

THE TRIBUNAL RESUMED AS FOLLOWS ON WEDNESDAY, 1ST DECEMBER

1999 AT 10:30AM:

CHAIRMAN: Good morning.

MR. COUGHLAN: May it please you, Sir. If I might commence first of all, Sir, by reading into the record a letter which was referred to in the evidence of Mr. Keilthy yesterday, and it's a letter from Mr. Traynor referable to the payment of a sterling draft for œ85,000, being the œ85,640 being the sterling equivalent of œ95,000, being a draft which was the payment of funds in the Aurum Nominees account of NCB to the Ansbacher account at Irish Intercontinental Bank and it's addressed it is strictly private and confidential, it's addressed to Mr. Dermot Desmond, Chairman, NCB, Ferry House, 48-53 Mount Street, Dublin 2. The dates dated 19th March 1991 and it's "Your ref: JKL-918. Dear Dermot, many thanks for yours of the 15th March together with sterling draft for œ85,640.24 being the sterling equivalent of œ95,000 Irish. Kind regards, yours sincerely, J.D. Traynor, and the reference is J.D.T./A.J.W."

Mr. Shipsey wishes to apply for representation.

MR. SHIPSEY: Sir, I appear with Mr. Gerard Hogan and Mr. Robert Barron, instructed by Michael Counihan & Partners for Dermot Desmond and I am seeking limited representation on behalf of Mr. Desmond at the Tribunal hearings.

CHAIRMAN: It's right, I think, that I accede to that, Mr. Shipsey. Obviously on the usual basis that it's well-known to persons involved with the Tribunal that I accept that matters have arisen that make it proper that I should accede to that application at this stage. I am not in any way pre-judging

MR. SHIPSEY: I am grateful to you, Sir.

MS. O'BRIEN: Mr. Tony Barnes, please.

TONY BARNES, PREVIOUSLY SWORN, WAS EXAMINED AS FOLLOWS BY

MS. O'BRIEN:

Q. Mr. Barnes, you are an associate director in the operations department of the Irish Intercontinental Bank Limited?

A. That's correct.

Q. And you have, in fact, given evidence to the Tribunal on two previous occasions?

A. That's correct.

Q. On this occasion, the Tribunal has requested you to give evidence in relation to two specific credit transactions across, in the first instance, the Ansbacher Cayman account and, in the second instance, the Hamilton Ross sterling call account?

A. That's right.

Q. And just to put that into context, I think on the first occasion that you gave evidence, you gave detailed evidence

in relation to the opening of accounts in the name of

Ansbacher Cayman in Irish Intercontinental Bank Limited?

A. That's right.

Q. I think you indicated that funds were transferred to the

sterling, principal sterling Ansbacher account in Irish

Intercontinental Bank on or about the 3rd January of 1991?

A. That's correct.

Q. I think you indicated that the account number of the

principal Ansbacher account was account 02/01087/81?

A. That's correct.

Q. I think on the second occasion you gave evidence, you

referred to instructions which the bank received in

September of 1992?

A. That's correct.

Q. I think those instructions which were received from the

late Mr. Traynor in his capacity as Chairman of Ansbacher

Cayman was to open certain accounts in the name of Hamilton

Ross Company Limited?

A. That's right.

Q. I think you also indicated at the time, your understanding

that Hamilton Ross Company Limited was another Cayman

registered entity?

A. That's right, yes.

Q. I think you also indicated that funds were transferred from

the principal Ansbacher sterling account to a similar

deposit account in sterling in the name of Hamilton Ross?

A. That's correct.

Q. And I think the account number of the Hamilton Ross principal sterling account was 02/01354/81?

A. That's correct.

Q. Now, the two transactions which the Tribunal has requested you to give evidence in relation to on this occasion, as I said the first one relates to a deposit and a lodgment to an account, the principal Ansbacher account, in March of 1991?

A. That's right.

Q. And I think you have indicated to the Tribunal that the bank's records in relation to this lodgment included a letter of instruction dated the 19th March 1991 from the late Mr. Traynor?

A. That's correct.

Q. And I think that should now be on the screen and, if you wish, we can hand you up a hard copy of that letter.

A. I can see it on the screen here.

Q. I think the letter is from Ansbacher Limited with their address in Grand Cayman, British West Indies, with an instruction to reply to 42 Fitzwilliam Square, Dublin 2.

It's addressed to Mr. Garrett Logan, Esquire, Irish

Intercontinental Bank Limited, and do I take it Mr. Logan was the person who dealt with lodgments?

A. Yes, he dealt with the day-to-day management of the account.

Q. It states, "Could you please arrange to lodge the enclosed draft for sterling œ85,640.24 to credit of our call account

number 02/01087/81."

A. That's correct.

Q. And I think it's signed, if we move it up, it's signed by the late Mr. Traynor and the reference is J.D.T./A.J.W.?

A. That's right.

Q. I think the Tribunal has provided you with a copy of a draft, bank draft in the sum of œ85,640.24. It's a poor copy on the overhead projector but we can hand you up the hard copy. That's payable to Ansbacher Limited. It's drawn on Ulster Bank Limited, College Green, Dublin 2.

(Document handed to witness.)

I think we can see on the reverse side of the draft, it's stamped "Irish Intercontinental Bank", and the date of the stamp is 25th March 1991.

A. That's correct, yes.

Q. I think you can identify that as the draft that was enclosed with Mr. Traynor's letter?

A. I can indeed, yes.

Q. I think also from the documents that you have produced to the Tribunal, you have provided the Tribunal with a copy of the deposit dealing ticket which would have been completed by the bank in relation to this lodgment transaction, and I think the dealing ticket is contract No. 104597. That's shown there on the right-hand side of the dealing ticket.

A. That's correct, yes.

Q. And on the left, I think under "customer", although it's very faint, is Ansbacher Limited, and I think also the

number of Ansbacher's deposit account of 0201787/81?

A. That's correct.

Q. I think that also indicates that this sterling instruction would have been cleared by Irish Intercontinental Bank through Royal Bank of Scotland?

A. That's correct, that's a sterling clearing matter.

Q. I think also you have been able to identify the proceeds of this sterling instrument being lodged to the account of Ansbacher Limited, is that correct?

A. That's correct, yes.

Q. I think, in fact, we have a copy of the accounts statement. We can see there the entry on the 3rd April 1991, the lodgment of œ85,640.24 sterling and the description, the detailed description on the entry includes the number of the dealing ticket, DT 104597?

A. That's correct.

Q. I think you have compared that with the number on the dealing ticket relating to the receipt and clearing of the sterling draft, and that you are satisfied that this lodgment does represent the proceeds of that sterling draft?

A. I am, yes.

Q. And I think you may not have been here yesterday, but in relation to the sterling draft, the Tribunal heard evidence that the draft was funded by a debit to an account in Ulster Bank Limited in the name of Aurum Nominees No. 6 account. That's simply just to put the matter in context?

A. Okay. I am not aware of the other side of that transaction.

Q. The second transaction, then, that the Tribunal requested you to provide assistance on dated from September of 1995 and this was also a lodgment to a Cayman account in Irish Intercontinental Bank but on this occasion it was a lodgment to an account in the name of Hamilton Ross Company Limited?

A. That's correct.

Q. And again, just to put the matter, this aspect of your evidence into context, I think the Tribunal heard evidence yesterday in relation to the withdrawal of funds on the Aurum Nominees No. 6 account and instructions received by NCB to transfer those funds to Irish Intercontinental Bank and I think, in fact, that's borne out by certain of the documents that you will be referring to?

A. Okay.

Q. Now, I think you have indicated and produced to the Tribunal a copy of the telex dated the 18th September of 1995 from Ulster Bank Limited?

A. That's correct, yes.

Q. And I think that confirms a transfer of a sum of œ165,471 from Ulster Bank Limited for credit to Hamilton Ross Company Limited, account 02/0135481?

A. Yes, that's right.

Q. If you could just explain to me the various entries on that telex?

A. Okay. Basically this is a SWIFT instruction from Ulster Bank advising us that they have credited our account at Central Bank with €165,471.99 and that the instruction has, the customer is NCB Stockbrokers and that the funds are for the benefit of Hamilton Ross Limited where it says "beneficiary customer".

Q. That indicates also the account to which the funds should be credited?

A. Yes, 01354 is correct.

Q. That being the principal sterling account?

A. That was the principal sterling account, yes.

Q. I think you have also provided to the Tribunal a copy of a foreign exchange dealing ticket relating to the receipt of these funds?

A. That's correct.

Q. I think that indicates that, in fact, the Irish sum of €165,471.99 was converted into sterling, yielding sterling €168,036.86?

A. That's correct.

Q. At that time, sterling appeared to be of lesser value?

A. That's correct.

Q. I think that also indicates that the instructions received were care of NCB Stockbrokers and that the proceeds of the foreign exchange deal were to be lodged to account 02/01354/81?

A. That's correct.

Q. I think finally to assist the Tribunal, you have provided

the Tribunal with a copy of the Hamilton Ross sterling account statement for the relevant period, and the entry there on the overhead projector is for the 18th September 1991. The amount is €168,036.81?

A. That's correct.

Q. I think the description and the particulars on that entry, F.X., CN 692448?

A. That's the dealing ticket.

Q. That signifies this was a foreign exchange dealing?

A. That's correct.

Q. And it identifies the dealing ticket number?

A. It does.

Q. You were satisfied that that dealing ticket number tallies with the dealing ticket number we have just had on the overhead projector?

A. I am, yes.

Q. And, on that basis, your evidence is that the 165,000 odd punts received from Ulster Bank through your account with the Central Bank was lodged to the Hamilton Ross sterling account?

A. Yes, it is.

Q. Having first being been converted into sterling funds?

A. That's correct.

Q. Thank you very much.

MR. CONNOLLY: I have no questions, Chairman.

CHAIRMAN: Thank you very much.

THE WITNESS THEN WITHDREW.

MR. COUGHLAN: Mr. Collery.

PADRAIC COLLERY, PREVIOUSLY SWORN, WAS EXAMINED AS FOLLOWS

BY MR. COUGHLAN:

CHAIRMAN: Good morning again, Mr. Collery. Please sit down.

Q. MR. COUGHLAN: Mr. Collery, in this portion of your evidence, the Tribunal would intend dealing with any knowledge you have of the transactions with NCB Aurum Nominees account number 333006 OS?

A. Okay. I will assist as best I can.

Q. And I think that a series of queries were raised through your solicitor with you in relation to this account?

A. They were indeed.

Q. And if we could first of all show on the overhead projector the opening balance in that particular account. I think this has been brought to your attention, isn't that correct, as being the opening balance in that particular Aurum Nominees account of NCB with Bank of Ireland?

A. It has indeed.

Q. And I think you were asked for your knowledge, direct or indirect, of the opening of the Aurum Nominees account 333006 with NCB Stockbrokers in July of 1988, is that correct?

A. I was indeed, yes.

Q. And what is your knowledge in relation to that, Mr.

Collery?

A. I regret that I have no knowledge of that account being opened at that time or, indeed, in the opening of the account.

Q. In the account. And can you express a view as to who would have, on behalf of Overseas Nominees Limited, have been involved in the opening of that particular account?

