

THE HEARING RESUMED ON THE 24TH OF MAY, 2000, AS FOLLOWS:

CHAIRMAN: Morning Ladies and gentlemen. May I apologise for the somewhat late start which was due to the fact that we have, we had one or two technological glitches in preparing documents necessary for the commencement of this phase.

Before I invite Mr. Healy, on behalf of the Tribunal, to make his opening remarks in relation to this phase of our sittings, I think I should take the opportunity of welcoming to the Tribunal a considerable number of pupils from the Dominican College, Newbridge, and their teachers. And in this brief word of welcome, I intend to convey that also to other school groups who may be attending later today and at other stages of the Tribunal's sittings.

I think it is right and laudable that young people likely to hold leading positions in this country a decade or so hence, should feel they should have a stake in and be able to attend the proceedings of a public Tribunal of Inquiry such as this. You are all very welcome.

Mr. Healy?

MR. HEALY: Yes, Sir.

In these sittings, Sir, the Tribunal plans to deal with two main classes of material.

Firstly, new material not dealt with, although perhaps mentioned in passing in evidence to date. This new material concerns mainly the following items:

Firstly, the company with which Mr. Conor Haughey was associated and which was known as Feltrim, now in a new incarnation as Minmet PLC. And the second item concerns Princes Investments, a company associated with Mr. John Byrne and which appears to have had connections with the operation by the late Mr. Desmond Traynor of the Ansbacher accounts and which is germane to the Tribunal's consideration of the operation of the Ansbacher accounts.

It will be recalled that the Tribunal's investigation into the overall manner of operation of those accounts took up a large portion of the last sittings of the Tribunal.

A further item which has not been mentioned at all, not even in passing in the Tribunal's evidence to date, is a payment routed through a Far Eastern company known as Wytrex and which appears, on the information available to the Tribunal, to be a payment with which Mr. Ben Dunne and the Dunnes Group was associated.

The second main part of the Tribunal's sittings will involve revisiting a number of areas where a significant amount of evidence has already been given.

Now, the material in this second class can be divided into a number of subdivisions and the first subdivision concerns

two matters which have already been mentioned, but in respect of which an amount of additional evidence is now going to be led, both because some of that evidence was not available at the time that these matters were last mentioned in the course of the Tribunal's sittings, and also because it was not possible, for practical reasons in some cases, to lead some of that evidence on earlier occasions.

The evidence concerns firstly payments made in connection with the discharge of the medical expenses of the late Mr. Brian Lenihan; and secondly, the transfer of funds or the making of payments in connection with the operation of NCB Stockbrokers account known as Aurum Nominees.

The second subdivision concerns a review of activity on one of the Amiens related accounts, Amiens Securities Limited No. 1 current account 10407014. Considerable evidence has already been given regarding this account and the Tribunal now wishes to examine material relating to a number of very substantial lodgements to this account in 1987 and in 1988. Because of the evidence already given, which appears to connect this account with payments to, or for the benefit of, Mr. Haughey, it may be that these lodgements, for which to date the Tribunal has not been able to obtain any satisfactory explanation, may also be related to payments to or for the benefit of Mr. Haughey.

The third subdivision involves the consolidation of

evidence already given to the Tribunal at its public sittings concerning payments made or accounts held which appear to have been made to, or held for the benefit of Mr. Charles Haughey. To date the evidence concerning those payments, or those accounts, has been obtained mainly from persons other than Mr. Haughey himself. In some cases, for instance in the case of payments made to connected persons, the Tribunal has had the benefit of assistance from members of Mr. Haughey's family. Also, in the case of access to some, though not all of the relevant bank accounts, the Tribunal has had the benefit of a waiver from Mr. Haughey and from other members of his family.

From the evidence given to date in relation to these matters, it would appear that very substantial sums of money were paid to Mr. Haughey, or into accounts which appear to have been held for his benefit, over the period from 1979 and 1996. Some evidence has been made available to the Tribunal concerning the sources of these payments. That evidence deals either with the immediate source or with the ultimate sources where the payments have gone through a circuitous or involved route before terminating in an account or as a direct payment to, or for the benefit of, Mr. Haughey. The Tribunal has reviewed the available evidence concerning the sources of these payments but now believes that in order to throw further light on the sources of some of these payments and the circumstances in

which all of these payments were made, the direct evidence of Mr. Haughey will be necessary.

Certain other matters will also be revisited in the course of these sittings. While the Tribunal has assembled material concerning these matters, there is yet further material to be collected and the procedural steps which the Tribunal would wish to take, if at all possible, before bringing the evidence to the notice of the public cannot practically be completed in advance of this opening statement.

Now, I want to deal with the itemised elements of new material that I mentioned already, and the first one I mentioned concerned Feltrim.

Feltrim Mining PLC, from the information available to the Tribunal, appears to have been a company which was incorporated in March of 1988 and was floated on the Irish Stock Exchange on the 1st of April of 1988. Mr. Conor Haughey, the son of Mr. Charles Haughey, was the Managing Director of Feltrim, from the date of its incorporation which was in 1988, to 1993 when he resigned as Managing Director and appears to have had no further involvement with the company. At that time Feltrim changed its name to Minmet PLC and was rescued from what was then a fairly perilous situation by new investment and taken over by new management.

Feltrim came to the attention of the Tribunal when Mr. Dermot Desmond informed the Tribunal that he had invested in the company in 1990, and that he made a loan to the company of œ55,000 in mid-1991. Mr. Desmond has also informed the Tribunal that he made further investments in the company subsequent to its take over in mid 1993, that is to say after the company changed its name to Minmet PLC, and that he has made a sizable profit from his investments.

The Tribunal has been informed by Mr. Conor Haughey and by Mr. Trevor Watkins, who was formally Financial Director of the company, that the proposal to establish Feltrim was that of Mr. Conor Haughey himself, who was a qualified geologist.

The Tribunal understands that Mr. Haughey approached Mr. James Stafford in connection with the setting up of the company. Mr. Haughey knew that Mr. Stafford had a knowledge of public companies and the flotation of companies on the Stock Exchange. Mr. Stafford had also been involved with Atlantic Resources. Mr. Conor Haughey has confirmed that Mr. Stafford arranged for an initial meeting with Mr. Emmett O'Connell of Texas Continental Securities, a company which specialised in bringing companies to the Stock Exchange in the resources sector; and that both Mr. Stafford and Mr. O'Connell were in favour of the idea and decided to assist Mr. Conor Haughey with

the launch. They also agreed to invest €100,000 each in the company.

Apart from the €100,000 that Mr. Stafford invested, the Tribunal has been informed by Mr. Conor Haughey that Mr. Stafford provided a further €100,000 towards the expenses of the promotion and flotation. And Mr. Conor Haughey has stated that these monies, this €100,000, was repaid by the company after flotation.

Mr. Conor Haughey has also informed the Tribunal that his initial shareholding in Feltrim was funded by a payment of €50,000 by Feltrim to a company he controlled, by the name of Geo Engineering Limited. This payment was made for a report provided by Geo in connection with its exploration and research activities. The €50,000 was applied to the purchase of 125,000 shares in Mr. Conor Haughey's name in Feltrim.

It appears that additional shares in the company were allotted to Mr. Conor Haughey in lieu of salary and expenditure paid by him or incurred by him on behalf of Feltrim. He has stated that his father, Mr. Charles Haughey, would have been the source of most of the funds used, and the Tribunal will be inquiring into the funds provided by Mr. Charles Haughey and the sources of those funds.

On the flotation of Feltrim in 1988, the Board of Directors

included Mr. Bernard Cahill who was Chairman, Mr. Conor Haughey who was Managing Director, Mr. Jack Stakelum, Mr. John Barnicle, Mr. Niall Haughey, Mr. Michael J O'Connor, Mr. Somerset Gibbs and Mr. James Patrick Shannon. The auditors to the company were Deloitte and Touche and the secretary to the company was Secretarial Trust Company, a company associated with Deloitte and Touche.

The Tribunal has been informed and it appears from the accounts of Feltrim, that approximately one million pounds was raised on the flotation of Feltrim. The shares were offered at 40 pence and the share price doubled to 80 pence on the first day of trading but fell back steadily thereafter.

In the first year of trading the Board approved expenditures of some €600,000 on various exploration ventures which unfortunately did not prove fruitful. As a result, Feltrim appears to have incurred a loss for the year in question, 1989, of €838,804. The losses continued and as of 1990 there was a deficit on the profit and loss account in excess of 2 million. On the 14th of March, 1990, the Board of Directors noted that the auditors had determined that there existed a financial situation requiring the convening of an Extraordinary General Meeting under Section 40 of the Companies Act of 1983, and it was resolved that this extraordinary meeting be convened on the 14th of March, 1990. At that time Feltrim went back to the

market and sought to raise in the region of a further
€300,000 to €400,000 at 32 pence per share. This appears
to have been the occasion of the first involvement of Mr.
Dermot Desmond in the financial affairs of Feltrim, and he
subscribed for approximately 83,000 shares at 32 pence per
share, amounting to an investment on his part of some
€26,667. This sum of money was lodged into Feltrim's
current account on the 1st of August of 1990.

Feltrim's finances did not improve and the loss for the
year 1991 was even greater, at €1,490,124. The deficit on
the profit and loss account was approximately €3.5
million. Dealings in Feltrim shares were temporarily
suspended on the Stock Exchange on the 3rd of June, 1992,
and they did not resume until the 11th of June 1993, after
the effective take over of Feltrim which had by then been
renamed Minmet PLC.

It seems that in mid 1991 Feltrim had entered into an
agreement to extract stone from a quarry in Clonmannon,
County Wicklow. Mr. Trevor Watkins, who has provided the
Tribunal with a considerable amount of assistance
concerning the activities of the company, has informed the
Tribunal that the purpose of this agreement was to generate
revenue for the company to enable it to continue trading.
The company was in severe financial difficulties at the
time and the haulers who had been engaged in connection
with the agreement to extract stone were unpaid. It was at

this time that Mr. Conor Haughey brought the condition of the company and the situation in which it then was to the attention of Mr. Dermot Desmond who agreed to provide €55,000. It also appears that around the same time Mr. Jack Stakelum, who had by then resigned as a Director of Feltrim, also provided €15,000 to the company. These monies were lodged to the company's current account but for some reason do not appear to have been recorded at the minutes of the meetings of the Board of Directors in August and September of 1991. These advances appear to have been provided on an informal footing, and it appears that no documents were executed by any of the parties connected with them.

The loans were however, recorded in Feltrim's accounts for 1991 and were included in the overall figure for creditors.

It seems that Mr. Desmond's loan of €55,000 was converted into shares at 5p per share in March of 1992, resulting in the issue and allotment to him of 1.1 million further shares. Mr. Stakelum's loan was also converted into shares with an initial conversion of €7,500 of debt in March of 1992 yielding 150,000 shares and a subsequent conversion of the balance of the debt in June of 1993, yielding 333,300 shares.

The Tribunal has also been informed by Mr. Bernard Cahill that he provided a loan of €6,241 to the company in 1992

which was used to pay fees due to patent agents in relation to the registration of a gold extraction process license held by Feltrim. The Tribunal will also wish to examine the circumstances and the purpose for which these funds were provided.

