

THE TRIBUNAL RESUMED AS FOLLOWS ON TUESDAY 22ND FEBRUARY,  
2000 AT 10:30AM:

CHAIRMAN: Good morning everyone.

MR. COUGHLAN: Mr. Don Reid please.

DON REID, PREVIOUSLY SWORN, WAS EXAMINED AS FOLLOWS BY MR.  
COUGHLAN:

CHAIRMAN: Thank you again, Mr. Reid. Please sit down.

Q. MR. COUGHLAN: Thank you Mr. Reid. I think you have  
furnished a Memorandum of Intended Evidence for the  
assistance of the Tribunal, bringing to bear your former  
expertise as a tax consultant and with a knowledge of trust  
law, isn't that right?

A. That's right.

Q. I think in that Memorandum you have informed the Tribunal  
that you never acted directly or to the best of your  
knowledge and belief, indirectly for Mr. Charles Haughey or  
Mr. Michael Lowry or any connected person within the  
meaning of the Ethics in Public Office Act 1995 and you do  
not have and never had any knowledge or information  
relating to the financial or taxation affairs of any such  
persons, is that correct?

A. That is so.

Q. I think you have informed the Tribunal that you do not have  
and never had any knowledge or information relating to the

Ansbacher accounts or any of the accounts referred to in the Terms of Reference of the Tribunal, is that correct?

A. That is so.

Q. And I think you have informed the Tribunal, although the twin structure of a discretionary trust and a company was a common enough feature of the 1960s and early 1970s, your recollection of details has been diminished by the passage of time in the intervening twenty plus years, particularly as you have no documentation or other material relating to such matters.

A. Yes.

Q. Now, I think you confirm that you acted as tax consultant to Guinness & Mahon on a normal fee basis for many years from sometime in the early to mid-1970s until the late 1980s, is that correct?

A. That is so, yes.

Q. I think that was in your role as a partner in an accountancy firm.

A. That's right.

Q. I think that in the course of that time you provided advice on taxation matters to the various members of Guinness & Mahon Group resident in this country, to the London parent Guinness & Mahon company, in relation to problems arising with the Dublin company and in relation to one Irish resident customer of the London parent, is that correct?

A. That is it.

Q. You are not certain but you believe that you have on a few

occasions given some advice in relation to rather

unsuccessful Belfast operations?

A. Yes.

Q. Now, I think you have informed the Tribunal, you have informed the Tribunal specifically your advice was neither sought nor given in relation to the incorporation of the company Guinness Mahon Cayman Trust Limited or the conduct or development of its business or the general nature of structure in any part of the world that might be offered by it or by G & M to customers, is that correct?

A. That's so.

Q. Your advice was neither sought nor given in relation to any such matters for any other company or operation offering such services in any tax haven, is that right?

A. That's true.

Q. Now I think you did however provide advice in relation to implications for Guinness & Mahon as to an Irish resident company sorry you did advise of the implications for Guinness & Mahon as an Irish resident company of certain matters relating to its off-shore subsidiary, for example, interest payments to its foreign subsidiary in terms of frequency of such interest as a distribution for Irish tax purposes, is that correct?

A. That's right.

Q. You also provided advice, the implications, the entry into profit-sharing arrangements with some of the foreign resident executive directors of Guinness Mahon Cayman

Trust, and the taxation consequences of the sale of Guinness Mahon Cayman Trust to the London parent bank, is that correct?

A. That's correct.

Q. I think your advice was not otherwise sought in relation to the disposal of Guinness Mahon Cayman Trust or in relation to subsequent disposal of that company by whatever name it was called?

A. That's right. Sorry, most of those items came up because of the introduction of the Corporation Tax Act in 1975, with new legislation in 1975 and that is what gave rise.

Q. To the necessity.

A. To the distributions questions and profit-sharing questions.

Q. Yes, now I think you have informed the Tribunal that in relation to trust structures and documentation provided by off-shore operations generally, for these to be effective they would be governed by foreign law and therefore be drawn up and settled in accordance with such law by lawyers in such jurisdictions but subject to review by legal and tax advisors of the customer in this country as regards any Irish implications?

A. Yes.

Q. That would be primarily Irish tax implications I take it?

A. Yes.

Q. I think you have informed the Tribunal that in this context Guinness & Mahon staff would normally act as facilitators

and would not normally require advice separately one, from the customer and two, from the off-shore entity about the setting up of Memorandum and Articles of Association of foreign companies or deeds of trust?

A. Yes.

Q. In other words, the actual legal documentation relating to Memorandum and Articles of Association of foreign companies would be done in that foreign jurisdiction. Likewise, trust deeds would be drawn up in that foreign jurisdiction.

A. Exactly.

Q. Isn't that correct?

A. Exactly.

Q. So that Guinness & Mahon employees dealing with a customer would not be actually involved either by seeking the assistance of an advisor such as yourself, or a lawyer to do the technical work?

A. No, and their customer would have their own advice anyway.

Q. Would have their own advice for the implications from the Irish side?

A. Yes, yes. Kind of

Q. Maybe yes or no as we have discovered, I suppose, in the course of this Tribunal?

A. Yes.

Q. Now, I think you would be aware, for example, that in fact insofar as can be ascertained, all of the documents appear to be signed in Ireland, I mean on the Irish side, the

Irish customer seemed to sign the documents in Ireland?

A. Yes.

Q. Of course where Mr. Furze's signature is appended to documents, that may well have been done in the Cayman Islands for all we know.

A. Indeed, yes.

Q. Now, I think you have informed the Tribunal that you did provide advice from time to time and upon request of the bank, that is Guinness & Mahon?

A. Yes.

Q. To entities which in all probability were in the ownership of trusts of which Guinness & Mahon associates were non-resident trustees in relation to exposures to Irish tax on grounds of residence in this country and of the applicable taxation principles to be applied, is that correct?

A. That's right.

Q. And this would normally extend to advice as to what Irish structure might be modified to improve the taxation position?

A. That's right.

Q. Now, I think what you informed the Tribunal there, if I am correct in understanding it, Mr. Reid, is that the advice which would be given by you in relation to Irish entities would be advice relating to conformity with Irish tax law?

A. Yes, and normally by an Irish resident company.

Q. Normally by an Irish resident company?

A. Or a company investing here.

Q. Or an entity?

A. Yes, yes.

Q. And the advice that might be given would always be in how to conform with the laws of this country but how to best take advantage of legitimate tax avoidance which would be part of normal tax planning.

A. Yes, that's right.

Q. That would be now, can I take it that when such advice might have been given by you, that you were, would have been unaware that in fact the whole trust operation appears to have been operated from Ireland, in the first instance anyway, by Mr. Traynor or

A. Indeed, but I wouldn't have any particular interest in the trust operation anyway.

Q. Yes, yes.

A. Because I would be dealing with AIB Limited, let's say.

Q. Yes, yes.

A. And I wasn't concerned beyond that. Very often the shares, in any event, might be registered in somewhere like Mars Nominees or

Q. I see, the nominee company of Guinness & Mahon?

A. Yes, but it wouldn't be part of my brief

Q. Yes. Now I think you have informed the Tribunal that there were also many occasions on which the bank would seek advice on individual technical points of taxation law or practice in relation to customers. Generally these were on

a no names basis as the customers would have had their own professional advisors. Instances of such queries where the implication of writing off debt for interest or principal were interested, where interest relief had in the part been claimed by an Irish resident on the basis of a back-to-back loan availability, availability of tax credits, the need for group structures within the meaning of the Corporation Tax legislation, tax rules here in relation to the change of residents for tax purposes of trustees and matters of that nature.

A. That's right.

Q. All individual items of advice being sought.

A. Yes. You would have a vague recollection that you would have been asked these, normally over the

Q. Would it be that you would get a phone call and they would say, "What would be the position if such-and-such were to occur?"

A. Yes.

Q. Or what would the tax implications be?

A. Yes, that's right.

Q. And of course you were never advising the customer of Guinness & Mahon or the client who was being dealt with?

A. No.

Q. You were giving general advice to Guinness & Mahon of what?

A. Sorry, there may be some exceptions to that.

Q. But in general.

A. Generally I wouldn't, no.



Q. And the advice you were offering would have been in relation to your understanding of Irish tax law, and how it

A. Yes, yes.

Q. Now, I think such general advice as might have been sought from time to time may have included somewhere ultimate ownership was probably in the hands of off-shore entities but where the issue raised was a fairly short or net point and the matter would have been disposed of at a meeting with Guinness & Mahon?

A. Yes.

Q. But if the issue was one of complexity or difficulty such as a, for example, a property investment in the state, the Irish part of the structure might be asked to seek advice on the matter and so might become a direct client?

A. Yes, typical example there might be where you would have a group of companies in the same, well presumably with the same ultimate ownership.

Q. Yes?

A. One making profit, one making loss and a property organised for tax purposes, it would take a few minutes to work that out rather than over the phone.

Q. Yes, I think you informed the Tribunal that proportionally the amount of advice given in relation to off-shore activities was much less than the amount required to deal with domestic tax issues with the bank?

A. That's right.

Q. So that would probably seem right, you were giving advice in relation to Irish Tax Law, isn't that correct?

A. That's right and I never came to know foreign tax anyway.

Q. Well perhaps other than English and Welsh?

A. Well, it depends on how far my neck was being stuck out.

Q. English, England and Wales?

A. Yes.

Q. Now, I think these included litigation arising in connection with tax treatment of property transactions and you have informed the Tribunal of a particular case that took place between a client of Guinness & Mahon and the tax

A. A subsidiary of Guinness & Mahon.

Q. A subsidiary of Guinness & Mahon.

A. Yes.

Q. And the Inspector of Taxes.

A. Yes.

Q. And I think you advised on the tax treatment of properties acquired by Guinness & Mahon Property Company Limited, the tax treatment of the writing down or writing off of debts considered bad or doubtful, the treatment of losses incurred and the normal issues that arise in connection with the banking business such as taking the investments in developing companies and the disposal of such interest, the structuring of loans and on a tax-efficient basis?

A. That's right.

Q. So you were giving advice on the normal type of matters

that the bank would be receiving advice, how to treat bad debt, how to treat investments, loans, interest and such matters.

A. Yes. There wouldn't have been an awful lot of the tax-efficient loans because I don't think very often they profited

Q. Yes. Now, turning then to the general question of trust structures, I think you informed the Tribunal that it should perhaps be mentioned again that these were normally provided directly by the off-shore structures of the various banks operating in tax haven jurisdictions and normally they would provide standard drafts of the documentation for consideration by customers and their advisors. In relation to Guinness & Mahon in particular, it should also be mentioned that they would have had in-house expertise in relation to trusts of various kinds, as they for many years had been carrying on the active trusteeship business, that is acting as trustees of various kinds of trusts as part of the Irish, the normal Irish banking operation. So, to put it in context in the first instance, to your knowledge, were Guinness & Mahon the only ones who were offering trust

A. Oh no.

Q. services?

A. No, no, there were several banks around that would offer banks like Bank of Ireland for a long time and Allied Irish Banks both had substantial trustee departments but I don't

think that they were offering off-shore services.

Q. Off-shore services?

A. Yes.

Q. Were Guinness & Mahon the only ones that were offering off-shore services do you know in the seventies?

A. The Royal Trust.

Q. Sorry?

A. The Royal Trust.

Q. The Royal Trust?

A. And I think Trinity Bank would have been offering them too which is I am sure there were some others, yes.

Q. They were the smaller banks, were they?

A. I think they were the smaller banks.

Q. And in relation to the question of in-house expertise, do you know that or are you surmising that?

A. No, I am quite certain that they had the trust company there since I think it was the early 1930s.

Q. I see.

A. Acted as a trustee.

Q. I see. In the practice of trusts, Guinness & Mahon had a history?

A. A fair degree of expertise, yes.

Q. Well, would it be your understanding that at the time that Guinness & Mahon would have had a knowledge, if not an expertise in matters such as investment of trust funds.

A. Oh, yes.

Q. Trust law in general.

A. Yes.

Q. And the duties of trustees.

A. Yes, I would think so, yes.

Q. The tax implications, in general terms.

A. In general terms, yes.

Q. And such matters as whether there were requirements for Exchange Control?

A. Indeed, much better than I would, yes.

Q. So those four areas would be ones which you would have accepted Guinness & Mahon to have had a good understanding of?

A. That's right, yes.

Q. Now, I think you have informed the Tribunal that in the 1960s and early 1970s, discretionary trusts were much used for the minimisation of death and state issues, is that correct?

A. Yes.

Q. And that apart from their original purpose of divesting a person of the ownership of assets, while deferring their final divesting in individual successors or members of a class of successors, they could be utilised in conjunction with companies as a means of divesting a person of equity values while retaining control of the business, and I think you say that this was typically achieved by slitting the shares of company or holding companies so that some shares carried little value but overwhelming voting rights while others carried little rights in terms of votes, but a

disproportionate entitlement to surplus assets on a winding-up?

A. Yes.

Q. That is the company structure you were talking about?

A. That's right, that's right.

Q. Where there a few shares which had effectively control of the company or the voting rights but had little or no value and a very large number of shares that had no control or voting rights?

A. Yes.

Q. But if the company was wound up, it is that large number of shares that did not have control would have value, is that correct?

A. That's right and the voting shares would normally have been held by the owner or founder of the business.

Q. The founder of the business, the typical founder of a business would want to divest himself of the assets of the company but continue to control the company in its day-to-day operations?

A. Exactly.

Q. Is that right?

A. Exactly.

Q. So he might divest himself of all of the shares in the company to his children or grand children or people like that, but those shares would have no voting rights in the company?

A. Or very little.

Q. Or very little.

A. There would be variations.

Q. But in general that was the structure?

A. Yes.

Q. And that would be normally divested, he would divest himself into a trust for his children or grandchildren, is that right?

A. That's right.

Q. And he would retain some shares which had little or no value in the company but would have all voting rights?

A. That's right.

Q. And he thereby controlled the company whilst not owning the company, isn't that correct?

A. That's right.

Q. In legal terms?

A. Yes.

Q. Now I think that was a fairly standard domestic type of arrangement in this country, is that right?

A. Oh yes.

Q. There was no need to go off-shore or anything like that to do that sort of business?

A. No.

Q. And it was quite a common thing in the 1960s an 1970s, is that correct?

A. Indeed.

Q. Particularly in relation to family companies?

A. Yes.

Q. Or perhaps, I don't know, maybe large farms or, was it necessary in those circumstances?

A. Large farms were a little bit more difficult.

Q. Were a little bit more difficult?

A. And costly.

Q. And costly.

A. Because of stamp duty and that.

Q. But these were all done here in Ireland, isn't that correct?

A. Oh yes.

Q. They were above sorry they were capable of being observed by the authorities, isn't that right?

A. Yes, and would normally have been placed in front of the authorities.

Q. The Revenue would know about them?

A. Yes, yes.

Q. And in normal circumstances, the assets would not be liquid, they would be in the form of shares in the company or something of that form?

A. Yes, yes.

Q. Or the company itself?

A. Yes, there might be a dividend float or

Q. Yes. Now, in fact, could I just ask you this, did you actually need a discretionary trust to do that particular structure?

A. Technically you would not need it in every situation.

Q. Yes.



A. But you certainly did need it in the majority because the owner had very often hadn't made up his mind quite how he wanted to leave things between children.

Q. I see.

A. Yes.

Q. So he hadn't arrived at his own final

A. He would also take into account his widow's sorry, his wife's circumstances.

Q. Yes.

A. If he died.

Q. Yes, yes, but that was ordinary normal tax planning that was known to the tax practitioners and to the Revenue in this country in the sixties and seventies?

A. Yes, yes and account for multiple changes in the Finance Acts then.

Q. Yes, and there was an interplay between the tax practitioners and the Revenue and the Revenue would advise the Minister about whatever tax changes were needed in the Finance Act to deal with what they considered might have been loopholes?

A. Yes.

Q. Now, I think I think you have informed the Tribunal that successive Finance Acts through the 1960s and early 1970s sought to check the use of these arrangements for Death Duty Capital Acquisition Tax in 1975 I think was it?

A. Up until 1975.

Q. Up until 1975. I think the trusts of discretionary nature

continued to have a role but their effectiveness has been much reduced by the imposition in more recent times of direct charges to tax on such trusts in certain circumstances?

A. That's right. In other words, if a trust hadn't distributed funds when it might have, there are exceptions I think still, I do have to say I am pretty much out of date now.

Q. You are not in that area now?

A. But there are rules which impose once-off charges or annual charges on the trusts may make indeed they are not set off against the ultimate tax payable.

Q. From a tax efficient point of view, they may not be so efficient?

A. They become very inefficient.

Q. They become very inefficient. Now, I think you have informed the Tribunal that structures that you have just outlined might have been located onshore or off-shore and in time these type of arrangements came to be used for other purposes such as, prior to 1974 when unrestricted relief for bank interest was available, back-to-back borrowings by taxpayers in this country secured against deposits of the same amount in tax haven arrangements. Now, if we could just go through that slowly to understand this in its historical context.

Prior to 1974, a taxpayer could write off all interest, is that correct, against his tax liability?

A. For practicable purposes.

Q. For practicable purposes?

A. Yes.

Q. So it had a certain, or it had great logic to it, that you could borrow as much as you could possibly borrow and write off all of the interest against your, the income tax which you were due to pay in this country.

A. That's right. That's right.

Q. And if you had a back-to-back arrangement, what was the advantage of that then?

A. You invested the money which you had borrowed.

Q. Yes?

A. into a none taxable entity.

Q. Yes.

A. And you didn't pay tax on that but you got full tax relief on the other hand.

Q. Yes.

A. And as I mentioned, the Royal Trust case gave a listing of those.

Q. Yes, so that was a situation where you could actually borrow the money?

A. Yes.

Q. For the purpose of setting up a trust, is that correct?

A. That's right, yes.

Q. Yes.

A. Well, it mightn't be a trust. It might be just shares in the company.

Q. Shares in the company and this could be done within the Sterling area of course at the time?

A. Yes. It, in fact, could also be done in a domestic scene because at the time there were Certificates of Deposit and if Certificates of Deposit were sold prior to maturity, the gain was a capital gain not a Revenue gain.

Q. Yes.

A. So that people borrowed Certificates of Deposit and sold them again shortly before maturity.

Q. Yes.

A. So that they made a tax free gain before to the introduction of Capital Gains Tax on the one hand, and they were allowed interest relief on the other.

Q. I see.

A. And that ran until I think January 1974, but like everything else like that, some of them became very, very exaggerated.

