adjustments which would have taken place.

A. No, no, there were other contributions.

Q. And who were they so, Mr. Haughey? because nobody else seems to know about it.

A. Hmm?

Q. Nobody else seems to know about this.

A. I had understood from our to-ing and fro-ing yesterday that it was understood that people gave me contributions, we went into this at length.

Q. That was in 1986, Mr. Haughey.

A. Well, the same would apply in '89.

Q. Mr. Farrell's cheque was it the same in 1989?

A. I am sure it was.

Q. Was it?

A. Coming up to an election?

Q. Was it? Because nobody else seems to know about this in Fianna Fail or Ms. Foy.

A. Ms. Foy would know I am sure.

Q. Well, Ms. Foy knows nothing about that and gave evidence to the Tribunal.

A. Well, I challenge that, Mr. Coughlan.

Q. You challenge that?

A. Yes, totally challenge it.

Q. I'll tell you, in any event, what did happen, Mr.

Haughey. Over and above the monies from the

Exchequer, there was about  $\text{€}220,000$  lodged to that

account in the year 1989. The Voluntary Health Insurance Board, and I'll come back and ask about that at some other time, but the Voluntary Health Insurance Board defrayed the medical expenses at the Mayo Clinic, if I could describe them as that.

A. No, they didn't, not the whole lot.

Q. Mr. Haughey, evidence has been given to the Tribunal of the bills coming in and the payments being made by the Voluntary Health Insurance Board. Over and above that, there were expenses of  $\text{€}83,197.56$  which were drawn out of the Party Leader's Allowance Account to defray the expenses of Mr. Lenihan and that left

A. What were they for? What was the  $\text{€}83,000$  for?

Q. There were various expenses which arose in respect of which were handled through the Department of Foreign Affairs and the ambassador in Washington that there were transport costs, hotel expenses, Mrs.

Lenihan was out there, matters of that nature, plus a portion of the Mayo Clinic, plus

A. You said a moment ago, Mr. Coughlan - let's be straightforward about this - you said a moment ago that the VHI paid the expenses

Q. I said the VHI paid a significant proportion.

A. Excuse me, you didn't. You inferred that they paid all of them.

Q. Mr. Haughey, would you don't be jumping, if I might respectfully suggest, on a small matter.

MR. MCGONIGAL: There is a small matter,

Mr. Commissioner, if Mr. Coughlan, if he has a list of the expenses he can show them to Mr. Haughey to enable him to consider them over the weekend and any other documentation that would shorten the time the questions are taking.

A. I am concerned Mr. Coughlan said a moment ago that the VHI

COMMISSIONER: We are down to the last two or three minutes. Let's

MR. COUGHLAN: I just want to nail this particular

A. I want to nail what you are saying.

Q. The whole time Mr.

MR. MCGONIGAL: It's in the transcript. If documents could be given to Mr. Haughey.

MR. COUGHLAN: All of this information was furnished to Mr. Haughey

MR. MCGONIGAL: Not for this examination

MR. COUGHLAN: Time and time again and specifically on the 19th March

A. I made a statement...

MR. MCGONIGAL: Hold on. Mr. Coughlan told us at the beginning of this Commission that he was going to give,

facilitate the witness by giving us the night before or the day before indication of what he was going to deal with the next day. Apart from doing that on the first day and on the second day, he hasn't done it since.

Now, it's no use him saying I gave you these hundreds of weeks ago, hundreds of years ago or two or three years ago. If he makes a statement that he is going to do something, then one anticipates that he is going to stick to it.

MR. COUGHLAN: Very good.

MR. MCGONIGAL: That's precisely the point that Mr. Haughey is now making that Mr. Coughlan said a few moments ago that the VHI had paid for the hospital expenses. He did not limit it. He now appears to be limiting it. Now, if he dealt with it by way of a document, we wouldn't have this row, we wouldn't have this time wasting and we'd be able to move on.

MR. COUGHLAN: Very good.

Q. The VHI paid  $\approx$  53,000-odd in respect

A. You said a moment ago that the VHI paid the expenses which infers that they paid them all. I queried you on it and you repeated it. Now you are admitting that the Fund, the Party leader's Fund paid some, a portion of those expenses.

Q. Mr. Haughey

A. You sought to establish that the VHI paid all the

medical expenses.

Q. Mr. Haughey, I am not establishing anything.

A. It all has one agenda, Mr. Coughlan.

Q. What's the agenda, Mr. Haughey?

A. Well, I'll leave it to...

Q. The VHI paid  $\text{€}53,000$  of Mr. Lenihan's expenses. Some expenses were paid out of this.

A. Good.

Q. Not a large sum

A. You say not a large sum. Again you say not a large sum. I say a fair amount of them were paid.

Q. In any event, what I really want to get to is this issue, Mr. Haughey, if you could address your mind to this. There are still, when this money was expended out of the Party Leader's Account of  $\text{€}83,000$ -odd, there was still a substantial sum of money left in that account which had been raised for the purpose of deferring Mr. Lenihan's expenses and it does not appear to have been used for them.

A. You are wrong, you are wrong and you are trying to make a false accusation and I reject it.

Q. How was it used so? You tell me. How was it used?

A. It was all used for Mr. Lenihan's expenses of one kind or another and

Q. Well tell us about them.

A. And I am, in support of what I am saying, bringing to mind what Eileen Foy said and which she told the

Tribunal by the way, because she told me that she told the Tribunal but you never mentioned it in public or led

Q. What's that, Mr. Haughey?

A. That Brian Lenihan came into me before December '90 looking for funds to bring him to America and that she came into me after that and said "Mr. Haughey" or "Taoiseach" or whatever it was, "that's that fund fully expended now, it's all gone. There is no more money in it." That is a fact, Mr. Coughlan. And Ms. Eileen Foy reaffirmed that to me quite recently.

Q. Mr. Haughey, if I might ask you to address the details and the particulars rather than making general statements in relation to matters.

MR. McGONIGAL: He is entitled to make general statements in relation to matters concerning the failure of the Tribunal to lead evidence which might have appeared to be material at the time.

COMMISSIONER: We are onto two minutes past twelve. I think

MR. COUGHLAN: Very well, I'll take it up on Tuesday.

COMMISSIONER: Tuesday at the same time. Thank you very much.

THE COMMISSION THEN ADJOURNED UNTIL TUESDAY, 6TH FEBRUARY 2001 AT 11:00AM."

DAY 5 OF THE DEPOSITION OF CHARLES J. HAUGHEY WAS READ  
INTO THE RECORD BY THE REGISTRAR AS FOLLOWS:

"THE DEPOSITION RESUMED AS FOLLOWS ON TUESDAY, 6TH  
FEBRUARY 2001 AT 11:00AM.

MR. MCGONIGAL: Just before Mr. Coughlan starts, there  
is a little matter of concern to us that I just want to  
raise at the beginning. My solicitor Ms. Courtney was  
contacted by Mr. Brian Dowling yesterday evening and he  
wanted to discuss with her aspects of evidence which  
apparently he believed Mr. Haughey had been giving to  
this Tribunal. She refused to speak to him on any  
aspect of this even to confirm whether or not he was  
giving evidence. My concern, and ours, is that  
clearly Mr. Dowling may have some information in  
relation to what is going on. I am simply marking the  
card of the Tribunal that the phone call was made and  
it isn't emanating from us.

COMMISSIONER: Well, all I can do is take account of  
that, Mr. McGonigal, and note what seems to have been  
the entirely correct response of Ms. Courtney.

MR. COUGHLAN: Perhaps, Sir, and this is for the  
Tribunal's own purposes and if Ms. Courtney would make  
contact with Mr. Davis and give us the full context and  
what was said, it's something that we can look at.

COMMISSIONER: I agree.

MR. McGONIGAL: The only other matter that I want to mention is that in relation to Mr. Haughey, he has indicated to me that he has, after consultation, taken a view that he should go back to the United States and will intend doing so in the period within the near future and we will give further notice about that, but it should be structured, the Tribunal might have regard to that in considering how long this is going to take.

COMMISSIONER: Very well, Mr. McGonigal.

CONTINUATION OF EXAMINATION OF MR. HAUGHEY BY MR.

COUGHLAN:

MR. COUGHLAN: Thank you Mr. Haughey.

Q. Now, Mr. Haughey, on Friday, we had been dealing with what are described by the Tribunal as Irish Permanent cheques and one of them was being discussed which was a cheque which was made payable to you for the purpose of defraying the medical expenses of the late Mr. Brian Lenihan and that brought us into the whole question then of the defraying of expenses for the late Mr. Brian Lenihan and the individual donors to that particular fund and the expenditures in that regard from the Party Leader's Fund. Do you remember we were discussing that?