A. I would have expected it would have been done on the instructions of Mr. Traynor.

Q. Now, I think you were then asked for your knowledge, direct or indirect, of the source of the credits to the NCB settlement account with Bank of Ireland of €202,195.26 on the 11th July 1988, and €149,432.16 on the 23rd August 1988, is that correct?

A. That is correct.

Q. And what is your knowledge?

A. I have no knowledge as to those lodgments or the source of those lodgments.

Q. Now, I think you were then asked whether you had any role in the transmission of the funds credited to the NCB settlement account and, if so, details of your role, including the manner in which the funds were transmitted and the name of all persons with whom you had dealings or from whom you received instructions?

A. I was indeed, and again I have no recollection of giving any instructions in relation to any transfer in that

account in relation to those amounts.

Q. Or did you have any role in carrying out any instructions in relation to those particular dealings on those accounts at that time?

A. At that time, no. Later on, of course, I did in closing of the account.

Q. Is it that you don't have a recollection, that you may have carried out some transactions on instruction but you don't recollect, or can you say for definite you did not carry out any transactions?

A. To my recollection and, indeed, to my best knowledge, I have never had any dealings with that account other than at the very end of the account.

Q. Yes. Now, I think you were asked by the Tribunal whether you had any role or involvement whatsoever in the giving of instructions regarding the purchase or sale of stocks or securities and, if so, to give full particulars of your involvement, including the names of all persons with whom you were dealing, is that correct?

A. That is correct, and again I gave no instructions on this account as to the purchase or sale of investments.

Q. And again, if instructions were given for the purchase and sale of investments, who do you believe would have given those instructions at that time?

A. I believe that it would have been the late Mr. Des Traynor.

Q. I think you were then asked whether you had any knowledge, direct or indirect, of the withdrawal of £206,213.57 on the

8th May 1990 from the Aurum Nominees Limited No. 6 account, which appears to have funded a draft for œ200,000 payable to Overseas Nominees. In the first instance, I think you were furnished with this document, you can see the debit to the Aurum Nominees account, isn't that correct?

A. I do indeed see that on the monitor, yes.

Q. And I think you were aware, from documents furnished by the Tribunal, that this, in turn, was used to purchase a draft for œ200,000 sterling, isn't that correct?

A. I am indeed aware of that fact, yes.

Q. And I think what you were furnished we will just show the requisition and that is the requisition showing the withdrawal with two pounds bank charge and it's a requisition for a œ200,000 sterling draft?

A. For the amount mentioned in the account.

Q. And it's to be in favour of Overseas Nominees, isn't that correct?

A. On the top left-hand corner, yes.

Q. Now, do you have any knowledge or recollection in relation to that particular transaction?

A. I have no knowledge or recollection of that transaction.

Q. Yes.

A. But if it went into I think it shows going into the Ansbacher account, then I would expect, as with the normal practice, that it would have gone into, would have been lodged into a memorandum account in the name of S8.

Q. And you would have passed that entry?

A. I would have posted those entries on the instructions of the late Mr. Des Traynor.

Q. If we just halt briefly there, and can you tell us about Overseas Nominees. Who were Overseas Nominees?

A. Overseas Nominees was the nominee company of Ansbacher (Cayman) Limited. As I explained before to the Tribunal, that banks do have nominee accounts to facilitate certain transactions on their behalf.

Q. But you can identify it as being the nominee company of Ansbacher Cayman?

A. I can confirm that to the Tribunal, indeed I can.

Q. Now, I think the Tribunal then inquired of you of whether you had any role in the giving or receiving of instructions relating to this withdrawal, that's the withdrawal of £206,000-odd or the manner in which the proceeds of the sterling draft were ultimately applied and, if so, provide full details of your involvement, including the names of all persons from whom you received instructions or to whom you gave instructions, isn't that correct?

A. That is correct.

Q. And

A. And I can confirm that in our investigations we did ascertain that it went to the main account of Ansbacher (Cayman) Limited, and, as I said, then it is most likely that I did indeed post it to the memorandum account on a subsequent date but I have no specific recollection of that.

Q. I think the seventh query was raised with you, whether your client made any entry across the memorandum accounts for the ultimate application of the draft of €200,000 sterling. Whilst you have no specific recollection, you believe that you must have carried out an accounting process in relation to that into these confidential accounts?

A. For the requisitions to take part in the account, I would most probably would have done, yes, indeed I did.

Q. I think you were asked by the Tribunal whether you have any knowledge, direct or indirect, of the withdrawal of €95,000 from the Aurum Nominees Limited No. 6 account on the 15th March 1991 which funded a draft for sterling €85,640.24, the proceeds of which were credited to Ansbacher Limited, account 02/01087/81, with Irish Intercontinental Bank, isn't that correct?

A. That is correct.

Q. I think first of all you were furnished with a document showing the debit to the Aurum Nominees account?

A. Yes, I have had sight of that document.

Q. And that the account then went into overdraft?

A. It did indeed, for €23,000.

Q. And what was your recollection or understanding of that, Mr. Collery?

A. I have no specific recollection of the transaction itself; however, again, in our investigation with the Tribunal, we did ascertain that the sterling amount equivalent was

transferred into the Ansbacher account again and, while I don't recall specifically the transaction, it would be normal practice as stated before, that I would have posted the financial transactions to memorandum account.

Q. Yes. And on whose instructions would that have been?

A. That would have been given on the instructions of the late Mr. Desmond Traynor.

Q. You were asked I will ask you now, did you have any role in the giving or receiving instructions in relation to the withdrawal of these funds from the Aurum Nominees account or the lodging of the proceeding of the sterling draft to the Ansbacher account with Irish Intercontinental Bank?

A. I do not recall that I have had any act, hand or part in the withdrawal or the lodgments of those.

Q. But you do believe that you would have carried out the transaction or posted the transaction across the memorandum account?

A. It was normal practice, as I have said before, that whence a transaction is posted to the main account, then there would be a memorandum transaction posted in the memorandum accounts to reflect that transaction over the main account.

Q. Yes. Now, I think you have seen these documents, but you saw in the evidence of Mr. Barnes just a few moments ago the various transactions which related ultimately to a transfer of funds on the closing of the Aurum Nominees No. 6 account, isn't that correct?

A. That is correct.

Q. Now, the first document that I would ask you to look at is it's a letter from Mr. Traynor, 42 Fitzwilliam Square and it's to NCB Stockbrokers and re Aurum account, and it gives the account number and it's in brackets, OS, which we understand to be abbreviation of "Overseas Nominees", would that be your understanding?

A. It could possibly be that, yes.

Q. And it reads, "Dear Ms. Egan, I have received from John Furze in Overseas Nominees a copy of letter dated 24th January 1994, together with the valuation referred to therein. Enclosed herewith is a copy evaluation dated 6th March 1991. I would be grateful if you would (a) arrange to dispose of the total holdings, (b) let me have a reconciliation of the account from the 6th March 1991 to the 31st December 1993. Yours sincerely, J.D. Traynor."

I think that particular letter has been brought to your attention?

A. It has indeed, yes.

Q. Now, the letter was dated February of 1994 and I think Mr. Traynor died later that year, isn't that correct?

A. It was May of 1994.

Q. In May of that year. Did you know anything about that particular instruction at that time?

A. At that time, I had no knowledge of that instruction.

Q. Thank you. But the next matter I'd just like to bring to your attention is a letter dated the 12th September 1995,

and it's a letter on Hamilton Ross Limited Company notepaper, and the letter asks the recipient to reply to 8 Inns Court, Winetavern Street, Dublin 8. It's addressed Mr. Keilthy, NCB Stockbrokers, and it's Aurum Nominee account and the it's the same account number Mr. Traynor had been given instructions on?

A. It is indeed. I didn't quote the OS, yes it is the same.

Q. "Dear Mr. Keilthy, further to Mr. Traynor's letter of the 8th February 1994, I would be grateful if you would transfer the balance on the account to Irish Intercontinental Bank Limited, 91 Merrion Square, Dublin 2, account Hamilton Ross Company Limited", and the account number is given "02/01354/81, and advise me of the amount. In addition, please let me have a reconciliation of the accounts... to when all the holdings were sold. Yours sincerely, G.P. Collery", and that is a letter sent by you?

A. It is indeed.

Q. Now, I think you were asked by the Tribunal to give details of all instructions received by you in relation to the letter dated the 12th September 1995 from you to NCB Stockbrokers?

A. I was indeed, yes.

Q. And what is your response to that?

A. My response is that I recollect that around some time in September 1995, I can't be precise about the date, I was contacted by Mr. John Furze to close an account because he was at that time making plans to move from Ansbacher Bank

to set up his own company in Cayman and he was, as I understood, tidying up, to use a phrase, some accounts. In relation to this particular account, he asked me he made me aware that there was an account in NCB where there were funds that should be transferred to the account of S8 and would I be able to make contact with him to arrange for the transfer of these funds. I mentioned to him that I had no knowledge of the account nor had I any details in relation to the account, to go to NCB, and he gave me some information in relation to that.

Q. And how did he give you that information?

A. It would have been over the telephone.

Q. What information would he have given you?

A. He quoted me the account number presumably, and I can't recall specifically but he mustn't have given me the OS details, otherwise I would have put it on the heading of the paper. And he made reference, to put it in context, that there was a letter to NCB from Mr. Traynor dated February 1994, and that's why I wrote that letter in there.

Q. Yes.

A. Nor did I I mustn't have known the amount because again my letter doesn't state the amount, so I gave fairly broad instructions to NCB to transfer the balance and, in due course, to let me know what the amount is.

Q. Well, of course, nobody could have known the amount until the instruction had been carried out and that everything was sold, isn't that correct?

A. Well, I have to presume from the previous instructions of 1994 that everything was sold at that stage.

Q. But then there would have been accumulation of interest?

A. That's correct, yes.

Q. So nobody could have known what the final amount was?

A. That's true, yes.

Q. Now, you say that you received instructions from Mr. Furze and he gave you certain information.

A. Yes.

Q. At that time, can we take it that there must have been a file or some record available with Mr. Traynor's effects relating to this particular transaction?

A. It seems unusual, that there was a file that Mr. Furze had that did, in fact, relate to these transactions.

Q. Why did you say Mr. Furze had a file, would there have been a file available in Dublin at that time?

A. Well, if you remember previously, I gave instruction both I think I gave evidence to this Tribunal and to Mr. McCracken that Mr. Furze took certain files with him back to Cayman.

Q. Yes.

A. And presumably this is one of those files.

Q. What I want to ask you, did you ever see the file in relation to this particular account, I am talking about the Aurum Nominees account now?

A. No. As I stated earlier, this is the first knowledge that I had of this.

Q. Yes. Now, I think that in response to being asked by the Tribunal to detail your involvement, particularly with reference to the instructions you gave on that letter of the 12th September 1994, I think that you informed the Tribunal that you were aware that Mr. Furze would be leaving Ansbacher Cayman and that it was his intention to set up a new trust company, is that correct?

A. That is certainly my understanding that that was the case, yes.

Q. And did he I think you have informed the Tribunal that, in addition, he advised you, as agreed in 1994, Ansbacher were now in a position to deal direct with their clients in Ireland and that any funds they had in banks here would be transferred back to Cayman, is that correct?