Q. Yes.

A. You know, because you had somebody in an employment situation and let's say he had an income of £50,000 a year and there was an alleged borrowing that involved interest of £50,000 a year, how you could maintain that that was paid out of income would be a bit difficult.

Q. Yes, but notwithstanding that there was full tax relief

A. The Certificate of Deposit was also outlawed in the 1974 Act the same as the transfer of assets.

Q. Well, I just want to ask you, what was the benefit to

somebody with a back-to-back situation?

A. Yes.

Q. Borrowing money, they nonetheless, although they were getting tax relief, they nonetheless had to pay the interest, isn't that correct?

A. They had to pay the interest but they got compensating interest.

Q. On what the money was earning?

A. On what the money was earning and they didn't pay tax on that.

Q. Because it was in an nil tax or a low tax?

A. Or because it was tax exempt in this country anyway.

Q. It was tax exempt in this country up to 1974?

A. Well some of them were. The Certificates of Deposit were.

Q. Yes, yes.

A. Or the shares in a foreign company were.

Q. I want to go through this slowly because I think it is important to put all of this in the context where the genesis of the Ansbacher accounts in the early 1970

A. That's right.

Q. That prior to 1974 one could borrow money legitimately in certain circumstances, even in this country?

A. Yes.

Q. Have that money borrowed on deposit?

A. On a Certificate of Deposit.

Q. On a Certificate of Deposit.

A. Yes, it had to be in a negotiable interest as distinct from

a deposit account.

Q. Right. One could be earning a benefit without a tax implication?

A. Indeed.

Q. And on the interest that had to be repaid on the borrowed money one got full tax relief?

A. Yes.

Q. Against all income.

A. Yes, at very high tax rates.

Q. At very high tax rates.

A. Yes.

Q. And was this up to 1974 a reasonable common practice?

A. It was a common practice because the announcement, to the best of my knowledge, about the termination of full interest relief was made by the then minister ahead of the budget at the opening of a bank in January 1974.

Q. Yes. So?

A. I just happened to be there, that's all.

Q. So people were on notice that there was going to be a change in the budget?

A. He made it effective from that day. He wasn't taking any chances.

Q. Yes, he made it effective from that day.

A. From that date.

Q. Yes.

A. I think it might have been the 19th of January 1974. I am not sure of the day but it was around then.

Q. So now a situation was going to be brought about whereby there would be a limitation on the relief on interest, is that correct?

A. That's right.

Q. Thereby effectively attempting to close off this particular beneficial loophole to a taxpayer?

A. That's right.

Q. What practically flowed from that then, the minister's indication I think?

A. The Finance Act 1974 was a huge, it was a very big Finance Act, it brought in farming profits, it brought in legislation against the transfer of assets abroad putting restrictions on interest relief, it was a very large volume of tax reform and there was much moaning and groaning.

Q. Yes. Now from 1974, leaving aside Exchange Control requirements and there was specific introduction against the transfer of assets

A. Yes.

Q. abroad.

A. Yes.

Q. Isn't that correct?

A. Yes.

Q. Now, can I take it that you would have given general advice to Guinness & Mahon about the consequences of the '74 Finance Act or would you have needed?

A. I honestly don't know whether I would have needed to. I have no recollection of it was very much kind of in

newspapers and that.

Q. Well, as a result

A. I am sure there were areas where I did, you know.

Q. Yes. As a result of the '74 Act, what was the position about discretionary trusts now off-shore?

A. If under Section 57, if the Irish settlor or his wife had the right to enjoy the income of the off-shore settlement, then that person was liable to pay tax in Ireland on it.

Q. If he was?

A. On that income.

Q. He was if he had the power to enjoy?

A. The power to enjoy it, yes. The phrase is "power to enjoy" - very, very widely defined.

Q. Apart from that altogether, what about the setting up of new off-shore discretionary trusts? Was that feasible since the '74 Act or after the passing

A. It would have been feasible but the opportunity, the opportunities to do it sensibly weren't there, like unless could you get over that, but you might be able to do an off-shore trust for minor children. I am not saying it was cut off altogether but there would also be an obligation to respond to Revenue Authorities from time to time, that these trusts had been set up. In other words, I would say in practical terms there were very few done.

Q. Opportunities?

A. Opportunities since 1974.

Q. Well



A. For Irish residents.

Q. If one was setting up a foreign trust in 1974 lawfully that is now

A. Yes, yes.

Q. First of all would the assets have to be outside the jurisdiction in respect of which the trust could be?

A. No, not necessarily, not necessarily.

Q. How could one transfer assets out of the jurisdiction?

A. Sorry, if you were to set up the trust?

Q. Yes.

A. What I am saying is it is the effectiveness of setting up the trust.

Q. Yes.

A. If the assets were on shore and I think you did say ignoring Exchange Control.

Q. Yes.

A. Well, if the assets become owned by a foreign trust either directly or indirectly, that could be done but your real problem was.

Q. Exchange?

A. Exchange Control or getting the value of the assets back into Ireland, if that is what you wanted.

Q. Yes. What was the difficulty about getting the value of the assets back?

A. The Power to Enjoy provisions in Section 57.

Q. That was a huge Revenue

A. That was a huge Revenue difficulty, yes.

Q. Now, I think, leaving aside the example you we started it off by, about borrowing money?

A. Yes.

Q. Depositing that money or putting it into a trust?

A. Yes.

Q. Enjoying the benefit of growth on the borrowed money and full tax relief in respect of the interest, that that was closed off by the 1974 Act?

A. Yes.

Q. Very good.

A. Sorry, except in the case in some cases interest might be allowed as an expense of a trade.

Q. Yes.

A. Or in the case of a property company, there were provisions that interest on a property company which borrowed money was entitled to set the interest off against rent. The property company or an individual, so that in those kinds of cases, I am trying to explain, if you follow.

Q. Yes, I do.

A. It wasn't quite covered by the question but by the large, the setting off of interest against income generally was stopped by 1974.

Q. If you were trading as a property company?

A. Yes.

Q. Or an individual who was investing in property?

A. Yes.

Q. And was receiving rental income

A. Yes.

Q. From that property, if that company or person borrowed money, that person or company within the trading situation was entitled to write that interest off against the rental income, is that correct?

A. Yes, yes, provided it was money, money was actually used to buy the property.

Q. For the purpose of the property company?

A. Yes.

Q. Now I think you say that more complex versions of the arrangements came to be used in striving to reduce taxes on property dealing situations in the early 1970s, by taking proportions of future profits into structures which were not connected with Irish resident dealer developer on a basis that did not involve trading in this country. What was that?

A. In property dealing situations the legislation had changed in 1965, it had changed again in 1968, and an anti avoidance basis, and the rules were drawn quite strictly but they were drawn in very technical terms and one of the critical areas in it were in a property sales situation was the connection between the person selling and the person buying.

Q. Yes.

A. As defined in the Act. Now if you could step outside that by use of a trust they were sometimes used to break that connection and create but that would also be pre 1974.

Q. Yes, that was also caught by 1974?

A. That's right, yes.

Q. Now, I think you say that similar variations were used to reduce profits on, for example, importation and distribution of goods into this country by taking a margin through a non-resident agency or the like?

A. Yes.

Q. Well, that very simply that there was an non-resident agent who took a bit of the action and you just reduced the amount of profit by somebody who had the agency near Ireland?

A. Beautifully put.

Q. Is it as simple as that?

A. Yes.

Q. And could I take it that frequently the non-resident agent would be in a low tax environment?

A. Yes, yes.

Q. And that that non-resident agent might well have been a trust or a company over which there was a trust?

A. Invariably a company over which there was a trust.

Q. Over which there was a trust?

A. You wouldn't want a company trading.

Q. It would be a company trading over which there was a trust and that the resident agent importer or distributor or whatever he was here, might in certain circumstances, either he himself, the company, or the children or grandchildren of that person, might at some stage become a

class of persons who might be entitled to enjoy something on the trust?

A. That's right, that's right.

Q. Is that it?

A. That's it, yes.

Q. Now, could I ask you whether in obviously one could have situations where there would be non-resident agents and resident agents in respect of the distribution of certain product in this country.

A. Yes, yes.

Q. And they would have no connection with each other.

A. That's right.

Q. But that in most of these situations that you are talking about here, the probability was that the non-resident agent, whilst legally not one and the same person as the person in this jurisdiction carrying on the business, for practical purposes it was the same person?

A. Well, let's say the same interest but not the same person.

Q. The Revenue might have to argue about it but on the legal side of things, but that was the purpose of it, isn't that right?

A. Yes, yes. The same family interest.

Q. The same family interest would be the way to put it. Now, I think you have informed the Tribunal that "the advantages sought in using the twin structure of discretionary trust and companies in these types of situations, were (a) severance of ownership or entitlement to profits from the

disponer/disponee." What do you mean by that, Mr. Reid?

A. Yes.

Q. Or could you explain to us

CHAIRMAN: I think we must be aware of the danger, Mr. Coughlan and Mr. Reid, as we are a Public Inquiry there is a danger we could be a little esoteric. I think we did have some regard in last Friday's evidence to some of the basic definitions.

MR. COUGHLAN: Yes, okay. Now, I think "(b) the ability to carry out transactions through a company which might not be appropriate to trustees having regard to the risk factors that might be involved." I think that is just simply the company should do the trading, not the trustees?

A. Yes. Trustees generally wouldn't like to take the burden of trading.

Q. Yes. "(C) Ability to protect fund assets through the imposition of fiduciary responsibility on trustees." That is fairly straightforward.

A. Absolutely.

Q. "(D) Because company residence questions for tax purposes were determined by reference to the place in which the management and control was exercised, it was easier to maintain non-residents where both directors and shareholders of the non-resident companies were located outside this jurisdiction." And "(E) The ability to define or describe beneficiaries as a class rather than as

individuals enhanced the argument that entities were not connected persons."

I think averments were made to further strengthen this argument by using a settlor over discretionary trust, a person who was a resident of the tax haven and Guinness & Mahon or its foreign advisors developed the idea of using corporate entities as settlors. The record also shows of such trusts and subsequently liquidating these entities."

And as you understand it at the time, the idea was to further distance the trust structure from the Irish involvement and to enable the off-shore entity to offer an off-the-shelf service in relation to trusts as was the case with companies. Beneficiaries of such settlements might be defined as any one of a class who had made a contribution to a named territory and who might be determined by the trustees to be beneficiary.

Now, I think perhaps this is the area where we should ask you to assist the Tribunal and the public by a greater understanding of what was involved here. I think you have seen a document which was prepared by Mr. Ray McLoughlin entitled, "A note to John Furze" of which he gave evidence last Friday?

A. I am sorry, I only saw it in somebody's hand. I didn't actually read it.

Q. There is a certain part of the particular document which I will give you a hard copy of. If you can, if you can

assist the Tribunal.

But I think would you, I will just get you a copy of it now. (Document handed to witness.)

A. Thank you.

Q. Now, maybe I should just explain first of all the circumstances whereby this document came into existence.

Mr. Ray McLoughlin, who had a relationship with Guinness & Mahon over the years in the business context, not a very frequent one, had a discussion with Mr. Des Traynor who suggested that he consider the route of a discretionary trust, and to that end a meeting was arranged with Mr. John Furze in Guinness & Mahon in Dublin and this document was prepared by Mr. McLoughlin based on documentary and verbal information given to him by Mr. Furze. So that is the circumstances whereby the document came into being and that is the status of it.

Now, the document, and I don't want to go through in it in great detail with you because we went through that on Friday with Mr. McLoughlin word for word, but in the first instance the document indicates that the mechanism which is being suggested for the creation of a discretionary trust is, in the first place, the person here in Ireland is referred to as the client?

A. Um.

Q. The settlor is somebody like Mr. Furze or somebody like that outside the jurisdiction, that's the first way?



A. Yes.

Q. And then it sets out that the functions or duties of the settlor and the scheme that was being offered by Mr. Furze was that the settlor looked after the normal practical and technical aspects of setting up the trust, like getting the trustees, organising for the trust deed to be drawn up maybe of a company, if a company was being set up for the incorporation of such a company under Cayman law, and matters of that nature.

Then it goes on to say that when that has been done, that an arrangement will have to be made between the client and the settlor of how to get the assets to the Trustees.

That's what it says.

A. I see.

Q. Now, that was in 1983 this particular document was prepared. Now in the first place from your expertise and general understanding of just law and the tax implications, what is the settlor or who is the settlor?

A. To my mind, the settlor is the person who contributes the assets to the settlement.

Q. Yes.

A. I suppose I should say, Mr. Coughlan, there is a variety of definitions of the settlor in various places.

Q. By-and-large your understanding, if you were advising the person who is giving the money or the, giving the asset is the settlor, he is the person getting rid of what he wants to get rid of, isn't that correct?

A. My understanding rightly or wrongly is that if you have a named settlor, such as Mr. Furze, and the client as you have described it, the document executed by the named settlor is no more than a memorandum of the trust conditions and powers etc.

Q. Yes?

A. But that the actual settlement is more than evidence of the terms in which the settlement was created by the client, you see.

Q. So would it be your understanding that in what was being offered or being suggested to Mr. McLoughlin here was that by the term "client", whilst it has a meaning or an understanding as between Cayman or Guinness & Mahon Dublin and a customer here, it has no real place in the concept of the discretionary trust?

A. No. No.

Q. Now, the client, if, the client be the true settlor, be the settlor

A. Yes.

Q. The effect of interposing somebody else, whether it be a company or Mr. Furze, or some other individual as the settlor, could have the effect of any regulatory authority looking at the trust deed being lead to the conclusion or belief that the settlor was the person stated in the deed, isn't that correct?

A. That's right.

Q. And Mr. McLoughlin's document goes on to deal with

discussions that he had with Mr. Furze, and quite well noted by him, when they went on to discuss the concept of, I suppose, I can't remember the exact word, towards obscuring the footprints or minimising the footprints, that, you know, what Revenue Authorities for an Irish resident might be more concerned about would not be the question of the accumulation of interest off-shore on monies and as to whether one had the power to enjoy and therefore it became a charge as to tax, but that Irish Revenue Authorities might be more interested in seeing where did the fund come from in the first instance?

A. Yes indeed.

Q. So set up this trust?

A. Yes indeed.

Q. Does that seem logical and reasonable to you as an understanding of what the Irish Revenue Authorities might be interested in?

A. Oh indeed, yes.

Q. And leaving aside the Exchange Control aspect of it all, the imposition of another person between the settlor and the trustees and calling him the settlor of course could be could be seen as being designed to throw the Revenue Authorities off the scent, isn't that right?

A. Yes.

Q. Could be seen

A. Yes.

Q. Now, this particular document discloses all of this to Mr.

McLoughlin and I am not at all concerned because no action was taken on foot of that particular document by Mr.

McLoughlin - I not the concerned about Exchange Control at all, leave that out of it altogether - if a discretionary trust were being created for appropriate purposes?

A. Yes.

Q. There would be no need to disguise or

A. No, certainly not.

Q. The source of the assets going into them?

A. No.

Q. In the first instance, one may have many rows with the Revenue subsequently about interpretations on the question of whether anyone has power to enjoy but that is the normal type of argument that might take place?

A. In the case of an ordinary compliant taxpayer, would you accept that the Revenue would want to, wouldn't have full sight of all of his assets anyway, at least from the income producing point of view and indeed would want to know where they have gone?

Q. It is at that end the minimising of the footprints is significant, isn't it, that subsequent disputes between tax advisors to trustees or beneficiaries and the Revenue would be normal part of the toing and froing that might go on in the normal life of any trust, but that is a legitimate dispute going on between the Revenue. The trustees or the beneficiaries may win sometimes, the Revenue may win on others, there may be changes in the Finance Act or matters

of that nature or there may be court cases?

A. Yes.

Q. But the Revenue at least should be aware of the existence of the trust in the first instance, isn't that correct?

A. They should be able to be aware.

Q. It should be open to scrutiny?

A. Yes.

Q. Now establishing a trust, there is nothing illegal about establishing a trust?

A. No.

Q. And up to 1979 establishing trusts in the scheduled territories, that is within the Sterling area, was legitimate, isn't that correct?

A. Yes, yes.

Q. And if one were to establish a trust after 1979 outside this jurisdiction, one would have had to apply to the Central Bank for Exchange Control upon removing assets?

A. Yes.

Q. And one might have to cope with the provisions of the 1974 Act on the transfer of assets?

A. Yes.

Q. But one would have had to have the permission of the Central Bank, isn't that correct?

A. Yes.

Q. And of course, after 1972 the permission of the Central Bank would have been required anyway for the movement of any funds to Cayman, isn't that correct?

A. That's right, yes.

Q. And can we take it that just from your general knowledge, it would have you been unlikely that the Central Bank would have given Exchange Control approval for anybody to set up trusts and to transfer funds out of this country?

A. For pure tax avoidance purposes I don't think would you bother asking, I did know of one or two where there were commercial factors involved.

Q. Commercial factors?

A. Yes.

Q. Yes, but we see the way that these particular trusts seemed to work, in that they were investments in that they were lodged either here in Dublin or in Guinness & Mahon in London, they earned an interest?

A. Yes.

Q. It may have been deposited elsewhere, but they were earning an interest and that was how the fund seemed to accumulate, that it was in, that it was that was the type of activity that the Central bank would have not allowed to have taken place?

A. Certainly not, no.

Q. Now I think just you have informed the Tribunal that anti avoidance legislation introduced in the Finance Act 1974 readily curtailed the use of these structures, that is discretionary trusts, and particularly off-shore?

A. Yes, and off-shore structures generally.

Q. Yes, yes and that tax relief for interest was restricted

and provisions were enacted under which the income of non-resident companies and trusts could be charged to tax in the hands of an Irish resident individual where that income became payable to that non-resident entity as a consequence of a transfer of assets abroad by an individual resident here who had the power to enjoy the income as widely defined in Section 57 of the Finance Act 1974.

That's where the term "the power to enjoy" came into play.

A. It did.

Q. So that if somebody was a beneficiary or a class of persons who were beneficiaries under a particular trust, and if there was an appointment or a disbursement made, they were deemed to have the power to enjoy, isn't that correct?

A. That's correct.

Q. And that was treated as income, is that correct?

A. Income of the person resident in Ireland.

Q. Income of the person and there was an obligation in those circumstances to disclose it to the Revenue for income tax purposes, isn't that correct?

A. There would be, subject to the interest, a debate in the House of Lords about the Congreve case and about the Vesty case.