A. Yes, I remember.

Q. In general terms.

A. Do I remember the last day's discussion?

Q. Yes, in general terms, that's all.

A. I'd rather not remember it, but I do.

Q. And I think that from the analysis carried out by the Tribunal and from evidence which has been given to the Tribunal by various witnesses of their contribution to such a fund, the Tribunal has been able to identify that in the year 1989, approximately  $\text{€}160,000$ -odd, and I am using it as a round-ish figure now at the moment, was contributed to by identified donors in respect of

A. How much?

Q. About  $\text{€}160,000$  has been identified by the Tribunal as being related to known donors, roughly, and those identified donors were the Irish Permanent Building Society, and we have discussed that particular cheque already; Customs House Dock Development Company Limited, through Mr. Mark Kavanagh, a donation of  $\text{€}25,000$ , I'll come back to deal with that again at a later stage when he come to deal with Mr. Mark Kavanagh;  $\text{€}25,000$  from Mr. Lawrence Goodman;  $\text{€}20,000$  from Mr. John Magnier;  $\text{€}20,000$  from Mr. Seamus Tully;  $\text{€}10,000$  from Mr. Nicholas Fitzpatrick;  $\text{€}10,000$  from Irish Press Newspapers;  $\text{€}5,000$  from Mr. Oliver Murphy and then in 1989  $\text{€}25,000$  from Mr. Phil Monahan. Were you aware that those particular people were, first of

all approached, and secondly, had made a contribution for that purpose?

A. No, I don't think I was. The details of the contributions, as you know, I gave the task of raising the funds to Paul Kavanagh and the funds were raised by him and they were dispensed by Eileen Foy and apart from signing cheques to pay out expenses on behalf of Mr. Lenihan, I'd no other dealings with the matter or records or anything of that kind. But I repeat that it was motivated by the almost tragic circumstances in which Brian Lenihan found himself and I initiated this fund for the purpose of getting Brian Lenihan to the Mayo Clinic, saving his life and meeting all the costs there involved. And as far as I was concerned, that was the motivation and that's what happened. That all the funds subscribed by whoever were, in due course, in one way or another, expended on behalf of Mr. Brian Lenihan.

Q. If could I just ask you in that regard so, Mr. Haughey, that in the year 1987 I beg your pardon, in the year 1989, I beg your pardon, the total amount lodged to the account in Baggot Street was  $\text{£}313,409.28$  this is just for 1989. Evidence has been given to the Tribunal that the amount which would have been paid by the Exchequer, bearing in mind that you were in office, as an allowance to the Party Leader was  $\text{£}93,107$ . And that left a difference of  $\text{£}220,302.28$  over and above

payment from the Exchequer in 1989. Now, I may not be familiar with the details, but you can take it that that is the evidence which has been given and the calculation appears to be accurate.

A. I am not taking that at all, but I am not in a position to confirm it or reject it.

Q. Very good. Now, the Tribunal has been able to identify potential donors to the Brian Lenihan Fund, which of course went into this account, to the tune of, I say about  $\text{€}160,000$ , or thereabouts. Do you have any knowledge of any other sums which may have gone into that account in 1989?

A. I do not, no.

Q. Very good.

A. And I am sorry, I was going to make a point. Would you repeat what you are saying there please?

Q. Yes. That the Tribunal has been able to identify donors for about, about  $\text{€}160,000$ -odd?

A. That's the point. I thought you said potential donors.

Q. No, has been able to identify donors - I beg your pardon if I used the word potential - has been able to identify donors for about  $\text{€}160,000$ -odd or thereabouts ?

A. Could I ask you, if you are able to identify them, why is it only about?

Q. I'll tell you why, Mr. Haughey, because, for example, the  $\text{€}20,000$  which was donated by the Irish Permanent

Building Society through Dr. Farrell for Mr. Brian Lenihan's fund appears to have ultimately been cashed in Allied Irish Banks in Baggot Street having gone through the account of Celtic Helicopters at Dublin Airport branch of the Bank of Ireland.

A. Appears.

Q. That's what happened. That's the evidence.

A. Appears.

Q. The evidence was that that's what happened.

A. Sorry, you said "appears".

Q. Well, maybe I am incorrect in using the term appears

so. That that was the evidence that the Tribunal has

heard. So what I am asking you is this: allowing that

about  $\frac{1}{2}$ 160,000 can be identified from particular

donors, I was asking you do you know of anyone else who

may have donated or contributed to that fund over and

above the people the Tribunal has been able to

identify?

A. No, I don't.

Q. Very good. And you do not know of any other money

which was lodged to that account in that year yourself?

A. No, I don't, but as I was saying to you the last day,

1989 was a very eventful year, but it was certainly a

year in which two elections took place in June and did

the Presidential Election take place in '89? We were

talking about this the last day.

Q. 1990 I think. I think it was 1990. I think in 1989,

there was probably the General and European?

A. In 1989 there was amounts of money coming and going as

I think described very graphically by Eileen Foy. A

more or less constant flow of monies in and out in

connection with elections and there could have been,

and it's very likely that there were, payments by

individual donors or corporate donors to me for

election purposes, bearing in mind that there was both

a General Election and a European Election, which would

be lodged to the Party Leader's Account. It's almost

likely that almost certain there were, particularly

as you have pointed out that there were payments made

in 1986 which was a non-election year, it's very, very

likely that there would have been payments made to me

for election purposes, for Party purposes which would

be lodged to that account in 1989. I'd be surprised

if there weren't.

Q. Now, of the money which has been identified as being

donated for the defraying of Mr. Lenihan's, the late

Mr. Lenihan's medical expenses, the evidence has been

that the Voluntary Health Insurance Board paid

\$81,602.74, that is roughly I think around  $\frac{1}{2}$ 53,000,

that was for the operation at the Mayo Clinic.

A. You must remember that when you say that, I am almost

certain that the story we got, maybe I got it directly

or maybe it was through Mrs. Lenihan, was that the VHI

couldn't pay anything. That's why we set out to raise

a substantial sum.

Q. I think you are correct. That may have been the information communicated to Mrs. Lenihan or to the Lenihan family originally. But in any event, and I am just dealing with this briefly, the VHI aspect of matters. As a result of you having a discussion with the chief executive of the Voluntary Health Insurance Board, in due course, the Board agreed to make a payment in that amount. Apart from that, there were payments made out of the Party Leader's Allowance Account through the Department of Foreign Affairs and the embassy in Washington, again in respect of the expenses of Mr. Lenihan both at the Mayo Clinic and for some other expenses attached to his treatment of €83,197.56. Now, are you aware of that?

A. Well, it's in the Tribunal literature. I am aware of it only to that extent, but the position is that I was determined that Brian Lenihan should, as it were, lack nothing in enabling him to get to the Mayo Clinic and his wife, I don't know whether there was other members of his family with him at that stage or not, I think there may have been. And that all expenses would be paid: medical, maintenance, hotels, everything. In fact, we would have paid the air fares, only we succeeded in getting, Catherine Butler I think it was, succeeded in getting somebody to donate a private aeroplane.

Q. That's correct.

A. But we were the point I am making is that we were prepared and wished to undertake all the costs associated with his trip and we did that so that what was paid through Foreign Affairs wouldn't necessarily, almost certainly was not the whole picture.

Q. I see, because that's what I wanted to ask you about.

It's documented through the Department of Foreign Affairs exactly what was paid and it comes to that and what I wanted to ask you is that even in terms of the identified donations to the fund on behalf of Mr. Lenihan in 1989, there would have been perhaps a balance in credit after the disbursement through the Department of Foreign Affairs, was in excess of  $\text{€}75,000$  and what I really wanted to ask you about, do you know anything about

A. Well, the first thing I would say is I wouldn't accept that.

Q. I say this now, would you bear with me, Mr. Haughey, so that you can answer the question, I'll complete it.

Of course  $\text{€}20,000$  of that, or  $\text{€}25,000$  of that we know didn't go into the fund and may have gone to the Fianna Fail Party, that's the Mr. Mark Kavanagh cheque but I'll come back to that in due course, but anything that was standing to the credit over and above the disbursements made by the Department of Foreign Affairs, do you know what happened to those?

A. Not in detail, but I was, for instance, I was discussing, with the Tribunal's permission, quite recently the whole situation with regard to this fund with Eileen Foy and in my presence in the last few weeks she was speculating that this cheque that you made a big fuss about the last day, this cheque for  $\text{€}25,000$  that was made out to cash around election time, she was speculating that that might have been for Brian Lenihan.

Q. I see.

A. I am just giving you that. I mean, I wasn't in a position to contribute to that, but we were endeavouring to see what could have happened that  $\text{€}25,000$  that mysterious  $\text{€}25,000$  because it was made out to cash and neither Eileen Foy nor I wrote in the word "cash" and we were speculating, or not speculating, but trying to decide what it could have been about. And I just mention that Eileen Foy did surmise that perhaps it had gone to meet some of Brian Lenihan's personal expenses. But that's only one item, but there were many I am sure there were more of those because it was a major undertaking to get Brian out there and his wife and entourage and pay all the medical bills and pay all the hotels and everything else. And I am sure there were other payments of one kind or another which you haven't yet identified, which you have not been able to identify and I can't identify

them for you, but I am very certain that our attitude generally was that whatever was necessary to have him travel out there in comfort and safely and soundly and get the best possible medical attention, we were prepared to ensure that that was done.