By March of 1993, Feltrim was effectively a shell and a new investor emerged from the United Kingdom who specialised in taking over such companies. Arrangements were made with all of the creditors, with the exception of Mr. Mike Murphy of Mike Murphy Insurances, on the basis that those creditors would agree to convert their debts into shares.

It appears that there were discussions between the new investor and Mr. Dermot Desmond who wished to acquire a one third interest in the company. This is something the new investor was not agreeable to, but eventually Mr. Desmond did make a further investment at one penny per share, giving him a holding of approximately 10 percent of the company.

Feltrim is relevant to the Tribunal's terms of reference as a company involving persons who come within the definition of "connected persons to Mr. Haughey". Payments to connected persons come within the Tribunal's Terms of Reference at Term of Reference (A). The Tribunal has already heard evidence concerning payments made to connected persons in connection with the setting up, and the continued operation of, Celtic Helicopters. It will be

recalled that substantial sums of money were raised for the setting up of that company from individuals who have given evidence, essentially to the effect that those monies were in the nature of contributions to Mr. Haughey or to his family. Celtic Helicopters proved in many respects to be unsuccessful, at least in its initial years and required injections of capital and other assistance from time to time. At one point, substantial sums of money were injected into the company to sustain it and these sums were provided, once again as far as the evidence goes, on a basis which would appear to suggest that they constituted contributions to the Haughey family, as opposed to genuine hard nosed commercial investments. In the case of Celtic Helicopters the initial subscriptions by contributors to the Haughey family appear to have been routed through Guinness and Mahon in such a way that the identities of the contributors could only be ascertained after a considerable amount of investigatory work. Where the very substantial later investments used to sustain the company at the time when it was in financial trouble are concerned, the investments were once again difficult to identify, although easier to ascertain than in the case of the initial investment. Many of these investments were, as you will recall from the evidence, made in unusual circumstances, notably the contributions or assistance provided by Mr. Mike Murphy and/or by Mr. David Gresty.

The question which arises in the context of Feltrim is whether there are similarities between the setting up and the sustaining of that company; whether there are similarities between the way in which it was set up and operated and the way in which Celtic Helicopters was set up and operated; whether the initial contributions and/or the subsequent assistance to the company ought to be characterised in the same way as the initial contributions to Celtic Helicopters and the subsequent attempts to sustain that company when it ran into trouble; or whether in fact, in the case of Feltrim, the involvement of the individuals that I have already mentioned was of a more genuinely or obviously commercial nature.

I now want to pass on, Sir, to evidence in connection with Princes Investments Limited. Although Princes Investments has been mentioned in evidence, the material which has now come to the attention of the Tribunal is mainly new material, but it is relevant to something which the Tribunal was dealing with when the matter was last mentioned, that is when the Tribunal was dealing with the operation of or the manner of operation of the Ansbacher accounts.

Princes Investments Limited is a company associated with Mr. John Byrne and Mr. Thomas Clifford and traded mainly, as far as can be seen, as the Mount Brandon Hotel, Tralee, County Kerry. Mr. Byrne and Mr. Clifford, with Mr. Dennis

Foley, were, it will be recalled, directors of Central Tourist Holdings, a company whose banking affairs were the subject of evidence at those earlier sittings I mentioned at which the aspects of the operation of the Ansbacher accounts were canvassed. That earlier evidence concerned a loan to Central Tourist Holdings from Guinness and Mahon. From the evidence given it appeared that the loan which had been granted by Guinness and Mahon was secured by a back-to-back Ansbacher deposit. The loan was discharged in 1985 by a payment or a transfer from an Ansbacher account in Guinness and Mahon. None of the directors of the company, that is Mr. Byrne or as far as we can see Mr. Clifford, or Mr. Foley, who had indirectly benefitted from this payment, could explain how the loan came to be repaid or how the repayment came to be made from an Ansbacher account. Mr. Byrne's evidence was that the entire matter was a mystery to him. Mr. Foley gave evidence to the effect that he knew nothing about the discharge of the loan and was in fact of the view that the loan continued to be outstanding.

A questionable aspect of this loan was that after it had been repaid, documentation was generated in Guinness and Mahon which appeared to have been calculated to give the impression that the loan was still outstanding. What the documentation in question indicated was that a sum equal to the amount of the loan at the time it was discharged was drawn down by way of a new loan, and credited to a new

current account. At one point Messrs. Deloitte and Touche, accountants and auditors to the company, were in the process of negotiating the company's outstanding indebtedness to the Revenue Commissioners. Evidence was given that in the course of those negotiations documents were produced to the Revenue Commissioners indicating that the company, Central Tourist Holdings, had a loan outstanding from Guinness and Mahon. Documentation was also produced at those sittings containing Guinness and Mahon's response to a pro forma request from the accountants for information concerning the state of the company's accounts with the bank. The pro forma documentation referred to the company's then indebtedness represented by a substantial debit on a loan account. In other words, the response by Guinness and Mahon to the pro forma request for information concerning the company's indebtedness consisted of a certificate to the effect that the company was indebted to the bank to a substantial sum represented by the new loan which had been drawn down, but omitted any reference to the corresponding credit on the new current account. While the certificate, therefore, gave the impression that Central Tourist Holdings was indebted to Guinness and Mahon, in fact, at the time of the response to the pro forma request, the company's net position was in fact one of no debit and no credit.

Princes Investments also had a loan from Guinness and Mahon

and the manner in which this loan was dealt with, both in Guinness and Mahon and within the company itself, exhibits certain characteristics which are strikingly familiar to those which featured in the evidence concerning the Central Tourist Holdings loan. From documentation made available to the Tribunal by Guinness and Mahon, it would appear that a loan was granted by that bank to Princes Investments in or about 1975. The amount of the loan was €116,000 to be repaid a year later. The purpose of the loan was not mentioned in a facility letter issued by the bank, but from other documentation made available to the Tribunal by the bank it would appear that the loan was still outstanding in 1986. A Credit Committee minute of that year indicated that the purpose of the loan was working capital. It is also significant that the minute in question described the security for that loan as follows:

"Guaranteed by JJ Byrne and Thomas Clifford". It went on to state that: "Guarantors are well-known to Guinness and Mahon and in this case the security is considered adequate."

This formula "security is considered adequate", as has been stated in evidence on numerous occasions was used to describe loans secured by Ansbacher backing deposits. The original formula used for this purpose was slightly different at an earlier point in the life of the Ansbacher operation. The expression which featured most commonly in the documents available to the Tribunal from the earlier

period of the Ansbacher operation was "suitably secured".

You will recall the evidence that following serious concerns expressed by the Central Bank concerning this type of lending and following assurances by Mr. Desmond Traynor and his associates that lending secured in this way would cease, a different expression was used, it would appear so as not to attract the continuing attention or scrutiny of the Central Bank. This is the new expression which was used in the case of the Princes Investments Limited loan.

The loan was a Sterling loan on account number 05508002.

It appears that the last statement for this loan shows the balance as of the 31st of December, 1984, at Sterling œ172,138.16. The loan it seems was cleared in full on the 4th of September of 1985. Guinness and Mahon Bank internal documentation for that date shows that a sum of œ186,986.82 was transferred from Guinness Mahon Cayman Trust/ College Call account number 06040454 and was credited to the Princess Investments Limited Sterling account. That sum œ186,986.82 appears to have been the amount at which the loan stood at the relevant time that it was cleared.

The Central Tourist Holdings Limited loan which was mentioned in earlier evidence was also cleared on the 4th of September 1985 and was also cleared with funds transferred from the self same Guinness Mahon Cayman Trust college account. That account is effectively an Ansbacher account. And you will recall that, although the term

"Ansbacher account" doesn't accurately describe each and every account kept by Mr. Desmond Traynor associated with his Cayman banking activities while he was in Guinness and Mahon and while he was running the Ansbacher operation, it has been used in the course of the sittings of this Tribunal and the McCracken Tribunal to describe a large number of accounts, all of which were associated with activities carried on by Mr. Desmond Traynor and his associates.

Now, in the case of the Princes Investments Limited account, as in the case of the Central Tourist Holdings loan, after the repayment of the loan statements were once again generated in such a way as to give the impression that Princes Investments, notwithstanding the discharge of the loan, was still indebted to Guinness and Mahon.

Once again, as in the case of Central Tourist Holdings, certificates were generated by Guinness and Mahon showing debit balances on accounts of Princes Investments at various times, when in fact there was no true indebtedness on the part of Princes Investments to Guinness and Mahon.

In other words, on each occasion, and in this case there were two occasions, that the bank certified a state of indebtedness between itself and Princes Holdings, there was in truth, no debt between the two parties.

Mr. John Byrne, a Director of the company, has been asked to provide the Tribunal with information concerning this

loan, and the manner in which the loan was repaid. He has indicated that he has no knowledge of the repayment of the loan on the 4th of September, 1985, and that he has no knowledge of the repayment of the loan with funds transferred from an Ansbacher account. He has, however, indicated that to the best of his knowledge the loan was repaid in July of 1987, and that a payment of €260,000 by Princes Investments in July of 1987 was for the purpose of repaying the loan due to Guinness and Mahon.

As a result of inquiries made by the Tribunal and from information made available to the Tribunal by Guinness and Mahon and by Allied Irish Banks, it would appear that on the 23rd of July of 1987 a sum of €260,000 was credited to Amiens Securities Limited number 1 account, 10407014. This €260,000 credit appears to have emanated from an account in Tralee, and from information made available by Allied Irish Banks, there was what appears to be a related debit in the sum of €260,000 on the Princes Investments Limited account at the Castle Street, Tralee, branch of that bank. While there appears, therefore, to have been a debit of €260,000 from the Princes Investments account in Tralee, that debit was not represented by a payment to Guinness and Mahon in discharge of any indebtedness on a Guinness and Mahon loan account of Princes Investments and, on the contrary, there appears to have been a credit or a corresponding credit, if you like, to an account of Amiens Securities Limited in

that sum. There was however, no transfer, as far as the Tribunal can see, from any such Amiens Securities Limited account of a sum of €260,000 to Guinness and Mahon itself or to any other account in Guinness and Mahon.

Now, while I will be coming back to this in a moment, the first document, if we could just have it a moment, which was on the overhead projector a minute ago, was in the nature of a banker's payment, which is a form of payment or transfer of monies by an instrument between one bank and other bank. That instrument for €260,000 represents the proceeds of what would appear to have been a debit to the Princes Investments AIB account in Tralee, but while one would have expected that €260,000 to be paid to Guinness and Mahon, as the next document I will put on the overhead projector will show, it did go into Guinness and Mahon but not into Guinness and Mahon's own coffers but as far as can be seen, into an account of Amiens Securities Limited.

Accounts which, as we know, were under the control of a Mr. Desmond Traynor. You will see the last entry on that account is for that amount of €260,000.

From other information made available by Mr. John Byrne, it seems that a sum of €100,000 was loaned by Mr. Byrne's other company, Carlisle Trust Limited, to Princes Investments and that a further sum of €100,000 was provided by Clifford and Sons Limited, a company associated with Mr. Clifford, to Princes Investments, and that the balance of

€60,000 to make up the repayment was provided by Princes Investments from its own resources.