Q. And the subsequent Vesty case?

A. Where they overruled themselves. In other words, in Congreve which was decided in I think in 1942 under the British corresponding legislation, said that any transfer

by anybody anywhere which were for the benefit, the Irish person was taxable. The Vesty case in the late sorry, the Vesty case in the late 1980s on the other hand, was a case where there was, I think a Mrs. Bell, I am a bit rusty on this, but a Mrs. Bell was being charged tax more than her entire benefit could have been from the trust, and the courts held that the Congreve case had been wrongly decided and that the people who could be charged who had the power to enjoy were restricted to the original transferer and the wife of the original transferer. I am sure that is a short and very misleading

Q. I suppose was it

A. definition.

Q. Was it the view that was being taken, the view that was being taken in England was that any beneficiary was deemed in those circumstances to have the power to enjoy in respect of the total appointment or dispersal was that was taking place?

A. Even the total income.

Q. The total income, notwithstanding that what they received was substantially less?

A. Yes.

Q. Isn't that correct?

A. That's right.

Q. And I think that the English Revenue attempted to counter that by saying that of course they would never do that, they would never do that particular operation in that way?



A. Which was a little difficult in the particular case because they had just done it.

Q. Because they had just done it.

A. I think the phrase used by one of the judges was that you can't tax by legislation.

Q. Taxation by legislation not by concession, isn't that right?

A. That's right. Thank you.

MR. COUGHLAN: Thank you, Mr. Reid.

CHAIRMAN: Nothing, Mr. Quinn. In essence, Mr. Reid, the successive pieces of legislation in the 1970s, both the Capital Taxation, the Exchange Control, and the lowering of interest provisions, they did make it more attractive for a taxpayer who was prepared to run the risk of non-compliance, to adopt decisions of getting money off-shore?

A. That's right.

CHAIRMAN: Borrowing against them?

A. That's right.

CHAIRMAN: , yes but of course as you stated, the type of advice that you were giving was to people who were up front, who were disclosing the assets that they had and the arrangements, that if necessary they were prepared to contest with the Revenue?

A. That's right.

CHAIRMAN: Thank you very much.

THE WITNESS THEN WITHDREW.

MR. HEALY: Miss Joan Williams please.

MS. JOAN WILLIAMS, PREVIOUSLY SWORN, WAS EXAMINED AS  
FOLLOWS BY MR. HEALY:

MR. MARRY: Just to indicate Mr. Chairman I appear  
instructed by Crowley Miller solicitors on behalf of Miss  
Jones Williams

CHAIRMAN: Very good, Mr. Barry. I think as was much  
stated earlier at the Tribunal hearings, an order for  
limited representation has already been made under the  
usual terms.

Q. MR. HEALY: Thank you Ms. Williams. Since you have  
provided the Tribunal with a Memorandum of your Evidence  
and I hope that you have had a copy of that document in  
front of you there.

A. Yes.

Q. Very good. Now it is a lengthy document so what I propose  
to do is to go through portions of it and then perhaps go  
back over one or two matters that might require some  
further amplification and then pass on to another portion  
and do the same thing if that is acceptable to you?

A. Yes.

Q. The first paragraph of your Memorandum you say, "My name is

Joan Williams and I reside at 21 Stradbroke Grove,

Blackrock.

From 1972 to the date of his death in 1994 I was secretary to the late Mr. Desmond Traynor. I was initially employed by Guinness & Mahon Bank in College Green Dublin where the late Mr. Traynor was joint managing director. He retired from that position in or about 1986 and moved from the offices of the bank in College Green to an office in Trinity Street, Dublin. After approximately one year there Mr. Traynor, upon becoming chairman of the board of Cement Roadstone Holdings moved into the offices of CRH in Pembroke Street and later

CHAIRMAN: Just get a copy of

MR. HEALY: Of course, yes, I don't know if you have the book, Sir.

CHAIRMAN: Yes, it is not in the thank you. (Document handed to Chairman.)

Q. MR. HEALY: 7 lines or 8 lines down, Miss Williams, in your Memorandum you are saying, "After approximately one year in Trinity Street Mr. Traynor, upon becoming chairman of the board of Cement Roadstone Holdings, moved into the offices of CRH in Pembroke Street and later at Fitzwilliam Square.

While Mr. Traynor was working in Trinity Street I remained

employed by Guinness & Mahon. When Mr. Traynor left the employment of Guinness & Mahon he asked me to go with him as his secretary.

Mr. Pender, the incoming managing director of Guinness & Mahon had a secretary and I would have been redundant. I was not offered any position in Guinness & Mahon and therefore when Mr. Traynor offered me the position as his secretary in CRH, I accepted the job. I retired from CRH in August of 1999.

My work for Mr. Traynor involved all of the normal secretarial duties including taking dictation from Mr. Traynor, typing and taking and making phone calls for Mr. Traynor, making coffee and so on."

Now, Miss William, did you first work for Mr. Traynor in Guinness & Mahon?

A. I did, yes.

Q. So you were employed initially by Guinness & Mahon to work as his secretary?

A. That's correct.

Q. And you stayed in that position as his secretary up until the time that he left in 1986?

A. Yes.

Q. Now, in 1987 he become chairman of CRH?

A. Yes.

Q. Between 1986 and 1987 what was your job in Guinness &

Mahon?

A. I was secretary to Mr. Traynor still. It was part of some arrangement he made with them.

Q. I see.

A. in the offices in Trinity Street.

Q. So if I could just clarify that, he left Guinness & Mahon in 1986 and took an office in Trinity Street, would that be near where Mr. Sam Field-Corbett had his offices?

A. It was in the same building.

Q. In the same building?

A. I think the building did belong to Guinness & Mahon, to the best of my knowledge.

Q. That's correct. And during the time that Mr. Traynor was in that office, where did you work?

A. I worked in an office in Trinity Street.

Q. I see. And you were paid by Guinness & Mahon?

A. I was still paid by Guinness & Mahon. That's correct.

Q. Although at that stage Mr. Traynor had severed his connection with Guinness & Mahon at least as its managing director?

A. To the best of my knowledge, he had, yes indeed.

Q. That is what we understand to be the case from the evidence of other witnesses, but Guinness & Mahon were nevertheless paying you to continue to act as his secretary in relation to any other activities he was engaged in?

A. Yes.

Q. And am I right in thinking that during that period of time

when you were in Trinity Street working for Mr. Traynor, you were nevertheless sending, as his secretary, memoranda to people in the bank dealing with accounts in the bank that Mr. Traynor controlled?

A. Yes, I would have typed memoranda and letters, yes.

Q. Would I be right in saying that the work that you carried out, and we may go into some of this in more detail in a moment, would I be right in saying that the work you carried out for Mr. Traynor when you were operating as his secretary in Trinity Street in that year from 1986 to 1987, was in many respects similar to the work you did while you were his secretary in Guinness & Mahon?

A. It would have been in many respects, yes, very similar.

Q. So he continued to have a significant influence on activities in Guinness & Mahon even after he had left it to work in Trinity Street?

A. Well, I wouldn't know about the influence but he certainly still had connections.

Q. And an active involvement, if I can put it that way?

A. I would have thought it probably was active, not as active obviously.

Q. Yes, of course.

A. But active.

Q. Now, it wasn't your job as Mr. Traynor's secretary, even though you were being paid by Guinness & Mahon, to express any view on this, but it was a somewhat usual arrangement, wasn't it, that although he ceased to be effectively the

main chief executive of the bank, he was outside the bank with a bank secretary giving directions to people in the bank to do things for him on this, that and the other account?

A. Yes, I suppose with hindsight it was a strange a strange setup. It was some arrangement he had made with the bank.

Q. I understand. At paragraph 2 you go on to say "Insofar as I can recollect, I first became aware of Mr. Traynor's involvement with Ansbacher Cayman Limited in the course of my employment in Guinness & Mahon."

Now you go on to use an acronym ACL. "I keep using the words Ansbacher, in terms of the transcript it is the term we have used in the term of the subsidiary of Guinness & Mahon bank for whom I worked and Mr. Traynor had dealings with Ansbacher as a subsidiary of that bank."

Of course we know at that time that Ansbacher was in fact called Guinness Mahon Cayman Trust but I don't mind if we continue to called it Ansbacher because it is the simplest solution to the various name changes of the bank.

You say, "During my time with Guinness & Mahon the business of Ansbacher was simply part of bank business. I was not aware of any particular significance attaching to the business of the bank relating to the affairs of Ansbacher as compared to any other bank business. I was not aware of how or where funds were held by Ansbacher nor had I any knowledge of off shore trusts."

Now when you first came to work with Guinness & Mahon, did you first go to work there in a secretarial capacity as a banker, as it were?

A. In a secretarial capacity.

Q. Did you ever work there in a banking capacity at the counter or anything like that?

A. No, no.

Q. So the knowledge that you would have acquired or, I won't even say knowledge, but the contact you had with banking activities was therefore such contact as you had doing things, writing letters, carrying out instructions, making phone calls, getting directions, on the instructions of your then boss, Mr. Traynor?

A. That's correct, yes.

Q. You go on to say, "As to the records of funds held by Guinness & Mahon, these were, I presume, kept with Guinness & Mahon. I was not aware of any particular arrangements concerning the accounts of Ansbacher while an employee of Guinness & Mahon. In my capacity as secretary to the late Mr. Traynor, I would not have been involved in day-to-day banking business. I presume the operation of accounts and instructions concerning the same were matters dealt with by other bank staff in the normal course of their employment with the bank. I had no involvement in that area and I do not know who dealt with those matters at that time. I was not aware of any particular arrangements concerning files



of instruction and correspondence between Ansbacher and Guinness & Mahon during my employment with Guinness & Mahon."

I think that statement is in response to the request from the Tribunal concerning your knowledge of the whereabouts of documents concerning relations between Guinness & Mahon and Ansbacher?

A. Yes, I think that's correct.

Q. When you were working in Mr. Traynor's employment or at least when you were working as his secretary in the employment of Guinness & Mahon, you worked from a bank in, from an office in Guinness & Mahon?

A. Yes.

Q. And was it in that office that Mr. Traynor kept his files?

A. Yes. There was a filing cabinet contained, yes, when I was there.

Q. I may be jumping ahead to one or two things that you are going to deal with elsewhere in your statement, just to put your day-to-day activities in context, when you moved out to Trinity Street, I presume Mr. Traynor took some files with him?

A. Yes.

Q. And when he moved to Cement Roadstone Holdings in Pembroke Street he took those files with him to his new office?

A. He did, yes.

Q. And we know that his files included a considerable amount of documentation that had nothing to do with Cement

Roadstone Holdings, but had to do with Ansbacher, isn't that right?

A. That's correct, yes.

Q. A large amount of files that were what I will call for short "banking files".

A. Yes, I suppose you could call them that, yes.

Q. Now during the time that you were working in Guinness & Mahon's premises as Mr. Traynor's secretary, did he have that documentation in his office in Guinness & Mahon?

A. He did, yes.

Q. In other words, he kept that separately to the other records kept in Guinness & Mahon of the accounts that various people, customers of the bank had in the bank at that time?

A. No, the files were all in one cabinet, there might have been some of the Cayman or Ansbacher files were there as well, but I mean there also would have been ordinary Guinness & Mahon files with which he dealt, and also files in connection with his other directorships which he had at the time.

Q. I understand.

A. There was no special segregation of the Ansbacher files.

Q. Were the files then kept by name of client or by reference to Ansbacher, do you understand me? Did he have a drawer or a filing cabinet of Ansbacher files?

A. Not a separate cabinet.

Q. I understand. Did he have a separate section in a cabinet

then dealing with Ansbacher or its original or as it

originally was GMCT files?

A. There would have been some original GMCT files. There also

then would have been probably client files under the

client's name.

Q. Yes.

A. But they all would have been in the same cabinet, they

weren't segregated.

Q. And this is the Tribunal's understanding from the

documentation that has been made available to it that there

would have been files containing we will say,

correspondence between GMCT or Ansbacher as we are calling

it, and Guinness & Mahon. This would be bank to bank

correspondence, if you like. There might have been files

containing correspondence between Mr. Traynor and GMCT and

in addition, I will call those general files, there would

have been files with the names of individuals whose funds

were under Mr. Traynor's control, would that be right?

A. There would have been files, yes, under the names of

individuals.

Q. And Mr. Traynor would regularly give you instructions in

relation to the funds of clients of his, and those

instructions involved generating memoranda or documents or

letters, isn't that right?

A. Yes. While in Guinness & Mahon I think he tended to deal

perhaps directly with the people who would actually make

the entries or do the transfer or whatever it might be.

Q. Do you mean if he wanted Mr. Collery to make an entry he would write a memorandum directly to Mr. Collery?

A. Yes, or he might speak to him directly. Sometimes there would be a memorandum which would go through but not always.

Q. From the evidence the Tribunal has heard, it is my impression that most of what Mr. Traynor did would have been recorded in some way in some memorandum where it consisted of an instruction to Mr. Collery or some other official of the bank to make an entry or to carry out a transaction. Would that be right? Where these documents kept now is another matter but they would most, more often than not they would be given in written form?

A. Yes, I can't remember any great following but there probably would have been a lot of written memoranda certainly.

Q. And obviously you are the person who would have typed any written memoranda for Mr. Traynor in any case, isn't that right?

A. That's right, yes, um-hum.

Q. And did Mr. Traynor use a dictaphone or did he give you the instructions in some manuscript or did he speak them to you directly?

A. He would either dictate or manuscript form. He didn't use a dictaphone.

Q. When you say dictate, you would take dictation from him?

A. Directly, yes, shorthand. I would take them in shorthand,

yes.

Q. And you are familiar now with some of the documents that have attracted the attention of the Tribunal, documents directing Mr. Collery or some other official to debit a particular account in Guinness & Mahon and to credit an account with a coded name or visa versa, to debit an account with a coded name and to credit a particular account in Guinness & Mahon. You are familiar with that type of instruction?

A. Yes, um-hum.

Q. And that kind of memoranda would go into some file kept in Mr. Traynor's office, is that right?

A. Yes, it would have.

Q. It might go elsewhere as well, in that the individual who received it would have his own way of filing it, but Mr. Traynor would keep a record of it obviously?

A. He would keep a record, yes.

Q. At paragraph 7 you say, "During my employment at Guinness & Mahon, the management of the accounts of Ansbacher was not a matter with which I was involved. These were matters which I presume were dealt with by banking staff within Guinness & Mahon as with other accounts of the bank. My job in the bank was that of secretary to Mr. Traynor and I was not involved in general banking matters such as the provision of cash withdrawals. I was never involved in that area of the bank."

Lest there be no misunderstanding about what you are saying there, Miss Williams, you say were not involved in the management of the accounts. I take it that what you mean by that is that you were not involved in a banking capacity in the management of the accounts, although you may have typed instructions relating to them, is that right?

A. Yes, my involvement would have been just typing instructions given by Mr. Traynor.

Q. When you say that you were not involved in general banking matters such as the provision of cash withdrawals, again do I understand you to mean by that expression or by that form of language, that you were not involved in making cash withdrawals, although you may have typed or processed instructions in relation to them?

A. I probably would have typed memoranda to the banking manager from Mr. Traynor asking him to, you know, to arrange to let him have

Q. I think not infrequently Mr. Traynor would give instructions to officials of the bank to make debits to particular accounts and to provide cash in sums of hundreds or thousands of pounds as the case may be for him, perhaps not for him personally but they were to be provided to him?

A. To him, that's correct, yes.

Q. And would that cash be provided, be given to you in the first instance presumably?

A. No, while we were in Guinness & Mahon it probably would have been given directly to Mr. Traynor, it wouldn't come

through me.

Q. I think there might have been some occasions, am I right, when Mr. Traynor would have instructed an official of the bank to make cash available to you, not perhaps for your personal use but simply to leave cash with you for onward transmission to somebody else?

A. I can't specifically recall but I am sure there could have been, yes.

Q. I have no wish to trap you, Miss Williams, and this happened I am sure a long time ago but the Tribunal has seen some memoranda and I can turn up one or two in which Mr. Traynor may have given an instruction along the lines "please arrange to have œ5,000 or œ10,000 debited to a particular account and provide the cash in notes of a particular denomination to Joan" meaning you presumably, by a particular time?

A. Um-hum.

Q. And I assume that, I have one to hand, it is October of 1977. I will let you look at a copy of it. (Document handed to witness.)

A. Thank you.

Q. I think it is simply, it contains a direction from Mr. Traynor to Mr. Pat O'Dwyer, who I think is described as the banking manager, is that correct?

A. He was the manager at that stage, yes.

Q. Directing him to arrange that I forget the amount now because

A. €5,000.

Q. We have it on the overhead projector, €5,000 in English €20 notes available by 10:30a.m. on Monday the 10th of October. The sum to be debited to Mr. Traynor's S/L" which I think stands for sundry I think it is an Amiens S/L account, it stands for Amiens sundry ledger or some such denomination, is that right?

A. I never really knew what S/L stood for.

Q. I see. In any case, Mr. Traynor would have given that dictation to you or a note to that effect to you, your reference is contained at the bottom of it, JDT/AJW?

A. Yes.

Q. Mr. O'Dwyer was to have €5,000 available and to give it to you in English €20 notes by a particular date. I think there is some handwritten note at the bottom "Ordered for Friday" or something?

A. Um-hum.

Q. I presume because the amount was involved was substantial, €5,000, and it was required in a particular denomination it had to be ordered?

A. I presume so, being Sterling, there wouldn't have been a lot of Sterling carried by Guinness & Mahon I wouldn't have thought.

Q. You mean English money because of course in 1977

A. Well, yes, yes.

Q. So presumably, just in passing, we can take it that the reason English notes were required was because the money



was being taken out of the jurisdiction to England or elsewhere, is that right? It seems the only obvious conclusion, isn't that right?

A. Yes, I would accept, that..

Q. You go on in paragraph 7, subparagraph 1 to say, "When Mr. Traynor moved from the offices of Guinness & Mahon, my involvement in the operation of the Ansbacher account increased. From that time on, on the instructions of Mr. Traynor, I occasionally made lodgements to the account of Ansbacher at IIB and also on the instructions of Mr. Traynor I regularly organised withdrawals from the said account by typing letters to IIB - meaning Irish Intercontinental Bank - relating to these withdrawals.

Regarding the withdrawals from the Ansbacher account at IIB the cheques issued by IIB were usually collected by the late Mr. Traynor's driver. If cash was required instead of a cheque, there was a withdrawal from IIB would be by way of a cheque payable to Bank of Ireland, and that cheque would be lodged to the Kentford Securities Limited Kentford account at the Bank of Ireland Stephen's Green." I presume what you perhaps meant to say there would be by way of a cheque payable to Kentford Securities, is that right?