Q. Well just, and in fairness to you, Mr. Haughey, and the Tribunal is anxious to look into the matter further, in ease of you in that regard, if that cheque which was cashed, the famous cheque which brought the Tribunal into the Party Leader's Allowance account initially, can either you or Ms. Foy or you, as a result of your discussion with Ms. Foy, be of any assistance even in terms of speculation to enable the Tribunal to follow it up, give any indication of how it might have been expended on behalf of Mr. Lenihan?

A. No.

MR. McGONIGAL: I think Ms. Foy already gave evidence of that matter when she originally gave evidence.

A. No, I can't, but, sorry, what's the question again?

Q. MR. COUGHLAN: Could you be of any assistance, even in terms of speculation, how it might have been expended on behalf of Mr. Lenihan to enable the Tribunal, in fairness to you, to pursue the matter further?

A. No, but I will certainly look into that, but the only immediate thing that springs to mind is hotels. There

were I mean, the book that I mentioned the last day indicates that there were, must have been fairly considerable hotel expenses both leading up to and after the operation itself.

Q. Well, that's one area where you might speculate where we might usefully look. Is there any other place, in ease of you, Mr. Haughey?

A. I can't think of at the moment, but

MR. McGONIGAL: I think you mentioned the other day the trip to Florida.

MR. COUGHLAN: I think that was in 1991.

A. I think that was '91, but I don't know

MR. McGONIGAL: I have to reiterate, Chairman, Commissioner, I am not sure which

A. The only thing I have to come back to is what Eileen Foy says that she said to me towards the end of '89 and before Brian Lenihan went back to the Mayo Clinic in the beginning of 1990, that she said to me Brian Lenihan had called into me apparently and had been given some funds and when that was over, Eileen Foy, who had obviously arranged to get the funds for him to give them to him, said, "That's the end of that fund. It is now exhausted. There is no more money left in it." Which would seem to me, and I imagine presented itself to the Tribunal also as clear evidence that all

the money that had been subscribed to the fund had been used for that purpose. Now, I am also supported in that view by the fact that Brian Lenihan himself saw the list of subscribers, went over it with Paul Kavanagh, decided he would see most of them. You pointed out to me that he didn't see Farrell but he certainly took it on himself to see most of them and Brian Lenihan lived for five years after that. He enjoyed a fair quality of life for five years. He was an active Minister for Defence. And at no time in those five years did any hint or suggestion ever arise from Brian Lenihan or any member of his family or anybody else associated with it that money raised for that fund had not been fully expended properly and fully expended in pursuance of the aim of the initiative.

Q. MR. COUGHLAN: Now, I think it's only perhaps a small point, but I think Ms. Foy gave evidence that Mr. Lenihan may not have been aware of how much was contributed. He may have been informed of who donors were.

A. I don't think that was I don't know about that. My reading of the evidence and talking to Eileen Foy about it and Paul Kavanagh, my firm impression is that Paul Kavanagh took the list, the list of donors and amounts, but I presume it was amounts and had lunch with Brian Lenihan because he wanted to go through it with him and

therefore, Brian Lenihan must have been fully aware of not just the donors, but of the amounts.

Q. I see.

A. I'd imagine both of them would confirm that.

Q. That's your understanding at least, your belief anyway?

A. That's my belief, but I mean, I wasn't privy to that.

In fact, the only knowledge I have of it is that Brian Lenihan my private secretary or somebody in my office told me that Brian Lenihan had been in and he was anxious to find out about how the whole operation, you know, about how the matter had been managed and I said to him, or I said to Paul Kavanagh, "Paul, will you go and see Brian and explain the whole situation to him?" And then again, as far as I remember, the sequence of events was that Paul Kavanagh then went to Eileen Foy who was in charge of all the records and could answer all the questions at that stage, there was no secrecy about all this except it was confidentiality among the office. She then prepared a list for Paul Kavanagh who accepted that list, asked Brian to lunch, went over the list with him and so on.

Q. Now, for the purpose of raising the funds, I think you asked Mr. Paul Kavanagh to see if he would set about raising funds for that particular purpose, isn't that correct?

A. Yes.

Q. And that was around the time of the General Election in

1989 when he was also engaged in fundraising on behalf of the Fianna Fail Organisation, is that correct?

A. Yeah, it might have been a bit before it.

Q. I think the campaign in terms of his fundraising for the Party and his fundraising on behalf of Mr. Lenihan, were around the same time coming up to perhaps a month or so before the General Election of 1989.

A. Yes.

Q. And when you asked him to undertake this particular added task, I think he gave evidence that he prepared a list and then he went to you to have a quick discussion with you about the list. Do you remember that?

A. No. I don't know that's the first I have heard of this. I mean, it's only a detail, but he may have had I don't think it would be his form to do that but anyway, has he said that?

Q. Yes, he gave that evidence. And I think there is a copy, but I'll take out a copy of the list [EXHIBIT 1] which this is how he eventually, he found it and gave it to the Tribunal but obviously when it was prepared in the first instance, it was on the headed notepaper of his company, I think, Irish Printers Holdings Limited and just headed 'list' and he had typed out a list of names. Mr. McInerney, Mr. Dunne, Mr. Goodman, Mr. Rafique, Mr. Michael Behan, Mr. Fred Danz, Mr. Cafolla, etc.. Now, he says that when he came to you with that list, that you took out your pen

and you put a line through the name Mr. Ben Dunne. Do you remember that?

A. No, I don't.

Q. Do you know of any reason why you might have put a line through the name Mr. Ben Dunne?

A. There is lines through other names down along.

Q. They were put on at a later stage. The line through Mr. Oliver Murphy and Mr. Peter Hanley was something done by Mr. Kavanagh himself. But he says that you put the line through the name Mr. Ben Dunne. You don't remember that?

A. Does anything hang on it?

Q. No, I am just asking to you do you remember it?

A. No, I don't even remember that list. And naturally, I accept Paul's word. It all depends when that list was prepared but what I am saying is

Q. It was around April/May 1989, around that time.

A. It wouldn't be Paul's usual form to bring me a list. He'd just go off and do it. He knew all the people.

Q. Which in any event, do you not have any recollection of him bringing you the list?

A. Most of the names there are not really known to me. No, I can't be of any particular assistance.

Q. Now, just for your assistance as well in relation to the list, I think it was Mr. Kavanagh's evidence you will see some names written on the right-hand side of the list with some figures written after them. I

think you can see that, can't you?

A. Yeah.

Q. And there are also some figures written after some names on the left-hand side. Now, Mr. Kavanagh himself wasn't sure whether this was what he intended to ask for or might have been promised or whether they were the figures which Ms. Foy informed him had been received into the office. But again, it's a matter that you cannot assist the Tribunal on, is that right?

A. No. There is one name there written on the right-hand column intrigues me, A-T-R-O-N.

Q. Atron. I can explain that to you. It intrigued us for a while also. It was a man called Mr. Nicholas Fitzpatrick who did make a donation of  $\frac{1}{2}$ 10,000 to the Fund.

A. I have no recollection of anybody of that name. He is not in the other list over.

Q. No yes, he is. I think you will see it sorry, I beg your pardon, which? On the list on the left-hand side you mean? On the

A. On the typewritten list.

Q. On the type written list, no, no. Mr. Fitzpatrick's contribution arose by somebody else intervening and introducing him to Mr. Kavanagh for that purpose.

A. It's all a bit higgledy-piggledy, Mr. Coughlan.

Q. Well, I wasn't doing the fundraising, Mr. Haughey.

A. Well, neither was I.

Q. Now, can I take it that it is your belief or your speculation, together with Ms. Eileen Foy as a result of discussions you may have had, that other monies may have been given to Mr. Lenihan?

A. Yes.

Q. Now, Mrs. Ann Lenihan gave evidence to the Tribunal and she said that she received a payment, or sorry, not a payment, she received a sum of  $\text{€}200$  in cash and Mr. Brian Lenihan junior gave evidence to the Tribunal that he carried out inquiries of all members of his family and checked through his father's records that were available and that there was no indication, to them at least, that his father had received any monies.

A. I can't comment on that, but I'd like to comment, if I may, on the  $\text{€}200$  which has given the media great scope for belittling me and my efforts on behalf of Brian Lenihan. I have no recollection of that and it's an odd sort of thing. It seems from Mrs. Lenihan's own description of it, that just as they were getting on the aeroplane, my driver arrived out and I gave her an envelope which she subsequently discovered contained  $\text{€}200$ . Now, I can't deny that that never happened and I have puzzled my brain about it and I can't find anybody who can confirm that to me, but a suggestion may be that at the last moment, I don't know whether by the way it was in pounds or dollars, at the last moment we may have, somebody may have thought it was a fact

that they would need money for taxis and tips and things like that, just petty cash, travelling petty cash, as it were, and it was meant to cover that. Because certainly it was, in the overall scheme of things, it was ridiculous, it was minimal, minuscule and couldn't have been taken into any account as part of the overall balance in the account between receipts and expenditures. I mean it was nothing, it was that's the only thing I can suggest to the Tribunal, but it unfortunately has been seized on as a sort of an indication of a really contemptible miserliness on my part which is absolutely not any way related to the facts, because as Mrs. Lenihan herself has indicated in her book and otherwise, and the family, we were anxious that whatever major amounts of money were needed would be provided.