Mr. Byrne however, has not been able to throw any light on the unusual feature of these payments, which purports to have been made in discharge of indebtedness of Princes Investments at a time when so far as the record in Guinness and Mahon goes, Princes Investments was not in anyway indebted to that bank. Mr. Thomas Clifford, a Director of Princes Investments has not yet responded to the Tribunal's requests for assistance with any explanation of, or any documentation in relation to the unusual feature of these payments. Nor has Princes Investments itself provided any information to enable the Tribunal to clarify these unusual transactions.

As I mentioned a moment ago, the payment of €260,000 was or at least must have been initially made by way of cheque.

That cheque was converted into a banker's payment which, as I said, is a form of transfer of funds from banks, a form of payment from one bank to another bank. It is usually resorted to by a bank wishing to obtain immediate value for or urgent clearance of an instrument. It is also a form of payment that might be resorted to by the payee of a cheque who is desirous of obtaining value for a cheque on an urgent basis, that is to say, without going through the usual clearing process.

This information, which has now been provided to the

Tribunal concerning this cheque, should be viewed in the context of information provided and evidence given at the Tribunal's last sittings on the question of the general operation of the Ansbacher accounts and from the unusual manner in which this transaction and the Central Tourist Holdings transaction were carried out, a number of questions arise.

Firstly, if Princes Investments had an indebtedness to Guinness and Mahon, which it envisaged clearing by way of a cheque for €260,000, it is hard to say why, bearing in mind that there was no actual liability to Guinness and Mahon, there should have been any urgency on the part of Guinness and Mahon to obtain value for the payment made.

Secondly, if Princes Investments was indebted to Guinness and Mahon in the sum of €260,000 and drew a cheque in favour of Guinness and Mahon for that sum with a view to discharging that liability, there being no liability, in fact in Guinness and Mahon there had to be some intervention on the part of the staff of Guinness and Mahon, at whose direction it is not clear, to intercept this payment.

A further intervention was required to arrange for the collection of the amount due on the cheque by way of a banker's payment, and bearing in mind that a banker's payment involves a transaction as between one bank and

another, the question is how (or why) value was obtained for the banker's payment, not in favour of Guinness and Mahon to whom the debt was owed, according to Princes Investments Limited, but to Amiens Securities Limited, a third party.

The steps taken to intervene in what appeared to be a straightforward discharge by Princes Investments, of a so-called indebtedness to Guinness and Mahon involving the interposition of a banker's payment and the crediting of another account altogether, caused the source of the funds, that is to say the source of the €260,000, to be almost completely obscured. That will be readily understood when the evidence is given that in order to identify the source of the €260,000 bankers payment, Allied Irish Banks had to examine every single substantial debit in or around that amount and in or around that time in the State, in its own banking system, that is.

If the books of Princes Investments were available or if the directors were able to assist, it might be possible to suggest an explanation for these events which did not raise so many questions. What the information to date suggests (and this is an issue that will have to be taken up with the directors or any other persons having knowledge of the operation of the accounts of Princes Investments) is that a holder of an Ansbacher account appears to have conferred a benefit on Princes Investments by discharging that

company's indebtedness to Guinness and Mahon; and the question is whether the payment of €260,000 into an account of Amiens Securities was intended to recoup that Ansbacher account holder or the person entitled to those funds in an Ansbacher account for having discharged that debt. It may of course, be that the payment of €260,000 was wholly independent of the earlier discharge of the indebtedness, but that is an issue that the Tribunal will have to address in the course of the evidence.

The third new item I want to deal with concerns the company which I mentioned at the outset, Wytrex, as the route for a payment which appears to have come from Mr. Bernard Dunne to Mr. Haughey.

Following an application in the High Court last year by the Minister for Enterprise and Employment, the High Court made an order appointing an Inspector under the Companies Acts to carry out inquiries into the affairs of Ansbacher (Cayman) Limited.

In those proceedings the High Court further ordered that a portion of the affidavit relied on by the Minister, together with certain of the exhibits mentioned in the affidavit, should be sent to this Tribunal. From those exhibits it appears that a sum of €200,000 Sterling was routed through Henry Ansbacher and Co. (London) to Guinness and Mahon in Dublin for onward credit to an account number 13154602. This is the account which has already been

mentioned in evidence in connection with various Ansbacher transfers.

The documents made available on foot of the High Court Order showed that this payment was directed by a company known as Wytrex (Far East) Limited. This is a company, the name of which at least is known from evidence given at the McCracken Tribunal to have been associated with Mr. Bernard Dunne.

Although the company known as Wytrex had come to the attention of the McCracken Tribunal, it appears that the documents identified by the authorised officer did not form part of the evidence given at that Tribunal, as those documents were generated in London and not in Guinness and Mahon in Dublin.

The transaction involved the routing of funds to an account in London, Ansbacher Cayman account with Henry Ansbacher, account number 190017 -101. That account number has already featured in evidence given at sittings of this Tribunal, and it will be recalled that it is the account through which a payment of €100,000 Sterling by Mr. Dermot Desmond was routed to Mr. Charles Haughey in September of 1994. From the fact that this account appears to have been used to route payments to Mr. Haughey and the fact that the source of the payment was the Wytrex account already mentioned in the McCracken Tribunal, and also from the fact

that the payment was marked for the ultimate attention of JD Traynor, it seems reasonable to inquire whether this could have been a payment for the benefit of Mr. Charles Haughey and whether the payment was one associated, like other payments in respect of which evidence was given, with Mr. Bernard Dunne.

The documents made available by the authorised officer were brought to the attention of Mr. Dunne and Mr. Dunne has provided the Tribunal with a statement in connection with the matter. I think I will just very briefly put the documents on the overhead projector.

The first document on the overhead projector is a telex communication from Ansbacher, that is to say from Cayman, to Henry Ansbacher and Co. in London. It is dated the 28th of September, 1990. The left-hand side of the available copy is not as clear as it should be. The legend is as follows:

"For value 3rd or 4th of October, 1990". Then manuscript: "Or whenever." "You will receive œ200,000 Sterling marked for the attention of JD Traynor and for credit to our account 190017-202. This account is closed as you know, so please credit the funds to our Sterling current account 190017-101".

Now if I could stop there for a moment. This fax transmission was from Ansbacher (Cayman) in the Cayman Islands to London in September of 1990 and is effectively

alerting London to the fact that a payment for €200,000 would be routed to London for the credit of Ansbacher Caymans' account, and that that payment would be marked for credit to a particular account and for the attention of Mr. JD Traynor, who was not, of course, in London.

It was also instructing London to bear in mind that the account to which this payment was being directed, or through which it was being routed had an incorrect account number because the account number "202" was in respect of an account which had been closed, and so effectively amended the instruction and directed that the sum in question be credited instead to account 190017-101.

The account number 190017-202 is an account number, or details of an account number, which featured in the evidence given to the McCracken Tribunal and was an account number, details of which were relayed by the late Mr. Traynor to Mr. Noel Fox, in connection with another payment to be routed to Mr. Haughey from funds provided offshore by Mr. Bernard Dunne.

The document goes on to say:

"Immediately upon receipt of the funds, please debit our account 190017-101 and transfer €200,000 Sterling to Guinness and Mahon Limited in Dublin, account 13154602".

That account has frequently been referred to in evidence as the "602" account. It is the principle Ansbacher operating

account in Dublin and the transfer was to be marked for the attention of Mr. JD Traynor. It goes on to say:

"Could you also please telephone, advise myself or Mike as soon as the funds are received. "

The next document on the overhead projector is dated November of 1990 and is a telex from Ansbacher (Cayman) to Henry Ansbacher in Dublin. Now, the last telex or the telex that I have just had on the overhead projector was from a Mr. Dotchin and it requested London to advise either Mr. Dotchin; and the "Mike" referred to, appears to be Mr. Michael Day. It is from Mr. Michael Day that this telex came in November of 1990. It directs London to debit the Sterling account 190017-101 with œ200,000 and to transfer it to Dublin.

So it simply confirms that there must have been contact between London and Cayman, and a repetition of the earlier instruction from Cayman to London to transfer the money to Dublin for the attention of Mr. Traynor and for the credit of the Ansbacher account in Guinness and Mahon.

The next document is an internal banking document indicating some of the routing of this payment, and it identifies the initiator of the payment; it is the fourth last entry from the bottom; as Wytrex (Far East) Limited; and identifies the payee as the account I have already mentioned, 190017-202. A mistake which resulted in, or

which necessitated the intervention of Ansbacher to correct the account receiving the money to account number 101.

The next document confirms the application of the credit.

The next document shows the credit of æ200,000 to the 602 account, which is the account number on the left-hand side, the Ansbacher Cayman Call deposit account as of the 20th of November, 1990.

Now I mention that these documents had been brought to the attention of Mr. Dunne and he has informed the Tribunal that the first time he became aware of the payment was when it was brought to his attention by the Tribunal in September of 1999. Mr. Dunne has informed the Tribunal that while he has no direct knowledge nor recollection of the payment, he accepts that if the payment came from Wytrex it could only have been initiated by him. He has also informed the Tribunal that although he has no recollection of the payment, he can only assume that the purpose for which it would have been made was exactly the same as he has indicated elsewhere; namely that he had taken on an undertaking, or agreement, to pay monies to Mr. Haughey and that this payment was part of a series of payments that he had agreed to make to Mr. Haughey.

As Mr. Noel Fox was, as I have already mentioned, involved in dealing with Mr. Traynor in connection with a series of payments made by Mr. Dunne for the benefit of Mr. Haughey,

Mr. Noel Fox was also asked to assist the Tribunal with any information he had in relation to this payment. He has informed the Tribunal that he has no knowledge concerning the payment and that he was not involved in any communications with Mr. Bernard Dunne or with Mr. Traynor in relation to the payment, and says that like Mr. Dunne, he was unaware of its existence until informed by the Tribunal. He has, however, informed the Tribunal that there are similarities between the information given to him, and of which he made a handwritten note in connection with the payment made by Mr. Ben Dunne in February of 1990, and the details of the account number through which this œ200,000 payment was routed. The account number given to him in connection with the payment of February of 1990, which I mentioned a moment ago when the documents were on the overhead projector, and of which he made a note, was 190017-202 at Henry Ansbacher. The London documents made available in connection with this Wytrex payment refer to the routing of the payment through an account number 190017-101 in place of the account 202. Which, as I mentioned in the course of referring to the documents on the overhead projector, had been closed by that time.

The question, of course, is how this payment came to be routed through the same bank and through what was apparently the same account and along the same route without the intervention of either Mr. Fox or Mr. Traynor, or some other person to whom the relevant information must

have been conveyed. Mr. Dunne has informed the Tribunal that he cannot say whether Mr. Fox was involved. Mr. Fox has informed the Tribunal that he received no further approaches from Mr. Traynor after February of 1990, and that he, therefore, received no approach from Mr. Traynor in connection with this November of 1990 payment.

These, and the issues thrown up by these matters or by these responses, will have to be pursued by the Tribunal in the course of its sittings.

Now, I want to turn to two or three areas in which a significant amount of evidence has already been given.

The first area is in connection with the fund set up to discharge the medical expenses of the late Mr. Brian Lenihan. Since the Tribunal last dealt with this matter some further information has become available concerning the number of contributions to the fund, the size of those contributions and also concerning the manner in which the funds may have been raised.