A. Well, sometimes they would be payable to Bank of Ireland, sometimes to Kentford Securities.

Q. I see.

A. It is just as they were

Q. "I would sometimes make the lodgements to the Kentford

account, an on occasion I would also make the cash withdrawals from that account. I would always give the cash to Mr. Traynor."

Now we may look at some of these transactions in a moment, but as you yourself say, your involvement with the Ansbacher account or the operation of the account increased after you left Guinness & Mahon?

A. Yes.

Q. Apart from the fact that you were involved in a more physical way, going to the bank, to make a withdrawal or going to IIB.

A. I never went to IIB.

Q. Sorry, I beg your, going to the bank to make a withdrawal from the Bank of Ireland or going to the bank to lodge a cheque or arranging for Mr. Traynor's driver to collect a cheque from IIB. Apart from that involvement in the physical mechanics of the operation of Ansbacher, am I right in saying that after Mr. Traynor left Guinness & Mahon, there was a lot more paper generated in the operation of the Ansbacher accounts?

A. Well there certainly was as far as I was concerned, yes insofar as I think everything had to be done by way of letter or memorandum, whereas perhaps before some verbal instructions may have been given.

Q. Yes, so that from the time that you moved to the offices of CRH, if Mr. Traynor wanted to communicate with somebody

controlling the funds, whether that person was in Guinness & Mahon, which he would still would have been, where some of the funds were concerned up until 1992 or whether that person was in IIB, written instructions either in letter form or memorandum form, perhaps mainly in letter form, would have to be generated, isn't that right?

A. That's correct, yes.

Q. And because while Mr. Traynor was in Guinness & Mahon, he could have simply met somebody he wanted to give an instruction to, or telephoned on an internal telephone line, that option or that way of proceeding was no longer open to him, it had to be more formal now, is that correct?

A. That's correct, yes.

Q. And I take it that the period that you spent in Trinity Street was one in which you were still able, to a considerable degree, to operate the accounts or at least Mr. Traynor was able to operate them on a slightly informal basis?

A. Yes.

Q. Because he was close to the bank?

A. Yes, that's correct, yes.

Q. While you were working in Guinness & Mahon, if Mr. Traynor wanted cash either for himself or for a client of his in the manner we have just seen on the overhead projector, he would give an instruction to Mr. O'Dwyer?

A. Yes.

Q. And Mr. O'Dwyer would physically obtain the cash for him

and physically leave it to you?

A. Or leave it directly with Mr. Traynor.

Q. Or leave it directly with Mr. Traynor of course. In IIB or in the IIB era I suppose or at least from the time that he moved to Fitzwilliam Street or Pembroke Street, Mr.

Traynor's driver would have to arrange to collect cash if cash was being withdrawn from a bank on his instructions, is that right?

A. Yes, the driver usually collected it. On occasions I went.

Q. On occasions you did it yourself?

A. To the Bank of Ireland.

Q. Yourself?

A. Yes.

Q. When the driver collected cash, did he give it to Mr. Traynor or give it to you to keep safely until Mr. Traynor would come back from wherever he was or if he wasn't available?

A. He would have given it to me usually to give to Mr. Traynor.

Q. And where that cash was destined for some client of Mr. Traynor's, how would that client get the cash?

A. Well Mr. Traynor would look after that.

Q. Did you ever have dealings with the clients in giving them cash?

A. I have no recollection of giving any clients cash.

Q. If clients of Mr. Traynor wanted to get cash from him in this way, they would approach him in CRH's offices, isn't

that right, in Pembroke Street?

A. They would telephone him.

Q. They would telephone him?

A. Yes.

Q. And the telephone call would be put through to you initially obviously?

A. Yes.

Q. And would you know these people from regular telephone contact with them?

A. Well, I would know the names of most of them, yes, they would have been clients or friends of Mr. Traynor's for probably quite a long time.

Q. And where the purpose of a phone call was to arrange for a withdrawal of cash from an account, would the person seeking the withdrawal make an appointment to meet Mr. Traynor in his offices in Pembroke Street or Lower Fitzwilliam Street, Fitzwilliam Square, sorry?

A. He didn't have a lot of people coming in to him, so I presume they mostly met elsewhere, but I really don't, I wouldn't always be aware of anything like that.

Q. Yes. But you were presumably aware that clients of his would visit him in the offices for the purposes of collecting cash?

A. I wouldn't necessarily know, but I might, it could occur that Mr. Traynor would have arranged for a withdrawal of cash and then a certain person might come in, so I would just put two and two together.

Q. Yes of course. In paragraph 7 subparagraph 2 you say "I Do not have any direct knowledge of credit facilities arranged through or involving the Ansbacher account. I was never involved in arranging any such facility. I recall that a facility was arranged by Mr. Traynor for Celtic Helicopters and I believe that the facility was a back-to-back loan facility. I do not know where the loan was arranged but I believe it to have been with IIB. I do not know the nature or source of the back-to-back security for the loan. I was involved in the McCracken Tribunal and I have, of course, read the media reports on these matters over the past few years. I do not recall whether my awareness of the Celtic Helicopters facility is from that Tribunal the media reports or from my time working with Mr. Traynor. I do know however that I was not involved in any manner in arranging any loan facility for Celtic Helicopters."

I think what you are saying here is that again you may have been involved in the production or generation of documents, but that you did not do any negotiating with any bank or with the individuals involved in Celtic Helicopters to arrange this loan facility that you have heard about, whether directly or through media reports?

A. Exactly, yes.

Q. In paragraph 7 subparagraph 3 you say, "I also recall a loan was arranged by Mr. Traynor for Eimear Haughey or her husband John Mulhearn. Again I have no direct knowledge of this loan or the arrangements relating to it. As with the

Celtic Helicopters loan, I do not recall how I became aware of this loan. I was not involved in any manner in arranging any loan for Ms. Haughey or Mr. Mulhearn."

You then go on to discuss your knowledge of the way in which the senior executives of Guinness & Mahon carried out their day-to-day business. You say, "The late Mr. Traynor was one of four joint managing directors of Guinness & Mahon. He shared an office with the three other joint managing directors. Each of the joint managing directors had a secretary. The four secretaries shared an office. I would, in the normal course of my duties, take dictation from Mr. Traynor which I would subsequently type. I do not recollect taking dictation on any particular issue concerning Ansbacher while an employee of Guinness & Mahon but it is quite likely that I did, if it was a matter dealt with by Mr. Traynor. Furthermore, while I was an employee of the bank, I do not specifically recollect Mr. Traynor having meetings with beneficiaries of Ansbacher funds as opposed to any other customer of the bank."

Now, you describe Mr. Traynor as one of four joint managing directors. I think subsequently, I don't know if you are aware of this, he fulfilled a slightly more exclusive role I think, as deputy chairman, an as effective chief executive of the bank with Mr. O'Kelly as his managing director, were you aware of that slight alteration in his status?

A. No, I wasn't really, no. I just knew that the four of them had pretty well equal status.

Q. You say that, while you were an employee of the bank you do not specifically recollect Mr. Traynor having meetings with beneficiaries of Ansbacher funds as opposed to any other customer of the bank. I take it by that you mean where he had meetings with individuals you don't know whether they were Guinness & Mahon customers meeting about Guinness & Mahon business or Ansbacher customers meeting about Ansbacher business?

A. Yes, exactly.

Q. Were you ever present at these meetings?

A. No, I wouldn't have been present.

Q. He didn't have somebody keep a note of what transpired at meetings that he had with clients?

A. No, he didn't in fact. I might bring in coffee, as a matter of fact, I wouldn't even pour it, I would just leave it and they would help themselves.

Q. In paragraph 9 you say, "I have no knowledge of funds held by Guinness & Mahon Jersey Trust, Guinness & Mahon Channel Islands or Guinness & Mahon Guernsey. I have no recollection or knowledge of the manner or circumstances in which funds held by any of the foregoing entities were moved to Ansbacher. I have no specific recollection of any of these entities at all, albeit I was aware of their existence."



You go on to say, "To the best of my recollection, the late Mr. John Furze was the joint managing director of Ansbacher in Cayman with Mr. John Collins. I recall Mr. Furze travelling to Ireland to the offices of Guinness & Mahon, presumably or possibly annually while I was an employee of Guinness & Mahon. I presumed, albeit I was not directly involved, that, Mr. Furze was in Dublin to discuss the business of Ansbacher with the bank or its customers. However, I had no direct involvement whatsoever as regards such discussion. I had no direct or indirect involvement in arranging meetings with Mr. Furze and I do not know whether any such meetings took place. My involvement with Mr. Furze was limited to typing schedules for him."

Now, I am not sure whether you are aware of evidence given by Mr. Field-Corbett on I think, I think it was last Friday, when he mentioned the various bits of business Mr. Furze would attend to when he came to Ireland, and he also indicated that his recollection was that Mr. Furze, after he had finished his two days or three days business in Dublin, would usually have a sociable dinner for Mr. Traynor and some of his associates, and he recalls that you might be, might have been at some of those dinners. Is that your recollection?

A. No, I was very surprised to read that in the Irish Times actually because I never attended a dinner held, I was never included in a dinner party. I never even met Mrs. Furze or I don't think I have ever met Mrs. Collery or Mrs.

Field-Corbett either.

Q. I understand.

A. So

Q. You say that your involvement with Mr. Furze was limited to typing schedules for him. Perhaps you would just explain what you mean by "typing schedules"?

A. Well, Mr. Furze used to bring with him from Cayman quite a quantity of computer printouts I think, referring to various accounts and he used to prepare what he called statements of affairs and balance sheets for various Cayman companies held, I don't know whether they were trusts or companies, or what they were, and he would write these out in longhand and I would type them and then he would do a covering letter which I would also type.

Q. Um-hum?

A. An these would be sent to the various people.

Q. In Ireland?

A. In Ireland, yes, usually at the conclusion of his stay, you know, when he would have everything organised.

Q. And while he was doing, sorry?

A. Sorry, that was what I was doing.

Q. While he was working on these documents, where would he, would he do the work, where would he have facilities, a desk and so forth, to work from?

A. In Guinness & Mahon he would take over one of the conference rooms in they were on the floor underneath where we worked.

Q. Um-hum?

A. He would sort of take up a post there more or less for the whole week or whatever, five days or four days, whatever the length of his visit and he would work there.

Q. And you would act, as it were, as a secretary for him during the time that he worked there?

A. Yes.

Q. And in order to do his work, did he have dealings with any other of the members of the bank staff with whom Mr.

Traynor was associated in carrying out transactions on the Ansbacher accounts such as Mr. Collery or

A. I would think he would have had quite a lot of contact with Mr. Collery.

Q. Yes?

A. While he was there, yes.

Q. And were there any other members of the bank staff that were dealing with off-shore matters that would assist him in carrying out his work?

A. I can't think of anyone who would have been but

Q. But he would, in any case, have the assistance of members of the bank staff who might have had dealings with off-shore activities in carrying out his work?

A. If there was anybody else, he would have, I am quite sure. Most of the time he was pretty well on his own in the conference room working there.

Q. Yes, and then after he had finished his work and prepared the documents showing the balances that you have described,

and prepared the covering letters you that mentioned, these would be sent to the various clients?

A. Yes.

Q. And you would prepare those covering letters for him?

A. Yes, he would handwrite everything and I would just type them.

Q. And they would be prepared presumably on Cayman note paper, is that right, not Guinness & Mahon note paper?

A. That's correct, yes, he would bring a supply with him.

Q. And they would go out in the ordinary Guinness & Mahon post at the end of his week's business or whatever?

A. They would, yes.

Q. Now, we may come back to some other documentation you might have prepared for Mr. Furze at a later point, but I will just go through some of the other parts of your statement or memorandum first.

You were asked a question concerning the circumstances of Mr. Traynor's departure from Guinness & Mahon and you say that you know nothing of those circumstances as Mr. Traynor never discussed them with you.

A. That's right, yes.

Q. All you know is that he left to work in offices in a Guinness & Mahon building in Trinity Street and that you were paid while you continued to work for him and that he then went to work for CRH and you followed him there?

A. That's right, yes.

Q. You say, "When the late Mr. Traynor left Guinness & Mahon, he initially took up the position of deputy chairman of CRH. After a year in an office in Trinity Street Mr. Traynor became chairman of CRH and moved into the offices of CRH at Pembroke Street and then subsequently Fitzwilliam Square. The operation and the management of the fund of Ansbacher was conducted, insofar as I am aware, by the late Mr. Traynor and the late Mr. Furze and the late Mr. Padraig Collery".

You go on to say in paragraph 13, "When Mr. Traynor became chairman of CRH, files and records were maintained by him at the offices of CRH concerning the accounts of Ansbacher. A computer was maintained in the office of Mr. Traynor at CRH and the records on this computer were maintained up-to-date by Mr. Collery. At some point in time the funds of Ansbacher were moved to Irish Intercontinental Bank on Merrion Square. It was a regular feature of my work that Mr. Traynor would instruct me to send letters to IIB for withdrawals from the account of Ansbacher at that bank.

For ease of the operations and in view of the irregularity of these letters, I had instructions from Mr. Traynor to sign these letters myself on his behalf and to send them to the bank. Notwithstanding this operational procedure, all letters concerning the operation of the Ansbacher accounts were issued on Mr. Traynor's instructions at all times. I would leave copies of the letters for Mr. Collery who would

then update the computer sorry. At no time did I act independently of Mr. Traynor or without his instruction. I had no involvement in, and indeed I was not capable of assessing the computer records save that I was shown by Mr. Collery how to access the computer in a limited way to check balances. I was unable to access the computer records of the sub accounts. I was not trained in the use of computers generally. The computer records were a matter dealt with entirely by Mr. Collery and/or Mr. Traynor."

Now, you mention that a computer was maintained in Mr. Traynor's office at Cement Roadstone Holdings and the records on this computer were maintained up-to-date by Mr. Collery?

A. Yes.

Q. I just want to get the timing of that feature of the operation right. Now, when Mr. Traynor worked as an executive of or as a deputy chairman of Guinness & Mahon, he had an office in Guinness & Mahon and as we know from other witnesses, work on the records of Ansbacher was carried out on computer disks kept in Guinness & Mahon. You may not have been aware of that detail.

A. No.

Q. But you knew that Mr. Collery was the person who did a lot of the work in carrying out Mr. Traynor's instructions in relation to Ansbacher accounts?

A. Yes.

Q. Mr. Traynor then left to go into an office in Trinity Street and during that year when you both worked in Trinity Street, he still gave instructions in relation to Ansbacher accounts to Mr. Collery in Guinness & Mahon, isn't that right?

A. Yes.

Q. So the system physically continued as it had done during Mr. Traynor's sojourn in Guinness & Mahon, isn't that right?

A. That's correct, yes.

Q. You then moved to Pembroke Street to the offices of CRH?

A. Yes.

Q. And at that time some of the funds, some of the Ansbacher funds began to be moved to Irish Intercontinental Bank, you may not be aware of the full details but you do know that Irish Intercontinental Bank began to come into the picture much more from the time that Mr. Traynor left Guinness & Mahon, isn't that right?

A. Yes, they did. I can't remember exactly when.

Q. Well, Mr. Collery continued to work in Guinness & Mahon until 1989?

A. Right.

Q. Can you remember whether Mr. Collery had the use of a computer in your Cement Roadstone Holdings offices from the time that Mr. Traynor become chairman of that company or was it when he became chairman of that company or was it is sometime later?

A. From the best of my memory the computer wasn't installed in Mr. Traynor's office until we actually moved to Fitzwilliam Square. I have no recollection of it being in the office in Pembroke Street.

Q. Um-hum?

A. I am not quite sure when we moved to Fitzwilliam Square. It was '88 or '89 I think. I think '89 approximately. I think it was only then that it was installed.

Q. I think, Sir, this might be an appropriate time.

CHAIRMAN: Well it is halfway through the statement and just after half past, so I think, Miss Williams, if you don't mind we will break now and resume the balance of your evidence at ten to two.

THE TRIBUNAL THEN ADJOURNED FOR LUNCH.

THE TRIBUNAL RESUMED AS FOLLOWS AT 1:50 PM:

CONTINUATION OF EXAMINATION OF MS. JOAN WILLIAMS BY MR. HEALY:

Q. MR. HEALY: Thank you Ms. Williams. Before we broke for lunch, I think you were telling me that you couldn't say precisely when you thought Mr. Traynor installed a computer for the purposes of allowing Mr., or enabling Mr. Collery to carry out transactions in the offices of CRH, but that you thought it was '88 or '89 or thereabouts?

A. Yes, yes.

Q. And I think that would be, seems to be consistent with



other evidence the Tribunal has heard, that Mr. Collery ceased to work in Guinness & Mahon from 1989 onwards and therefore, wouldn't have been able to do, in Guinness & Mahon, after that date, what he had been used to doing there up to that time?

A. Yes.

Q. So when you say that a computer was maintained in Mr. Traynor's office, can you just explain to me, was it in Mr. Traynor's own office, own private office in CRH or was it in your office or was in an adjoining office to your office and his office?

A. It was in Mr. Traynor's own office in CRH.

Q. And when did Mr. Collery do his work on that computer in CRH?

A. My impression was that he came in some evenings and at weekends.

Q. I see. And would you be there while he was doing that work?

A. No, I wouldn't, no.

Q. So you left out text material for him to use, as the basis of the data was inputting on the computer, is that right?

A. Yes, I had copies of letters, and some of them had notations which Mr. Traynor would have advised me of with regard to which account should be debited.

Q. I see. We have seen some of those in the course of the evidence given to the Tribunal already. You might send an instruction to IIB or to Guinness & Mahon, a copy of that

instruction would be left for Mr. Collery?

A. That's right.

Q. But added to the copy, but not to the original, might be another instruction, instructing Mr. Collery to debit a particular Ansbacher account or to credit such an account, isn't that correct?

A. That's correct, yes.

Q. And I think it was from one of those documents that the Tribunal noticed, I think an earlier Tribunal, noticed a connection between what had been called the "S Accounts" and Mr. Charles J. Haughey, isn't that right?

A. I think that's correct, yes.

Q. And we can put one on the overhead projector in a minute. But in any case, would you leave text material out for Mr., hard text material for Mr. Collery to input on the computer, and he'd do it either in the evening time or at the weekend, is that right?

A. That's correct, yes.

Q. And how did he gain access to the premises to do this?

A. He had a key to the door.

Q. A key to the main door of the CRH offices and a separate key to Mr. Traynor's own

A. Mr. Traynor's office wouldn't have been locked.

Q. I understand.

A. He had a key to the main door. CRH.

Q. Could you just explain to me what offices were maintained by CRH in Pembroke Street or in Fitzwilliam Street?

A. Well, in Fitzwilliam Square, the whole building was CRH.

It would have been, at that stage, that Mr. Collery would have had a key, and it was the offices for the Chairman, the Company Secretary and the Registrar's departments, what was all the CRH people that were in that building.