A. That is correct.

Q. Could you just illuminate that a little, Mr. Collery?

A. I think it was March of 1995 that exercise started.

Q. First of all, if we could just go back, what had Mr. Furze said to you that led you to believe that Ansbacher, he was leaving Ansbacher and that Ansbacher would be in a position to deal directly with their clients in Ireland?

A. Well, heretofore, John Furze was dealing directly with Mr. Des Traynor and after Mr. Des Traynor's death, obviously I had stepped in temporarily to fill that gap and they, after '95, were now dealing directly with their own clients so I was going to be no longer involved, presumably not presumably, Mr. Furze was moving from the company and would

also be no longer involved in that.

Q. Yes. Well, at that time, this is in September of 1994

A. Of '95.

Q. Sorry, I want to deal now with the period when you gave the instruction, I beg your pardon, September 1995, I beg your pardon. In September of 1995, you were giving instructions to NCB, having received instructions yourself from Mr.

Furze?

A. Yes.

Q. And at that time, Mr. Furze was in the process of leaving Ansbacher Cayman to set up his own trust company, or that was his intention?

A. That's correct.

Q. Prior to that, Hamilton Ross & Company had been brought into play, is that correct?

A. As we heard from Mr. Barnes' evidence, that indeed Hamilton opened an account in Irish Intercontinental Bank in around 1991, '92 and yes, from that day forward, Hamilton Ross was in existence. Now, I believe maybe Hamilton Ross was a company that was opened and owned by John Furze previous to that, but in the context of having an account in this jurisdiction, '92 was the date.

Q. It may have existed as a company prior to that but it lay dormant, isn't that correct?

A. Well, I have no knowledge whether it was dormant or not.

Q. In this jurisdiction?

A. To the best of my knowledge.

Q. It lay dormant until an account was opened in its name in 1991, '92 in Irish Intercontinental Bank?

A. That's correct.

Q. It was still at that stage under the umbrella of Ansbacher, isn't that correct? It was an Ansbacher company, as far as you knew?

A. I think Hamilton Ross was always a John Furze company.

Q. Always a John Furze?

A. To the best of my knowledge.

Q. And it had a separate account in Irish Intercontinental Bank, as far as you were concerned, to Ansbacher?

A. It did indeed, yes.

Q. Now, when you say that you were informed by Mr. Furze, was it in 1994 that Ansbacher were going to that he was going to leave Ansbacher, is that correct?

A. I think the process took a number of I think the plans were before, Mr. Traynor said that he would have left probably sometime in late '94, and I think because of the sudden death of the late Mr. Traynor and in his leaving, it was deferred because obviously he was the contact and had the knowledge of the clients, because he dealt with Mr. Traynor directly in relation to Irish clients, so, as I understood it from him, he was asked to stay on for a further period with Ansbacher and did so.

Q. But that they now wanted to deal directly themselves, is that correct?

A. That was their intention and that is, in fact, what

happened.

Q. I think you have informed the Tribunal that you can only assume that in this process, this changing process, Mr.

Furze's status with Ansbacher, is that correct, that the funds at NCB were identified as being held for the benefit of Overseas Nominees, the nominee company of Ansbacher "Cayman" Limited but, in fact, these funds related to a client who was not a client of Ansbacher Cayman, is that correct?

A. Well, not at this time.

Q. Not at that time?

A. Not at that time. I would have to believe that way back, as we saw earlier in, was it '88, where whatever funds came from, that that account or that relationship would have been directly with Ansbacher because, as you know, Hamilton Ross didn't exist until 1992.

Q. As Hamilton Ross didn't have an account in this jurisdiction?

A. Didn't have an account in this jurisdiction.

Q. Until 1992. And do you have any knowledge as to how a change took place whereby somebody would have been a client of Ansbacher in the first instance, and now became effectively a client of Mr. Furze and Hamilton Ross by 1991, 1992?

A. Yes, I think I can explain that.

Q. Yes.

A. As we know from our investigations, these accounts were

held in the Hamilton Ross account within a company called Poinciana Fund Limited, and prior to 1991, 1992, Poinciana fund had its accounts directly with Ansbacher which, in turn, had its accounts within the S memorandum accounts.

Q. Yes.

A. In or around 1991, 1992, Mr. Traynor gave instructions to move certain accounts from Ansbacher into Hamilton Ross and, therefore, Poinciana was a group of those accounts that moved from Ansbacher into Hamilton Ross. Now, from this evidence, from what's here, of course, that all of those transactions did not move all the way across.

Overseas Nominees continued to hold these funds in NCB but for Poinciana, but within Hamilton Ross.

Q. Yes. I understand, confusing as it may be. But we have to ensure that the public understand, Mr. Collery.

A. I know it's difficult. If you had a white board I would be able to explain.

Q. That's our function here.

A. Yes.

Q. Up to the opening of the Hamilton Ross accounts in account or accounts in Irish Intercontinental Bank in 1991, 1992, all funds were in the name of Ansbacher Cayman or its previous names, isn't that correct?

A. That is correct.

Q. In 1991, 1992, an account was opened in the name of Hamilton Ross at Irish Intercontinental Bank?

A. Correct.

Q. On the instructions of Mr. Traynor?

A. Correct.

Q. Hamilton Ross itself had been a company which may have existed for a long time but had no active role in this jurisdiction up to the time that the account was opened in Irish Intercontinental Bank, is that correct?

A. That is as I understand it, yes.

Q. The funds in Hamilton Ross were held under what other company?

A. One of them was Poinciana fund.

Q. One of them was Poinciana fund?

A. Yes.

Q. And Poinciana fund, do you know whether it was a trust or a company?

A. I have no specific knowledge, but it must be a company which probably had a trust over it.

Q. And the trustees over that would have been the people who would have been entitled to give the instructions in in relation to the fund?

A. That's correct.

Q. And the instructions in relation to the fund were given by Mr. Traynor and Mr. Furze, as far as you know, is that correct?

A. To the best of my knowledge, that is correct.

Q. So, to the best of your knowledge, as of the moment, the trustees were probably Mr. Traynor and Mr. Furze or some other trust company they controlled, is that correct?

A. That would be a fair analysis of that, yes, I would understand that to be the case.

Q. But, in any event, prior to the separate account for Hamilton Ross being opened in Irish Intercontinental Bank, to your knowledge, all Poinciana fund accounts were in Ansbacher up to that time, isn't that correct?

A. That is correct.

Q. These were all Ansbacher accounts which were lodged, in the first instance, in Guinness & Mahon, and then subsequently in Irish Intercontinental Bank, isn't that correct?

A. That is correct, and the evidence that the transfers went into the Ansbacher account, the earlier ones supports that.

Q. Yes. And just in that regard for the moment, the sterling accounts, the Ansbacher sterling accounts were pooled accounts, isn't that correct?

A. They were indeed.

Q. But that other currency accounts, to your knowledge or to your best knowledge, may have been referable to individual beneficiaries by reference to a sub number, isn't that correct?

A. That is correct. As I gave previous evidence in that, the currency accounts related to individual companies or beneficiaries, yes.

Q. So a change, as far as you know, began to occur in 1991, 1992. I should perhaps Mr. Barnes gave evidence of the exact date, but 1991, 1992 when an account, an instruction was given by Mr. Traynor to Irish Intercontinental Bank to

open an account in the name of Hamilton Ross?

A. That is correct.

Q. And then certain monies moved at that stage, isn't that correct?

A. That is correct.

Q. Out of what had been previously described as the Ansbacher pool?

A. That is correct.

Q. So it was at that time, 1991, 1992, that Mr. Traynor must have either received instructions from the people who were involved in these accounts or of his own volition in the interest of any trust that he may have been the trustee of, moved the money into Hamilton Ross, isn't that correct?

A. The trustees would have to accede to that move, yes.

Q. Do you know was that because there was any pressure coming from Ansbacher Cayman in relation to the way these accounts were being held here in Ireland?

A. I am not aware that that was the case because Ansbacher continued to hold accounts here in Ireland between, you know, 1992 and 1995, so there was a split of funds, but yet the two companies retained the banking relationships here.

Q. Things began to change in 1994 and 1995?

A. Significantly.

Q. Significantly. But in 1991, 1992, that particular type of change was not taking place. I think it would be fair to describe the type of change that was taking place in 1994, 1995 was that Ansbacher Cayman, now that Mr. Traynor had

died, may have had a reluctance to have their banking business being carried out effectively in Dublin, isn't that correct?

A. I don't know what reason they had, but obviously they wanted, now that Mr. Traynor if we were talking post 1994, then, yes, that they would obviously want to have direct control over the banking relationships and I think it would be reasonable for a bank to do that, it would be right and proper.

Q. There can be no doubt up to that, the bank was just being operated by Mr. Traynor here in Dublin, wasn't it?

A. He was chairman of the bank.

Q. In the first instance, as we know, it was operated up to the time he left Guinness & Mahon, he was operating a bank within the bank there, is that correct?

A. Well, he was giving services to certain clients of the Cayman bank through Guinness & Mahon.

Q. And then, when he left, you continued that particular operation on his instructions, isn't that correct, within Guinness & Mahon?

A. I continued on what he had previously given in evidence, yes.

Q. When you left, he operated the bank, that is the bank, the Cayman bank, from 42 Fitzwilliam Square, using Irish Intercontinental Bank as the bank in which he had the deposits, isn't that correct?

A. Well, it's correct to say there was a segment of the bank

I don't think, Mr. Coughlan, it would be fair to say the whole bank because I believe that Ansbacher Cayman is quite a substantial bank in Cayman, so a section of services for certain clients of that bank

Q. The Irish end of the bank?

A. The Irish clients, yes.

Q. Now, if I may continue for a moment on the queries raised by the Tribunal on the specific movements out of Aurum Nominees, the NCB money, into these particular accounts. I think you were asked what instructions were received by you in relation to the credit entry on the 29th September 1995 to the S8 account of sterling £168,036.81 described as lodged from NCB. I think you have informed the Tribunal that you would have received that particular instruction from Mr. John Furze, is that correct?

A. That's the culmination of that instructions.

Q. And I think you have informed the Tribunal that apart from the instructions to transfer the funds, close the account and apply the proceeds to the memorandum account S8, you do not recall having any other dealings with this account, with this instruction or with any individuals who were asked by the Tribunal who may have given instructions?

A. That is correct.

Q. I think you have informed the Tribunal that you have a vague recollection of receiving a telephone call from Mr. John Keilthy and confirming that you were acting on the instructions of Mr. John Furze?

A. That would be prior to the very end, I think it would be a process of sometime between him receiving the letter from me and the funds that we were just now discussing came, but once the funds arrived I had no further dealings with NCB in relation to this account.

Q. Yes. The reason I want to ask you just about that, Mr. Collery, if I may, is that previous dealings with the Aurum Nominees No. 6 account of NCB had been with Mr. Traynor, isn't that correct?

A. That is as I believe it would be. I have no

Q. No knowledge of that?

A. I have no knowledge of that, but I believe it would be reasonable to believe that would be the case.

Q. From the documents the Tribunal has shown you, you can see specific instructions being given by Mr. Traynor, is that correct?