I just mention that because it's the sort of thing that annoyed me greatly to think that I would attempt to say 'look, there is  $\frac{1}{2}$ 200 and that will do your expenses in New York'. It just doesn't bear thinking about.

Q. Now, apart from speaking to Mr. Thomas Ryan, who was then the Chief Executive of the Voluntary Health Insurance Board, to make a case on behalf of Mr. Lenihan, do you know did you speak to any other member of the Board?

A. No, I don't think so. Was he not, was Ryan not Chief

Executive?

Q. He was the Chief Executive.

A. Well, he'd be the man.

Q. He was the Chief Executive.

A. I don't think I did. I am sure I didn't. It wouldn't have been necessary.

Q. Now, also in 1989, around the time of the General Election, a Mr. Mark Kavanagh has given evidence to the Tribunal that the Customs House Docks Development Company, in which he had a significant role, agreed to make a contribution of  $\text{€}1/275,000$  to the Fianna Fail Party and a contribution of  $\text{€}1/225,000$  to be made to the Brian Lenihan Fund. Do you know anything about that?

A. You say he agreed?

Q. Yes, I should perhaps explain.

A. With whom?

Q. Mr. Mark Kavanagh was approached by Mr. Paul Kavanagh in a fundraising capacity.

A. I see.

Q. And Mr. Kavanagh Mr. Paul Kavanagh informed him that the Fianna Fail Party had a significant indebtedness and he may have puffed that a little, but nothing turns on that, he was just approaching him as a fundraiser attempting to do his best, and as a result of that, Mr. Kavanagh, Mr. Mark Kavanagh said that he met with his partners in the Customs House Dock Development Company and that they agreed to make a contribution of

€175,000 to the Fianna Fail Party and a contribution of  
€25,000 to the Brian Lenihan Fund. Do you know  
anything about that?

A. No.

Q. Mr. Mark Kavanagh informed the Tribunal in evidence  
that having met with his partners and agreed on the  
various contributions, that he subsequently spoke to  
Paul Kavanagh, or he may not have spoken to Paul  
Kavanagh, he is unsure about that, and he is not sure  
how matters progressed until his company, Customs House  
Dock Development Company drew two cheques on their  
account with Allied Irish Banks in College Street, one  
for €25,000 which was dated 13th June, 1989 and which  
was made payable to Fianna Fail and there was also a  
cheque drawn on that company's account for €175,000 and  
that cheque for €175,000 was used to purchase three  
drafts payable to cash on the 13th June, 1989. Do you  
know anything about that?

A. No. Just to ask a question at this stage.

Q. Yes, indeed.

A. Does that not seem, but I mean I don't know enough  
about it, does that not seem a cumbersome procedure?

Why wouldn't they just go into their bank and get three  
drafts of 25 if they wanted them? Why would they draw  
one cheque and buy the drafts with it? I mean I am  
just asking.

Q. Well, as a company, it might have raised the eyebrows

of an auditor if he saw three drafts drawn to cash and explanations might have to be sought.

A. So they were covering up then?

Q. Well, it may have been just a form of accounting.

A. But you said they'd be afraid of their auditor.

Q. I didn't say they'd be afraid. I said an auditor could ask a question, of course, as to why a company would be drawing down  $\text{€}75,000$ , three drawdowns of  $\text{€}25,000$  in cash. That may be so.

A. Am I right in thinking, Mr. Coughlan, I am not sure of my grounds on this, am I right in thinking if I wanted a draft for  $\text{€}25,000$  and I have an account in the bank, I just go down and ask for a draft? Does anybody know?

Q. The position may be different now than it was in 1989. This is since they introduced legislation, money laundering legislation and matters of that nature. I am unsure of that.

A. Obviously it's not a very financial gathering, or we would know that. But anyway, it all seems a bit dodgy to me but that's neither here nor there.

Q. Mr. Mark Kavanagh then says that having in his possession a cheque for  $\text{€}25,000$  made payable to Fianna Fail and three drafts made payable to cash each in the sum of  $\text{€}25,000$

A. Sorry, again, Mr. Coughlan, maybe now what you are saying there about things changing in banking practice

are right, but I am nearly certain that today you can't get a bank draft for cash, would that be right? A bank won't give you a bank draft for cash any more, but that may be a recent change. It would be interesting to see when that change was made in banking practice.

Q. Now, I think Mr. Mark Kavanagh said that through some intermediary, and he can not recollect who the intermediary was, he met with you at Abbeville at 9.30 on the morning of Thursday, 15th June, 1989 which was polling day. Do you remember that?

A. No. Thursday the what?

Q. Thursday the 15th June, 1989 at 9.30 in the morning, that was polling day.

A. That was election day, yeah.

Q. Do you remember that?

A. I have to say very firmly to this Tribunal or this Commission, that I am as certain as I can be of anything else that I did not meet Mark Kavanagh at 9.30am on polling day in '89.

Q. In Kinsealy?

A. In Kinsealy, yes.

Q. Or anywhere else?

A. Because I had a very strict routine for 30 years of electioneering. I went down always endeavouring to be the first person to vote in our little local school in Kinsealy. I went down at one minute past nine to vote with my wife, talked to election workers there,

probably got photos taken. I left my wife back to the house and went off on my rounds, spent the rest of the day practically going from polling station to polling station, which is a very, very important part of my electioneering on election day, visiting every polling station and I wouldn't, under any circumstances, make an appointment for anybody to see me on election day. Now, I mean, I can't understand why, if Paul Kavanagh made the next approach, why Paul Kavanagh didn't make the appointment which is supposed to have taken place on the June 15th at 9.30. I mean, that would be a natural sequence, wouldn't it? But nobody, I am certain in my own mind that nobody approached me to make an appointment for 9.30 on election day and if they did, it would have been dismissed out-of-hand.

Q. I see. Well, if I might just go through that slowly with you, Mr. Haughey. It would be your invariable practice, as it probably would for all politicians, to spend polling day visiting the polling stations and in their constituency. That's what politicians do on polling day, isn't that correct?

A. Yes.

Q. And in the normal course of events, your secretaries at Abbeville and your secretaries in Leinster House would know not to be making appointments for you on that day?

A. Absolutely.

Q. And as you say, Mr. Paul Kavanagh, as the fundraiser,

was the one who made the initial approach to Mr. Mark Kavanagh for the funds?

A. I don't know that

Q. That is the evidence and I think both of them accept that that is the evidence. Mr. Paul Kavanagh has confirmed to the Tribunal that he did not receive anything from Mr. Mark Kavanagh which might be the normal route that funds would come, would you agree?

A. Yes.

Q. Or they might be sent into Mount Street or Leinster House or wherever they might be sent?

A. The Committee.

Q. The Committee

A. The Finance Committee.

Q. Yes, of course, and that may have been sitting either in the Westbury or the Berkley Court around the time, yes. So could it be, and I am just asking you this, could this have been the situation that you yourself made the appointment with Mr. Mark Kavanagh?

A. Certainly not, no.

Q. And you are saying that this never happened?

A. Never happened. You see it wouldn't happen. Whatever about anybody making a mistake in making an appointment for election morning, I certainly wouldn't make it.

Q. Now, in any event, Mr. Mark Kavanagh, and I'll just continue to allow you deal with the evidence he gave, Mr. Mark Kavanagh says that when he met you at

Abbeville, and you do not accept that that occurred, that you asked him if he would like to know how the fund would be applied and that you indicated that  $\text{€}50,000$  would be remitted to Fianna Fail Central Funds, and that  $\text{€}25,000$  would be used at your discretion to support candidates who were in need of funds. And obviously the other  $\text{€}25,000$  was intended as a donation to Mr. Brian Lenihan's fund. Did that happen?

A. No. I mean, as I said to you, I am as certain as I can be that I did not meet Mark Kavanagh on Thursday 15th June and that I wouldn't have met him. Nobody made an appointment for him. And that being so, I have absolutely no recollection whatsoever of Mark Kavanagh meeting me on that day and I am certain it didn't happen and I am so certain then the conversation didn't happen either.

Q. Now

A. I think, by the way, Mr. Coughlan, you have my diaries and as far as I can recollect, there is no appointment for Mr. Kavanagh, is that so?

Q. I think that is correct in relation to the diary.

A. Because my recollection, there is no mention of Mark Kavanagh anywhere in those diaries.

Q. And just to cover the matter completely if I may, Mr. Haughey, are you saying that you didn't meet Mr. Kavanagh on Thursday 15th June 1989 when  $\text{€}100,000$  was handed over?