Q. Where were the board meetings of CRH held? Were they held in that building or where they held elsewhere?

A. They were mainly held in Belgard Castle which is the Group headquarters. There would have been occasioned Board meetings, the release of the results which was just a sort of a formal Board meeting to, you know, announce results. They were held in Fitzwilliam Square, but otherwise Board meetings were held in Belgard Castle.

Q. And Mr. Traynor did Mr. Traynor's duty as Chairman of CRH involve, as I am sure they must have done, dealing with the executives of CRH on a regular basis?

A. He would have had a lot of contact with the Company Secretary, especially as he was in the same building.

Q. And would the other executives come and attend at his offices in Fitzwilliam Square for the purpose of meetings with him or

A. They would sometimes. Certainly if they were on an individual basis, the individual concerned would come and meet him in Fitzwilliam Square. If it was a larger meeting, he would probably go out to Belgard to meet them out there.

Q. So if he was meeting one or maybe more than one, one or two

executives, he might meet them in Fitzwilliam Square, but if there was a larger number, for convenience he would meet the larger number in Belgard Castle?

A. Exactly.

Q. And in Fitzwilliam Square, the company therefore, kept the records of its shareholders, transactions on its share register, and so forth?

A. That's right, yes, the Registrar's department was there.

Q. And access to the building provided access to every room within the building, so you only had to have a key to the front door and you got into Mr. Traynor's office then, is that right?

A. That's correct, yes.

Q. And do you know whether the staff of CRH, other than yourself and Mr. Traynor, were aware that Mr. Collery had a key to the building enabling him to gain access to the building out of hours?

A. Well certainly, I am not quite sure what his title is, perhaps janitor sort of person, he would have known because he would have arranged to have the key you know, cut or supplied for Mr. Collery, and he also had a code for the burglar alarm, so yes, other members of CRH would have been aware.

Q. Apart from the janitor or porter responsible for keeping the building in order, was there any more senior member of the staff aware of the fact that Mr. Collery had access for this purpose out of hours?

A. Well, I wouldn't know for certain, but I would have thought that the Company Secretary probably would have known, but you know, I have no way of knowing for definite.

Q. Do you know whether anybody else other than employees of CRH or Mr. Collery had access to the building?

A. Not to my knowledge, apart from the cleaners, you know, who used to come in twice a week I think.

Q. And if we could go back for a moment to the annual visit or possibly as you put it, possible annual visit that Mr. Furze paid to Guinness & Mahon, during which he did work on Ansbacher material in their premises up to the time that Mr. Traynor left, where did Mr. Furze do that work after Mr. Traynor became Chairman of CRH?

A. He came to the office he used to work in Mr. Traynor's office to the best of my knowledge in CRH. I think he did anyway, yes.

Q. And was the work you did for him again roughly the same? You did secretarial work for him but you also prepared these balances and the covering letters to go with them?

A. Yes, yes, roughly the same.

Q. And again is that work that would have taken a couple of days, maybe up to a week?

A. Yes, he was probably there for maybe Monday to Thursday or Friday.

Q. And you say that he'd come with some statements of account, and that he'd work on other accounts that would be provided to him in Dublin, is that right?

A. Well, I presume Mr. Collery provided some figures to him, but he brought a lot certainly brought a lot of documentation with him.

Q. Could I suggest that, and I am speculating myself, but I think it seems from the information that the Tribunal has obtained to date, that what he would have brought with him was statements of the overall Ansbacher accounts, and that what he was probably doing in Dublin was reconciling those with the accounts kept on the computer by Mr. Collery?

A. Well, I'd have no way of knowing really what he brought with him. I know he had a large heap of computer printouts you know, but I don't know what they were.

Q. But in any case, the information that he was sending to the people under the cover of the letters that you were preparing for him was information that he did not send from the Cayman Islands. He had to do some work in Dublin to enable him to send that information.

A. I presume he had, and that's why he did it from Dublin, yes.

Q. And do you know whether CRH were aware that he was doing that work in the offices in Fitzwilliam Square on that possibly annual basis for four or five days maybe?

A. I really have no idea.

Q. And was that work done during the day in the Fitzwilliam Square days as opposed to the College Green Guinness & Mahon days?

A. Mr. Furze would have been there during the day but they

usually I think worked on late, Mr. Traynor and himself.

I might have stayed a little bit late, but

Q. If there was extra work to be done that couldn't be done during the day?

A. Yes, Mr. Furze's visit was so short of short duration, obviously he wanted to fit everything into just a few days if he could.

Q. And the secretary of a company I am not sure what the name of the secretary of the CRH is, it's not relevant, but the Secretary and his staff would have been aware, presumably, that there was somebody working in Mr. Traynor's office for four or five days?

A. Oh they would, yes.

Q. Roughly once a year

A. They would have been aware that Mr. Furze was there with Mr. Traynor.

Q. Now, just to recap on something you said in your statement, paragraph 13 or in your memorandum, paragraph 13, you said you had no involvement in, and indeed were not capable of accessing the computer records, save that you were shown by Mr. Collery how to access the computer in a limited way to check balances. "I was unable to access the computer records of the sub accounts."

Now, when you say that you were shown by Mr. Collery how to check balances, can you indicate the accounts in respect of which you were checking the balances or shown how to check

the balances?

A. Well, he would have shown me how to get into the computer and then just get say, you know, a particular account, say, for instance, S the S series or something like that, and the balances would come up and I would print it off. I would only do it if Mr. Traynor asked me to get a specific balance for him.

Q. I understand. And could you describe or can you recall the occasions on which it might be necessary for you to access the computer to get this kind of information?

A. Well, it was purely if Mr. Traynor asked me could I get the balance on whatever account he wanted.

Q. Would you ever get those balances at the request of anybody else?

A. No, no I wouldn't.

Q. And do you recall printing off those balances and sending them to anybody on Mr. Traynor's instructions?

A. No. No, I never recall sending them to anybody. They'd just come out on rough computer paper or whatever they call it

Q. Do you remember sending to clients of Mr. Traynor, balances on what he called the "sub accounts"?

A. I do, yes.

Q. The Tribunal has heard evidence that individuals would get information of the information relating to the balances on their sub accounts in envelopes containing nothing other than a statement of the balance, is that your recollection



as well?

A. Yes.

Q. So that in order to send such a document to somebody, and in order to be sure that they were alerted to what it was the document meant, you'd have to ring them in advance, wouldn't you?

A. No, I wouldn't.

Q. You wouldn't have to ring them in advance?

A. No.

Q. Well, what would you do if you prepared such a document then?

A. Well, Mr. Traynor would hand me the statements from which he would have removed the heading and would just say to send it to whoever it was.

Q. So

A. And this I would do.

Q. He'd take a bank statement, cut the top of it.

A. Yes.

Q. The heading, meaning the Ansbacher heading, the expression or the word "Ansbacher" or "GMCT" in the olden days?

A. Yes.

Q. And he'd ask you to send that to so and so?

A. That's right.

Q. By post or by courier or what?

A. By post usually.

Q. So you'd simply put it in an envelope, put a stamp on it with somebody's name on the front of it and no other

covering letter or compliment slip to indicate the purpose of the sending of this document?

A. That's correct, in most cases, yes.

Q. And do you recall receiving requests from clients of Mr. Traynor for information on balances?

A. No, I never recall having requests. These used to I think Mr. Collery used to produce these statements at regular intervals, and Mr. Traynor would just send them out to the people involved.

Q. And would you agree with me that that seems a somewhat unusual way to communicate with anybody, simply to send them a piece of bank statement with the top cut off and no other information?

A. Yes, I would agree, it's unusual, but obviously the people knew what it was they were getting.

Q. And they knew that notwithstanding the strange way in which it was coming to them, they knew where it was coming from and why they were getting it at that particular time obviously?

A. I would imagine so, yes.

Q. You say you had no involvement, either direct or indirect, in the movement of funds belonging to Ansbacher and Guinness & Mahon to IIB.

"I became aware in the course of my employment as secretary to the late Mr. Traynor, that the funds of Ansbacher were maintained at one point with Guinness & Mahon and subsequently with IIB. As to how, why or exactly when

this change came about I do not know."

When the account was with IIB, you say you became involved on a regular basis on the instructions of Mr. Traynor in typing letters and sending them to IIB, making withdrawals from the account of Ansbacher with that bank.

"As described at paragraph 13 above, the records of these withdrawals and the movements on the account of Ansbacher was a matter dealt with by Mr. Collery on the computer maintained in Mr. Traynor's office."

You go on: "I now know there was a general account with IIB and the computer was a record of the sub accounts within that general account. It was these sub accounts that were maintained up to date by Mr. Collery. The sub accounts are identified by letters and/or numbers, but I was not aware of who the letters or numbers related to.

Over the years working with Mr. Traynor, various people were in regular contact with the office, and I presumed some of these people were the owners of some of the sub accounts. I had very little involvement with the lodgment of funds in the account in IIB. Very occasionally Mr. Traynor would instruct me to make a lodgment to the account, but this was an unusual occurrence. I was involved in the withdrawal of funds from IIB on the instructions of Mr. Traynor."

Now, if I could just stop there for a moment. You say it was an unusual occurrence for you to make a lodgment. Do I understand you to say in an earlier part of your statement that lodgments would be made by Mr. Traynor by other people on Mr. Traynor's instructions?

A. Well, the volume what I really mean by this is that the volume of lodgments was not very big, to my recollection. There would be the cheques now and again which Mr. Traynor would give me and ask me to arrange to lodge to the account at Irish Intercontinental Bank.

Q. And would you, yourself, lodge them or would you arrange for Mr. Traynor's driver or some other assistance?

A. They would go down with a covering letter. We didn't have a lodgment docket at such, it was just a letter requesting that the enclosed cheque be lodged to whatever account and the envelope would be delivered by Mr. Traynor's driver then.

Q. You say you were informed in the withdrawals of funds from the IIB account on the instructions of Mr. Traynor. "There was no cash withdrawal service in IIB and consequently an account was opened by Mr. Traynor at the Bank of Ireland, St. Stephen's Green, Dublin, for the purpose of arranging cash withdrawal facilities for beneficiaries of the Ansbacher accounts."

If I could just stop there for a minute. Guinness & Mahon, although it was a small bank and a merchant bank, nevertheless, was one of the banks within the Dublin

clearing bank system and current accounts could be operated through Guinness & Mahon, either Mr. Traynor either on his own behalf or on behalf of other people and cheques drawn on account in Guinness & Mahon could be cleared through the other banks or for that matter, cash could be obtained at the counter because the bank had a cash counter system, isn't that right?

A. That's correct, yes.

Q. Now, Irish Intercontinental Bank was purely a merchant bank and didn't have a chequing facility and didn't have a cash facility. You couldn't write a cheque on a current account in Irish Intercontinental Bank, nor could you go down to the bank and cash a cheque because they didn't have a cash facility, isn't that correct?

A. That is correct, yes.

Q. So as you say, what Mr. Traynor did was he opened an account in the name of Kentford, and from time to time if cash from the Ansbacher account was required, as opposed to a cheque, funds were drawn by Irish Intercontinental Bank were withdrawn from Irish Intercontinental Bank by way of cheque payable to Bank of Ireland, and the cheque subsequently cashed in the Bank of Ireland on the Kentford account and the cash furnished to the relevant party by Mr. Traynor.

You say: "I was never involved in handing or delivering cash to any party. This cheque cashing facility was

organised by Mr. Traynor with the Bank of Ireland. For ease of operation of the Kentford account Mr. Traynor requested me to become a signatory on that account and I agreed. I was in no manner concerned with this request from Mr. Traynor who was Chairman of CRH; a main Board Director of Aer Lingus; a Director of New Ireland Assurance Company; a Director of Guinness & Mahon and a close friend of the Taoiseach of the day."

Now, the cash transactions you describe therefore involved getting a cheque from Irish Intercontinental Bank in the first instance?

A. Yes.

Q. Presenting that cheque at the Bank of Ireland, Saint Stephen's Green, getting cash for it and then arranging to have that cash given to the person who, as you say was the beneficiary of the Ansbacher account?

A. Yes.

Q. And to do that, Mr. Traynor relied on you to take his instructions and to convert them into a letter or a memorandum, this was given by you to his driver, would that be right?

A. Yes, the letter went

Q. Who went through the mechanics of what I have just described, as at the end of the operation, ended up with cash in the form of an envelope full of notes of some denomination?

A. Yes, it would take a few days obviously to complete the

whole transaction.

Q. And you say you didn't hand that cash to anyone on Mr. Traynor's instruction?

A. I would have handed it to Mr. Traynor.

Q. Right. But did you deduce from, as you told me earlier, you deduced from the fact that the request from Mr. Traynor for the cash would usually be coterminous or coincident with a visit by one of his clients, you deduced from that that the cash was for that client?

A. Yes, if that happened, I would I think sometimes Mr. Traynor would perhaps be meeting a person and would

Q. Outside of the offices and therefore would take the cash away with him?

A. Yes, mm-hmm.

Q. You saw nothing untoward in Mr. Traynor's requests to you to become a signatory on the Kentford account, and that was to enable you to write cheques on that account?

A. I could write cheques, yes, we had a cheque book.

Q. And you say that you felt he was a responsible person, having regard to the influential positions he held, is that right?

A. Exactly. I had no reason to question it at the time.

And it was purely for convenience, that he wouldn't always be there to sign cheques or documents or letters.

Q. You say you were also a signatory on one of the number of accounts of another company, Amiens Investments Limited.

You go on: "This was a company which I understood was

owned by Mr. Traynor, and the account of that company on which I was a signatory was used principally to pay household bills for Mr. Traynor. At no time did I make any withdrawals from the Kentford account with Bank of Ireland or write any cheques on that account or the Amiens' account, save on the specific instructions of Mr. Traynor.

I had no beneficial interest whatsoever in the Kentford account or the Amiens' account, and I was a signatory on those accounts at the request, or indeed direction of Mr. Traynor. If I had not been the secretary of Mr. Traynor, I would not have been a signatory on these accounts. I am quite sure that if I had not been Mr. Traynor's secretary, whoever would have been his secretary would likewise have been a signatory on those accounts for ease of their operation. I never considered refusing the request to be a signatory on the Kentford or Amiens' account, and in any event with hindsight, I was not in a position to refuse given my working relationship with Mr. Traynor."

In other words, if your boss asked you to do so something like this, it seemed reasonable to assume, as you must have assumed, that it was an acceptable and proper thing to do?

A. Exactly, yes.

Q. And you were aware of his other positions of trust in the community as a director of a number of companies?

A. Yes.

Q. And you were aware of his relationship with the Taoiseach



of the day?

A. I was aware, yes.

Q. The account opened with the Bank of Ireland, Saint Stephen's Green was in the name of "Kentford", and you are simply responding to another query in paragraph 16, and you have effectively dealt with that query already.

In response to a query concerning Hamilton Ross you say:

"I have no knowledge, direct or indirect, concerning the purpose for which funds were moved from Ansbacher to the Hamilton Ross Company. It seemed to me that the Hamilton Ross Company took over from Ansbacher."

You go on to say: "After the death of Mr. Traynor in 1994, the computer which had been maintained in his office was taken away from the office. My understanding is that Mr. Collery took the computer. He certainly had been in touch with me about it and he had his own keys to the office. When I arrived into work one Monday morning, some three or four months after Mr. Traynor's death, the computer was gone. Further more, certain manual records relating to the operation of the Ansbacher account were also removed from his office, and my understanding is that these records were likewise taken by Mr. Collery.

I had no involvement, direct or indirect, in the management or operation of the funds in the name of Ansbacher in my own right at that time. I always acted on the

instructions of Mr. Traynor.

After his death, for a period of time, I took instruction from Mr. Collery. Typically, Mr. Collery would leave notes for me with instructions concerning the account of Ansbacher, and I continued to write letters to IIB as before, save that these were then written on the instructions of Mr. Collery as opposed to Mr. Traynor.

My active involvement with Ansbacher or Hamilton Ross ceased almost entirely from on or about the month of December of 1994. At that stage, I was working for the new Chairman of CRH and the Company Secretary. I have no recollection of any activity on my part relating to the account of Ansbacher or Hamilton Ross after December of 1994, but it is possible that I may have written letters thereafter from time to time on the instructions of Mr. Collery, Mr. Furze or Mr. Sam Field-Corbett.

However, I recall being told by Mr. Collery in or about Christmas of 1994, that I would no longer be involved with the operation of the accounts of Ansbacher or Hamilton Ross from that time on. I do not recall what happened to the Kentford or Amiens accounts I have previously referred to."

You go on to say that, "Documentary records and a computer were removed from the offices of CRH by Mr. Collery. As to their whereabouts after their removal from the offices of CRH, I have no information. I was not involved in the

destruction of any records relating to the affairs of Ansbacher or Hamilton Ross. There was some personal files of the late Mr. Traynor relating to such items as his VHI cover, old household bills and so on left in the office after his death, and I destroyed these or threw them out in due course in preparation of the office for the arrival of the new Chairman of CRH.

The records I destroyed or threw out were entirely unrelated to any business of Ansbacher or Hamilton Ross and were destroyed or thrown out by me as a matter of housekeeping and nothing more, they were personal files of the late Mr. Traynor only and did not relate to Cement Roadstone or Ansbacher/Hamilton Ross affairs at all. The personal effects of the late Mr. Traynor were removed from his office by his son."

Now, you say that you arrived into work one Monday morning sometime after Mr. Traynor's death and found that the computer was gone and that an amount of records were also gone, that they had been removed?

A. That's correct, yes.

Q. And you think that Mr. Collery had been in touch with you about this sometime previously?

A. He had been in touch to indicate that he would be removing the computer, and there were two small filing cabinets containing files, and he indicated he would remove them because it was no longer appropriate to leave them in the

CRH offices.

Q. Do you know did any of the executives of CRH in the offices at the time know that this material was being removed?

A. I really have no idea whether they knew or not. The filing cabinets that were removed were in fact the property of Mr. Traynor. And we did subsequently buy another CRH rather bought another filing cabinet to replace the two that were gone, merely to provide more filing space.

Q. After Mr. Traynor's death, did any executive of CRH conduct any audit of his files to remove, as it were, CRH files from them?

A. No. Mr. Traynor's CRH files were kept in a separate cabinet actually in the office.

Q. But how did CRH executives know that?

A. They didn't know that. I was probably the only one who knew that. Because they were actually Mr. Traynor's, if I can put it this way, personal CRH files. He had been a Director of CRH for a long number of years, and in the course of being a Director, he had built up his own files. In actual fact, when we moved into the CRH offices, we didn't inherit any files at all from the previous Chairman.