Information was brought to the attention of the Tribunal in or about November of 1999 by Dr. Eamonn de Valera, a Director of the Irish Press Group. Dr. de Valera has provided the Tribunal with a Memorandum of Evidence from which it appears that some time in 1989 he received a telephone call from a Mr. Dan McGing, who was then Chairman of the Agricultural Credit Corporation, requesting a

contribution from Irish Press PLC to fund the medical expenses for the late Mr. Lenihan. Mr. McGing suggested to Dr. de Valera that the Irish Press make a donation in the sum of €10,000.

Dr. de Valera has informed the Tribunal that if he agreed to make a payment in the sum of €10,000 that a cheque in that amount was drawn on an Irish Press account and made payable to Coopers and Lybrand and then sent to Mr. McGing. Coopers and Lybrand were at that time the auditors to the Irish Press PLC and Mr. McGing had been a partner in Coopers and Lybrand - although by that stage he had ceased to be a partner, he had not entirely severed his relationship with the firm of accountants.

The Tribunal has obtained a statement from Mr. McGing but it would appear that all of the relevant documentation concerning the processing of this cheque is under the control of Price Waterhouse Coopers, the firm which has succeeded to the partnership of Coopers and Lybrand. Price Waterhouse Coopers has informed the Tribunal that it is in the process of making inquiries and carrying out searches and having inquiries made with its bankers with a view to providing the Tribunal with information concerning the manner in which the payment was treated in the accounts of Irish Press PLC and the manner which the payment was routed through to the fund set up for Mr. Lenihan. As and when this information becomes available the Tribunal will wish

to examine it with a view to ascertaining whether this payment was lodged to AIB Baggot Street or otherwise applied towards the discharge of Mr. Lenihan's medical expenses.

The Tribunal has also been in contact with another contributor to the fund set up for Mr. Lenihan's medical expenses and once a number of practical procedural difficulties have been ironed out his evidence may also become available to the Tribunal.

In addition, within the last few days the Tribunal has obtained from Mr. Paul Kavanagh, who has already given evidence in connection with the fund, a document containing a list of individuals who, it appears, were approached or who it was envisaged would be approached in connection with the fund. This document also contains information which may indicate the sums of money contributed by some of these individuals, although at this stage the Tribunal cannot be certain that this information might not, in fact, indicate sums anticipated, as opposed to actually obtained from these individuals. This material is currently being investigated and while it is undoubtedly relevant to the issues which have already been canvassed in relation to this topic, it would be preferable not to identify any of the contributors until such time as further inquiries have been carried out, but it will be mentioned at a later point in the course of these sittings.

The next matter I want to mention by way of a tidying up of something that was mentioned in earlier evidence relates to NCB Stockbrokers. At the sittings last December evidence was given to the Tribunal concerning the operation of the account at NCB Stockbrokers Limited in the name of Aurum Nominees on behalf of a company known as Overseas Nominees Limited. This was the nominee holding company of Ansbacher (Cayman) Limited and was associated with the late Mr. Desmond Traynor.

From the evidence given last December it appears that the investment account, that an investment account in the name of Aurum Nominees was opened in or about the month of June 1988. The account was ultimately closed in or about the month of September of 1995. Evidence was given that on the closing of the account, the balance of the account on the instructions of Mr. Padraig Collery, (Mr. Traynor at that time was deceased), was remitted to an account at Irish Intercontinental Bank in the name of Hamilton Ross.

Hamilton Ross is a company which has been frequently mentioned in evidence given to the Tribunal. It is a Cayman company within the extended meaning of the term "Ansbacher" as used in the evidence given to this Tribunal and in evidence given to the McCracken Tribunal.

Evidence was also given last December that the monies credited to this account were ultimately credited in the

memorandum records kept by Mr. Padraig Collery in the name of the Sterling S8 account. This is an account which appears to have been used exclusively for the benefit of Mr. Charles Haughey. The evidence given so far seems to suggest that as the proceeds from the account on the closing of the account were remitted to an account for the benefit of Mr. Charles Haughey, the entire Aurum Nominees No. 6 Account may have been operated for his benefit between 1988 and 1995.

Since the evidence was last given on this matter, the Tribunal has nevertheless endeavored to establish the source of the funds used to operate this account. As a result of inquiries carried out by NCB Stockbrokers and information resulting from those inquiries made available to the Tribunal, it would appear that the funds ultimately credited in the books of NCB Stockbrokers to the Aurum Nominees account were received into an NCB Sterling account with the Bank of Scotland in London, in two tranches of œ175,000 Sterling on the 7th of June 1988 and œ125,000 Sterling on the 18th of August of 1988. From information made available by NCB it seems that the Royal Bank of Scotland current account into which the funds were received was not used by NCB for the settlement of purchases made on behalf of clients; but rather was used for the payment of Sterling expenses incurred by NCB Stockbrokers as members of the London Stock Exchange and was funded from NCB's own funds, that is from commissions received from NCB's Bank of

Ireland Sterling account. It seems that the receipt of funds into this account in this way was highly unusual.

The funds in question were remitted to the NCB account from Guinness and Mahon. From documents made available from Guinness and Mahon, it would appear that each of the credits to the NCB account with the Royal Bank of Scotland amounting in all to some $\text{€}300,000$ Sterling was funded by debits to an Ansbacher Sterling account with Guinness and Mahon, the "602" account I have already mentioned.

The Tribunal has not been able to obtain copies of the memoranda kept by Mr. Padraig Collery of the S8 Sterling account for the period covering the opening of the Aurum Nominees No. 6 Account, as opposed to the closing in 1995.

The Tribunal's information is that the available documentation concerning the operation of this account commences only in September of 1992. The Tribunal cannot say, therefore, with absolute certainty, that these funds, although ultimately remitted by NCB to an Ansbacher account, from which they were then credited in the memorandum system to the S8 Sterling account, emanated from that S8 account. So far as the information to hand goes, it would appear that the main Ansbacher account, the 602 account was the immediate source of these funds to NCB. Whether the funds in question, when debited from that 602 account, were reflected in an equivalent debit from another account under the control of Mr. Traynor for the benefit of

Mr. Haughey is a matter which will have to be pursued at these sittings.

The second, or the next matter I want to mention, and to which reference is already made is the Amiens Securities Limited No. 1 current account, 10407014. This is the Amiens Securities Limited account which has featured time and again in the course of the Tribunal's evidence. It is the account mentioned in the context of the €260,000 payment from Princes Investments which I mentioned at the outset of this opening statement. It is also the account into which the cheques which have become known as the "Dunnes Stores bearer cheques" amounting in all to some €32,000 were lodged. It is also the account that the proceeds of the Tripleplan cheque were paid and it is the account through which the various loans for PV Doyle, but which appear to be for the benefit of Mr. Charles Haughey were discharged.

A number of debits were also made to this account which appear to match credits to the Haughey Boland No. 3 account, the account from which payments in connection with the operation of the bill paying service by that firm of accountants were made on behalf Mr. Haughey.

The Tribunal has continued to examine lodgements to and withdrawals from this account. In particular a number of lodgements to it in 1987 in or around the time of the

General Election and amounting, in all, to €106,800 have been examined. A common feature of these 11 lodgements is that they were all cash lodgements and all of them in round sums.

A number of other lodgements made in 1987 and 1988 have been examined, one of which I have already mentioned, the €260,000 lodgement connected to the discharge, or apparently connected to the discharge of the Princes Investments loan from Guinness and Mahon.

It would also appear from information made available by Guinness and Mahon that there was a lodgement to this account of some €50,000 on the 18th of February 1987, not in cash but by way of a cheque drawn on the Bank of Ireland, Rotunda Branch on the account of Skellig Investments Limited.

Skellig Investments is a company associated with Mr. John Byrne. You can see on the overhead projector that the cheque for €50,000 is signed by Mr. Byrne. It also appears to have been written by him. Mr. Byrne has informed the Tribunal that Skellig Investments Limited is an unlimited company which was incorporated by him in 1981. His purpose in operating this company was to use it for non-trading purposes connected with his horse racing interests. As it was an unlimited company, accounts were not prepared. Mr. Byrne has said that he has no specific recollection for drawing the cheque for €50,000, but he is satisfied that he

did draw the cheque, and further, that having made it available to Guinness and Mahon he would have handed it or given it to Mr. Traynor; but that at a remove of 12 years he can not indicate what the payment was for. He has also indicated that while he accepts that the cheque was lodged into the account of Amiens Securities, he was not aware of that company until informed of its existence by the Tribunal. A question which arises is whether Skellig Investments had any indebtedness to Guinness and Mahon which would have warranted the payment of what was, in 1987, a very substantial sum of money to that bank. In other words, the question is what occasion would Mr. Byrne have had to write a cheque such as this on the account of a company such as this, (i.e. a non-trading company) And why, in those circumstances, an occasion would have arisen for the handing of such a cheque to Mr. Traynor? And why, ultimately, a cheque such as this handed to Mr. Traynor in those circumstances would have been lodged to an account operated for some of the purposes I have already mentioned? That is to say, for purposes connected with what appears to have been the conferring of considerable benefits on Mr. Charles Haughey.

There were two other significant lodgements to this account which have attracted the attention of the Tribunal. One on the 22nd of February of 1988 in the sum of €195,000, and another on the 24th of February, 1988, in the sum of

€49,700. In total these lodgements amounted to €244,700.

The transfer of these funds from the Bank of Ireland brought the credit balance on this Amiens Account to €302,950. The next entries on the account are on the 26th of February of 1988, when there were two withdrawals amounting to €174,494.67 in respect of the transfer of monies to clear the No. 1 and No. 2 accounts on the bank's book in the name of the late Mr. PV Doyle. Now, it will be recalled from earlier evidence that these loans were raised in the name of Mr. Doyle for the benefit of Mr. Haughey. And it would appear that Mr. Traynor, after the death of the late Mr. PV Doyle, informed Mr. Doyle's estate that it was the responsibility of the estate to discharge these loans. At that time, however, the loans had already been discharged by the two transfers that I have just mentioned.

The Tribunal has endeavoured to identify the source of the Bank of Ireland credits used to fund these transfers, but to date has been unable to obtain any accurate information from the bank. The Tribunal will wish to pursue with the bank the possibility that (as one might expect, if the Doyle estate provided funds intended to discharge these loans) those funds were ultimately used to recoup the Bank of Ireland account from which the €174,494 (part of the €244,700) emanated; or some other account in Guinness and Mahon to which that recoupment should have gone. From the Tribunal's examination of the Amiens Account there would

appear to be no debit in that amount, that is no transfer from that account to the Bank of Ireland or to any other account in an amount equivalent to the amount used to pay off the loans taken out in the name of Mr. PV Doyle, that is to say €174,494 and some odd pence.

Now I want to pass on, Sir, to the consolidation of evidence already given concerning the payments made to, or accounts which appear to have been held for the benefit of Mr. Charles Haughey.

Since the work of this Tribunal began and information concerning what appear to have been payments to or accounts held for the benefit of Mr. Haughey became available, queries have been addressed by the Tribunal to Mr. Haughey concerning these payments or accounts. Some of this information became available to the Tribunal otherwise than on foot of orders made by the Tribunal. In other words, it was made available to the Tribunal on a voluntary basis.