A. I am saying that categorically.

Q. And you didn't meet him on any other day when  $\text{€}100,000$  was handed over, is that what you are saying?

A. Not to my recollection, no.

Q. Sorry, just to be clear about it being  $\text{€}100,000$ .

There was three drafts for  $\text{€}25,000$  each in cash and a cheque for  $\text{€}25,000$ . But that didn't happen as far as you were concerned?

A. I didn't know anything about drafts or - nothing.

Q. You are saying you didn't meet him, you didn't receive drafts or a cheque from him, and you didn't have such a conversation with him?

A. No.

Q. Very good.

A. Mr. Coughlan, if I didn't meet him, I couldn't have received drafts from him.

Q. You will have to bear with me, Mr. Haughey. I am dealing with it as a lawyer has to and for the purpose of evidence.

A. As you know, Mr. Coughlan, it's my intention to bear with you to the greatest possible extent.

Q. Thank you very much indeed, Mr. Haughey. So that didn't happen that day and it didn't happen any other day, as far as you are concerned?

A. Not to my recollection.

COMMISSIONER: Well, you seem to be moving on to something else so we will adjourn until tomorrow.

Thank you very much.

THE COMMISSION THEN ADJOURNED UNTIL THE FOLLOWING DAY,  
WEDNESDAY, 7TH FEBRUARY 2001 AT 11:00AM."

DAY 6 OF THE DEPOSITION OF CHARLES J. HAUGHEY WAS READ  
INTO THE RECORD BY THE REGISTRAR AS FOLLOWS:

"THE COMMISSION RESUMED AS FOLLOWS ON WEDNESDAY, 7TH  
FEBRUARY 2001 AT 11:00AM.

CONTINUATION OF EXAMINATION OF MR. CHARLES HAUGHEY BY  
MR. COUGHLAN.

MR. MCGONIGAL: I should indicate that Mr. Lynch's  
report has finally arrived, it's only just arrived so I  
have given a copy to Mr. Davis.

COMMISSIONER: Thanks, Mr. McGonigal.

Q. MR. COUGHLAN: Now, I think, Mr. Haughey, yesterday you  
told us that you did not have a meeting with Mr. Mark  
Kavanagh on the day of the election in 1989, that was  
the 15th June, 1989, and you asked us about whether  
there was any reference in your diary to it. We have  
checked the diary and there is no reference either on  
that day or days around it to a meeting that is noted  
in the diary.

I think you also said that not only did you not have  
such a meeting with Mr. Mark Kavanagh on that day, you

didn't have a meeting with him on any other day, is

that correct?

A. To the best of my recollection, yes.

Q. I mean specifically now in relation to the payment over

of a contribution to Fianna Fail and to Mr. Brian

Lenihan, you may of course had meetings in your

capacity as Taoiseach at some stage, and I don't know

and I am not confining you in relation to that.

A. I appreciate that, yes. There wouldn't have been many

anyway. But I think I can also mention, maybe I

should mention that I believe that Catherine Butler

will be in a position to confirm a situation regarding

election day, morning of an election day as to my

movements on that morning. I think she was there at

some stage.

Q. Now, do you know if anybody other than Mr. Mark

Kavanagh would have handed three bank drafts made

payable to cash and one cheque made payable to Fianna

Fail drawn on the account of Customs House Dock

Development Company to you?

A. Do I know that anybody?

Q. Do you know if anybody else handed the three drafts and

cheque to you?

A. I have no recollection of any such event.

Q. Now, evidence has been given at the Tribunal that the

cheque which Mr. Kavanagh says that he gave to you for

€25,000 and made payable to Fianna Fail was intended by

him and his partners in the company to be a contribution to defray the expenses of the late Mr. Lenihan - that evidence has been given to the Tribunal - and that the three drafts amounting to  $\text{€}75,000$  were intended as political contributions, if I can describe it that way. Now, evidence has also been given that the cheque made payable to Fianna Fail in the sum of  $\text{€}25,000$  eventually ended up with Mr. Fleming in Mount Street. Are you aware of that?

A. Only from this Tribunal. I am not I certainly was not aware of it at the time or have any recollection of it.

Q. And that the other  $\text{€}75,000$ , that is the three drafts for  $\text{€}25,000$  each found their way into Guinness & Mahon Bank. Do you know anything about that?

A. No.

Q. And that one of those drafts for  $\text{€}25,000$  was lodged to an account in Guinness & Mahon and was eventually drawn down in two tranches of I think  $\text{€}20,000$  and  $\text{€}5,000$ . Do you know anything about that?

A. No, certainly not.

Q. And that the other two drafts for  $\text{€}25,000$  each were used to purchase a bank draft in Guinness & Mahon in the sum of  $\text{€}50,000$  and it was payable to cash. Do you know anything about that?

A. No, Mr. Coughlan.

Q. And that that particular draft drawn on Guinness &

Mahon in the sum of €1/250,000, that too found its way to Mr. Fleming in Mount Street. Do you know anything about that?

A. No sir, no.

Q. Now, around the time of the election in 1989, do you know if you had any contact with Mr. Michael Smurfit in relation to fundraising?

A. No, not that I can recollect.

Q. Mr. Smurfit has given evidence that a request for a donation or a political contribution was made of him on behalf of the Fianna Fail Party. Do you know anything about that?

A. No. That would be through the Committee or?

Q. Just, if I could, just to be clear about that when Mr. Smurfit gave his evidence on Day 80, which was the 25th July 2000, 75 and 80, but 80 in particular, I just wanted to deal with, I think My Friend Mr. Healy took him as a witness and at Question 224 Mr. Healy asked him, "Can you remember whether it was solicited by letter, by telephone or as a result of or in the course of a personal approach?" And Mr. Smurfit's answer to that was, "I am hypothesizing, we have nothing on files with regard to letters, so I am assuming it was either a personal approach or by a telephone call."

So that's the evidence that Mr. Smurfit gave, that an approach was undoubtedly made but he is unsure as to how the approach was made. Do you know anything about

it?

A. No. I don't remember anything. I don't understand what he is saying there by hypothecating. Presumably that's related to the word 'hypothesis', is it?

Q. Yes, I think so.

A. Is there such a verb? But...

Q. Yes, I see your point, Mr. Haughey. I think what he meant

A. I don't know whether he is hypothecating

Q. I think

A. about the whole matter of the approach or the method of it.

Q. The method I think, because I think what he was indicating was that

A. You are hypothecating now.

Q. Perhaps, perhaps. And perhaps that's a matter for the Sole Member eventually. But what he was stating as a fact was that there was no letter on their files seeking a donation. So that perhaps a personal approach was made, although he can not say who would have made that that approach.

A. I would be very, very doubtful if I made such an approach. In fact, I have no recollection of it, and I would be almost certain that I wouldn't personally have made an approach for an election contribution at election times. That would be a matter for the Committee and people like Paul Kavanagh and so on.

Q. Well, what I would if you do have the transcript for Day 80 before you, Mr. Haughey, if you go to page 73 of the transcript.

A. Yes.

Q. Or perhaps go to the previous page, but what Mr. Smurfit has been giving evidence about at this stage is that he did have some contact with you about this particular donation because he informed the Tribunal in evidence that you asked him to deal with Mr. Traynor in relation to the mechanics of the payment of the contribution.

A. No, I think the whole thing is really on, that it is all predicated by 'he believed', isn't that so?

Q. Yes.

A. So he wasn't sure. He only believed that he was approached by me. And he doesn't know whether it was by telephone or personally or letter or whatever.

Q. Yes, yes.

A. And that places a very big doubt in my mind about the matter. He was, I suppose, almost as busy a man at that time as I was. He was running a great big international conglomerate and I suppose he wouldn't be very clear what, at that time, would be a detail to him really. I mean, if there was an approach by somebody to him for funds at election time, it would be pretty run-of-the-mill stuff. So I am quite I quite believe that he could only say that what he believed to

have happened but I have to add to that, it's very unlikely that I would make a personal approach to somebody like Dr. Smurfit for an election contribution.

Q. Well, as it transpired in any event, Mr. Haughey, the payment made by Mr. Smurfit on behalf of himself or his company, whichever it may have been, came out of a family trust which was based in Monaco and the money went into what was the Ansbacher Cayman account in London. That's the route it took in any event. That is a factual matter. And the Tribunal cannot see that particular money coming back into Ireland, so Mr. Smurfit, through his colleague Mr. Austin who handled such matters, had the money paid into the Cayman account in London from the Smurfit Trust in Monaco and this was done on the advice or instructions of Mr. Traynor. Do you know anything about that?

A. No. But just to help you, Mr. Coughlan, in unravelling the whole thing, it seems all a bit doubtful, going from Monaco to the Cayman, both offshore places. I also could say to you very firmly, I am sure that Des Traynor never would never, and never did collect money for Fianna Fail.

Q. Yes, I think you gave that evidence before, that Mr. Traynor had an interest in politics but was not involved in politics?