Q. I understand.

A. Which may seem a bit peculiar. I thought it was a little bit peculiar at the time, but in fact we didn't have any files passed on to us, and the CRH files we had were purely

ones that Mr. Traynor had built up himself.

Q. Do you recall passing on any files to the new Chairman?

A. I asked the new Chairman if he wanted me to destroy them, because I explained that they were just Mr. Traynor's files, and he said "no", to leave them, that he would probably find them useful, you know, which I did.

Q. So that when you came into the office on that Monday morning and found that a computer and files had been removed, somebody, in removing those documents, must have known that they were removing Ansbacher files and not any CRH files?

A. They did, yes, that's right.

Q. So if Mr. Collery was removing it, he knew that the Ansbacher files were the files kept in those filing cabinets and not any other files?

A. That's right, yes, mm-hmm.

Q. And was any do you recall whether any remark was passed by any CRH staff concerning the removal of filing cabinets or a computer from Mr. Traynor's office?

A. I don't recall any comment on the removal of the computer, because that was in his personal office and they wouldn't have been aware of it probably. Yes, probably people remarked on the empty space where the cabinets had been, but

Q. Was there no concern expressed by anyone in CRH that somebody had had access to the building over a weekend without the consent or knowledge of the company, and that

somebody had actually removed material from the building over the weekend? This was after all a public company, isn't that right?

A. Certainly no one ever expressed any concern to me. I presumed that they knew that the files in question were unrelated to CRH, and they obviously knew or somebody knew that Mr. Collery had access to the building at that point in time. I presume after that, he handed in his keys or whatever, but I don't know.

Q. He didn't hand them into you?

A. He didn't hand them to me.

Q. After Mr. Collery removed the computer and the other material from CRH's offices, did you continue to receive calls, telephone calls in CRH concerning what I'll call "Ansbacher" or "Ansbacher/Hamilton Ross business"?

A. I would think there probably were a few calls, yes, I am sure it didn't just stop immediately. Mr. Collery may have phoned me, you know, asking me to do things. I really can't remember.

Q. I understand that Mr. Collery may have asked you to do things and you have, you have said fairly in your statement you may have continued to dictate or to type some letters up until December of that year. Could I take it one step at a time?

After Mr. Traynor's death, anybody contacting your office must have known that you were the person they were contacting now and not Mr. Traynor, isn't that right?

A. Yes.

Q. His death was a well-known event. It was widely publicised. He was a very prominent businessman?

A. It was, yes indeed.

Q. And he had, as you have indicated, perhaps a small enough group of clients, so they were presumably aware of his death, so the contacts after his death had to be with you personally. I am not suggesting you were running the Ansbacher but they had to be with you personally, and what did you tell those people or how did you tell them they should proceed from that time onwards?

A. I probably would have told them to contact Mr. Collery, but Mr. Traynor had been disengaging from direct contact with in connection with the Cayman clients prior to his death, and a lot of people had already, I won't say a lot of people, but some people had already been told that they should contact Mr. Furze directly in the future and not come through Mr. Traynor at all. So the number wasn't really very great at that stage.

Q. But you had to give them someone to contact, so you told them to contact Mr. Collery?

A. I think I would have, yes.

Q. Did you continue to have a stock of Ansbacher notepaper after Mr. Traynor's death?

A. There was probably some of it left, yes. I certainly never changed any address after, you know, 42 Fitzwilliam Square.

Q. You were asked about Mr. Barry Benjamin and your response is: "I have no knowledge either direct or indirect of any arrangements concerning Mr. Barry Benjamin relating to the funding of any litigation. I have never met or spoken to this man at all. I have heard of him for the first time in newspaper accounts."

You go on to say: "I am aware that the late Mr. Traynor and Mr. Charles Haughey were close friends. So far as I know, the late Mr. Traynor also provided financial advice to Mr. Haughey. My only involvement with Mr. Haughey was to take phone calls from him occasionally and to put him through to Mr. Traynor on the telephone. I had no dealings apart from this with Mr. Haughey at all. In particular, I had no financial dealings of any nature with Mr. Haughey and I never had any discussion with him concerning his financial affairs."

Now, I take it that you didn't have discussions with any other of Mr. Traynor's clients concerning their financial affairs either, is that right?

A. That's correct, yes.

Q. So that if Mr. Traynor's clients contacted you, they were put through to Mr. Traynor or appointments were made for them to speak to or see Mr. Traynor on some other occasion?

A. Exactly, or a message taken for him to phone them.

Q. Is that the type of involvement you had with Mr. Haughey, that he would ring you and you would either put him through



or you would make appointments or arrange for Mr. Traynor to return his call or something like that?

A. I don't recall making appointments, but I would certainly have either put him through or said I'd ask Mr. Traynor to phone him, or if Mr. Traynor was away, I would say he wasn't due home until such and such a date, and that would be the extent of it.

Q. How did you know that the late Mr. Traynor provided financial advice to Mr. Haughey?

A. Well, insofar as he used to sometimes prepare a sort of rough statement of affairs or statement of account, and he would be going to visit Mr. Haughey, at least I would know he was going to see Mr. Haughey at the weekend. He might just mention it in passing, you know?

Q. And when you say that he'd "prepare a rough statement of affairs and statement of account", do you mean a statement of balances of particular funds in accounts or an overall statement of affairs?

A. Well, it would be purely sort of a statement of the balance, you know? It might be a balance at such-and-such a date, withdrawals so much and balance at today's date, another figure. It would be very, very brief and

Q. He'd prepare that in anticipation of what you assumed was a visit to Mr. Haughey?

A. Yes, yes.

Q. And you were aware that he visited Mr. Haughey fairly regularly?

A. I was aware that he often went out at weekends, yes.

Q. I think from other evidence the Tribunal has heard, Mr. Traynor would visit Mr. Haughey most weekends or at least frequently at the weekend?

A. I think it was fairly frequent, but I wouldn't know. You know, he wouldn't say specifically that he had an appointment with Mr. Haughey.

Q. Did Mr. Haughey ever visit Mr. Traynor in his Fitzwilliam Square offices?

A. I have no recollection of him coming into the office in Fitzwilliam Square, no, I haven't.

Q. What about in Guinness & Mahon or in Trinity Street or Pembroke Street?

A. Likewise. I don't remember him ever coming into Pembroke Street or Trinity Street. He could have gone into Guinness & Mahon but I really you know I couldn't say for sure one way or the other, but certainly it wouldn't have been a regular thing at all.

Q. You go on at paragraph 22, subparagraph 2 dealing with related matters: "On occasion I received telephone calls from the office of Mr. Jack Stakelum, advising that funds were required by Mr. Stakelum, which I subsequently became aware were intended for Mr. Haughey. I cannot recall precisely when I became aware of Mr. Haughey's involvement in the funds which were withdrawn from the Ansbacher account at IIB and sent to Mr. Stakelum.

The manner in which this would occur is that Mr. Stakelum or his secretary would contact Mr. Traynor and/or if he was unavailable would leave a message with me for Mr.

Traynor. I would thereafter receive an instruction from Mr. Traynor to make a withdrawal of monies from the IIB account and to send the same to Mr. Stakelum. On occasion, the funds would be collected by Mr. Stakelum or somebody on his behalf from the offices of Mr. Traynor, or they would be sent over to Mr. Stakelum's office by Mr. Traynor's office. I have a recollection of sending a cheque to Mr. Haughey's home in Kinsealy on one occasion on the instructions of the late Mr. Traynor. Apart from this I had no involvement whatsoever in the provision of funds to Mr. Haughey or Mr. Stakelum."

Can you just indicate to me or to the Tribunal, Ms.

Williams, when you say "aware that the funds being channelled to Mr. Stakelum were intended for Mr. Haughey

A. Well, I can't recall exactly when I became aware, but it seems to be I think maybe Mr. Stakelum's secretary might have just remarked or he might have remarked that he had a call from Kinsealy and they were looking for money or something like that.

Q. So it was over a period of time that you became aware in any case

A. Yes, I realised that they were, and then also that the amounts would probably be debited to the accounts that I had gathered were Mr. Haughey's, some of the S series, so

putting two and two together you could see that S series

debits related to monies going to Mr. Stakelum.

Q. Yes. In response to another related query, your answer is

"I have no knowledge, either direct or indirect, of funds

raised for the benefit of Mr. Haughey by the late Mr.

Traynor. I recall taking phone calls for Mr. Traynor from

Mr. Noel Fox, from the late Mr. PV Doyle or members of the

Doyle family in the course of my employment with Mr.

Traynor, but apart from that, I had no involvement either

direct or indirect with any of them. I have no

recollection of taking calls from Mr. Bernard Dunne."

Can you indicate how frequently you would have taken calls

from Mr. Noel Fox or from the late Mr. PV Doyle?

A. Well, Mr. Noel Fox, over a certain period, there seemed to

be quite a few calls coming and going, but it was over a

fairly limited period. I can't recall exactly when it

was, but I would say it was all concentrated within a

couple of months say. Mr. PV Doyle, the connection there

would have been a lot more longstanding, but then

subsequently, I mean following Mr. Doyle's death, there was

contact with the Doyle family because I think they used to

come to Mr. Traynor for meetings and that sort of thing.

Q. Can you recall whether the period during which you received

phone calls from Mr. Noel Fox was when you were in Pembroke

Street or in Fitzwilliam Square?

A. I think it was in Fitzwilliam Square.

Q. And do you recall Mr. Noel Fox or Mr. PV Doyle or other members of the Doyle family meeting with Mr. Traynor in his offices?

A. I don't recall Mr. Noel Fox ever meeting with him. It seemed to be mostly telephone calls. I remember I certainly remember members of the Doyle family meeting with Mr. Traynor in his office. I don't specifically remember Mr. PV Doyle himself coming into the office to meet him.

Q. And the contacts with Mr. Fox in any case, were when Mr. Traynor was Chairman of CRH?

A. Yes. To the best of my knowledge.

Q. And to the best of your recollection, I think it was in Fitzwilliam Square?

A. I think we were in Fitzwilliam Square at the time, yes.

Q. You go on to say: "I have no involvement or knowledge, either direct or indirect, in negotiations between the late Mr. Traynor and AIB in late 1979 or early 1980, or at any time, in connection with the settlement of the liabilities of Mr. Haughey. I have no knowledge, either direct or indirect, of the source of funds to the JD Traynor special account. I know nothing of this account. The first time I heard of this account was in the letter from the Tribunal of the 8th December, 1999.

I have no knowledge, either direct or indirect, of the provision or settlement of any loan provided to Mr. Haughey by Ansbacher or any application for a grant of Exchange Control permission regarding such loan or regarding any

exchange of such loan or payment of interest.

I have no knowledge, either direct or indirect, of funds held with Ansbacher by the late Mr. Hugh Coveney or any dealings of the late Mr. Coveney with Ansbacher. I do recall that Mr. Coveney was in contact with the late Mr. Traynor. I recall posting accounts to Mr. Coveney on the instructions of John Furze, so I presumed that the late Mr. Coveney had some connection with Ansbacher. I do not know the nature of the connection the late Mr. Coveney had with Ansbacher or any dealings that he had with Ansbacher."

Now, there are a number of documents I want to draw to your attention, Ms. Williams. Some of them have been drawn to your attention in correspondence with the Tribunal, and some have only been drawn to your attention today, but you may have come across them before.

The first document, the first two documents I want to draw to your attention are two lodgment dockets for a current account at Guinness & Mahon bankers in the name of Foley these are documents that were produced to the Tribunal by Mr. Denis Foley. I think have you got a copy yourself there, Ms. Williams? Your solicitor has got some I am sure, we can (documents handed to witness.)

Ms. Williams, you may be aware that during evidence given by Mr. Denis Foley, Mr. Foley indicated that he received

two lodgment dockets from Guinness & Mahon in 1979, at a time when he had a meeting with Mr. Traynor during which he handed over to Mr. Traynor two sums of money, œ20,000 and œ30,000, and other witnesses have indicated to the Tribunal that they believe that the writing on the document is your writing. Do you agree with that?

A. I don't agree with that.

Q. It's not your writing?

A. No.

Q. Do you recognise whose writing it could be?

A. I don't actually, no.

Q. Could it be Mr. Traynor's own writing, could it?

A. I wouldn't think so, no.

Q. Did Mr. Traynor have any other secretarial assistants while he was in Guinness & Mahon?

A. No. Before I went to work there obviously, he may have had somebody.

Q. But in 1979?

A. No, he didn't, unless I was on holiday, but I don't otherwise, no.

Q. Do you recall any dealings that Mr. Traynor had with Mr. Foley either in 1979 or at any other time?

A. No, I don't actually. I don't recall Mr. Foley at all.

I mean, I see copies of letters and that, but I have no recollection of having met Mr. Foley, though I may well have done, but

Q. I understand.

A. I don't remember him.

Q. I just want to mention I want to draw your attention to a number of letters that arose in connection with your that arose in connection with Mr. Traynor's dealings with Mr. Foley. Just to clarify one or two matters concerning the letters. You typed a letter of the 22nd March of 1990, which I think you have a copy of in front of you?

A. Yes.

Q. The letter has your reference at the bottom, DPC/AJW, indicating that it was presumably dictated by Mr. Collery and typed by you?

A. Yes.

Q. Now, if Mr. Collery wished to have a letter typed by you, how would he communicate that to you? Would he dictate the letter to you by dictaphone or would you take dictation from him?

A. No. I would say that he would have left a handwritten note on my desk in the office and that I would have typed the letter the next day or whenever I had a chance, and similarly left it for him to sign if he wanted to sign it. In this instance, I'd say he probably just said to send it, seeing as I have written his name there.

Q. I see. Is it you who wrote the word "Padraig", is it?

A. It is yes, my initials are down at the bottom there.

Q. If we look at the next document, which is a letter of the 9th November. If we look at the signature. Does that



look like a letter that was signed by Mr. Collery himself?

A. That looks to me like Mr. Collery's signature, yes.

Q. And the next document is a letter of the 19th November, which again appears to have what looks like Mr. Collery's own signature, is that right?

A. I would think so, yes.

Q. Is this the kind of letter that would have generated a copy, that would have been kept on Mr. Traynor's own files?

A. I probably would have kept a copy of it, but as it was Pdraig who sort of had obviously requested the letter to be done and signed, there is a possibility that I wouldn't have, but probably I would have kept a copy on the file, yes.

Q. Normal practice for any efficient secretary would be to produce an original and a copy, and I assume that's what you would have done in any case?

A. Yes.

Q. You would have produced an original and a copy?

A. I would have produced an original and a copy.

Q. And ordinary efficient administration would usually entail sending off the original and keeping the copy, isn't that right? I am not suggesting that

A. Absolutely, yes.

Q. And you'd expect that a copy of these letters would have been kept, would you?

A. I would, yes, I would

Q. There is no suggestion, I take it there can be no

suggestion that you or Mr. Traynor would send a letter purporting to come from Mr. Collery without his say-so?

A. Oh no, I wouldn't think so, no.

Q. And would you have frequently prepared or typed letters prepared by Mr. Collery in manuscript form in the course of his weekend or after hours work in Fitzwilliam Square?

A. There would have been a certain number, yes, certainly.

Q. Fairly regularly?

A. Fairly regularly, yes. They wouldn't be lengthy. They'd probably be mostly short notes just to, perhaps similar in style to that, you know?

Q. Would they be letters sending information concerning balances on accounts, or would they be letters requesting people to come to talk about things, to come to meetings or arranging meetings?

A. I don't recall him sending many letters to clients as such. It would be mainly I would have thought more like instructions to the bank or something to Mr. Furze or something like that.

CHAIRMAN: Ms. Williams, during the few months that you continued to work informally for Mr. Collery I suppose after Mr. Traynor's death, you stated that you were attending to some correspondence; would that have been solely giving instructions to banks and the like, or would you have actually sent out any continuing statements to the previous private clients of Mr. Traynor's?

A. To the best of my recollection, it would have been just instructions to the bank.

CHAIRMAN: I see. Thank you.

Q. MR. HEALY: During the period when Mr. Traynor was in Fitzwilliam Square, and from the time that most of the funds had been transferred to Irish Intercontinental Bank, I think you said there was a huge increase in the amount of documentation that was generated?

A. There seemed to be, yes.

Q. I don't want to put all the documents, there are hundreds of them, available for examination, but am I not right in thinking that the transaction of the Ansbacher business at that time, because it had to be, if you like, formalised, Mr. Traynor couldn't rely on phone calls, resulted in an enormous number of letters to IIB, every day, twice a day, three times a day sometimes?

A. There would be, I'd say on average a few letters every day all right, but the letters would be I would type the letters and they would be sent down to IIB, but it wouldn't be more than once a day certainly.

Q. I understand that. You might only send one delivery of letters but the delivery might contain several letters containing instructions on one account or another account, sometimes quite a complex series of instructions on different accounts?

A. Yes, there could be several letters in a day.

Q. Could I put it this way, Mr. Traynor certainly kept the bank very busy dealing with instructions on various accounts?

A. Yes, it was an active involvement.

Q. And he was dealing with a bank which didn't have an over the counter cash facility?

A. Yes.

Q. But nevertheless, he had the facility or an arrangement with the bank which enabled him to get cash almost as regularly or as readily as he would be able to get it from a bank with a cash facility, isn't that right?

A. Well, he could, yes made arrangements so that he could get cash, it certainly wouldn't have been as frequent as it might have been in Guinness & Mahon, there wouldn't have been that many cash withdrawals made, to the best of my knowledge.

Q. Now, I just want to go back to a period when Mr. Collery I think was still in Guinness & Mahon and you and Mr. Traynor were either in Trinity Street or in Pembroke Street. And I want to refer you to a number of documents which it would appear you typed for Mr. John Furze.

Now, there were some documents mentioned in evidence in the last few days sittings of the Tribunal, Ms. Williams, concerning the activities of a number of individuals with the name Pruna who were involved in a banking relationship with Guinness & Mahon and with Ansbacher Limited, and who also became embroiled in narcotics activities which

resulted in convictions in the American courts.

Now, you mentioned in the course of your evidence earlier that you frequently were asked to type letters for Mr. Furze, and I just want to draw your attention to one such letter, which has already been mentioned in the course of the Tribunal's sittings.

It's a letter of the 22nd September of 1988. Do you see it on the projector? You have a copy in front of you in any case?