A. That is correct.

Q. And instructions are being given on behalf of Ansbacher, purporting to be on behalf of Ansbacher Limited. There's headed notepaper coming from Mr. Traynor at 42 Fitzwilliam Square headed "Ansbacher Limited" giving instructions on this particular account?

A. That is correct.

Q. And your letter of the 12th September, 1995 makes reference to a letter sent by Mr. Traynor on the 8th February, 1994, isn't that correct?

A. It does indeed, yes.

Q. And that letter of Mr. Traynor's on the 8th February, 1994 was giving instructions to dispose of any securities that were held, isn't that correct?

A. It did indeed, yes.

Q. Now, that letter merely has the address 42 Fitzwilliam Square, Dublin 2 on it?

A. That's correct.

Q. It's not headed "Ansbacher" and it's not headed "Hamilton Ross"?

A. That is correct.

Q. When you sent your letter dated the 12th September, 1995, did Mr. Furze instruct you to send it on Hamilton Ross Company Limited headed notepaper?

A. I don't recall that he did. I don't think he would have and it would have been the only company that I would have been dealing with on behalf of John Furze at that particular time because, as you recall, in March of 1995, effectively I was, I had ceased dealing with, giving any instructions on behalf of Ansbacher and indeed I had no authority to do so from that, from around that period onwards. And I knew that the recipient of the funds was going to be Hamilton Ross, so that was, it was no conscious decision, that was the paper headed the heading paper that I used for that.

Q. So can I just ask you, this was the headed notepaper that you had and you used it?

A. Yes, we didn't discuss this previously, but that's as I

would respond to it.

Q. Because you would have received from Mr. Furze, and you would only receive instructions from him in respect of Hamilton Ross & Company Limited at that time?

A. At that time.

Q. Well, what I suppose causes some confusion, I suppose, then, Mr. Collery, is how could Hamilton Ross & Company Limited be giving instructions in respect of an account which was in the name of Overseas Nominees Limited which had been opened on the instructions of Ansbacher Limited?

A. Well, as I confirmed to Mr. Keilthy, they were on the instructions of Mr. Furze, who presumably he knew, I have never discussed it with him was an agent of Ansbacher.

Q. I can understand that because Mr. Furze was still in Ansbacher at the time, wasn't he?

A. I believe he was, yes.

Q. Well, could that conversation with Mr. Keilthy have been raising the query with you on the question of how Hamilton Ross could be issuing instructions on an account which had been opened by Ansbacher, do you know?

A. He could well have you know, I don't recall the specific conversation that we had. I do recall that he did, you know, validate it with me, you know, on whose instructions was I acting on behalf of, and I confirmed that I was acting on behalf of Mr. Furze.

Q. I don't think there was any suggestion that the funds went

over than they should have gone?

A. I appreciate that.

Q. I am just inquiring as to how an instruction like this could have been acted upon?

A. Well, you know, I can't answer for Mr. Keilthy and, as I say, there was no, I didn't make any conscious decision to do one or the other, I merely used the paper that I had.

Mr. Keilthy did, after receiving the letter, call me or had contact with me as to on whose instructions was I acting, because obviously he had no knowledge of me in this context and I confirmed to him that indeed I was acting on behalf of Mr. Furze, and presumably that was sufficient confirmation for him to carry out the instructions.

Q. Well, could it be that at that time, and perhaps up to now, there has been confusion in everybody's mind as to the distinction between Ansbacher Cayman and Hamilton Ross & Company Limited?

A. Well, there shouldn't be, you know.

Q. There mightn't be in your mind, Mr. Collery, but, you know, a lot of people have been looking at this over a long period of time?

A. I have always I think it's very clear from the banking relationships that were had with Irish Intercontinental Bank that we were dealing with at all times, from 1991, 1992 onwards. Up to 1992 there was one relationship and that relationship was with Ansbacher (Cayman) Limited and then, around that period, they split into two

relationships; one continuous with Ansbacher and one with Hamilton Ross.

Q. I understand, and I appreciate from the view of Irish Intercontinental Bank, they now, from 1992 onwards, had two separate bank accounts, that's very clear, but they were receiving instructions in relation to both accounts from Mr. Traynor, isn't that correct?

A. Yes, and I think you know in relation to this transaction, and now that I understand the clarification you are endeavouring to seek, because the totality, if we can put it like that, of the movement of a situation or funds that were held on behalf of Poinciana fund, wasn't moved in its entirety either, you know, in 1991, 1992. I would have thought that the most, if that had been aware of, if it was done completely, if the whole transaction had been completed, that you would have moved, given instructions to NCB to move those funds out into, presumably, another nominee company which would have been held for either Hamilton Ross or Ponsiana Fund, so yes, there was a greyness and there was a lack of completion on the transaction in relation to that particular account in NCB.

Q. Yes. It wasn't at all clear

A. Well, the transaction wasn't completed properly.

Q. It's not clear. You are now clarifying it by saying it was not clear that there was a distinction to be drawn between Hamilton Ross in the minds of people dealing with them, not in the minds of you or Mr. Furze or Mr. Traynor or whoever

the beneficiaries may be but in the minds of the people dealing with it, it was not clear there was a distinction to be, a clear distinction to be drawn between Hamilton Ross and Ansbacher, other than there was in existence two separate bank accounts?

A. I could understand from what you are saying, it would not be clear, perhaps, to people not dealing with it on a regular basis, yes.

Q. Because Mr. Furze continued to work in Ansbacher and Mr. Traynor, up to the time of his death, continued to give instructions in respect of Ansbacher monies, isn't that correct?

A. In fact, on both.

Q. Yes.

A. Yes.

Q. Well, obviously they were the only ones that could give instructions on Hamilton Ross, or could somebody else in Ansbacher give instructions?

A. No, nobody in Ansbacher could give instructions because it was done for his company, as I have stated.

Q. I think this is a theme we will be returning to in greater detail, Mr. Collery, when you give further evidence. I think, at this stage, that evidence you have given relates to the particular transactions on this Aurum Nominee account. Can I just ask you this, finally, on this aspect of your evidence: We have heard from Mr. Keilthy that there were other Overseas Nominees accounts in NCB, in the,

perhaps in the Aurum Nominees series as well. Did you have any dealings with any of those?

A. No, I didn't.

Q. Do you know anything about them?

A. I don't know of any details, no, not to the best of my recollection and knowledge. If we can review that certainly, but any questions such as this, no, I can't recall.

Q. You have no detailed knowledge of them?

A. I have no detailed knowledge, no.

Q. Thank you, Mr. Collery.

THE WITNESS WAS EXAMINED AS FOLLOWS BY MR. CONNOLLY:

Q. I understand Mr. Collery is coming back and I will be reserving other questions to another date. I simply want to deal with matters in this area for the time being. Mr. Collery, first of all, in 1984, when you first became involved in these series of transactions in Guinness & Mahon, were you set aside in your own particular area with your own set of files, or were you intermingling with other persons in Guinness & Mahon at that time?

A. In 1984, my relationship would be with Mr. Traynor.

Q. And, at that stage, were you aware that Mr. Traynor was also dealing with Mr. Haughey's accounts and finances?

A. Not at that stage, no.

Q. How much later was it that you became directly involved in Mr. Haughey's financial affairs?

A. Well, directly, it was always an indirect relationship I had with Mr. Stakelum and that was after Mr. Traynor's death.

Q. Well, when did you first become involved indirectly through Mr. Stakelum?

A. Well, immediately, almost immediately after Mr. Traynor's death I was contacted by Mr. Stakelum, as I have given in previous evidence.

Q. I understand that, but Mr. Traynor, I think, left Guinness & Mahon in 1986?

A. That's correct.

Q. At that stage were you dealing on a regular basis with Mr. Stakelum?

A. No, no, I never dealt with Mr. Stakelum until 1994, directly in relation to this, late well, May, June.

Q. Well, indirectly through Mr. Traynor, did you have any involvement with Mr. Haughey's finances between 1986 and between 1984 and 1994?

A. Presumably I had by posting the transactions that we referred to earlier in this evidence, that on Mr. Traynor's instructions, funds were received, as I said, were put into a pooled account, as referred to here, and then ultimately those transactions would have been posted to the memorandum account, but other than a financial transaction passing across the counter, I would have had no knowledge.

Q. At the time these transactions were taking place, were you aware Mr. Haughey was involved, although not named in any

of the documentation?

A. I was not aware.

Q. When did you first become aware of his involvement in any of these transactions?

A. By talking to Mr. Stakelum.

Q. That's 1994, of course?

A. In 1994, yes.

Q. So it was 1994 was the first time that you were aware that Mr. Haughey was actually the beneficiary of any of these transactions?

A. Yes, correct, and then later in the McCracken Tribunal, when we tracked back payments.

Q. Well, during this whole time, we will say 1984 to 1994, did you have any direct contact with Mr. Haughey in relation to his financial affairs?

A. I had no direct contact whatsoever. I have never had direct contact with Mr. Haughey in relation to his affairs.

Q. At all?

A. At all.

Q. Even after 1994, any discussions in relation to financial affairs were indirectly through Mr. Stakelum?

A. That's correct.

Q. Well, when the structure was moved into the name of Hamilton Ross from Ansbacher Cayman, which you described to Mr. Coughlan a few minutes earlier, do you know why that change was put in place?

A. I have no knowledge why that happened, no.

Q. It would appear from the documents that were put on the screen with the previous witness that you were the contact person for the Hamilton Ross dealings in Irish Intercontinental Bank?

A. Post-1994, yes.

Q. That's what I was going to ask you, only after 1994?

A. That's correct, yes.

Q. And when you left Guinness & Mahon and conducted what we will describe as record keeping in relation to these transactions, was that solely and exclusively from 42 Fitzwilliam Square until Mr. Traynor's death or did you also operate in the other address in Winetavern Street?

Where did you keep the files and records?

A. From '86, or whatever that day was, up to 1994, they were always in Mr. Traynor's possession.

Q. And after he died, that's when the, you kept the files in Winetavern Street?

A. Correct.

Q. And when was that, your last involvement in relation to any record keeping on these transactions?

A. 1998, I think it was.

Q. All right. Thank you very much, Mr. Collery.

CHAIRMAN: Any other matters? Very good. Thank you very much, Mr. Collery.

A. Thank you, Mr. Chairman.

THE WITNESS THEN WITHDREW.

MS. O'BRIEN: Mr. Tom Buckley, please.

MR. TOM BUCKLEY, HAVING BEEN SWORN, WAS EXAMINED AS FOLLOWS

BY MS. O'BRIEN:

Q. Mr. Buckley, I think you are with the International

Division of the Bank of Ireland, is that correct?

A. That is correct.

Q. What position do you hold within that division?

A. I am the customer accounts manager.

Q. So that you are in overall control of all customer accounts

held in the International Division?

A. That is correct.

Q. And would they primarily be currency accounts held in

International Division or any other account?

A. They are primarily currency accounts other than Irish pounds, although there would be some Irish pound accounts.

Q. Possibly now also in euros?

A. Exactly.

Q. Now, the Tribunal has asked the bank to provide assistance

in relation to credits to an account of National City

Dillon and Waldron, I think you know that?

A. That's correct.

Q. I think maybe if we firstly put up extracts from the

accounts that would appear as specific credits which we are

dealing with. I think the first one there is an account of

National City Dillon and Waldron No. 2 limited current

account, and it was an account in the Bank of Ireland,

account number 75240201.