A. And wouldn't be involved in a party matter like raising funds at election time. Certainly not.

Q. Well, do you think so, that this may have been some personal contribution or donation for you?

A. I can't say. I don't know. That's the only thing I can help you with, first of all, that to the best of my recollection, I didn't approach Dr. Smurfit myself about it and secondly, the only thing I can say, I mean the general mechanics of the thing is that Des Traynor himself would not be involved in, at any point, in raising contributions for Fianna Fail.

Q. For Fianna Fail?

A. Yes, he wouldn't be authorised or wouldn't regard it as being legitimate for him to do it.

Q. I think Mr. Kavanagh also gave, Mr. Paul Kavanagh also gave that evidence that Mr. Traynor was not involved in the fundraising for Fianna Fail in his time anyway, and this was in his time.

Now, something else happened

A. Sorry, could I just for my own information, Mr. Coughlan, did you say earlier that a cheque came from Guinness & Mahon to Fleming? Did that have any relationship with Dr. Smurfit?

Q. Yes, it does and I am going to bring all that back together for your observation, Mr. Haughey, because on the facts, on the known facts, on the established facts, Mr. Smurfit's cheque went into the Cayman account in London and it has it did not come back to

Ireland. The route seemed to dry up there somewhere offshore.

A. You mean sorry, Mr. Coughlan, it would be lodged somewhere in London, is that what you are saying?

Q. To the account of Guinness Mahon Cayman Trust in or sorry, Ansbacher in London, an account of theirs in London.

A. What you are saying to me then is an equivalent amount didn't come back. I mean, that couldn't come back

Q. An equivalent amount didn't come back. There is no trace of it coming back to Ireland.

A. Or in any shape or form or two moieties or anything?

Q. From all our investigations around it, there is no evidence of that happening. But what did happen and you were right when we come back to Mr. Fleming again in Mount Street, what did happen was that the  $\text{€}1/250,000$  of Mr. Mark Kavanagh's money which was used to purchase a bank draft in Guinness Mahon did find its way to Mr. Fleming in Mount Street. Now

A. Sorry, does that mean sorry to be does that mean therefore, that of whatever amount of money was involved, that  $\text{€}1/275,000$  of money from Mr. Kavanagh got into Mount Street?

Q.  $\text{€}1/275,000$  from Mr. Kavanagh got into Mount Street one way or the other. That is correct.

A. Okay.

Q. I just wanted to...

Now, Mr. Fleming recorded the money he received in Mount Street and he recorded that the  $\text{€}25,000$  which was the cheque made payable to Fianna Fail which was Mr. Mark Kavanagh's money, he recorded that that came per An Taoiseach. Do you have any recollection of that?

A. No.

Q. Mr. Fleming, I take it you would agree, was a fairly meticulous book-keeper in relation to receipts in Mount Street?

A. I presume he was. I don't particularly I never supervised him in that capacity.

Q. The accounts, I think, at Mount Street were audited by Coopers & Lybrand and he kept a reasonable record of matters. I take it you would agree?

A. Yeah.

Q. Now, he recorded that  $\text{€}25,000$  as arriving per An Taoiseach. He also recorded and he also gave evidence to the Tribunal that he was instructed by you or on your behalf to record the donation in the records of Fianna Fail as being an anonymous donation. Do you have any

A. No, I have no recollection of that. This is election time?

Q. Yes.

A. I mean, I wouldn't know what was coming or going at election time.

Q. Now, he also recorded the €50,000 bank draft which arrived, Guinness & Mahon bank draft which was portion of Mr. Mark Kavanagh's money as well as arriving in Mount Street per An Taoiseach. Do you know anything about that?

A. No.

Q. And he gave evidence to the Tribunal that he was also advised or instructed to record that as being an anonymous donation. Do you know anything about that?

A. No.

Q. He also gave evidence that he was advised or instructed, in issuing receipts for these particular two sums, to issue the receipts as being anonymous and that these were sent back to your office in Leinster House. Do you know anything about that?

A. No.

Q. The reason that he was able to identify the stated donors of these two particular sums was because he kept backing documentation, the first one being the, he kept a copy or a photocopy of the cheque, that's the €25,000 cheque of Mr. Kavanagh's [EXHIBIT 1] and he also kept a photocopy of the €50,000 bank draft which came from Guinness & Mahon [EXHIBIT 2] and he was informed or advised per you, or your office, that this was related to Mr. Michael Smurfit's donation. Do you know anything about that?

A. No. But let me be clear what you are saying. That

this you are saying, are you, in effect, that the  
€50,000 came as a bank draft from Guinness & Mahon,  
that it was, as far as you know, it was Mark Kavanagh's  
money but it was credited to Michael Smurfit at Mount  
Street?

Q. Yes.

A. That's inexplicable to me.

Q. Well...

A. I would be fairly certain in saying that at election  
time, in the middle of an election campaign, I wouldn't  
be actually physically handling any of these things,  
dealing with them or physically handling them.

Q. Well, can I ask you this: do you know sorry, first  
of all, I should also say that Mr. Smurfit, some days  
after the transaction occurred whereby money was moved  
from the Smurfit trust into the Ansbacher account in  
London, had or caused to have a telephone communication  
with Mr. Des Traynor and that Mr. Traynor was able to  
acknowledge receipt of the money into London from the  
Smurfit Foundation. Do you know anything about that?

A. No, certainly not, no. I mean, I didn't even know  
there was a Smurfit Foundation.

Q. Now, there can be little doubt but that on the facts as  
emerged in evidence at the Tribunal, that the €100,000  
which Mr. Mark Kavanagh donated on behalf of his  
company, €25,000 of it went into an account in Guinness  
& Mahon and was drawn down as of €20,000 and €5,000.

You say you know nothing about that?

A. Sorry, I mean, you are saying the  $\text{€}100,000$  that Mr. Kavanagh donated. I don't know that Mr. Kavanagh ever donated  $\text{€}100,000$ .

Q. Well, we actually

A. I mean, that may be your information, Mr. Coughlan, but I don't know that.

Q. If you just bear with me and I'll let you comment if you would. That we have seen the bank drafts and we have seen the cheque. We have had evidence from various bankers of the movements of these instruments through various accounts and through the banking system.  $\text{€}25,000$  of it was drawn down in two tranches.

That is, it was lodged to an account in Guinness & Mahon and drawn down in two tranches of  $\text{€}20,000$  and  $\text{€}5,000$ . You know nothing about that?

A. No.

Q.  $\text{€}75,000$  of that money ended up in Mount Street.  $\text{€}75,000$  in total of that money ended up in Mount Street by one means or another. You know nothing about that?

A. Well, I think it all goes back to the fact that I know nothing and I am sure I am right in my recollection that I know nothing about Mr. Kavanagh calling to me on the election day and handing me not  $\text{€}100,000$  as such, but as you suggest, four different documents.

Q. Yes.

A. I have no recollection of those. I know for certain

that I did not meet Mr. Mark Kavanagh on the day he says. And that's as far as I can tell you.

Q. Or on any other day?

A. Or on any other day.

Q. And is it your belief that you never got  $\text{€}100,000$  from Mr. Mark Kavanagh on election day, any other day or in any form?

A. No. I mean, you are saying to me now  $\text{€}100,000$ . We are talking, aren't we, four documents?

Q. Four documents.

A. Four instruments?

Q. Four instruments, yes.

A. Certainly not.

Q. Did you ever get anything from Mr. Mark Kavanagh, to the best of your knowledge?

A. I don't think so. Financial you mean?

Q. Yes.

A. I would be almost categoric in saying no. But...

Q. Sorry, in fairness, I think can we just deal with that.

I think at the opening of the IFSC or at the launch of the IFSC you may have been given a small presentation or a present?

A. Money?

Q. No, no, no, no. I think it might have been a small bit of silver or something of that nature, but that is not a matter of interest to the Tribunal. I am just saying that you may have received a small present from

Mr. Kavanagh on behalf of the developers.

A. I don't even remember that to be honest with you. I don't remember even I am sorry, but I don't even remember the opening of the IFSC. I should because it was, as I said before, it was a major, major thing in Irish financial economic life. But to be quite frank, I just do not remember. Did it take place down

Q. I think it may have been a silver trowel or something of that.

A. My house is full of them. Architects and builders nearly always give you a silver trowel for some reason, best known to themselves, on these occasions.

Q. But as regards money either solicited on behalf of Mr. Lenihan or the Fianna Fail Party or yourself, you never received anything from Mr. Kavanagh?

A. No.

Q. And as far as you know, in 1989, around election time, you had no contact with Mr. Michael Smurfit relating to donations to the Fianna Fail Party?

A. No. I am quite sure of that. As I say, I would meet Michael Smurfit from time to time, but purely in his capacity as a major captain of industry, as it were.

He has a very important input into the economy here and also a man who was, could keep me informed of world trends, world developments, financial, economic and otherwise. I mean, he was always a very important person to talk to from that point of view, and I think

it would be our custom to meet not regularly, but maybe from time to time at two or three month intervals, something like that, just for that sort of discussion.