A. Yes.

Q. It's to Mr. Collery. And it says: "Dear Padraig, the enclosed is self-explanatory." The enclosed is a letter from Mr. Furze dated the same date to Mr. Traynor, and it refers to the involvement of Ansbacher and Guinness & Mahon in Dublin with the Prunas, Andreas and Fernando, and it also refers to an investigation being carried out by the US Government, a criminal investigation.

Now, if you go to the letter that's enclosed for a moment which is, I think the letter underneath that letter in the bundle of documents you have. It's also dated the 22nd September of 1988. It's a letter typed by you and I'll quickly go through it.

"The Pruna Brothers, (Andres and Fernando), have been clients for a number of years and, although not mentioned in the correspondence, we are fairly certain the subject

matter of the Grand Jury investigation is narcotics, since the subpoenas were served by a US Federal Customs Agent, as well as local police information confirming their involvement with illegal substances.

Although our attorney and registered agent in Florida is contesting the grounds on which the subpoenas have been issued, we would naturally wish to assist in this investigation if at all possible. We are therefore suggesting to the US attorney that he seeks the required information under the Narcotics Agreement, and will also be approaching our own Attorney General for assistance in this connection. I will advise you of the outcome of these suggestions in due course.

Guinness & Mahon (Dublin) are involved since, at one time, we maintained a back-to-back situation with Fernando Pruna and his wife, which has since, upon the sale of the property in Miami been cleared.

Mars Nominees Limited are involved by virtue of the fact that Andreas Pruna unbeknown to us registered a Florida property in that name. Although Mars Nominees executed a transfer over the property a year ago, apparently the document was never registered. The property has been listed for sale but obviously in view of these recent events this matter is now in limbo.

Our understanding is that Andreas Pruna is in custody in a

federal penitentiary and that the US are pursuing extradition proceedings against Fernando Pruna who is in Argentina.

I am copying this letter to Padraig to put him on notice and I will keep both you and he apprised of events as they happen."

Now, the letter to Padraig Collery then says:

"I have discussed this situation with Des, as a result of which, if approached by any person or entity in relation to the ownership of the property by Mars Nominees and intended sale of same, we feel that you should merely indicate that you have received no instructions from your client and are therefore unable to be of assistance.

As matters develop I will keep you advised."

Now, both of those documents have your reference, so presumably you typed them. I am not suggesting that you had any involvement in the activities mentioned in the letters. And as you typed them, I think we can safely assume they must have been typed in Dublin, is that right?

A. Yes, yes, they must have been.

Q. On Ansbacher Limited notepaper which Mr. Furze had with him or which you had?

A. Yes, mm-hmm.

Q. And firstly, I just want to know whether you didn't think it was a strange request from Mr. Furze to ask you to write

a letter to Mr. Traynor when that letter was being sent by Mr. Furze to Mr. Traynor in the very office in which it was being written? Did you find that strange?

A. I just assumed he wanted to put it in writing for him.

Q. I can see that, but the letter dated 22nd September, if we just go to the letter to Mr. Traynor from Mr. Furze, was addressed to Mr. Traynor at 19 Lower Pembroke Street. So it was presumably typed in 19 Lower Pembroke Street?

A. Yes, presumably.

Q. To me that seems a strange thing to do, to write a letter which appears to be from Ansbacher Limited, Grand Cayman, British West Indies, addressed to someone in Dublin, when the letter is simply produced on a typewriter and left on someone's desk.

A. Well, I have no idea what the thinking behind it was, but I presumed, as I said, it was just to get it in writing.

Q. Well, would you agree with me that looking at it now in any case it seems a very strange thing to do?

A. Yes, in hindsight it does seem a bit peculiar.

Q. The second letter, the letter to Mr. Collery when he was in College Green, suggests that Mr. Collery should deal with any inquiries concerning this matter by saying that he had no instructions from his client. Now, once again, did you not think or do you now think that that's a somewhat unusual letter to send to somebody in the context of a criminal investigation?

A. Well to be honest, I really don't understand who he means



by "the client" or what exactly is intended by this letter.

Q. Precisely, because Mr. Collery was at that time working in Guinness & Mahon and was an employee of Guinness & Mahon, isn't that right?

A. That's correct, yes.

Q. And if the client was Mars Nominees, then you'd know from your days in Guinness & Mahon that Mars Nominees was a Guinness & Mahon company?

A. Yes, well to me it's just not quite clear you know, what is intended.

Q. Whatever you may have thought at the time, wouldn't you agree with me that it's an extremely unusual thing to do for a man such as Mr. Furze employed by Ansbacher to tell a man employed by another company altogether how he should respond to a police inquiry?

A. Well, with hindsight, yes, it probably is peculiar, but I must confess, I don't really understand

Q. Isn't it the case that when you'd know that all of the letters sent by Mr. Traynor, typed by you, to the various banks in Dublin that he was dealing with, would contain on one side of the notepaper "Ansbacher Cayman", "GMCT", or whatever and on the other side they would contain a clear instruction "please reply to 42 Fitzwilliam Square", isn't that right?

A. Yes.

Q. So whenever Mr. Traynor was sending out Ansbacher correspondence, it was clear that that correspondence was

coming from Dublin?

A. Yes. If he wanted the reply to go

Q. The reply was to Dublin. And here you had Ansbacher correspondence which was definitely being generated in Dublin, isn't that right? It was being typed in Dublin?

A. It was typed in Dublin, yes.

Q. And sent to somebody in Dublin and yet it didn't have 42 Fitzwilliam Square on it?

A. Well, I have no idea what Mr. Furze's reasoning was.

Q. I suggest to you that it's not the way you'd behave if you were conducting your business in the ordinary way in which people conduct business? That it's very unusual.

A. Well, I suppose it's unusual, but I don't really know.

Q. Pardon?

A. I don't really know what's intended, you know, or what's behind it. I just typed the letter.

Q. Now, Ms. Williams, one of the responses to a query sent to you by the Tribunal concerns your knowledge of Mr. Barry Benjamin, and also your knowledge of any litigation conducted in the Cayman Islands. Now, the litigation that the Tribunal asked you about was litigation between the, what is commonly known as the "McCracken Tribunal" and Hamilton Ross or Mr. John Furze, if you like, and Ansbacher. And you say that you had no knowledge, direct or indirect of that litigation. I presume you must have been aware of it? You had heard about it in the newspapers?

A. I read about it in the newspapers, yes, but that's all.

Q. And you have heard evidence, or at least you have heard of evidence given to this Tribunal to the effect that

deductions were made by Mr. Benjamin or appear to have been made by Mr. Benjamin from funds under his control

A. Yes.

Q. In Hamilton Ross to pay for some or all of that

litigation, and it would appear that in the case of a

number of people who had funds under his control, that they

had no knowledge of those deductions.

A. Yes, I read about that, yes.

Q. Deductions were not made in the case of three individuals

who had funds or appear to have funds under his control.

A. Yes, I have read that.

Q. Have you any knowledge of those, the fact that there were

no deductions in the case of three named individuals?

A. No, I have no knowledge. I have no knowledge of why or anything else.

Q. While Mr. Davis is checking something, Ms. Williams, I will

just turn to something else, and I may come back to that.

Eventually, as you say, the affairs of Ansbacher ceased to

be dealt with in the offices of CRH, isn't that right?

A. That's correct, yes.

Q. And the activities of Hamilton Ross and/or Ansbacher were

then transacted from 10 Inns Court, Winetavern Street, is

that right? You are aware of that?

A. I don't know where

Q. That's Mr. Samuel Field-Corbett's offices?

A. His office, yes.

Q. Were you aware that the affairs of Ansbacher were conducted from those offices?

A. I wasn't, no. I didn't know where they were being conducted from at the time.

Q. You know that Mr. Collery continued to be the main individual in this country with knowledge of the operation of these accounts, isn't that right?

A. Yes, yes I was aware of that.

Q. I am just handed a letter here in which, under your reference, in January of 1995 you are writing to the Bank of Ireland informing them that all future communications concerning the Poinciana Fund should be sent to Management and Investment Services at 8 Inns Court, Winetavern Street, Dublin 8, instead of 42 Fitzwilliam Square. So you must have received some correspondence in Fitzwilliam Square concerning this matter?

A. I would think that that letter which I have seen was I would say I sent that letter on the instructions of Mr. Field-Corbett. I always considered Poinciana Fund to be a personal account of Mr. Traynor's and I just assumed it was something to do with the, his estate really.

Q. But you sent

A. And it was just a case of getting the statements sent to a different address.

Q. Why did you think to ring Mr. Field-Corbett about it?

A. I would think he had rung me.

Q. I understand. Is it not the case that the Bank of Ireland, communications were being received at 42 Fitzwilliam Square up to that date?

A. I think the letter says that we didn't receive the details, so perhaps Mr. Field-Corbett was looking for the details.

Q. It would seem to appear that Mr. Field-Corbett was looking for them presumably because they might have gone to 42 Fitzwilliam Square, is that right?

A. Well, he may have thought they did, yes indeed, they may have.

Q. Just to come back for one minute, Ms. Williams, it's the last matter I want to mention to you. This question of deductions being made from Hamilton Ross controlled funds in the Cayman Islands in respect of the legal fees incurred by Mr. Furze in resisting attempts by the McCracken Tribunal to obtain information in the Cayman Islands. I think the Tribunal raised this matter with you in correspondence and you indicated that you knew nothing about any deduction of any such funds, isn't that right?

A. Yes, mm-hmm.

Q. There were a number of accounts or a number of coded accounts kept in the Channel Islands, including an account in the Cayman Islands, including an account which appeared to be for your benefit, isn't that right?

A. Yes.

Q. And there was no deduction from Mr. Collery's account, no

deduction from Mr. Field-Corbett's balance and none from yours, and the query the Tribunal had was whether you were made aware of this by Mr. Collery?

A. No, I wasn't, no.

Q. Were you aware that he had been to the Cayman Islands in 1998 and that he conducted, I suppose, he had carried out an amount of work on the Hamilton Ross balances while he was in the Cayman Islands?

A. No, I had no idea he was in the Cayman Islands.

Q. You had no idea he had been there and you had no idea what he was doing there?

A. I had no idea he was going there and I had no idea he had been there until I read about it.

Q. And you never received any documentation from him showing any manuscript balance that might have been to your credit or anything in the Cayman Islands?

A. No, no.

Q. Have you had any contact with Mr. Collery in connection with any of these matters over the past year or so?

A. No, I haven't, no.

Q. Or since the commencement of the Tribunal?

A. I think I met Pdraig once just, I met him in Rolys once.

Q. That was social?

A. No, apart from that, I don't think I have spoken to Mr. Collery.

Q. And that wasn't in connection with any transactions he was carrying out or any inquiries you had made with him or

through him?

A. No, no, not at all.

Q. And have you ever discussed this matter with

Mr. Field-Corbett?

A. No, I haven't, no.

Q. And until the Tribunal brought this to your attention, you

knew nothing about the fact that you had apparently been

the beneficiary of the way in which Mr. Collery had carried

out this work in the Cayman Islands?

A. I had no idea whatever, no.

Q. And you had never, as you stated yourself, heard of

Mr. Barry Benjamin?

A. No. I didn't hear of Mr. Barry Benjamin until I read

about him in the newspapers. And I knew that Mr. Furze

had had an associate or an assistant or partner, I am not

quite sure, but I had no idea even of the man's name.

Q. And you have had no contact with Mr. Benjamin since?

A. I have never had any contact with Mr. Benjamin, no.

Q. And have you ever contemplated getting any information from

the Cayman Islands concerning any of your affairs?

A. I haven't really. I have no idea who is responsible or

who deals with things now at all.

Q. When you say you have no idea who "deals with things now at

all", who would you have thought or who did you think dealt

with things prior to the commencement of these two

Tribunals, the McCracken Tribunal and this Tribunal?

A. Well, I would have thought Mr. Collery did, you know.

Q. Thanks very much.

THE WITNESS WAS THEN EXAMINED BY MR. QUINN AS FOLLOWS:

Q. MR. QUINN: Ms. Williams, if I could just ask you one or two questions on behalf of the Revenue Commissioners.

I think at all stages you were the secretary of Mr.

Traynor, isn't that right?

A. That's right.

Q. Initially you were in the employment of Guinness & Mahon and laterally of Cement Roadstone, is that correct?

A. CRH, yes.

Q. You were never employed by Mr. Collery, were you?

A. No.

Q. Or Mr. Furze?

A. No.

Q. Or Hamilton Ross?

A. No.

Q. Or Mr. Sam Field-Corbett?

A. No.

Q. Now, when Mr. Traynor died in 1994 I think it was, May 1994, there was, in his offices, in Fitzwilliam Square and the offices of CRH in Fitzwilliam Square, a computer and other records belonging to the Ansbacher accounts, isn't that right?

A. That's correct, yes.

Q. You had always acted on the instructions of Mr. Traynor up



to that time, is that correct?

A. That's correct.

Q. As his secretary. Anything you did you did on his instructions, is that correct?

A. That's right.

Q. You had no reason to act on anybody else's instructions because you weren't employed by anybody else, isn't that right?

A. That's correct, yes.

Q. Yet after Mr. Traynor's death and for sometime until, up to at least December of 1994, you do seem to have acted on somebody's instructions in relation to those accounts, isn't that right?

A. Yes, I acted on Mr. Collery's and Mr. Furze's instructions. I looked on it purely as a tidying up matter. I didn't just leave everything, abandon everything just because Mr. Traynor had died. I felt there were loose ends to be tidied up.

Q. In what sense do you say that there were "loose ends to be tidied up"?

A. Well obviously, certainly my involvement and the involvement of anything that was in the offices of CRH had to be removed or tidied up in some way.

Q. But Mr. Collery was aware, as you were, as I understand it, of the various matters that were in the offices of CRH on Mr. Traynor's death, isn't that right?

A. That is correct, yes.

Q. Well, why did you feel you had any involvement thereafter if Mr. Collery, who had perfect knowledge of everything at that stage, could have tidied everything up?

A. Well I was just helping as a, with typing and in that regard.

Q. But on whose instructions?

A. Well nobody's specific instructions. I was just helping Mr. Collery.

Q. But you did, I think, arrange for monies to be transferred to BEL Secretarial Services after Mr. Traynor's death, and up until December 1994 isn't that right, for Mr. Haughey's benefit?

A. I would have checked it out with Mr. Collery if I did.

Q. But that could hardly be a tidying up operation?

A. Well, I felt it was just assisting in keeping things, you know, just I felt it was tidying up.

Q. But in what sense would providing money for Mr. Haughey have been the tidying up operation after Mr. Traynor had died?

A. Well, perhaps tidying up isn't a very adequate way of describing it. I was just I just thought I was just helping to keep things to just help Pdraig until he got sorted out I suppose really.

Q. Now, just in relation to the records that did exist, the computer records, I think when we speak are we talking about one computer or several computers?

A. Oh, one computer.

Q. And are we talking about the standard desk top computer or is it a slightly different computer to the one that we are all familiar with?

A. As far as I know it was just a desk top computer. I wasn't in any way familiar with computers at that stage. I didn't even use a computer.

Q. But you were able to access this one to the extent that you were able to check balances, isn't that correct?

A. Just to check balances.

Q. Did it have a special printer to print off statements of accounts?

A. There was a printer attached to it, yes, plugged into it.

Q. Were there any back-up disks for the information on the computer?

A. I have no idea, no idea.

Q. And there would have been a considerable amount of paper in addition to the computer, isn't that right, by way of copy statements and other copy correspondence?

A. Not in Mr. Traynor's office.

Q. Where would that have been kept?

A. I have no idea where it was kept.

Q. I thought that there was a filing cabinet or two

A. There were two small filing cabinets but they were mainly correspondence files. They wouldn't have been computer records.

Q. Was there any of the correspondence stored on the computer?

A. Not to my knowledge, no.

Q. Now, in relation to IIB, I think you said that you never went to the offices of IIB to collect money or cash, isn't that right?

A. That's correct, yes.

Q. It was Mr. Traynor's driver?

A. He would collect any envelopes or correspondence that was there for us.

Q. So if there was something to be made available for collection, it was Mr. Traynor's driver who would collect it, is that right?

A. He would call into IIB and just ask had they anything for us.

Q. After Mr. Traynor's death I think your letters to IIB requested that monies, sometimes as much as œ20,000, would be made available for collection. Now, first of all, who asked you to write that letter on behalf of Hamilton Ross after Mr. Traynor's death requesting that that money be available for collection?

A. I took instructions from Mr. Collery.

Q. And who collected the money from IIB after Mr. Traynor's death? Presumably it wasn't his driver at that stage?

A. He was I am not quite sure at what stage the driver actually left the company. I have no idea. I am sorry.

Q. Did anybody other than Mr. Traynor's driver collect money?

A. Well, it was collecting an envelope containing say a cheque or something, it's possible that the CRH person, a

messenger might have.

Q. Somebody from CRH may have collected an envelope?

A. They may have called to IIB to collect an envelope, yes, if he was out on his rounds.

Q. In relation to CRH after Mr. Traynor's death, how long was it before Mr. Traynor was replaced in the office by somebody from CRH?

A. To the best of my recollection, it was around October.

Q. So between May and October you were in the office to some extent on your own, subject to the visits from time to time of Mr. Collery, is that right?

A. Well yes, I shared an office with somebody, I mean I wasn't

Q. You shared an office?

A. Yes.

Q. But I am talking about Mr. Traynor's office?

A. Mr. Traynor's office was empty at that point.

Q. But was Mr. Collery visiting the office as he had been during Mr. Traynor's lifetime?

A. Well, I don't know exactly when he visited the office, because he always visited it in the evenings or at weekends.

Q. But it is a fact that the computer and other records remained on in the office for at least three or four months?

A. Well I am not sure yes, they remained there for a while, I am not sure of the exact date when they were removed, I

really can't recall at this stage.

Q. I am not asking for the precise date, but would it have been commensurate with somebody else taking up Mr. Traynor's office in October of 1994?

A. Oh, it was in advance of that, mm-hmm.

Q. Were there any other CRH informations contained in the computers where the Ansbacher information was contained?

A. Oh no, not at all.

Q. Were there other computers within the office or was this the only computer?

A. Well, not knowing much about computers, I'd say it was just purely there certainly wasn't another computer in Mr. Traynor's office. To my mind, it was just a stand-alone computer. It wasn't connected to anything else.

Q. So Mr. Traynor's office contained two computers?

A. Mr. Traynor's office contained one computer.

Q. This was the Ansbacher computer?

A. Yes.

Q. But it didn't contain any other information other than Ansbacher information?

A. I don't think so. I don't know what it contained exactly, but I would say, no it didn't.

Q. Thank you.

CHAIRMAN: Mr. Marry?