However, some of it became available at an early stage, on foot of orders which were subsequently quashed by the Supreme Court. Following the decision of the Supreme Court in July, 1998, a number of queries were addressed to Mr. Haughey arising from information which had been made available voluntarily. Thereafter the Tribunal continued to make available to Mr. Haughey information relevant to the Tribunal's Terms of Reference, information which had after that date been obtained, either voluntarily or on

foot of orders made against individuals or entities for the production of documents.

There has been a voluminous correspondence between the Tribunal and Mr. Haughey. The main correspondence raising queries or bringing information to the attention of Mr. Haughey for comment by him, was of two kinds. Firstly, on every occasion upon which the Tribunal sat to hear evidence, the relevant books of documents intended to be adduced in evidence were brought to the attention of Mr. Haughey, as were the various memoranda of evidence or statements made by any intended witnesses. These documents brought to the attention of Mr. Haughey run in to some thousands of pages. However, there is no question of Mr. Haughey having been furnished with a huge volume of documents on any one occasion. They were made available to him at the relevant times that the queries arose or at the relevant times that the documents were sent to any other parties entitled to notice of them in advance of the Tribunal's sittings.

Apart from letters, and sending the various books of documents and memoranda of evidence or statements of intended witnesses to Mr. Haughey in advance of sittings, there was also a considerable number of letters to Mr. Haughey seeking his assistance in relation to matters arising in the course of the Tribunal's private investigatory work. Mr. Haughey has formed a view to the

effect that the Tribunal was not entitled to raise queries with him on what he regarded as a piecemeal basis. The Tribunal has however, taken a different view.

It is the Tribunal's view that on every occasion that they felt that Mr. Haughey's opinion or assistance would be of value, he was written to and informed of the Tribunal's request for assistance and information. These requests for assistance, concerning certain matters which have now become the subject of evidence of the Tribunal's sittings, were contained in the main in some 32 letters between August of 1998 and March of the year 2000. Many of these letters were extremely lengthy and set out in considerable detail the basis upon which these queries were being addressed to Mr. Haughey so that he could be in no doubt as to the assistance that the Tribunal believed he could provide.

The Tribunal has now determined to proceed to insist on the attendance of Mr. Haughey to deal with the queries arising from the many matters drawn to his attention in this lengthy correspondence and to deal with matters arising in the course of the evidence over the past year and a half.

In a recent letter in advance of, and in anticipation of, requiring the attendance of Mr. Haughey to give evidence (and, there is no suggestion that Mr. Haughey has indicated that he will not give evidence) the Tribunal wrote to Mr.

Haughey drawing together for his assistance and so as to provide him with some guidance as to the more specific requirements of the Tribunal, a large amount of information which has already become available in the course of the evidence heard and the documents made available at the sittings of the Tribunal, relating to what appear to have been payments made for his benefit, or accounts held for his benefit, or funds made available for his use.

The Tribunal has now consolidated the information available in connection with a number of funds or payments as follows: Firstly, in connection with the AIB loan which was in excess of 1 million pounds in 1979 at the time of its discharge on foot of a compromise agreement entered into at the end of that year at the beginning of 1980.

Secondly, in connection with Guinness and Mahon accounts in the name of Mr. Haughey.

Thirdly, in connection with the PV Doyle loans for the benefit of Mr. Haughey.

Fourthly, in connection with payments by Mr. Fustok.

Fifthly, in connection with the bearer cheques drawn on Dunnes Stores.

Sixthly, in connection with a Cayman Island loan to Mr. Haughey.

The seventh item was in respect of payments made in

connection with the purchase and repair of Celtic Mist.

The eighth item in respect of the Aurum Nominees No. 6 account.

The ninth item is in respect of the ACC loan cleared off from funds provided by benefactors.

The tenth item is in respect of the Haughey Boland expenditures, through the bill paying service.

The 11th item referred to is the payments made through the bill paying service operated by Jack Stakelum.

The 12th item relates to the "S" Account balances.

The 13th item related to the Dunnes/Carlisle payments.

The 14th item related to the Dermot Desmond payments in 1994 and 1996.

The 15th item related to lodgements to the National Irish Bank up to the 31st of December of 1996.

And the 16th item related to the Wytrex payment I have just mentioned.

The Tribunal has examined the evidence given to date in relation to all of these items with a view to ascertaining, in approximate terms, the amount of the funds available to or the payments made to, or for the benefit of Mr. Charles Haughey between 1979 and 1996. In arriving at an overall

approximation, the Tribunal has not taken into account funds made available to Celtic Helicopters nor has it taken into account funds which may have been channelled through or which may have emanated from the Leader's Allowance Account. These two separate items will be dealt with at a later stage in these sittings.

The aggregate value of the funds in question, leaving out the Leader's Allowance funds and the Celtic Helicopters funds comes to, comes to in or about 8.5 million pounds.

Now, on the overhead projector I can put a schedule showing an itemised list of these funds; and the first one is the funds of €750,000 used to discharge the AIB loan. And the next item is a sum of 1,761,629.06 million pounds comprising the funds in various Guinness and Mahon accounts in the name of Mr. Haughey. For instance that sum of 1,761,629 million includes the Tripleplan payment.

The next item under the heading of the "PV Doyle loans" raised in Mr. Doyle's name but apparently for the benefit of Mr. Haughey, comes to €301,138.92. This is all Irish currency.

The next item is a sum of €50,000 representing a payment apparently made by Mr. Fustok.

The next item was €32,200 being the aggregate of the bearer cheques made available by Mr. Ben Dunne in January and

February of 1987.

The next item, if we can just put up the document, is a Sterling loan of €400,000, together with interest of some €68,000 and ultimately €95,000, coming to a total of €563,000 Sterling. There is no evidence, so far as the Tribunal has been able to ascertain, of any repayment of that loan.

The next item under the heading of "Celtic Mist" comprises the total of the purchase price, the cost of repairs and the VAT involved in the purchase and renovation or refurbishment of that vessel. The sum of €120,000 Sterling represents the purchase price and the sum of €96,829.64 represents the cost of repairs and VAT. The Tribunal has carried out inquiries with a view to ascertaining the source of the funds used to purchase the vessel but to date those inquiries have not resulted in any clarification of the ultimate source of those funds.

The next item is in Irish currency, it is the aggregate of the funds in the NCB account, coming to €353,522.92.

The next item, is a sum of €105,000 used to pay off an ACC loan.

The next item is the aggregate of the Haughey Boland expenditures in respect of a bill paying service operated by that firm of accountants on behalf of Mr. Haughey and coming in total to the sum of €1.407,000 between 1985 and

January of 1991.

The next item relates to the taking up of that bill paying service by Mr. Jack Stakelum between February of 1991 and September of 1992, it comes to approximately €627,328.46.

The next item under the "S" Account balances based on information made available to the Tribunal by Mr. Pdraig Collery, as of the 30th of September 1992, that is to say the end of the Jack Stakelum bill paying service, comes to Sterling €1,389,056.22.

The next item in Irish currency is the Dunnes/Carlisle payments of €180,000.

The next item is the payments made by Mr. Dermot Desmond in 1994 and 1995 amounting in all to €125,000.

The next item is an item in respect of which evidence has yet to be lead, concerning lodgements to National Irish Bank amounting in all to €580,774.36.

And the last item is the Wytrex payment of €200,000 Sterling.

Now the Tribunal has not yet managed to obtain a waiver to enable it to examine the National Irish Bank lodgements.

But they will ultimately, it is hoped, be produced on foot of a subpoena to produce the documents relating to the accounts.

Now the total in Sterling pounds amounts to Sterling
€2,493,885.86; and the total of Irish pounds amounts to
€6,148,593.72.

Now, no attempt has been made to reevaluate the Sterling
amounts in Irish currency as at various times in which the
payments were made available, but the total of the
aggregate of the two figures comes to in excess of 8.5
million pounds.

This aggregate sum does not include income to Mr. Haughey
by way of salary or expenses in connection with the elected
offices he held. There may be some overlap between the
various amounts going to make up these totals, but the
Tribunal, in arriving at this figure, has endeavoured to
avoid double accounting. It would seem to be unnecessary
to characterise this total sum as a substantial one within
the meaning of the Terms of Reference.

In its private investigatory work and in its public
sittings, the Tribunal has endeavoured to identify the
sources of all of these funds, whether in the form of
payments to or of accounts held for the benefit of Mr.
Haughey. The immediate source of all of these funds is
fairly readily ascertainable. The late Mr. Desmond Traynor
is associated with many of these payments and with many of
the accounts which appear to have been held for the benefit
of Mr. Haughey, or which appear to have been used for his

benefit. Bank accounts under Mr. Traynor's control or with which he was associated have also been identified as the source of some of these payments and of some of these funds, but whether there are other sources, i.e. ultimate sources, in every case is not clear. The Tribunal has, however, heard evidence from which it would appear that the ultimate source of some of these funds can be identified as in the case of payments through Mr. Bernard Dunne, Mr. Dermot Desmond, Mr. Fustok, Mr. PV Doyle, Mr. Patrick Gallagher, Dr. John O'Connell; but the Tribunal believes that Mr. Charles Haughey may ultimately be able to be of assistance in either identifying or providing evidence which may assist in identifying the sources of some of the other payments, the ultimate sources of which have not yet been identified.

Of course, in the event of Mr. Haughey not being able to be of assistance, a question still arises as to the extent of his knowledge of the operation of the funds held for or used for his benefit, or of the making of payments which appear to have been made for his benefit, whether prior to the time or subsequent to the time of the making of any of these relevant payments.

I don't propose to refer to any other matters in the opening, Sir. I think it might be appropriate to take the evidence up in the afternoon.

CHAIRMAN: We can take the initial at five to two. Thank

you.

THE HEARING THEN ADJOURNED FOR LUNCH.

THE HEARING RESUMED AFTER LUNCH AS FOLLOWS:

CHAIRPERSON: Good afternoon.

MR. COUGHLAN: Mr. Bernard Dunne.

MR. BERNARD DUNNE, HAVING PREVIOUSLY BEEN SWORN, RETURNS TO THE WITNESS-BOX AND IS EXAMINED BY MR. COUGHLAN AS FOLLOWS:

CHAIRMAN: Thank you for your further attendance Mr.

Dunne. Obviously you don't need me to remind you, you are already sworn.

Q. MR. COUGHLAN: Now Mr. Dunne, I think you have furnished the Tribunal with a statement or a memorandum of proposed evidence in relation to what I would describe as the Wytrex œ200,000 payment; isn't that correct?

A. That's correct.

Q. And if you wish, Mr. Dunne, you can have a copy of the statement with you? Do you have it with you?

A. I don't, no.

Q. I will see if we can get you a copy. (Document handed to witness).

A. Thank you.

Q. And I intend following the same procedure as on previous occasions, I take you through the statement and then

perhaps to come back and ask you some questions about matters which may arise; is that all right?

A. That's okay.

Q. Now, I think in this statement under the heading "Background", you say that this statement is being made by you to provide an account to this Tribunal of your knowledge and recollection regarding the payment of Sterling œ200,000 which appears to have been made by Wytrex (Far East) Limited through Bank of America to an account of Ansbacher (Cayman) Limited with Henry Ansbacher & Company; isn't that correct?

A. That's correct.

Q. And I think you have informed the Tribunal that the first time you became aware of what you describe as the payment, the œ200,000, was when it was brought to your attention by this Tribunal under cover of a letter of the 27th of September, 1999, from the Tribunal solicitor, to your solicitor; is that correct?