A. Correct.

Q. And the first of the credit transactions which the Tribunal brought to the attention of the bank was on the 11th July of 1998, that was in the sum of €202,195.26.

A. Correct.

Q. And the second of these two transactions was another credit transaction to the same account, just over a month later, on the 23rd August, also of 1988, and, on that occasion, there was a credit transaction in the sum of €149,432.16?

A. Correct.

Q. And I think the bank has assisted the Tribunal by undertaking a detailed review of all records and microfiche records held by the bank relating to this settlement account of National City Dillon and Waldron?

A. Yes.

Q. I think, in fact, you may be aware, just to put this matter into context, that it appears that National City Dillon and Waldron have identified these two credits to their settlement account as being the probable source of monies which were then transferred from their settlement account into a dedicated nominee account, Aurum Nominees No. 6 account, being an account through which securities were sold and purchased?

A. I am not aware of that.

Q. Just to put your reference into context. As I indicated, I think that, in fact, the bank has done a thorough quarry

into this matter to ascertain whether there were any documents which exist which would assist as to the source of the monies in the Irish pound settlement account?

A. Yes.

Q. And I think you have been able to provide to the Tribunal two extracts from copies of the Bank of Ireland's daily input log

A. That's correct.

Q. Which is of assistance, and if we can put the first one of those on the overhead monitor. It's very, very faint but we can let you have a hard copy of it. That's the one that relates to the transaction of €202,195.26 on the 11th July, is that correct?

A. Yes, that's right.

Q. Perhaps you could explain the contents of those entries and what they signify as to the source of the lodgment.

A. Yes. We will have seen on the previous statement, which was a record of the account to College Green, detail or transaction and a reference number which was 1988, 07116504, I believe.

Q. Yes.

A. And that enabled us to tie that back to the transaction that went through the books of the International Department of what this extract on the screen now, the hard copy will show the date of that particular fiche at the top being the 11th July, 1988 and on the line in question on the far left, the hard copy which shows a reference 6502 which ties

it into the Irish pound transaction.

Q. Right.

A. What we will then see is that this item shows a debit for sterling €175,000 to the account 25581873.

Q. You can just make that out there on the monitor.

A. At Bank of Ireland International Department. That account is in the name of National City Dillon and Waldron.

Q. And that's presumably a sterling account?

A. Sterling account.

Q. And then the next

A. Well, the next line is showing an Irish pound amount which we can make out at €202,195.26.

Q. Yes.

A. What this shows is that that amount is credited to an account 96000001.

Q. Yes.

A. I have to say that this is an internal account within the International Department which we call E.F.T. account, which is Electronic Funds Transfer, and this is the gateway which allows us to transfer Irish pounds into the branch system.

Q. Yes.

A. With respect, I have been able to find a further fiche, a continuation of this particular transaction which carries it forward from this E.F.T. account, and what it shows us is that on the same page with the same transaction reference number, the amount of Irish pounds €202,195.26

being credited to the account number 75240201 in the name of National City Dillon and Waldron at Bank of Ireland, 2 College Green.

Q. That, in fact, completes the information on the sheet?

A. I apologise, this was not available earlier.

Q. There's no difficulty with that. Do I take it the €175,000 sterling which was debited to the National City Dillon and Waldron account was converted into Irish pounds before it left the International Division?

A. That is correct.

Q. And it yielded a sum of €202,195.26?

A. That's correct.

Q. And it was that sum that went through the bank's internal account, which is a gateway, as I think you indicated in your evidence, to the various branch accounts, to the College Green branch where it was then credited to the National City Dillon and Waldron account?

A. That's correct.

Q. That's the first of the transactions. I think that does then mean, in effect - in other words, that the €175,000 which was in the sterling account was converted to Irish pounds and credited to the NCB settlement account?

A. Correct.

Q. So that the source of the money, therefore, was the NCB sterling account?

A. Yes.

Q. Thank you. Then the second of the transactions, the

€149,432.16, which was on the 23rd August, 1988, I think you have also been able to produce an extract from the microfiche records in relation to this?

A. Yes, this extract shows that €125,000 sterling was debited on the 23rd August to account number 25581879.

Q. Is that the same account?

A. That's the same account in the name of National City Dillon and Waldron at the International Department. That's a sterling account. The second line there shows an Irish pound equivalent of €149,432.16, and it shows it again being credited to what I term the E.F.T. gateway account, 69000001.

Q. And then, below that, the two entries below that?

A. Those two entries are, in fact, going to internal accounts, and that is just allowing us to effect a transfer from one currency to another.

Q. To another.

A. They are just internal bookkeeping accounts.

Q. And has the bank been able to identify any further input logs or document in relation to that transaction?

A. I have a further copy of a fiche which I can give you which closes the transaction and shows the funds coming from the E.F.T. system of €149,432.26 IR being credited to the account number 75240201 at our 2 College Green branch in the name of NCDW.

Q. So that also establishes that the funds that were in that National City Dillon and Waldron sterling account in the

international division, €125,000 sterling was withdrawn from that account, converted into Irish punts, yielding €149,432.16, transferred from the International Division to the branch and credited to the National City Dillon and Waldron account, which we have been dealing with?

A. That's correct.

Q. And the position, therefore, that the source of the credit of €149,432.16 to the National City Dillon and Waldron account, the debit of sterling €125,000 was from an account in the name of the same customer in sterling in the International Division?

A. That is correct.

Q. And can I just ask you briefly about the sterling account in the International Division. That's an account that, as you say, is held in the name of National City Dillon and Waldron?

A. Correct.

Q. And presumably as amounts of money either come in in punts or in non sterling currency, they are converted into sterling, is that the position, and lodged to that account?

A. That would be correct.

Q. So that it would purely be sterling effects in that account?

A. Correct.

Q. And I think the Tribunal has indicated or requested the bank to assist as to whether it can identify the source of those funds going into the sterling account itself?

A. Yes, that's correct.

Q. And I think the bank at the moment is in the process of ascertaining whether there were any documents available or information which could shed light on the sources of the lodgments to the sterling account from which the transfers were made to the punt settlement account?

A. That is correct. It should be said, if I may, that this was a very, very active account with activity every day, with many transactions both into the account and out of the account, and so it would be difficult to say, provide a source of these particular transactions or any transactions.

Q. Yes. I see, but at the moment, I think that is in train, is it not?

A. Yes.

Q. Just to recap exactly; that the money went into the sterling account, it was held in the sterling account, the effects would have been in sterling, they were then converted to punts and transferred from that account to the National City Dillon and Waldron settlement account?

A. Yes. On a daily basis, amounts were received into this account over a period of time and various transactions, debits to the account were effected, of which these are two, but it would not be possible to identify the source of any particular other payment. They just came from the balance of the account.

Q. Just in relation to the account itself, could you assist as

to what the purpose of this type of account was in sterling?

A. From a review of the account statements at that time, it would appear to have been their principal or, certainly with Bank of Ireland International Department, principal sterling account of National City Dillon and Waldron in which, as I said, transactions went across the account on a daily basis, many transactions, so it was an active account.

Q. Would it be usual for stockbrokers to hold a sterling account of that type?

A. It would be my experience, yes, yes to that.

Q. From your own experience, for what purpose would they hold that type of account, what type of transactions would it relate to?

A. Well, stockbrokers are typically customers of ours with certain accounts and may have a need to write cheques in sterling and they withdraw cheques on that account in sterling to settle sterling bills. A company, stockbroker who had need to receive sterling from within Ireland or from overseas would use a sterling account for that. Also stockbrokers would be settling, for their own business, share transactions in sterling and that account would be used to settle the daily trade, the sterling value.

Q. So it would be for the purpose of dealings in securities which were quoted in sterling or for the purpose of paying sterling amounts or for the purpose of receiving funds in

sterling from customers?

A. Correct.

Q. And they would be the three principal purposes for an account of that type?

A. Indeed. Yes, I would suggest that.

Q. Thank you very much.

A. Thank you.

MR. CONNOLLY: I have no questions, Chairman.

CHAIRMAN: Thank you very much, indeed, Mr. Buckley, for your assistance.

THE WITNESS THEN WITHDREW.

MR. COUGHLAN: Ms. Sandra Kells.

MS. SANDRA KELLS, PREVIOUSLY SWORN, WAS EXAMINED AS FOLLOWS
BY MR. COUGHLAN:

CHAIRMAN: Thank you again, Ms. Kells.

Q. Ms. Kells, I think on this occasion you have been requested to give evidence in relation to a series of debits to accounts in Guinness & Mahon which you understand from this the Tribunal may correspond to credits to the Haughey Boland No. 3 account, No. 30065271, which you understand was held at Allied Irish Banks, Dame Street?

A. Yes, that's correct.

Q. And I think these debits are always from accounts in

Guinness & Mahon which were controlled by the late Mr. J.

Desmond Traynor and they date from 1987 to the end of 1991,

is that correct?

A. Yes, that is correct.

Q. Now, I think the Tribunal has drawn your attention to a

number of debits to Amiens Accounts in 1997 and we will

deal with them now in detail, if that is all right with

you?

A. Yes.

Q. The first one is a debit dated the 20/2/87, it's document

1A, and it is €10,000 was debited to Amiens Securities

Limited No. 2 account, number 10407006, is that correct?

A. That's correct.

Q. And what can you say about that particular document when

you look at it, Ms. Kells? I think it

A. In relation to being a statement of the Amiens Account and

the Amiens Account relationships?

Q. Yes.

A. That obviously there was a number of Amiens Accounts, that

this account is more closely associated with another

account which we have given evidence on earlier, it's the

first time we have seen this account.

Q. This particular account.

A. 10407006. It's the first time we have seen this one and it

appears to operate in conjunction with 1040714, as is a

number of transfers between these accounts, and from my

earlier evidence that I have given, account 10407014 was

the account through which the bearer cheques, the Dunnes Stores bearer cheques were lodged in 1987 and also through which the proceeds of the Triple Plan cheque in May 1987 was also processed and ultimately credited to Mr. Haughey's current account. So it's just this account operates quite closely with

Q. Quite closely. And I think we can see on it that the particulars in relation to the debit indicate on the 20th February, 1987, Haughey Boland?

A. That's right, that's right, which means the payment was to Haughey Boland.

Q. This particular account, the number which you have just given has not featured in your evidence previously?

A. Not previously.

Q. But you can see transactions between this account and another Amiens Account to which the Dunnes Stores bearer cheques and the Triple Plan cheques were processed?

A. Debits and credits between these accounts, so they operated quite closely in conjunction with each other.

Q. I think the second transaction instruction, this is on the 5th May 1987 when œ20,000 was debited to Amiens Investments Limited, account number 1106006?

A. The account is actually 10060006.

Q. One double zero six?

A. Double zero six treble zero six.

Q. I see.

A. But yes, this is a payment, the debit to that account in

May 1987.

Q. And I think this was another type of account used by Mr. Traynor?

A. That is correct, another Amiens Account.

Q. Now, I think the third debit is on the 8th June of 1987, when €10,000 was debited to Amiens Investments Limited, account number 11 is that one zero or two zeros?