Now, they would not be at all concerned, those meetings, with political financing. So when you ask me was I in touch with him? I couldn't say that I wasn't speaking to him, but I would certainly be very, very clear that it wasn't the sort of thing I would do:

"Mr. Smurfit, could we have a contribution to the election fund?" I would leave that to Paul Kavanagh or somebody to approach him on our behalf. I think that's the way he would have it handled too.

Q. And as regards political donations to Fianna Fail or even political donations for your own personal constituency, Mr. Des Traynor would have played no role in relation to those?

A. Oh no. Of that I am fairly clear about, yeah.

Q. So that if Mr. Smurfit had dealings with Mr. Traynor in relation to this particular transaction, as far as you are concerned, it would not be in the political domain?

A. I would be quite yes, I'd be fairly sure of that, yes.

Q. Now, I think you would accept that what happened thereafter in the money coming into Mount Street is unusual?

A. Dr. Smurfit's money?

Q. What is attributed to Dr. Smurfit.

A. I can't say anything about that. I mean, you'd have to Sean Fleming would have to explain that to you.

Q. Well, he says he got both the  $\text{€}25,000$  and the draft for  $\text{€}50,000$  per An Taoiseach.

A. The draft of  $\text{€}50,000$  was of doubtful paternity apparently. We don't know whether it was Smurfit

Q. We do know it was Mr. Mark Kavanagh's money was used to purchase the draft and it was a bank that Mr. Traynor had access to in 1989, he was no longer in Guinness & Mahon of course, but he had access to.

Mr. Kavanagh's

A. I can't grasp it. I can't grasp it Mr. Coughlan. Just can't.

Q. Well, do you ever remember Mr. Traynor giving you any drafts or cheques around election time that were sent to Mount Street?

A. No. Certainly not, no. As I said, Mr. Traynor wouldn't collect money on behalf of Fianna Fail.

Q. But even in the off chance that somebody may have approached Mr. Traynor, do you ever have any recollection of Mr. Traynor

A. I don't think so. Most nearly 99 percent of contributions at election time would go through the committee and I think the reason for that was that they would like to know in that Committee what was coming in and who they should still go after. So I think it was more or less, well it was more or less a firm rule that

everything would go to that Committee, though I am sure there would be, it would be departed with in one way, in one way it would be departed with and that is individual ministers or TDs diverting subscriptions their own constituencies. That happened.

Q. Apart from that, and I think that in the course of the Tribunal's inquiries, that appears to have happened alright, that TDs might receive donations in their own constituency and not all of it may have been returned to their Party Headquarters. I am not just talking about the Fianna Fail Organisation.

A. It's a constant source of irritation.

Q. Well, could I ask you in this particular case, you say you know nothing about the Smurfit money coming through the Ansbacher Account in London, that that was not a donation, to the best of your knowledge, which would fall into that category where it would have been diverted for constituency purpose?

A. Oh no, no.

Q. Now, the one common thread in these transactions is the involvement of Guinness & Mahon in one guise or another. Would you agree?

A. I don't know.

Q. Well, we know that  $\frac{1}{2}$  of Mr. Mark Kavanagh's money went into Guinness & Mahon here in Dublin.

A. Again, Mr. Coughlan, you may know that. I don't know that.

Q. I'd ask you to accept that from me, because the evidence has been of that. And we also know from the evidence of Mr. Smurfit that his donation went into the Ansbacher Cayman Account in London. Again the Guinness & Mahon connection.

A. I don't know that.

Q. And

A. I have given you all the information at my disposal to try and assist you in your unravelling this, what seems to me, very complicated web and that's all I can do.

Q. Mr. Traynor perhaps is the common denominator, would you agree, to both transactions?

A. Would he be involved in the Kavanagh business?

Q. Well, you say that you never received the money from Mr. Kavanagh, isn't that right? The present Taoiseach Mr. Ahern has informed the Tribunal in evidence that Fianna Fail did not have an account in Ansbacher Cayman or in London and I take it that in your time that was also the situation.

A. I am sure it was, yes.

Q. To the best of everyone's knowledge and information, Fianna Fail did not have an account in Guinness & Mahon in Dublin either.

A. I would be inclined to agree with that but I wouldn't be certain of it, but I would think it. Fianna Fail was very traditional in these matters. You know, whatever account whatever bank they opened an

account in in 1927, we were people were inclined to follow on.

Q. I see. And what I am suggesting to you is that the only way that the money could have got that is, the Mr. Mark Kavanagh money could have got into Guinness & Mahon in Dublin for the purchase of a draft and for  $\text{£}25,000$  of it to be lodged to an account was through Mr. Traynor?

A. I can't say that. I have to leave you to make your own investigations and draw your own conclusions but as far as I can help you, I can only do so from my own recollection of what happened. I can't decide this or that happened or didn't happen.

Q. Well, can I ask you this: it is improbable, I suggest, that Ms. Eileen Foy would, of her own motion, have taken bank drafts to Guinness & Mahon and purchased another draft for  $\text{£}50,000$ , would you agree?

A. Say that again.

Q. It is improbable that Ms. Eileen Foy, in your office, would have taken two drafts for  $\text{£}25,000$  made payable to cash, taken them to Guinness & Mahon and purchased a draft for  $\text{£}50,000$  and taken that over to Mr. Fleming in Mount Street?

A. It would seem ludicrous to me, but I think, I suppose you have asked her all these matters, have you?

Q. Yes.

A. I mean, that would seem ridiculous to me on the surface

of it.

Q. And it's improbable that, and as you use the term ridiculous, seem ridiculous to you that Ms. Eileen Foy would have taken a draft for  $\text{€}25,000$  made payable to cash to Guinness & Mahon and lodged it to some account there and have it drawn down in  $\text{€}20,000$  and  $\text{€}5,000$  as well, would you agree?

A. It certainly wouldn't normally be her practice to do anything like that, but I don't know what she, what resources she would have to do at election times, but I presume she has given an account of this. You have questioned her about this matter?

Q. Yes, that she never had any dealings with Guinness & Mahon at all.

A. I don't want to be saying what Ms. Foy would do or not do.

Q. In fairness, Ms. Foy said she had never any dealings with Guinness & Mahon other than to make telephone contact to Mr. Traynor to get Mr. Traynor on the phone for you or to contact Ms. Williams or something of that nature. And what I want to suggest to you and put to you for your comment is this, Mr. Haughey: that on the evidence that has been given at the Tribunal to date, that you were the only person likely to have given the Mark Kavanagh instruments to Mr. Traynor or to somebody on Mr. Traynor's behalf to enable him to end up in Guinness & Mahon?

A. I don't follow that at all. That I would be the only person?

Q. Yes. I am putting that to you for your comment.

A. No. Ridiculous.

Q. And likewise, I again put it to you

A. Just to add to, Mr. Coughlan, I mean, I didn't go round toting bank drafts around the place. You know, I had other things on my mind to do. I wasn't hanging on to bank drafts and putting them here or giving them to this person or that person. They very rarely came my way at all. All those things were looked after by competent people. Not me.

Q. Who could have dealt ?

A. I don't know, Mr. Coughlan. You have all the powers at your disposal. This Tribunal is unfettered in its powers and if you can't find out what happened, then I can't help you. I am helping you as much as I can.

Q. That's why I was looking for your assistance really.

A. Well, I can't help you any more in that. I have told you what the key thing is in the situation from my point of view, I have given it to you and I will repeat them if you like. I am very doubtful that if I personally approached Dr. Smurfit. And I draw your attention to the fact that he only says he believes it was me. Second on that score, I am categorical, as far as I'd like to be, that Des Traynor did not ever involve himself in the financial affairs of the Fianna

Fail Party. And the other side of the coin, I am quite categorically clear that I did not see Mark Kavanagh on the morning of the election nor did I receive any of the financial instruments you are talking about from him. That's the best I can do.

Q. And can you be of any assistance to the Tribunal as to how Mr. Fleming in Mount Street could have recorded matters if he didn't receive the information from you?

A. I shouldn't be speculating and I don't want to be speculating, but in that context, if he did write that down, it may have been just a sort of a phrase to mean from the Taoiseach's Office or from, through the Taoiseach's Office or something like that. It may have been from Eileen Foy. I don't know.

Q. Yes, I can accept that, Mr. Haughey. And I can understand he has recorded it per An Taoiseach, it would probably have come over from the Taoiseach's Office. I don't think there is a suggestion that you walked into Mount Street and handed him something and said "do this". But if it did come per An Taoiseach and from the Taoiseach's Office, Ms. Foy or Ms. Butler or whoever would be in the Taoiseach's Office, if they were conveying information of this nature to Mr. Fleming would have had to receive an instruction, wouldn't they?

A. I don't know. I can't help you any more, Mr. Coughlan.

Q. Well, if Ms. Foy was sending it over to Mr. Fleming, wouldn't you be the one who would have told her to do it?

A. I mightn't even know about it. I mightn't even know about it in the middle of an election campaign.

Q. But how would Ms. Foy, or sorry, would Ms. Foy, to the best of your knowledge anyway, of her own motion advise or instruct Mr. Fleming to record a donation as being anonymous?