A. That's correct.

Q. And I think that you have informed the Tribunal that since receiving a copy of the letter of the 27th of September, 1999, from the Tribunal, you have endeavored on a number of occasions, to obtain details and information on the payment from Laurence Tse, is it? Is that the pronunciation?

A. That's Laurence Tse, yes.

Q. Through Wytrex; is that correct? You have attempted to obtain information?

A. I have attempted to obtain it from Laurence Tse, yes.

Q. Yes. And that you have informed the Tribunal that Laurence Tse, TSE, you have informed the Tribunal that Laurence Tse has consistently told you that he has no record or recollections regarding this particular payment; is that correct?

A. He has told me, I am - not consistently, but when he has told me, he has told me that he has no record or recollection.

Q. Yes. Now, I think you have informed the Tribunal that you asked him, to confirm this in writing and he sent you a fax on the 4th of February, 2000, confirming this. And that you have furnished a copy of this fax to the Tribunal; is that correct?

A. That's correct.

Q. Very well. I will come back to the fax in a moment, we will just go through the statement.

Now - very good, we will use this particular copy, I don't know if it will come up on the screen. (Document on screen.) It is to you from Laurence Tse and is dated the 4th of February, 2000, and:-

"Dear Mr. Dunne, with reference to your message and phone calls, I regret to inform you that I have neither records nor recollections of the bank transactions. Sorry that I could not be of any further help. Sincerely Laurence Tse." That's the fax you received?

A. That's the fax I received. Yes.

Q. Now, I think you have informed the Tribunal that you telephoned Laurence Tse again on Thursday the 18th of May, 2000, and he again informed you that he had no knowledge, information, records or recollections of the payment, however on this occasion he did inform you that Wytrex had been liquidated some years ago; is that correct?

A. He either said "wound-up" or "liquidated", but he used the word, the - what - I understood that he said "liquidated".

Q. Yes. We don't need to get too technical?

A. Okay.

Q. The company was gone, it was wound-up, no longer - that's what you were told?

A. That's what I was told.

Q. No longer existed as a company. I think you have informed the Tribunal that it might be useful at this juncture to give some background to Wytrex.

That Wytrex was a company set up by Laurence Tse, to source merchandise in the Far East for Dunnes Stores. Laurence Tse was the beneficial owner of Wytrex. Wytrex operated on the understanding that Dunnes Stores' buyers met the manufacturers and negotiated a price and quantities for a variety of products; is that correct?

A. That's correct.

Q. And that Wytrex's role was to consolidate all of the shipments and to invoice Dunnes Stores on a CIF Dublin basis, which meant that all the goods were covered for

carriage, insurance and freight to Dublin; is that correct?

A. That's correct.

Q. So I will continue so for the moment.

You further inform the Tribunal, what was agreed between Laurence Tse and yourself, was an uplift on the negotiated price of approximately five percent plus shipping charges was put on the price negotiated with the buyers and manufacturers; is that correct?

A. That's correct.

Q. So your buyers went to the Far East, they met manufacturers or suppliers?

A. Yes.

Q. And they negotiated a price?

A. For

Q. For products they wanted shipped to Ireland, and negotiated quantities and price?

A. Quantities and price.

Q. And then added to that particular negotiated price was the shipping cost, that is the carriage, insurance and freight to Dublin, is that correct, was added to the price?

A. Yes. Yes, that's correct.

Q. Plus five percent of the price, can I take it, as opposed to five percent, or was it five percent of the price plus CIF to Dublin, do you know? If you can't remember

A. No, I can't remember, but five percent plus carriage or five percent before carriage would make very little difference.

Q. Yes. And that can I take it then that the funds going into Wytrex represented the carriage, insurance and freight charges plus five percent on the negotiated price, that's what went into Wytrex?

A. On average.

Q. But that was the idea or that was

A. That was the idea, yes.

Q. And you then informed the Tribunal that any profits achieved after covering all running costs and overheads of Wytrex were to be made available to you?

A. That's correct.

Q. Now, I think that you have informed the Tribunal that from the late 1980s up to your removal from Dunnes Stores as an executive director, Laurence Tse would on a regular basis, that is possibly monthly, send to your home, details relating to the sales, margins, overheads, running costs and projected profits of Wytrex; is that it?

A. That's correct.

Q. And that on receipt of that information and having reviewed it you would always bin it?

A. To the very best of my recollection I always got rid of it.

Q. Got rid of it?

A. Yes.

Q. I think you have informed the Tribunal that the normal arrangement you had with Laurence Tse was that you would visit Hong Kong once a year or maybe twice, and that you would discuss how the business was performing, based on the

information he had previously sent to you?

A. That is correct.

Q. And that when you required monies to be transferred it would occur in one of two ways. Firstly, when you met him on various trips to Hong Kong once or twice a year, you would ask him how much surplus funds he had from the business at that time, and sometimes you would request him to give you such funds and bankers drafts which you believed you would have distributed or dealt with as you considered appropriate; is that correct?

A. That is correct, yes.

Q. And the second way that funds would be obtained or taken out of Wytrex was that on occasions you would have telephoned Laurence Tse and would have given him a bank account number into which to transfer the funds. You do not recall ever at any time giving him written instructions in relation to the transfer of monies; is that correct?

A. That's correct, yes.

Q. Now, you then, in your memorandum, go on to deal with the Dunnes Stores litigation, that is the Section 205 proceedings and the trust proceedings; isn't that correct?

A. That's correct, yes.

Q. And I think you informed this Tribunal that at the time of the controversy between Dunnes Stores and yourself, your solicitor, Mr. Noel Smyth, was instructed by you in February of 1994 to travel to Hong Kong to recover all of the information regarding the various activities concerning

Wytrex?

A. That's correct.

Q. And that you had been informed by Mr. Smyth that he met with Laurence Tse while in Hong Kong and requested Mr. Tse to give him any information, documents, books and papers as related to Wytrex; is that correct?

A. That's correct, yes.

Q. And that Mr. Smyth also sought to recover any bank accounts relating to Wytrex?

A. That's correct, yes.

Q. This was all on your instructions, you asked your solicitor to do so?

A. My solicitor, yes.

Q. Now, I think you have informed the Tribunal that Laurence Tse did not deliver any documents, books, papers, information of any nature or kind whatsoever to your solicitor, neither did he deliver any bank accounts or any other information; is that correct?

A. That is correct, yes.

Q. I think you informed the Tribunal that you even went so far as to contact Laurence Tse directly yourself, following Noel Smyth's return from the Far East, and asked him to make available whatever documentation that could have been helpful in the action you had instigated against Dunnes Stores, but he again failed to do so; is that correct?

A. That's correct, yes.

Q. And I think you say that if you had been in a position to

identify or your solicitor had been in a position to identify any further payments to Mr. Haughey at this time, this is at the time of the litigation, isn't that correct, you are talking about here?

A. Yes, yes.

Q. Given the circumstances under which you had initiated the proceedings against Dunnes Stores, you would have included it immediately in the controversy and in the proceedings that you had initiated against Dunnes Stores, your siblings and the Dunnes Trust at that time; is that correct?

A. Yes, that's correct. And I also, I was looking for information on payments I could have given to members of my family.

Q. Yes. Yes, I will come back to - to this in a little bit more detail.

A. Okay so.

Q. And in fact you say that given the tenure and nature of the case that you were bringing against the trustees, and in particular the claim that the trustees had lost dominion and control over the trust fund, it would have strengthened your argument and case if you could show that in fact further payments were made out of the Dunnes Stores' funds without let or hindrances from the trustees of the Ben and Nora Dunne settlement, your parents?

A. That's what I believed, yes.

Q. And you informed the Tribunal that, "The more payments that would have been identified and the larger the payments

would have been and the amount and nature of the payments, demonstrating that the lack of dominion and control of the Dunnes Stores' trust fund or Dunnes Stores' account would have added weight to the claim that I was making at the time." That was your belief?

A. That was my view, yes.

Q. And you say that there is no question that if the information were available to you or to your solicitor at the time, that it would have been included in the claim that you were making against Dunnes Stores on that basis?

A. Absolutely, yes.

Q. Now, coming to deal with the payment of what you describe as the payment of Sterling €200,000 in November of 1990.

You say that, "It is against this background that I now have endeavored to identify how the November 1990 payment of Sterling €200,000 to Charles Haughey was made." That's what you say?

A. That's correct.

Q. And you inform the Tribunal that as you have already stated, you have endeavored to recover from Laurence Tse any documents, books, paper or any other matter relating to this, or indeed any other payments, but have been singularly unsuccessful in doing so; is that correct?

A. That's correct.

Q. Mr. Tse as - sorry, Mr. Tse at the time of your removal from Dunnes Stores as the Executive Director remained on a friendly and communicative basis with you; is that correct?

A. That's correct, yes.

Q. However, Mr. Tse continued to do business with Dunnes Stores and made it plain to you, as he saw it, he was not taking sides?

A. That's correct.

Q. He didn't want to get involved?

A. He didn't want to get involved, that's correct.

Q. And you believe it was for this reason therefore, that he refused, failed and neglected to make any documents whatsoever available to you which would in anyway enhance or promote the proceedings which you had initiated against Dunnes Stores at that time?

A. That's correct.

Q. And you believe it was against this background that when he met your solicitor in Hong Kong that he indicated that there were no books, accounts or any other documentation available?

A. That's correct.

Q. And you say that unfortunately you did not retain any papers relating to the information, that he would have sent to you from time to time, but in any event those papers would have shown nothing other than the trading position of Wytrex, as Mr. Tse never sent you any information or confirmation in relation to any monies transferred on your instructions to any party; is that correct?

A. That's correct, yes.

Q. Now, I think then in your statement or memorandum, you

turned to deal with specific queries which were raised by the Tribunal with you through your solicitor; isn't that correct?

A. That's correct, yes.

Q. And I think the first query that was raised with you was your knowledge, direct or indirect, of the payment of Sterling œ200,000 from Wytrex (Far East) Limited through Bank of America, 25 Camden Street, London to Henry Ansbacher & Company for credit of account Ansbacher (Cayman) Limited, which funds were in turn transferred to Guinness & Mahon (Ireland) Limited or credited to 131564023, and your response to that is that you have no direct knowledge, nor recollection of the payment whatsoever. However, if the payment came from Wytrex you fully accept that this could only have been initiated by you. Is that right?

A. That's correct.

Q. I think the second query raised was, you were asked for details of all your recollections of this payment and the purpose for which it was made. And your response is that you have "no recollection of the payment as stated above", and you can only assume that the purpose for which it would have been made was exactly the same as you have already indicated elsewhere, namely that you had taken on an undertaking or agreement to pay monies to Mr. Haughey, and you believed that this was part of a series of payments that you had agreed to make to him; is that right?

A. That's correct, yes.

Q. The third query then was you were asked for details of all your dealings in relation to this payment with Mr. Noel Fox, Mr. Charles J. Haughey, the late Mr. J Desmond Traynor or any other person whatsoever. And your response to that query is that unfortunately you do not have any recollection of the payment, but you do accept fully that the payment could only have been initiated by you.