A. 110350015.

Q. Are you in a position to inform the Tribunal that there were six further debits to this account in 1987 which the Tribunal has drawn to your attention?

A. That is correct.

Q. And you can inform the Tribunal that this Amiens Account operated from May 1987 to January 1988?

A. That is correct, yes.

Q. It was the account in which the proceeds of the first Dunnes payment were lodged on the 15th December, 1987 as identified in the report of the Tribunal of Inquiry Dunnes Payments, the McCracken Tribunal?

A. That's correct.

Q. And is it also the account from which the sum of €105,000 was paid to the Agricultural Credit Corporation on the 2nd December, 1987 and which the McCracken Report found was made to clear Mr. Haughey's liabilities, is that correct?

A. That is correct, yes.

Q. Now, I think turning to the details of the six further debits to the Amiens Investment Limited account number

11035005, which you understand, because of information which has been supplied to you by the Tribunal, appeared to match credits to the Haughey Boland No. 3 account, and I think you can deal with those?

A. Yes, that is correct.

Q. And if we could have document 4A, please. Could you tell what that is, Ms. Kells?

A. This is the first of the payments which, I understand from information given by the Tribunal to me, relates or is a payment to the Haughey Boland No. 3 account and it's dated the 24th July, 1987 and it's in the sum of €10,000. It was drawn on a cheque from the Amiens Accounts and I understand this cheque was lodged to the Haughey Boland account.

Q. Now, the next debit is document number 5A.

A. Yes, similarly, again, it is in the same fashion as previously, as the previous payment, drawn by a cheque dated 1st September, 1987 in the sum of €10,000.

Q. Right. The third debit is document No. 6A.

A. Yes. Again the sum of €10,000 drawn on the 24th September, 1987 on the same Amiens Account.

Q. Yes. The fourth debit, then, is document number 7A?

A. Yes, dated the 16th October, 1987, the sum of €20,000. Again drawn by cheque on the Amiens Account and I understand is lodged to Haughey Boland account.

Q. The next debit is document number 8A.

A. Again a cheque, €30,000, this time dated 22nd December, 1987 and drawn on the Amiens Account 11035005.

Q. Then the sixth one in this Haughey Boland series, document number 91?

A. A payment of €10,000 dated the 23rd December, 1987, drawn again on a cheque, by a cheque on the same account.

Q. All of the debits were drawn by way of cheque?

A. That is correct, you can see the cheque numbers.

Q. Now, I think you understand there does not appear to be any debits to the Amiens and other accounts to the bank that Guinness & Mahon has been able to produce to the Tribunal which appear to match credits to the Haughey Boland No. 3 account for the year 1988, is that correct?

A. So far as we can ascertain or cannot ascertain.

Q. Or cannot ascertain?

A. Yes.

Q. And I think that you explained on a previous occasion that there is difficulty in relation to microfiche for some of these accounts for that period, is that correct?

A. Yes. We have difficulty retrieving some records for various years and for this we cannot trace any payments to Haughey Boland in this period.

Q. Yes. Now, I think you have informed the Tribunal that there was a further debit to Amiens Securities Limited, account number 10407006, of €5,000 on the 30th June of 1989, which you understand matches a credit to the Haughey Boland account number 3 account and that's document number 10?

A. That is correct, the drawing of €5,000, yes.

Q. Yes. Now, I think that from November of 1989 until January of 1991, when you understand that the bill-paying service provided by Haughey Boland ceased, the debits which the Tribunal has drawn to the bank's attention, with the exception of one, were all made to accounts of Kentford Securities Limited?

A. That's correct, yes.

Q. Now, I think Kentford hasn't featured in your evidence before, is that correct?

A. No, it's a new set of accounts.

Q. Could you just give us

A. It operated in similar manner to the Amiens Accounts. They were controlled by Mr. Desmond Traynor. The authorised signature, who was a member of Mr. Traynor's Ms.

Williams and in innocent fashion, seemed to pick up transactions from the very late '80s, going into the 1990s, and were open up until roughly the time of Mr. Traynor's death in 1994, but they did operate in a similar fashion and there were three accounts; principal Kentford Security Irish pound account, a No. 1, a No. 2 and No. 3. And numbers 1 and 2 were the most active of these accounts and the No. 3, literally just one transaction on it, but they were Mr. Traynor's accounts and operated in a similar fashion to Amiens.

Q. Yes. So we have heard evidence, just so that the public can follow, we have heard evidence about Kentford Securities accounts at the Bank of Ireland in evidence

given at this Tribunal. Just to make it clear, these were

Kentford Securities accounts at Guinness & Mahon?

A. That is correct, yes.

Q. Now, I think you are in a position to draw attention to debits to the No. 1 Account, that's the No. 1 Kentford Securities account which you understand appears to correspond to credits to the Haughey Boland No. 3 account, isn't that right?

A. That is correct, yes.

Q. And if we just have document 11A, please?

A. Again in similar fashion to those payments made from the Amiens Account, these were also drawn by cheques and this shows a cheque debiting the Kentford Securities account limited No. 1 Account, 12460001, for €20,000 on the 14th November, 1989.

Q. And then the second debit that you can draw attention to is document number 12?

A. Yes, on the 13th December, 1989, the withdrawal of €30,000 by cheque, and I understand this to be lodged to Haughey Boland account.

Q. Yes. The next debit is document number 15A.

A. Yes, dated the 23rd April, 1990, and it is a cheque drawn for €50,000 from the Kentford Securities account.

Q. Yes. The next debit you can draw attention to is document number 16A.

A. Dated the 29th May, 1990, cheque drawn for €25,000 debiting Kentford Securities account number 1 account.

Q. Yes. The next debit, the fifth, is document number 17A.

A. Dated the 22nd June, 1990, an additional €60,000 drawn from the Kentford Securities No. 1 account by cheque.

Q. And the next debit is document number 18A?

A. Dated the 16th July, 1990, for €50,000 drawn by cheque.

Q. The next debit is document number 19A?

A. Dated the 12th October, 1990, and withdrawing €25,000 by cheque.

Q. The next debit is document number 20A?

A. Dated the 16th December, 1990, cheque number 175285, debiting the Kentford Securities account with €20,000.

Q. And then the final debit in the series is document No. 21A?

A. That's correct, dated the 15th January, 1991, and it is €20,000 debited from Kentford Securities account.

Q. Now, I think that apart from the debits to the Kentford account in these years, the ones you have mentioned, there was a debit to another account in Guinness & Mahon which you understand corresponds to the penny to a credit to the Haughey Boland No. 3 account, is that correct?

A. That is correct, yes.

Q. And if I just put up document number 13A. It's up now, I think.

A. Yes, this is

Q. What's that, Ms. Kells?

A. It's a debit again, which I understand, as you say, was lodged to the Haughey Boland No. 3 account. This time the debit is, however, on Mr. Traynor's own account, his

account is 70086028, and if the statement was reduced down a little bit on the screen, we would actually see that, yes, you can see that the name and correspondence address is that of the late Mr. Traynor.

Q. That's his own personal

A. Personal account, yes, which basically means the monies were drawn on his account, the monies paid to Haughey Boland were drawn on Mr. Traynor's account personally.

Q. His current account?

A. Yes.

Q. Now, I think in addition to the debits which were dealt with in this memorandum, on earlier occasions you gave evidence of similar debits to these accounts controlled by the late Mr. Traynor which you understand appeared to correspond to credits to the Haughey Boland No. 3 account, is that correct?

A. That's correct.

Q. And I think all the debits have been set out in a series of tables prepared by the Tribunal showing the total debits for each year?

A. That's correct, yes.

Q. And I think you have seen the tables and you can verify them?

A. That's correct, yes.

Q. We will just put them up now. Table No. 1?

A. €55,000 paid in this manner from Amiens Accounts to Haughey Boland No. 3 account.

Q. You can identify those particular debits on those dates.

A. On those dates.

Q. You have already done that.

A. Yes, I have.

Q. Now, table No. 2?

A. Indicates that in 1986, €70,000 was paid from the Amiens Accounts through, the evidence given by me both today and previously, paid to, as I understand it, the Haughey Boland No. 3 account.

Q. Table No. 3 for the year 1987.

A. Yes, there's a slight correction on this table.

Q. I think that particular table has been corrected now, we will just check it. That's table number 4 can we have table No. 3, please.

A. Yes. And that indicates payment of €190,000 to the Haughey Boland No. 3 account for the year 1987 from various Amiens Accounts.

Q. Evidence of which you have already given.

A. Yes.

Q. Table number 4, then, is for the year 1987, I think?

A. Yes, indicates €201,000 paid from a combination of Amiens Investments Securities accounts and also Kentford Securities Limited to the Haughey Boland No. 3 account.

Q. And then table number 5 is for the year 1990?

A. That's correct, and it indicates payments totalling €271,765.63 to the Haughey Boland No. 3 account, sourced from Kentford Securities going to No. 1 Account and also to

Mr. Desmond Traynor's account.

Q. His personal account?

A. That is correct.

Q. And then, I think, 1991

A. Is €20,000 paid

Q. It's January of 1991?

A. Yes.

Q. Now, I think information was sought from Guinness & Mahon,

I think, Ms. Kells, relating to the following matters;

whether the bank has any records or files held by the bank,

being the source of lodgments to account National City

Dillon and Waldron, account number 7524021, with the Bank

of Ireland, and the first one is a lodgment of €202,195.26

on the 11th July of 1988, and I think you have seen this

particular document?

A. Yes, I have and we can find no records of any movement of

funds from Guinness & Mahon bank to National City Dillon

and Waldron account at Bank of Ireland for this amount.

Q. For this amount. And I think the second sum is a lodgment

of €149,432.16, yes?

A. And, likewise, we can find no trace of the monies or for

the monies being transferred to the account in Bank of

Ireland.

Q. In that regard, having heard the evidence of the last

witness from Bank of Ireland, where the money seemed to

emanate from the national NCB's sterling account with

that bank, that there are no records in Guinness & Mahon

showing any sterling equivalent movements etc. to that particular account?

A. As far as I am aware there isn't.

Q. Now, I think you were the bank were asked whether there's any record of a lodgment to an account held with the bank of the proceeds of a sterling bank draft for sterling €200,000 payable to Overseas Nominees Limited and issued by Ulster Bank Limited on the 9th May, 1990.

A. That is correct, yes. And we have been able to, whilst not directly been able to contribute to this instrument, we have been able to identify a lodgment dated the 10th May, 1990 for €200,000 sterling. You can actually see it there, the lodgment to the Ansbacher sundry sterling account, 13154602. It's dated the 10th May, 1990 and, as you can see, the description is sterling cheque lodged.

Unfortunately, we do not have a record of the actual physical cheques, but we have searched our records to see if there's any other lodgment for that period or any other source of that cheque lodgment for that period and we can not identify anything or produce a copy of the cheque that was lodged. However, I think it's only reasonable to assume that, as you have requested us to follow-up on bank draft dated the 9th May, 1990, issued by the Ulster Bank in favour of Overseas Nominees, I think it's fair to assume that this is the proceeds, actually, of that Ulster Bank draft in the sum of €200,000 being lodged to the Ansbacher sterling call deposit account.

Q. Yes. Thank you, Ms. Kells.

MR. CONNOLLY: I have no questions, Chairman.