MR. MARRY: Very briefly, Mr. Chairman, I have no questions for the witness, Ms. Williams, but in light of the evidence

given by Ms. Williams and of the fact that Ms. Williams was employed by Mr. Traynor as his secretary, Ms. Williams has asked me to draw to the Tribunal's attention an article which appeared in the Irish Times on the 18th February last. The article appears on page 6 of the Irish Times and was written by Mr. Colm Keena.

MR. HEALY: I have no difficulty if My Friend wants to raise some matter. But I have no knowledge of this, no notice of this and the Tribunal has no notice of it as far as I know. It's not been drawn to Mr. Davis' attention

CHAIRMAN: Mr. MARRY, the procedures that we have adopted in the Tribunal are to be somewhat diffident about information arising so to be extant proviso because of our duties of notifying people who may fall to be affected.

I certainly don't intend to deprive you or Ms. Williams of any opportunity of pursuing fair procedures, insofar as the Tribunal can in relation to some publication that may have caused concern, but perhaps it might be preferable if you were to take it up with Mr. Healy or Mr. Coughlan in the first instance, and I will certainly give you an appropriate opportunity to deal with it, but I am anxious to cover the position of possible other interests being affected.

MR. MARRY: I will certainly do that, Mr. Chairman. I think I will take the benefit of speaking to Mr. Healy, but

I think it's relatively innocuous in terms of other parties being affected. It's a matter of clarification from Ms. Williams' evidence.

CHAIRMAN: I think we have one short witness remaining for the day and perhaps if you were to discuss the position with Mr. Healy, we do have Mr. McCann to give evidence.

MR. COUGHLAN: No, we have a rather lengthy witness, Mr. O'Dwyer.

CHAIRMAN: Oh yes.

MR. MARRY: I wonder, Mr. Chairman, five minutes would literally clarify the position.

THE TRIBUNAL THEN ADJOURNED FOR A SHORT BREAK AND RESUMED AS FOLLOWS:

THE WITNESS WAS EXAMINED FURTHER BY MR. HEALY AS FOLLOWS:

Q. MR. HEALY: Yes, Sir. I think I can clarify the matter which is causing some concern to Ms. Williams.

Ms. Williams, I think you are concerned that an impression may have been given that in some way you were involved intimately with Mr. Collins, Mr. Traynor, Mr. Furze and Mr. Padraig Collery in devising the whole scheme of the Ansbacher accounts, is that right?

A. Yes.

Q. And I think you are anxious, and your evidence has made



clear that you were Mr. Traynor's secretary doing his bidding?

A. Yes, just his secretary.

Q. After his death, you did, as you say, help Mr. Collery until he got sorted out?

A. Yes.

Q. And if I could just clarify two matters arising out of your examination by Mr. Quinn. Mr. Collery asked you did he ask you to help him out until he got sorted out?

A. Yes, he did.

Q. And you understood, I take it, that he was going to continue on this operation other wise than from CRH's premises?

A. Yes, that he would make alternative arrangements in some way.

Q. And you assumed therefore, that it was going to continue on as before from somewhere else?

A. I assumed that in some way it would, perhaps in a reduced way, I really have no idea.

Q. Now, the matter mentioned by Mr. Quinn concerned the removal of the records from the premises of CRH. I think in response to one of my questions, you indicated that Mr. Collery removed the material after Mr. Traynor's death and that he did this by prior arrangement with you?

A. He mentioned that he would be removing them, yes.

Q. He mentioned he would be. Now, I understood that to mean that he rung you some Wednesday or Thursday and said "I

think I will remove them this weekend". Was it like that or was it a much more long-term thing?

A. My recollection is that it was a more long-term thing, that he said that he would be removing them, but he didn't actually say specifically when.

Q. Well, can I take it then in the light of your answers to Mr. Quinn, that what Mr. Collery must have said to you was, "I'll be removing the computer and the other Ansbacher material but not just yet, not until I have got a place to put them"?

A. I certainly got that impression, that he was going to make alternative arrangements.

Q. So that material continued to sit in Mr. Traynor's office until such time as, so you believed, Mr. Collery could arrange to put it elsewhere?

A. Yes.

Q. And it was in Mr. Traynor's old office only as long as there was nobody else occupying the position of Chairman, is that right?

A. Yes, I think Mr. Collery realised that he had to remove the, certainly the computer and the files before the new Chairman actually moved physically into the offices.

Q. But that's what I am coming to. Is it in fact the case that it was just before the new Chairman took up the office that the material was removed?

A. I'd say there was a fair time lag. I would have said it was certainly a month or six or eight weeks, you know?

Q. Mr. Traynor died, I think, in May, isn't that right?

A. In May, yes.

Q. Now, when was the new Chairman appointed, do you know?

A. He was appointed pretty well immediately as Chairman and Chief Executive and the new Chief Executive, when the new Chief Executive who was sort of appointed but didn't take up office until I think it was the following January, and Mr. Barry acted as Chairman and Chief Executive for that period, and then as soon as the new Chief Executive took over he just became Chairman.

Q. I understand. So between May and January Mr. Barry fulfilled two roles?

A. He fulfilled two roles, yes.

Q. And during that time, did you understand that you would be the secretary to the new Chairman?

A. Yes, Mr. Barry spoke to me.

Q. So did Mr. Barry visit you in CRH?

A. He did, in Fitzwilliam Square.

Q. Did he therefore become aware that there was material in Mr. Traynor's office that was connected with Mr. Padraig Collery?

A. I don't know if he knew that it was connected with Mr. Collery or not, but he certainly knew that it was Mr. Traynor's.

Q. Did he know that Mr. Collery was coming in and out of the offices of CRH at this point in time, doing work on a computer after hours?

A. I really have no idea whether he knew about it, because he had been based in Belgard and was until he moved in, so...

Q. Did you do you know when other members of staff at Fitzwilliam Square were aware that Mr. Collery was still coming in and out with his own key?

A. I really don't know. I mean Mr. Collery came in after working hours, so it was hard for anybody to know when he had been in or when he hadn't.

Q. But surely you must have realised, as a responsible person, that it was a somewhat unusual situation for Mr. Collery, a person with no association with any member of the CRH staff at this time, coming in and out of the CRH premises after hours?

A. Well, I just assumed that the powers that be, so to speak, knew.

Q. How would the powers that be know?

A. Well, I would have presumed that Mr. Collery would have spoken to them.

Q. Did you not think that as a responsible person, that you should have brought it to the notice of the powers that be?

A. No. I assumed that they knew. I mean it wasn't as if there was a huge organisation in Fitzwilliam Square.

Q. And you say they must have known he was coming in and out up to then, and there was no reason for them to think that he wouldn't continue to come in and out?

A. That's my feeling, yes.

Q. But why? Why would they assume he would continue to come

in and out? Why would somebody in CRH assume that somebody could conduct Ansbacher business from its premises? What reason would they have, unless they knew about it from contact?

A. They would probably know he was just clearing up things for Mr. Traynor, that is what I would have assumed, you know?

Q. They would have thought he was clearing up personal things for Mr. Traynor?

A. Well, work wise, but personal to Mr. Traynor as opposed to CRH.

Q. Did you work for Mr. Barry in Fitzwilliam Square before he began to occupy Mr. Traynor's old office?

A. No, I don't think I did anything for Mr. Barry.

Q. And what work were you doing in Fitzwilliam Square during that period of about six months then?

A. Well, I started working for the Company Secretary as well. I worked for the Chairman and the Company Secretary.

Q. Mm-hmm. And do you think the Company Secretary was one of the people who would have been aware that Mr. Collery was going in and out?

A. I would think he probably knew, yes, mm-hmm.

Q. Now, can I just put one document on the overhead projector which I didn't put on it before. It's a document of December of 1994. You indicated that you were continuing to do some typing for Mr. Collery up to, I think you said January of '95. I'll just put a document on the overhead

projector. It's simply a letter under your reference.

If we can just go to the bottom of the letter for a minute. In fact it's signed by you for Hamilton Ross.

It's directed to IIB. It's in connection with a matter that Mr. Quinn raised with you, that is to say the continued operation of the arrangement whereby cheques were made available for Mr. Jack Stakelum. BEL Secretarial Services is a reference to the organisation or to the company controlled by Mr. Stakelum, isn't that right?

A. That's correct, yes.

Q. That letter as you can see is signed by you for Hamilton Ross, and next to your signature is what seems to be a tick and what looks like "signature checked", do you see that?

A. Yes.

Q. That's presumably written by the bank. So the bank must have been satisfied that you were entitled to continue to sign on the Hamilton Ross deutschemark account to enable enough deutschemarks to be debited from that account to pay œ30,000 for Mr. Haughey's bill-paying service?

A. Mm-hmm.

Q. Now, that letter, if you go to the top of the letter again for a moment, was in the usual form sent by Hamilton Ross but from the printed address on the left-hand side clearly coming from 42 Fitzwilliam Square. Now, at that stage, did you think that you had the authority, as the person representing Hamilton Ross, to send letters from 42 Fitzwilliam Square?

A. Well obviously I did, but that was just, I would say that was probably one of the last letters I ever did, but that was in December 1994 that I ceased the regular work certainly.

Q. And do you think that staff of Cement Roadstone were aware that letters were coming from their offices at that date?

That's what you assume in any case?

A. Well, I'd have no idea about that.

Q. But your assumption is that they were aware that this type of thing was continuing to be carried on?

A. I was aware that things were being tidied up.

Q. Were the staff of CRH aware that Hamilton Ross business was being conducted from their premises, that Ansbacher business was being conducted?

A. I have no idea. I just assume that they knew Mr. Traynor worked with Cayman accounts. I mean they wouldn't necessarily have known the names of the accounts.

Q. But they would have known that he was operating a Cayman offshore business?

A. I presume they did, I presume they did.

Q. That letter of the 13th December generated by you

A. Yes.

Q. was, according to the evidence you have given, generated or must have been generated from the instructions you got from Mr. Collery, is that right?

A. I certainly wouldn't have known whether there was enough funds in the, in that deposit account to meet the cheque,

so he must have given instructions, yes.

Q. After that letter was written, how would it have been filed or how would a copy of it have been filed?

A. It would have been just left for Pdraig or sent to him.

He probably wasn't coming in at that stage. I don't know. I really don't know.

Q. Well, if it was left for him

A. I have no idea.

Q. if it was left for him, it would have been left about a month before Mr. Barry came to occupy Mr. Traynor's old office, isn't that right?

A. Mr. Barry was there from about October.

Q. Sorry, I understood from what you said a moment ago that Mr. Barry was there from January only?

A. No, the new Chief Executive took over in January. He lost his dual roles since January.

Q. So he was in position from October in other words.

A. That's my best recollection, yes.

Q. So this letter was written after Mr. Barry took up his office, took up the occupation of the office?

A. Yes, I think so.

Q. And had the computer been removed at that time?

A. Oh yes, it would have been definitely.

Q. And had the files been removed at that time?

A. Yes.

Q. You are absolutely sure of that?

A. I'd be absolutely certain, mm-hmm.



Q. But if the files had been removed at that stage by Mr. Collery, and if the computer had been removed, Mr. Collery was doing his daily or weekly updates on the computer from some other location, isn't that right?

A. Presumably, yes, mm-hmm.

Q. If he was doing it from some other location, why were the letters still being sent from 42 Fitzwilliam Square?

A. Well, he must have asked me to organise the cheque. I have no idea at this stage why.

Q. I think you told me you still had a supply of Ansbacher or Hamilton Ross notepaper in 42 Fitzwilliam Square?

A. Yes, I probably had a small supply.

Q. Did you retain that after Mr. Collery removed the computer and the other material, the other equipment?

A. I probably held on to a little bit of it. It wasn't a great supply. We only used to get it Mr. Furze used to send it by post from Cayman.

Q. You kept that stationery because you knew you'd need to write more letters for Mr. Collery, is that right?

A. Well, until I knew that I had finished completely, yes, I did.

Q. But how did you know you had finished completely?

A. When Mr. Collery told me in December that that was it, you know. End of story.

Q. I think it was January, wasn't it? I think there are letters written by you

A. There was a letter as I said, I think I said that in my

statement, that there probably was the occasional letter done after that.

Q. Did you get much correspondence from Irish Intercontinental Bank after Mr. Traynor's death?

A. No, I don't recall much correspondence.

Q. If we could just push the letter up a bit for a moment.

If I could just explore something else. That letter indicates any reply should be directed to 42 Fitzwilliam Square, isn't that right?

A. That's right.

Q. The letter, who signed the letter, was it you?

A. Yes.

Q. Not you are not signing Pdraig Collery's name, you are signing your own name, and clearly your signature was the lawful signature entitling the bank to debit the Hamilton Ross deutschemark account. Now, do you recall making an arrangement with IIB to provide them with a mandate containing your signature to operate that account?

A. I don't recall it, but I mean I was a signatory on it for quite a number of years, but I mean I am sure there was a mandate I mean I was a signatory on the account for a number of years.

Q. Now, if that account was debited in the manner you have indicated or you instruct the bank to debit it in that letter, there'd be a €20,000 figure on the debit side of the statement and a change in the balance were you informed of changes in the balance on these accounts by

A. No, absolutely not. That's why I think I mentioned that, obviously Mr. Collery must have given instructions regarding this, because I would have had no idea of whether there was a balance sufficient to meet the cost in that account.

Q. I think these statements on this account were collected at the bank, isn't that right?

A. I didn't collect them.

Q. But I think they were

A. I never saw them. They probably were but I never

Q. I think they were for collection. They weren't sent to Fitzwilliam Square, were they?

A. They didn't arrive by post, no.

Q. And the letter requests that a cheque be available for collection, available to you for collection, so I think as Mr. Quinn said, he may have not have been talking about this precise amount, Mr. Quinn put it to you, how would you have arranged for collection of that cheque at that time?

A. I would have asked, and I am only speculating, I probably would have asked the CRH person who did the driving around, if he would mind calling to IIB and collect an envelope when he was passing.

Q. And that envelope would have had to have been brought back to you, isn't that right?

A. That's correct, yes.

Q. And then somebody would have had to arrange for you to give it to Mr. Stakelum or his secretary or somebody else on his

behalf?

A. I would probably have telephoned Mr. Stakelum and told him I had an envelope for collection and he would have organised collection of same.

Q. If I understand you rightly then, the CRH car, would this be the Chairman's car?

A. No, no.

Q. Some other courier?

A. It was just, yes, somebody who did

Q. A messenger who did collections and drops and things like that?

A. Yes, yes.

Q. And at this time you were employed exclusively by CRH?

A. Yes, I was always employed by CRH.

Q. You didn't receive any remuneration from Hamilton Ross or Mr. Collery from this?

A. No, I didn't receive any remuneration for it. Gifts were made to my accounts from time to time, but I never received any remuneration for it.

Q. Did you receive any gifts around this time to your account?

A. I think there was a gift, an amount credited to my account when I finally finished up, yes.

Q. When you say "gifts" were made to your account, do I understand you to mean that it was understood that you would be paid for the work you did for Hamilton Ross or Ansbacher but that like Mr. Field-Corbett, there would be no hard and fast arrangement?

A. No arrangement was made that I would be paid. The gifts the amounts that were put into my account were Christmas presents and things like that.

Q. I have no

A. There was no specific arrangements made.

Q. I have no wish to go through them all in detail, but they were substantial amounts, isn't that right?

A. Some amounts were, certainly at the conclusion, there was a reasonably substantial amount went in.

Q. And was it only at the conclusion that you got a really substantial amount? When you say "conclusion", you mean the end of Mr. Collery's dealings?

A. The end of my connection with it, yes.

Q. When do you date that from?

A. Around the end of '94, early '95, I am not quite sure of the dates.

Q. And how did you know at that stage that a substantial amount had been credited to your account?

A. Mr. Collery advised me.

Q. How did he advise you?

A. On the telephone I think.

Q. Did he give you any documentation indicating what the balance of

A. No, he didn't.

Q. So did you know precisely what balance stood to your credit at that time?

A. No, I didn't.

Q. Had you any way of knowing?

A. Not at that stage, no.

Q. At any subsequent stage, did you receive any statement showing what the balance was?

A. I think I did at one stage, yes, about a year or two later, mm-hmm.

Q. '94 or sometime like that?

A. It would be '95/'96, yes mm-hmm.

Q. And did you ever seek to make a withdrawal from the account?

A. I did on one occasion, yes. I made a withdrawal to purchase a car. I think I withdrew about 7 or 8,000.

Q. Was that through Mr. Collery or was it in Mr. Traynor's time?

A. No, it was through Mr. Collery.

Q. You simply asked him to make a withdrawal. You told him how much you wanted to withdraw and he arranged it?

A. He arranged a draft, mm-hmm.

Q. And that was all done through IIB?

A. Yes, I think it was.

Q. And you have never been curious since that time to know the state of the balance in your account?

A. Well perhaps I was curious, but I felt that it was out of reach and I didn't know what arrangements, if any, were being made, and I always looked on it as money that, if you like, I never had, so I don't miss it. I mean, it wasn't as if I had invested money. I hadn't.

Q. And although you felt it was out of reach, you never sought to inquire of Mr. Collery or to inquire directly of Mr. Furze prior to his death, why it was you couldn't get at the money?

A. No, I didn't actually.

Q. Did you regard it as being out of reach during the time up to the commencement of the McCracken Tribunal or is it only since then?

A. Well, it was probably since then really, you know.

Q. Thank you very much.

CHAIRMAN: Ms. Williams, in conclusion, having regard to the cheque signing facility that you had and the matters that we have heard about over the last fifteen minutes or so, might it be fair to look on your employment with Mr. Traynor and the ongoing connection you had for a limited period as being perhaps of the type of a trusted personal assistant, rather than a mere secretary?

A. I never regarded myself as a personal assistant. I was really just purely a secretary.

CHAIRMAN: But I think you have expressed concern to your lawyers about some article that may have depicted you as a partner or an equal with Mr. Furze and Mr. Collery and Mr. Traynor, but possibly even Mr. Collery, but you do say that you did not have input into strategy or decision making?

A. Absolutely not, absolutely not.

CHAIRMAN: Anything in conclusion, Mr. Marry?

Thank you very much, Ms. Williams, for your assistance. I am sorry that Mr. O'Dwyer has had to attend but it seems pointless to just make a start for a minute or so, so we'll take up his evidence at 10:30 tomorrow.

THE WITNESS THEN WITHDREW.

THE TRIBUNAL THEN ADJOURNED UNTIL THE FOLLOWING DAY,  
WEDNESDAY, 23RD FEBRUARY, 2000, AT 10:30AM.