You submit that the payment and the method of payment was similar to previous payments, and that while you cannot with certainty say that you would have received the instructions from Mr. Fox to make this payment, you can only assume that this happened, and you also assume he would have given you the details as to where the payment would have been made, and you believed that you would have telephoned Laurence Tse with the information and instructed him to make the payment; is that correct?

A. That's correct.

Q. Now, the fourth query raised with you was you were asked for the identity of the person who requested you to make the payment, and your response to that is that you fully accept that you do not, you fully - you accept fully that you do not have a recollection of Mr. Fox either requesting you to make the payment or indeed the details as to where the payment was being made.

You do fully accept, however, as you have stated above,

that you would have initiated the payment through Laurence Tse from Wytrex, and you believe that you have dealt with the answer in response to the third query raised; isn't that right?

A. That's correct, yes.

Q. The fifth query raised then was the identity of the person who provided you with the details of the account into which the funds were to be transferred, and again you say that you have already dealt with that, that you accept that you initiated it and you believe, although you have no recollection, that it would have been Mr. Fox. Is that a fair summary?

A. That's what I would

Q. That's what your

A. That's the point I am making, yes.

Q. Now, I think the sixth query was whether you made any other payments from bank accounts of Wytrex (Far East) Limited at the request of Mr. Fox, or the late Mr. J Desmond Traynor, or which were intended to benefit Mr. Haughey, Mr. Charles Haughey; isn't that correct?

A. That's correct, yes.

Q. And your response to that is that to the best of your knowledge, information and belief, no other payments were ever made from Wytrex at the request of Mr. Fox or Mr. Traynor for the benefit of Mr. Haughey?

A. That's what I believe, yes.

Q. Now, I think the seventh query raised with you was, you

were asked for details of all your involvements with Wytrex (Far East) Limited from the date of its incorporation to December of 1996. And your response is that in the preamble to this statement you have outlined your involvement with Wytrex from the date of its incorporation up to the date of 1996. You never made a lodgement to Wytrex accounts, you do not know their bankers, lawyers or accountants, you never received any bank information of any kind or nature concerning Wytrex. You had at all times dealt exclusively with Laurence Tse and you were aware of how Wytrex was trading due to the level of information being made available to you on a monthly basis.

At the end of the year you would have received a consolidated version of the monthly information from Laurence Tse. You were never, however, presented with any trial balance or bank reconciliation statement. You did not have any written agreement with Wytrex. To the best of your knowledge, information and belief, all of your communications with Laurence Tse were either when you met him in Hong Kong or in the alternative, when you telephoned him requesting him to transfer the necessary funds.

You were not in any position to exert any influence on Laurence Tse to make information or paper available during the controversy with Dunnes Stores, the trustees and your siblings; is that correct?

A. That's correct, yes.

Q. And then I think the final query which was raised was, you were asked the identity of all persons who were officers of Wytrex (Far East) Limited from its incorporation to December 1996; the identity of all persons who controlled its business or affairs of the company during those years; and the identity of all persons who had authority to give instructions to Wytrex to make payments of the order of Sterling œ200,000; is that right?

A. Yes.

Q. And your response to that is that you believe that Laurence Tse controlled the business affairs of Wytrex during the years referred to, even though you believe the directors of the company were Mr. Tse and his wife. You also believe that the only person who had authority to make the payments out of Wytrex on your behalf would have been Laurence Tse. Even though you do not recall giving instructions that the payment be made, you believe that the only person who could have given those instructions to Wytrex to make a payment in the order of Sterling œ200,000 was you.

"Mr. Tse would not have carried out any other instructions without first having received clearance from me in a prior telephone conversation." However, you do not recall any such telephone conversation ever having taken place?

A. That's correct, yes.

Q. Perhaps we could just go through the documents to show - I think you were furnished with a schedule of documents, and

these are the documents which by order of the High Court were sent to this Tribunal, they having been exhibits in an application by the Minister for Enterprise and Employment to have an inspector appointed to inquire into the operations or affairs of Ansbacher (Cayman) Limited; isn't that correct?

A. That's correct, yes.

Q. And the exhibits first of all, I think you have seen this already, and my colleague, Mr. Healy, referred to this morning when he was dealing with matters in the outline statement, and it is an instruction to Henry Ansbacher and Company Limited in London, from Ansbacher Cayman?

A. That's correct, yes.

Q. Two separate companies, two separate banks but Ansbacher (Cayman) Limited had an interest with Henry Ansbacher in London. And it reads: "For value 3rd or 4th of October, 1990. You will receive Sterling œ200,000 marked for the attention of JD Traynor and for credit to our account 190017202. This account is closed, as you know, so please credit refunds to our Sterling current account 190017101.

Immediately upon receipt of the funds please debit our account, the 101 account, and transfer Sterling œ200,000 to Guinness & Mahon (Dublin) accounts, the 602 account." I won't deal with the full numbers, we will refer to 602 account, marked for the attention of "JD Traynor". "Also please telephone, advise myself or Mike as soon as the funds are received."

You will see a manuscript form at the top, you will see "still not received", and opposite there is an arrow pointing to October, and it seems to be written again, or whenever?

A. I have it, yes.

Q. You would agree that that is the content of that particular document?

A. Yes.

Q. Now, I think the next document which was sent to the Tribunal by order of the High Court, and which was furnished to you, is the document again which says:

"Please debit our Sterling account 101 with the Sterling and tranches for Guinness & Mahon Limited (Dublin) for the 602 account and marked for the attention of JD Traynor."

That is the instruction going to Ansbacher again?

A. That is it, yes.

Q. And then the next document is an advice of payment received from Chaps, Chaps seems to be some sort of interbank communication system or transfer system. We needn't concern ourselves with that at the moment.

A. Yeah, okay so.

Q. And it shows that the settlement bank, this is where the settlement is taking place, between Bank of America as the payer bank and Ansbacher Limited as the payee customer, is taking place, so just - so the settlement bank is the Midlands Bank. The amount is £200,000 Sterling. The

payee bank is Henry Ansbacher and Company Limited in London. The payee customer is Ansbacher Limited. The payee customer account number is given as the 202 account. Do you see that? 190017202. Of course we have seen that an overriding instruction has been given to Ansbacher, when they receive this money to lodge it to their 101 account?

A. Correct, yes.

Q. And the payer bank then is the Bank of America in Camden Street, London and the payer customer in Wytrex (Far East) Limited, and the account number is given of the payer customer. The payer customer reference and the payment details is for the attention of Mr. JD Traynor.

And then the next document is Henry Ansbacher, London document, and it says that the, it is to Ansbacher Cayman and says: "The following transaction was applied to your account today, and it is the lodgement of the Sterling amount."

And then the final document which was sent to the Tribunal shows the sum arrives in the Dublin account?

A. Yes.

Q. So that seems to complete the transaction, would you agree, from your own view of the document?

A. That's the way it appears, yes.

Q. Yes. Now, I should just say there appears to have been 200 added somewhere along the line. A witness from Guinness & Mahon will deal with that subsequently. It

seems to have been an error of some sort and somebody is going to carry it along the line in the banking system?

A. That's correct.

Q. Now, to your knowledge from your dealings with Mr. Tse over the years, and from monies being transferred to you, did Wytrex (Far East) Limited have an account with the Bank of America in Camden Street in London?

A. Not to my knowledge, no.

Q. Had you ever seen the Bank of America in Camden Street, London, ever being used on a previous occasion or a subsequent occasion by Wytrex (Far East) Limited?

A. I haven't no, I never did.

Q. Did you, yourself, have any dealings with the Bank of America in Camden Street in London?

A. Definitely not.

Q. Now, to your knowledge, where were the bank accounts of Wytrex (Far East) Limited?

A. In the Far East, in Hong Kong.

Q. In Hong Kong?

A. Yes.

Q. And to the best of your knowledge who were the signatories on the account?

A. I would say Laurence Tse.

Q. Laurence Tse?

A. Yes, and maybe somebody else but

Q. Yes, but

A. It certainly would have been Laurence Tse.

Q. And when was Wytrex formed?

A. I think in the - '87/'86 - '87 I think. I can find out.

Q. Yes, but if we just take it - the mid-to late 80s, the mid-80s?

A. That would be my understanding.

Q. And was it a company incorporated in Hong Kong?

A. I believe so, yes.

Q. And can I take it that you were not an officer of the company and you weren't a shareholder of the company?

A. Absolutely.

Q. Was Dunnes Stores the owner of the company?

A. No, no - not that I am aware of.

Q. Not that you are

A. I would say absolutely not either.

Q. Or any Dunnes Stores' companies or holding companies, to the best of your knowledge?

A. Well, I was Chief Executive of Dunnes at the time, definitely not.

Q. And was it you who first came into contact with Mr. Laurence Tse?

A. Yes.

Q. And did discussions take place between you then?

A. He was working for another company originally which we were trading with, and maybe on my second visit or third visit, that's when I discussed it with him.

Q. Right. And what discussions did you have, in general terms?

A. About how merchandise can be supplied cheaper or more competitively to Dunnes Stores.

Q. Yes. And when Dunnes Stores' buyers went to the Far East to visit manufacturers or suppliers, did Dunnes Stores contract with those manufacturers and buyers?

A. Sometimes they would have contracted, I believe, with the suppliers, and sometimes contracted with Wytrex.

Q. I see.

A. That's what I believe.

Q. So as far as you were concerned Wytrex had nothing whatsoever to do with Dunnes Stores, as being part of Dunnes Stores. Would that be fair to say?

A. Can you repeat the question please?

Q. Yes. As far as you were concerned Wytrex was a company you believed was owned and controlled by Mr. Laurence Tse?

A. Independent and owned by Laurence Tse, yes.

Q. Yes. And maybe his wife or - may have been a director, but as you understood it

A. That's what I understood.

Q. Yes. And it had nothing whatsoever to do with Dunnes Stores in terms of its corporate structure?

A. No, not its share holding or anything like that.

Q. And the only deal, whilst you say there was no written agreement between yourself and Laurence Tse, the only deal or agreement that existed was that the payments to Wytrex would be the cost of the carriage, insurance and freight from the Far East to Dublin, plus five percent of whatever

the negotiated price was on the purchase; is that correct?

A. That was the understanding.

Q. The understanding. It mightn't always have been exactly that?

A. It could have been five percent, it, could have been three percent, but the aim was to get five percent.

Q. Well, a percentage of the negotiated price?

A. Correct.

Q. Plus the CIF?

A. Plus the carriage, yes.

Q. And where did that money come from, that went into Wytrex?

A. From Dunnes Stores.

Q. Back here?

A. From Dunnes Stores here, yes. I am not sure whether Dunnes Stores Northern Ireland, but from Dunnes Stores on the island here, yes.

Q. Right. So Dunnes Stores paid Wytrex for operating a service for them, is that correct, in the Far East as far as you were

A. That's correct, yes.

Q. And what was the loose arrangement then with Mr. Tse as to what monies were to become available to Wytrex for providing the service?

A. A mark-up of five percent.

Q. That's what went into Wytrex?

A. Yes.

Q. Isn't that right? Now, I think you have said in your

statement, after the running costs, expenses, and matters of that nature of Wytrex, Wytrex itself then would show a profit or should show a profit, that was the idea?

A. It should, yes.

Q. Yes. So was there ever an agreement between you and Mr. Tse, that he would take a certain amount for the running of the operation

A. No, there was an understanding where he had to cover running costs and travel costs and all the things that were involved in running a trading operation, yes.