CHAIRMAN: Anything, Mr. Seligman?

MR. SELIGMAN: Nothing arises.

CHAIRMAN: Thank you very much for your assistance today.

It's just half past now so we will resume at ten to two.

MR. COUGHLAN: May it please you, Sir.

THE TRIBUNAL THEN ADJOURNED FOR LUNCH.

THE TRIBUNAL RESUMED AS FOLLOWS AT 1:50PM:

MR. COUGHLAN: Mr. Paul Carty.

MR. PAUL CARTY, PREVIOUSLY SWORN, WAS EXAMINED AS FOLLOWS

BY MR. COUGHLAN:

CHAIRMAN: Good afternoon, Mr. Carty, please sit down.

A. Thank you.

Q. MR. COUGHLAN: Mr. Carty, I think you have provided two further memoranda of proposed evidence to the Tribunal, isn't that correct?

A. That's correct, yes.

Q. And I propose taking you through those now and if I could deal with the first memorandum, is the memorandum provided pursuant to a letter from the Tribunal dated the 27th September, 1999 to your solicitors and relates to credits

to the Haughey Boland No. 3 account and debits to the various accounts as specified and referred to therein.

That is the first memorandum, is that all right?

A. Yes. It would help me, Mr. Coughlan, if you just kind of give me the start of the memorandum so that I can identify it easier.

Q. The short one.

A. Thank you.

Q. I think in that memorandum, you have informed the Tribunal that you have compared the debits to the various accounts highlighted by the Tribunal in their letters with the dates of the credits to Haughey Boland No. 3 account?

A. That's correct.

Q. And in a moment, I intend putting up the tables, I think you have seen the actual

A. Yes, yes, Mr. Coughlan.

Q. And we can just go through them and you can confirm?

A. I understand, Mr. Coughlan.

Q. And I think you have informed the Tribunal that there would appear to be lodgments to the Haughey Boland No. 3 account in amounts which appear to correspond, but not exactly, in every instance with the amounts of the debits to the various accounts on dates which either correspond with the dates of these debits or within a few days of such dates, is that correct?

A. That's correct.

Q. And if we could first of all put up the first page of the

table and if I could just take you through those now, Mr.

Carty. I think the first one is the 23rd February, 1987

and there's a credit to the Haughey Boland No. 3 account of

€10,060?

A. That's correct.

Q. And I think there's a backing document, which is document

No. 1, which is a bank statement in respect of that account

which shows that particular lodgment, is that correct?

A. That's correct, yes.

Q. And I think what has been drawn to your attention in the

table then is debits to Guinness & Mahon accounts, isn't

that correct?

A. That's correct, yes.

Q. If we can put the table back up, please. And that shows,

on the 20th February, 1987, a debit to an Amiens Securities

No. 2 account in the sum of €10,000?

A. That's correct.

Q. And just for the purpose of the Tribunal, I am going to put

up the Guinness & Mahon statement in respect of that

account showing that particular debit, and I think that was

drawn to your attention?

A. That's correct, yes.

Q. Now, the second credit to the Haughey Boland No. 3 account

which you were asked to look at was one dated the 4th May,

1987 and that's in the sum of €20,000, isn't that correct?

A. That's correct, yes.

Q. And again, there is the bank statements showing that

particular credit?

A. That's correct.

Q. And then in the table and the backing document relating to it shows a debit to an Amiens Investment account number 10060006 of €20,000 on the 5th May, 1987?

A. I see that, yes.

Q. Now, the third credit to the Haughey Boland No. 3 account of course these were all in respect of the bill-paying service which was being carried out?

A. That's correct.

Q. Is a credit on the 5th June, 1987 for €10,000, isn't that right?

A. That's correct, yes.

Q. And you have the statement showing that particular credit to that account. And that appears to correspond with a debit to Guinness & Mahon account, the Amiens Investment Limited account, of €10,000 on the 8th June, 1987, isn't that correct?

A. That's correct, that appears to be.

Q. The next one is a credit to the Haughey Boland No. 3 account on the 23rd July, 1987 for €10,020, isn't that correct?

A. That's correct.

Q. And again there's the account statement showing that particular credit and it appears to correspond, though not exactly, with a debit to the Amiens Investment account in Guinness & Mahon on the 24th July, 1987 for €10,000?

A. Yes, compared with the €10,020, yes.

Q. The next credit to the No. 3 account is on the 31st August, 1987 for €10,000, isn't that right, according to our table?

A. Yes.

Q. And the bank statement for that account shows that particular credit?

A. That's correct, yes.

Q. And I think you have been shown, then, a debit on the Guinness & Mahon side on the account of Amiens Investment Limited of the 1st September, 1987, €10,000?

A. That's correct, yes.

Q. The next credit to the No. 3 account is dated the 23/9/87 and it's for €10,000?

A. Yes.

Q. And I think we have the account statement also showing that particular credit.

A. I see that, yes.

Q. And again, that appears to correspond to a debit on the Amiens Investment Limited account at Guinness & Mahon on the 24th September, 1987 of €10,000, isn't that correct?

A. I see that, yes.

Q. And then the next credit is on the 15th October, 1987 of €20,000 to the No. 3 account?

A. Yes.

Q. And again, there is the statement of the account showing the credit and that appears to correspond to a debit to the Amiens Investment Limited account on the 16th October,

1987, for €20,000?

A. That's correct, yes.

Q. The next credit I think that you can identify to the No. 3 account is on the 18th December, 1987 for €30,000?

A. Yes.

Q. And again, the account statement shows that particular credit and that appears to correspond to a debit of the Amiens Securities Limited account at Guinness & Mahon on the 22nd December, 1987 for €30,000?

A. That's correct.

Q. The next credit to the No. 3 account is on the 22nd December, 1987 in the sum of €10,000, and the account statement shows that.

A. Yes.

Q. And again that appears to correspond to a debit on the Amiens Securities Limited account on the 23rd December, 1987 in the sum of €10,000?

A. That's correct, yes.

Q. The next credit to the No. 3 account is on the 29th June of 1989 that you have identified, that's in the sum of €5,000, isn't that correct?

A. Yes, that's correct.

Q. And again we have the account statement showing that particular credit, and again that appears to correspond to a debit on the Amiens Securities Limited No. 2 account at Guinness & Mahon, 10407... on the 30th June, for €5,000?

A. Yes.

Q. Now, the next credit to the Haughey Boland No. 3 account that you can identify is on the 13th November, 1989 for €20,000, is that correct?

A. Yes, that's correct.

Q. And we can show the account statement showing that particular credit, and I think that that appears to correspond to a debit on an account in Guinness & Mahon called Kentford Securities Limited No. 1 Account, account number 12460001, on the 14th November, 1989, is that correct?

A. That's correct.

Q. Then the next credit to the No. 3 account is on the 12th December, 1989, for €36,000, and again we can show the account statement showing that particular credit and that appears to correspond to a debit to the Kentford Securities Limited No. 1 at Guinness & Mahon on the 13th December, 1989, is that correct?

A. That's correct, yes.

Q. Now, just if we could move on, then, to the next table. The next credit that you have been asked to look at to see if it appears to correspond to a debit is on the 20th April, 1990 for €50,000?

A. Yes.

Q. You can see the credit

A. Yes.

Q. to the No. 3 account there.

A. Yes.

Q. And that appears to correspond to a debit on the Kentford Securities No. 1 Account at Guinness & Mahon on the 23rd April, 1990, in the sum of €50,000?

A. That's correct, yes.

Q. The next credit to the No. 3 account is on the 28th May, 1990 for €25,000?

A. I see that, yes.

Q. If we could look at the account statement as showing it going in.

A. Yes.

Q. And then that appears to correspond to a debit to a Kentford Securities Limited No. 1 Account on the 29th May, 1990, for €25,000?

A. That's correct.

Q. The next credit, then, is on the 21st June, 1990, and it's a credit in the sum of €60,000, is that correct?

A. That's correct.

Q. And again, that appears to correspond to a debit to a Kentford Securities Limited No. 1 Account at Guinness & Mahon on the 22nd June, 1990, for €60,000?

A. That's correct, yes.

Q. The next credit, then, is on the 13th July, 1990, and it was for €50,000, is that correct?

A. That's correct, I see.

Q. And again that appears to correspond to a debit to a Kentford Securities Limited No. 1 Account on the 16th July 1990 in the sum of €50,000.

A. That's correct, yes.

Q. And the next credit, then, is on the 11th October, 1990, for œ25,000?

A. Yes, I see that.

Q. And that appears to correspond to a debit from a Kentford Securities Limited No. 1 Account on the 12th October, 1990, in the sum of œ25,000?

A. Yes, that's correct.

Q. And then the next credit is on the 5th December, 1990, for œ20,000?

A. Yes, I see that.

Q. And that appears to correspond to a debit to a Kentford Securities Limited No. 1 Account on the 6th December, 1990, for œ20,000?

A. Yes, that's correct.

Q. And then finally on the table, the next credit is on the 14th January, 1990, for œ20,000.

A. Yes.

Q. And that appears to correspond to a debit to a Kentford Securities Limited No. 1 Account on the 15th January, 1991, of œ20,000.

A. That's correct, yes.

Q. Now, I think you then, or your firm, sorry, your firm ceased to provide the bill-paying service for Mr. Haughey?

A. In January of '91, that's correct.

Q. And I think evidence has been given by Ms. Sandra Kells this morning that the Amiens Securities accounts and the

Kentford Securities accounts were all accounts operated by

Mr. Traynor in Guinness & Mahon.

A. Well, I am not fully aware of that.

Q. I am just saying that evidence was given?

A. Oh, I see, I beg your pardon, I understand.

Q. And I think you have given evidence previously that it was

from Mr. Traynor the monies would have been received for

the purpose of paying the bills for Mr. Haughey into the

Haughey No. 3, the Haughey Boland No. 3 account?

A. Client account, that's correct.

Q. Now, I think you, if I may turn to your second memorandum,

Mr. Carty.

A. Yes, Mr. Coughlan.

Q. I think in that memorandum, you have informed the Tribunal

that you have been a partner with Deloitte & Touche and its

predecessor firm, including Haughey Boland, since the 1st

December, 1971, is that correct?

A. That's correct, Mr. Coughlan, yes.

Q. And that you have been managing partner of Deloitte &

Touche since the 1st May, 1991, and you were a senior

partner in its predecessor firms?

A. That's correct.

Q. And I think you have informed the Tribunal that this

Memorandum of Evidence is supplemental to a statement dated

the 2nd February, 1990, which you provided to the Tribunal

of Inquiry and, in particular, to points three of that?

A. That's correct.

Q. And I think you have now informed the Tribunal that, as previously indicated, the only relevant records available for the periods the 1st January, 1985, to the 31st January, 1991, are the normal bank statements issued by the bank in respect of the client account of Haughey Boland, the Haughey Boland No. 3 account?

A. That's correct.

Q. This is the account through which payments were made on behalf of Charles J. Haughey, Mr. Haughey, is that correct?

A. That's correct.

Q. And that such payments related to farm, stud and household expenses?

A. That's correct.

Q. I think you have informed the Tribunal that the bank statements list cheque numbers and amounts in respect of payments from that account, but do not identify the payee of any cheques?