A. Again you are forcing me into speculation which I don't want to do. It all depends on how the thing would happen. Would Paul Kavanagh bring it into her and give it to her and say 'look that's for Mount Street, but it's confidential, it's to be marked' whatever the word is

Q. Anonymous.

A. 'Anonymous'. It would depend on a lot of factors.

Q. But that was not the evidence in this case. Mr. Mark Kavanagh said that the reason he remembers having a meeting with you was because they were making a big donation and he wanted to make sure that the head man knew where it was coming from or words to that effect?

A. Why did he split it into four?

Q. Because he was advised to so do.

A. By whom?

Q. Well, he can't remember, he says. He says he can't remember.

A. And have you checked on the business of writing a cheque to get bank drafts? Have you checked on that?

Q. In fact, in relation to that, it was, in fact, a form of accounting control because there were three partners in the Customs House Dock Development Company and a cheque would have to be drawn. It was recorded in the financial records of that company and then it was distributed amongst the partners within the records of the company. So it was a form of accounting control.

A. Forgive me for saying this, but it sounds inexplicable to me. It sounds cumbersome. As you know, instead of going, an ordinary person going into a bank and saying 'can I have a bank draft for so much? Put it down to my account. Thank you very much'. But I am not a financier. I don't know how big financial organisations work.

Q. Well, the explanation has been given and documents have been furnished to show that this was a form of accounting control, but apart from that, Mr. Kavanagh, Mr. Mark Kavanagh said that he was advised by somebody, and he says he can't remember who it was, on the Fianna Fail side, if I might put it that way, to have it split up in this manner.

A. I can't understand it. It's inexplicable to me. If he was going to sorry, I can't resist the temptation to speculate and I shouldn't. But if he was going to come out to me with a great big flourish of trumpets

and deposit it 1/2 100,000, a big round fat sum of money on my desk, wouldn't it be taking from the big occasion to split it into four? Am I right in that?

Q. You may be right, Mr. Haughey. You may be right, yes, yes.

And I suppose, as you say yourself, around election time or at any time when money may be diverted to local constituency needs, I am not suggesting that money would be inappropriately diverted by politicians, but diverted to local constituency needs rather than returning it to Headquarters or Head Office, that if a person was asked to split it up into four instruments, he might want to make sure that the whole lot was getting to the head man anyway?

A. I don't know.

Q. You don't know?

A. I don't know how Mr. Kavanagh's mind works or worked.

Q. Now, I think Mr. Smurfit, when he gave his evidence and there is documentary evidence to show the trail, was quite definite that he made the payment or had the payment made through the Ansbacher account in London, that is as a result of having had contact with Mr. Traynor where he speculated, or to use his own word hypothecated, was in relation to the manner of approach for the donation in the first instance, that is that whether it had been a written approach or a personal approach.

A. I don't follow.

Q. Because this is an inquiry, Mr. Haughey, and I want to exhaust as many lines of inquiry as I can think of anyway. Mr. Smurfit also gave evidence on Day 80 that he made contact with Mr. Traynor sometime after this particular transaction, to the best of his knowledge, that in any event, an approach was made to Mr. Smurfit, or sorry, an approach was made to Mr. Traynor by Mr. Smurfit or somebody in his company to try and interest Mr. Traynor in corporate membership of the K-Club?

A. God save us all.

Q. That was the response he got as well, because Mr. Traynor was showing no interest in that particular approach.

A. I think you are reminding me of something, maybe it would help, I think Dr. Smurfit and Des Traynor were reasonably close associates, not in that they were engaged in any business together that I was aware of, but I think they were confidantes, you know, they were people who consulted each other about things. I think like an awful lot of other people around that time, that Dr. Smurfit had a big respect for Des Traynor's financial abilities and knowledge.

Q. Yes, I think Mr. Smurfit gave evidence that he did serve on the board of New Ireland Insurance Company with Mr. Traynor at some stage as well.

A. I see.

Q. But anyway, when he tried to get Mr. Traynor to take out a corporate subscription to the K-Club

A. I am a bit disappointed he never asked me.

Q. Well, I suppose he was probably a bit disappointed he asked Mr. Traynor as well because it was declined fairly quickly and Mr. Traynor turned around and asked him would he make a contribution for your personal financial needs. Did you know anything about that?

A. I beg your pardon?

Q. Mr. Traynor turned around and asked him, when that approach was made to Mr. Traynor, would Dr. Smurfit be prepared to make a contribution towards your personal financial needs. Did you know anything about that?

A. I didn't know that, no.

Q. He can't be certain, but it was '89/'90, that sort or perhaps '90, it was around the time that corporate he was soliciting subscriptions for corporate membership of the K-Club. But in any event, he informed the Tribunal that he declined Mr. Traynor's invitation as well. But you don't know anything about that?

A. No.

Q. And just in relation to the donation made by the Smurfit Foundation in 1989 which found its way into London, did Mr. Traynor ever inform you that monies had been received for you personally from

A. No, certainly not not to my recollection.

Q. from any Smurfit company in any guise?

A. No, no recollection of anything of that nature at all.

Q. Now, Mr. Smurfit says that he was informed by Mr.

Traynor, some days after this movement of money took

place, that the money had arrived so he was satisfied

about that, but that he didn't receive any

acknowledgment or receipt from Fianna Fail about it.

Do you know anything about that?

A. No.

Q. Now, a list went from Mr. Fleming's office to your

office, on the advice of your office, of various

contributors to whom the receipt should be sent to your

office and the purpose, as indicated to Mr. Fleming,

was that you your office or you may have wished to

pass on the acknowledgment of a receipt?

A. No. I think what would happen in those circumstances,

at every General Election, I would send out a general

letter to all potential subscribers and then the

follow-up to that would be at the end of the election,

when the election was over, I would get over from Mount

Street typewritten letters to each subscriber thanking

them which would come over to me and I would sign them.

Maybe two or three hundred or so. Why I remember that

particularly is it was always a very onerous task to

sign the two or three hundred letters.

Q. Yes. Now, that may be so but over and above that

Mr. Fleming said that he prepared a list, perhaps with about in addition to a letter, a thank you letter which would come out from you, a receipt which was a little slip out of a cash receipts, like a little cash receipts book type of receipt would be issued by Fianna Fail and that these particular receipts were requested from Mr. Fleming to be sent to your office so that you could furnish the receipts or acknowledgment to a number of particular contributors. Do you remember any of that?

A. No, that doesn't make sense to me. The practice, as I say, was fairly standard. That I would get these big consignment of letters which I would sign and they'd go out, I think they'd go back to Mount Street and Mount Street would send them out then. There may have been, in some cases there may have been receipts attached to them, but I don't think that was I think the sending out of the receipts would be a different process.

Q. Yes, there is two processes. There would be the general letter thanking people.

A. Yeah.

Q. Mr. Fleming also made out a little receipt docket in respect of each donation.

A. Well, there would be official receipts. It wouldn't be a little docket. It would be signed those would be I remember them, the shape of them. They would be fairly formal sort of things with my signature on

them and the treasurer's signature and

Q. Yes, that's right.

A. They wouldn't be dockets, you know.

Q. Well, they'd be a clerical type document, if I might describe it as that?

A. I am only just saying that they would be formal receipts. Proper formal receipts.

Q. Yes, and that

A. They would go separately from

Q. From Mount Street?

A. Yeah.

Q. But in a number of cases, in 1989, your office informed Mr. Fleming that a certain number should be sent to your office for you to deal with.

A. I don't know about that. I don't recall that. It sounds unusual.

Q. And that

A. Were they because of the size of them or something?

Q. In some instances, that may be so, that may be so. We didn't put this into evidence I'll make the document available of course. Because Mr. Haughey was leader of the Party and this information may have been known to him at some stage, but

COMMISSIONER: We are past twelve anyway, Mr. Coughlan, so

MR. COUGHLAN: Perhaps if I just finish on this

particular point. That included in the receipts which Mr. Fleming sent to your office were the ones which were recorded as being anonymous and they included the Mark Kavanagh  $\frac{1}{2}$ 25,000 and the  $\frac{1}{2}$ 50,000 which was attributed to the Smurfit donation. Do you remember that?

A. No.

Q. Well, perhaps I'll take it up tomorrow.

COMMISSIONER: Thank you very much.

THE COMMISSION THEN ADJOURNED UNTIL THE FOLLOWING DAY, THURSDAY, 8TH FEBRUARY 2001 AT 11:00AM."

CHAIRMAN: Well, Mr. Lehane has been reading for two hours. It's a reasonably taxing process, so I think we'll defer until eleven o'clock tomorrow morning.

THE TRIBUNAL THEN ADJOURNED UNTIL THE FOLLOWING DAY, THURSDAY, 24TH MAY 2001 AT 11AM.