A. That is correct.

Q. And that, as requested by the Tribunal, you have tried to identify which of the cheque payments made during that period relate to payments made on behalf of Mr. Haughey, is that correct?

A. That's correct.

Q. You are unable to draw conclusions with certainty, particularly in relation to the period the 1st January, 1985 to the 31st July, 1988, is that correct?

A. That's correct.

Q. But based on the limited information available to you, you have listed, on an attached schedule, the cheque numbers and amounts which appear to you to relate to Mr. Haughey, is that correct?

A. That's correct.

Q. You have based this on the amounts of individual cheques and the cheque number sequences, is that correct?

A. That's correct.

Q. But that you have divided the total period into the following sub periods and prepared a schedule in respect of each sub period, is that correct?

A. That's correct.

Q. And you have told that the schedule for each sub period and that the results is as follows

A. That's correct.

Q. From the 1st January, 1985 to the 31st December, 1985, a total of €189,000 was drawn in respect of the bill-paying service on behalf of Mr. Haughey to your best knowledge, is that correct?

A. That's correct.

Q. From the period the 1st January, 1986 to the 31st December, 1986, a total of €177,000 was drawn in respect of that bill-paying service?

A. That's correct, yes.

Q. From the period the 1st January, 1987 to the 31st December, 1987, a total of €204,000 was drawn in respect of that bill-paying service?

A. That's correct.

Q. From the period the 1st January, 1988 to the 31st December, 1988, a total of €232,000 was drawn in respect of that bill-paying service?

A. That's correct.

Q. For the period the 1st January, 1989 to the 31st December, 1989, a total of €325,000 was drawn in respect of that bill-paying service?

A. That's correct.

Q. From the 1st January, 1990 to the 31st December, 1990, a total of €264,000 was drawn in respect of the bill-paying service?

A. That's correct.

Q. And then for January 1991, that is from the 1st January to the 31st January, 1991, when your firm ceased to operate that bill-paying service, a total of €16,000 was drawn in respect of that service for that month?

A. That's correct, Mr. Coughlan.

Q. I think that you wish to stress that you were unable to assure the Tribunal with certainty that the information provided is accurate or complete because of the limited nature of the information available to you for the purpose of completing this work, is that correct?

A. That's correct, Mr. Coughlan.

Q. In other words, that is your best estimate based on the information available to you?

A. That's correct, Mr. Coughlan.

Q. I think that in that regard, you have furnished to the Tribunal some 47 pages of itemised cheque numbers and amounts drawn in respect of those cheques?

A. Effectively a work paper.

Q. A work paper?

A. Trying to estimate this.

Q. Thank you, Mr. Carty.

MR. CONNOLLY: I have just one or two matters, Chairman.

THE WITNESS WAS EXAMINED AS FOLLOWS BY MR. CONNOLLY:

Q. Mr. Carty, I want to ask you one or two questions on behalf of the Revenue Commissioners. You have been of assistance to Mr. Coughlan, as you describe as best you can, in identifying the probable payee in relation to these cheques which were paid out of the Haughey Boland account?

A. Client account.

Q. Client account. The No. 3 account?

A. Yes.

Q. Now, if I understand the question from your previous evidence, this account would have had other clients' monies which we are not concerned with here, but there would have been a conglomeration of funds in that?

A. That's correct, Mr. Connolly.

Q. You were equipped, it would seem, only with the bank statements in order to perform this exercise or did you have any other documents?

A. No, that's all I had.

Q. You weren't in a position to ask the bank for the cheques so you could see who the payee was?

A. The bank didn't have the cheques. That's the pay cheques.

Q. That's right. And the cheque stubs were not available to you?

A. That's correct.

Q. Well, I understand that at a particular time, there was a designated cheque-book into relation to Mr. Haughey, but not for this period of time. The cheque-book that would have been used in Haughey Boland, any cheque-book at any given time between '85 and '91, it would have had payments out for other persons besides Mr. Haughey?

A. Of course.

Q. So what I want to get at, how were you able to identify particular cheque numbers and signal those as being items which are referable to Mr. Haughey's expenses?

A. I think I explained that before. That's why I qualified the statement.

Q. I am not trying to pin you down.

A. I appreciate that.

Q. I am just trying to get the thinking process because we had a comparison document for payments in but none for payments out?

A. I suppose you have to go back to the first time, to the later date in 1990 when this was done for Mr. McCracken

Q. Yes.

A. and his team. There was, at that time, they had a

cheque journal, there was one cheque journal, and by looking at the cheque sequence on that, it brought you into the bank sheets and demonstrated that there was more activity in Mr. Haughey's account with cheque numbers and the only way you could then and this is where the assumption is you go back and you look and if you see cheque numbers, you know, in a consistent way, the volume of them, compared to, say, the other client cheque numbers, so an assumption was made that that cheque sequence must have been Mr. Haughey's. It's an assumption.

Q. Well, there's a certain amount of judgment that someone who is in your position could exercise that, someone who is an outsider couldn't do, is that fair?

A. No.

Q. Assist me in this way; put someone like myself in your shoes who knows nothing about Mr. Haughey's account and

A. I knew nothing about Mr. Haughey's accounts.

Q. All right.

A. This was done by the firm, from McCracken's point of view.

I came in trying to do the best I could, you could do the same thing.

Q. With the assistance of the cheque journal?

A. Yes, and there is one in existence.

Q. It's presumably an abstract drawn up by somebody in the previous Tribunal or your office, to be able to sift through various payments made by Belair (sic) or Mr. Stakelum and then come back to you with a list of items?

A. No, I think the clue to in a way, if you put it that way, there was the cheque-book that gave a cheque sequence. That was the first idea that one then had; well, we can identify that cheque-book with the bank sheet.

Q. Yes.

A. And the cheques numbers. You knew that from the cheques journal they were obviously Mr. Haughey's, so that meant you could identify there must have been a dedicated cheque-book for Mr. Haughey, so then you move back into other years, you have no cheque-book but you see a high volume of cheque sequences and you say that must be Mr. Haughey's, as simple as that. You could do the same.

Q. Just so I understand the exercise, it's a conglomeration of cheques over a period of time you say well, it's not simply surmise, there's an element of judgment in it.

A. Mr. Coughlan pointed out there's 47 pages of cheques, that was going through every cheque in the client account and saying okay, that cheque sequence will appear to be Mr. Haughey's, put that down separately, so there's a very detailed work paper done for Mr. Haughey and it's my best judgment, I might be wrong.

Q. All right.

A. But it's one way of establishing how close I was. And that is look at the 1990 cheques journal and see how accurate I was. I don't know the answer.

Q. Well, the cheques journal that you have identified is prepared by whom?

A. It would have been a book that was handed over to Mr. Traynor at the time, it would have been the physical cheques journal at the time in 1990 in existence.

Q. An abstract from the stubs?

A. It would have originated from the stubs. That must be in existence still somewhere, the Tribunal must have that.

Q. Well, that's that really answers my question. There was some other document that was available to list off the contents of the cheque stubs, that was used at some stage as a comparison document to assist you in exercising your judgment?

A. No.

Q. No?

A. No. It's the cheques there's only one cheques journal I will be aware of, the 1990 one. That is the one that introduces you to the cheque sequence numbers. That's the only one that gives you the clue that this must be the volume, it demonstrates that they are Mr. Haughey's.

Q. Well, just so I, just to deal with the abstract situation, let's suppose there's some other client, Mr. Smyth, we will call him.

A. Okay.

Q. Mr. Smyth?

A. I understand, yes.

Q. And he is also part of the service that's provided on the No. 3 account?

A. Yes.

Q. How do you exclude a particular cheque which would be in the same book of cheque-books as being Mr. Smyth's cheque and say, well, we will leave that out, this should be Mr. Haughey's item?

A. Well, if you are trying to identify, I don't quite understand what I am trying to satisfy you on, if I knew what I was trying to satisfy you on.

Q. Let me take make it, the example, more concrete. I have a sequence of cheque numbers, that's what you have?

A. Yes.

Q. And you have a number of, a number of payments out you are able to identify as attributable to Mr. Haughey?

A. What I think is Mr. Haughey.

Q. Using your judgment. And I am still at something of a loss how you exclude a cheque which was blanked out to Mr. Smyth?

A. Because they would be in a different cheque sequence, two different cheque-books, maybe three, with different numbers.

Q. Well, then the answer to the question is that a cheque-book was attributable entirely to Mr. Haughey, there was a given cheque-book?

A. Yes.

Q. In a given cheque-book, it was a dedicated cheque-book in that sense?

A. I mentioned that in the evidence many times. Sorry, I didn't quite understand, I thought I had mentioned it

clearly, there was always a dedicated cheque-book, Mr.

Connolly.

Q. I thought that was only after a particular period of time, throughout?

A. It looks to be throughout.

Q. That clears the matter up, at all stages there was a dedicated cheque-book?

A. Yes.

Q. Thanks very much.

CHAIRMAN: Anything, Mr. Allen?

MR. ALLEN: No, Chairman.

CHAIRMAN: One rather obvious point, Mr. Carty, that puzzled me at the very start of the Tribunal in relation to these cross account exercises and could, perhaps, puzzle a member of the public; if you were perhaps to refer briefly back to the table that Mr. Coughlan asked you about, you will note in general terms that what appears to be disclosed is a withdrawal from one of the Amiens Accounts and a crediting to the Haughey Boland No. 3 account.

A. Yes.

CHAIRMAN: Now, one might think there is a certain logic to supposing that the withdrawal from the first account would predate the crediting to the other account, but, in practice, the converse seems to hold good?

A. Well, I noticed that and I didn't quite study this as

carefully this time as I was up here before. Sometimes a cheque falls on a Friday and there's days like that, weekends. It can vary, yes, I have noticed that.

CHAIRMAN: Yes.

A. But that will depend. I don't know the internal system of Guinness & Mahon or what way they have of clearing cheques, all I can say is that, as Mr. Coughlan put it, the debit appears to correspond with a credit.

CHAIRMAN: And once matters correspond within a couple of days

A. That's all I have

CHAIRMAN: That indicates a likely positive

A. And I think I said appears to be the same, appears to be. I wouldn't know if it was.

CHAIRMAN: Right. Thank you. Very good. Thank you very much, Mr. Carty.

THE WITNESS THEN WITHDREW.

MR. COUGHLAN: At this stage, Sir, I would be asking that pursuant to Section 2 of the 1921 Act, that because of the nature of evidence, and I should perhaps outline the nature of the evidence that we would require a witness to give, to identify the names of certain people so as to enable the Tribunal to apply fair procedures to those people to notify them that we are seeking information about private matters,

primarily bank account matters. I would ask, in those circumstances, Sir, under Section 2, to continue the rest of today's proceedings by way of excluding the public to enable the Tribunal to take this information.

CHAIRMAN: I am aware, Mr. Coughlan, that this particular procedural format has proved necessary on a number of occasions, a fairly limited number, for the Tribunal to reconcile its duty of inquiry with its duty of privacy to possibly interested persons and, from what I am aware of, I am in agreement that one of those situations has now arisen so we will take the limited balance of today's evidence pursuant to statute in five minutes' time.

THE TRIBUNAL THEN ADJOURNED TO PRIVATE SESSION.