Q. And of course something for himself or for Wytrex?

A. His own salary, yes.

Q. And then if there was anything left over that was to go to you; is that correct?

A. That's correct.

Q. You personally?

A. It started with me personally, yes. I mean I was the person who got it, so me personally, yes.

Q. Now, you were the Chief Executive or the Executive Director of Dunnes Stores at this time, and you had set this system up; is that correct? You, yourself, had set the system up?

A. Well, Laurence set it up, but I certainly was in, I knew it was being set up, yes.

Q. You were in negotiations about it, were you?

A. That's the word, yes.

Q. And were other members of the Dunnes Stores' board aware of this?

A. I believe so, yes.

Q. Now, what was the nature of the agreement, if you can just explain it to me, whereby if there was anything left over, that is if Wytrex showed a profit, it was to go to you.

What was that agreement about?

A. I don't - can you repeat the question?

Q. Yes. Profits generated by Wytrex were Wytrex profits; isn't that correct?

A. Correct, yes.

Q. What further agreement was there between you and Mr. Tse on behalf of Wytrex, that you would be paid these profits?

A. That I would get anything? After overheads, when we put on the five percent and the carriage and after their running costs of the company, after the running costs of Wytrex, if there was profit available, or sorry - any surplus after that would become available to me.

Q. Yes. But, how did that come about? Was it that Mr. Tse was happy that he would do well? This was - Dunnes Stores were paying, you were the chief operating officer of Dunnes Stores at the time. You entered a loose or a verbal agreement with Mr. Tse, that a percentage would be paid by Dunnes Stores to Wytrex for being, how would you describe it, a trading agent or whatever?

A. Movement of

Q. Movement of?

A. procurement.

Q. Yes, yes. Dunnes Stores were going to pay this to Wytrex,

Mr. Tse would have running costs, he would have a salary, might have to make an extra few bob on top of that, but what further agreement was there that he would then pay to you personally what was left over?

A. It was an agreement - a kind of a trade agreement between myself and Laurence. That was the - a trading agreement.

Q. Was this because you might have introduced the business, was that a payment of that nature or

A. Definitely the business would not have been there if Dunnes Stores wasn't trading.

Q. Yes,?

A. So - somebody who was supplying Dunnes Stores, it was a big benefit to be able to get supplying to Dunnes Stores, so he was doing well so

Q. Yes, of course. You needed somebody locally, would that be fair to say?

A. Definitely, yes.

Q. Yes. And one could understand that Dunnes Stores would then pay that person for providing a service for Dunnes Stores, perfectly understandable?

A. Correct, yes.

Q. And you would hope to achieve five percent, it mightn't always be capable of being achieved, but that was what was to be paid by Dunnes Stores to Wytrex; isn't that right?

A. That's correct, yes.

Q. And that was all Wytrex's money as of the base - on the basis of that particular agreement; isn't that right?

A. On the trading side, yes.

Q. So, there was another agreement over and above that between you personally - sorry, and having Mr. Tse or Wytrex in position was something that Dunnes Stores as a company wanted, knew about and agreed to; isn't that correct?

A. I would say so, yes.

Q. Now, was there a further agreement whereby you personally were to receive proceeds of the profits of Wytrex?

A. I don't want to use the word "agreement". There was an understanding where if there was surplus funds that I would receive them. That's, that's - if that is answering the question?

Q. Very good. But I just want to be very clear, that Dunnes Stores had no difficulty in paying whatever the arrangement or agreement was of attempting to achieve a five percent payment to Wytrex, that was part of the business of Dunnes Stores?

A. That's correct, yes.

Q. And legitimately as far as Dunnes Stores was concerned, part of their business for having a trade agent or somebody of that nature in the Far East?

A. Yes.

Q. Now, when Mr. Noel Fox approached you after Mr. Desmond Traynor had been in contact with him about joining a consortium of businessmen to make a payment to Mr. Charles Haughey, I think you have informed this Tribunal, and you have probably informed the McCracken Tribunal as well, that

when you had thought about it, and decided that you should deal with the matter yourself, rather than having other people involved, that you informed Mr. Fox that it would take a little bit of time because you had it in your mind where you might get the money; isn't that right?

A. That's correct, yes.

Q. And was it in the Far East, I think, was where you had it in your mind, at least, that you might get the money?

A. That's where it was in my mind, definitely, yes.

Q. And we know that two of the payments identified in the McCracken Tribunal were sourced in the Far East; isn't that corrects?

A. That's correct, yes.

Q. The 471,000 - I haven't got the exact figures and 100 and

A. 50 I think.

Q. 150?

A. That's correct, yes.

Q. And Wytrex appears to be the source of those, isn't that

A. Mmm, Wytrex, it was Wytrex and Carica.

Q. Yes, I beg your pardon. Wytrex was the 471,000, am I correct about that? Yes, I think Wytrex was the 471,000?

A. Whatever

Q. I - it is immaterial I suppose?

A. Yes.

Q. So it was the Far East was in your mind as to where the money could be got; isn't that right?

A. Absolutely, yes.

Q. And you have informed this Tribunal that any payments you were making were being made by and on behalf of Dunnes Stores; isn't that correct?

A. That's correct. That is correct, yes.

Q. Now, you had recollection of the payments which were made, which were disclosed to the McCracken Tribunal, isn't that correct, because they arose in the course of the litigation between you and your siblings and the trustees?

A. That's correct, yes.

Q. And you have informed this Tribunal that you do not have a recollection, but you accept that this œ200,000 payment made in 1990 from Wytrex, which ultimately ends up with Mr. Traynor, as far as you are concerned appears to be part of the same type of undertaking or agreement you had entered into; is that correct?

A. That's what I believe, yes.

Q. Now, the information relating to this particular transaction was never available in this country, isn't that correct, from the documents which were sent to the Tribunal by the High Court and which you have seen?

A. That's correct, yes.

Q. They appear to have been obtained in London or banks in London?

A. Yeah, that's correct, yes.

Q. The information was at all times outside the jurisdiction of this Tribunal; isn't that right?

A. Well, it wasn't available here, yes, that's correct.

Q. Yes. And you point out a reason or an example to support your assertion that you don't have a recollection about it, is that if you had a recollection it would have been another piece of information or ammunition in the proceedings which you had brought against your siblings and the trustees; isn't that correct?

A. Definitely, yes.

Q. And without going into too much detail about the nature of the proceedings, the essence of the proceedings and the point you wanted to make, was that the trust was a sham to the extent that the trustees facilitated or acquiesced in the use of trust's money inappropriately?

A. That was one of the points, yes.

Q. That would be

A. Yes.

Q. And as an example of that in a letter responding to particulars which were sought and which is exhibited in the reports of the McCracken Tribunal (Document handed to witness).

If you go to page 83 it is the second schedule to that Tribunal's report?

A. Yes.

Q. Yes. And you are probably familiar with this, but it is a letter addressed to the solicitors on the other side from your solicitor, and it is dated the 4th of November of 1994, and you say:

"Dear Sir, we refer to your letter of the 28th of October.

In regard to the furnishing of the particulars sought by you in your letter of the 12th of October, we have already made our position quite clear in our letter of the 14th of October, that letter set out in detail why you were not entitled to the particulars sought. You have failed to address in a substantive way our objection to replying particulars which we believe are well-founded.

In the light of the motion we have reviewed the position.

We are quite satisfied that our position is a correct and proper one, and the request for particulars is vexatious.

Our views in this regard have been confirmed by an examination of the Price Waterhouse discovery.

Notwithstanding our position as set out before, we do acknowledge the importance which our client's allegation that the trustees facilitated the making of the payment to third parties has for attack on the validity of the trust and the 1985 appointment.

While we still believe we are correct in saying that it is the fact of the payments rather than the detail of each payment that is relevant, we are prepared, without prejudice to our position, to give you details of those payments on which we rely. We enclose those details in a schedule attached to this letter."

And then on page 85 is the schedule of payments referred to in the letter and one is "C. J. Haughey - 1 million pounds plus. Defendants involved in or with knowledge of payment: Mr. Noel Fox, Mr. Frank Dunne, Mrs. Margaret Heffernan". And then "Fine Gael - €4,000. Mr. Noel Fox."

So others weren't relevant to the Terms of Reference of that inquiry?

A. That's correct, yes.

Q. Now, so this is where you first start identifying the payments. You were relying in standing, or standing on the advice of your lawyers, that it was the fact of the payments not the nature, not to whom the payments were made was relevant at the time. But you identify 1 million pounds plus to Mr. Haughey; isn't that correct?

A. I did, yes.

Q. Yes. Now, I think that that was followed up by a further Notice for Particulars on page 87, and the query that's raised there then is there are great, the payments to Mr. Haughey are sought with greater particularity; isn't that correct, that's the effect of that?

A. That's correct, yes.

Q. And you, through your lawyers, reply to that. It is on page 89, and then there is, under C. J. Haughey, there is the Sterling 471,000, that - that came out of Wytrex, I think, isn't that right? Would I be correct?

A. It came out of the Far East.

Q. Far East, I think it was Wytrex. Then "Other payments -

€150,000", one came out of the Far East. We know about the Bangor one which is represented by 250 I think?

A. The Furze.

Q. The Furze payment?

A. Yes.

Q. And the €200,000, the February of 1990 payment, I think, is it? Yes. Now, and the point you were making to the Tribunal now about this further Wytrex payment is that you would have instructed your lawyers to include that particular payment in those particulars because it would have added weight to the case you were trying to make; isn't that correct?

A. That was correct, yes, weights or ammunition.

Q. Weight or ammunition. Okay. And you say that that supports your statement that you didn't have a recollection and you don't have a recollection of that particular payment; isn't that right?

A. That's correct, what I say, yes.

Q. Now, you have informed the Tribunal already that the arrangement with Wytrex and Mr. Tse was a legitimate arms length business arrangement between Dunnes Stores and Wytrex; isn't that right?

A. A trading site, yes.

Q. So the monies going into Wytrex were legitimate business expenses as far as Dunnes Stores were concerned; isn't that right?

A. Yes.

Q. Legitimate business payments?

A. Payment for merchandise, yes, which the company buyers had negotiated a price of.

Q. And the money going into Wytrex, once it got into Wytrex, had nothing whatsoever to do with the Dunnes Stores' trust; isn't that right?

A. Nothing to do with the Dunnes Stores' trust.

Q. Yes.

A. Once it got into Wytrex.

Q. Mmm.

A. It was to do with paying merchandise. Yes, it had nothing to do with them.

Q. So, any monies which were received from Wytrex had now moved out of being anything to do with Dunnes Stores in terms of being trust funds or company monies; isn't that correct?

A. Yes, yes. The answer is "yes".

Q. And would you not agree, are absolutely irrelevant in mounting any claim or suggestion that the trustees had facilitated or acquiesced in relation to trust monies?

A. Can you repeat the question? Sorry.

Q. Yes. That they had moved from Dunnes Stores as legitimate business payments?

A. They had, yes, like a supplier, yes.

Q. Yes. They were no longer Dunnes Stores' monies?

A. That's correct.

Q. The trustees were the shareholders in Dunnes Stores; isn't

that correct?

A. That's correct.

Q. Yes. These were legitimate payments?

A. That's correct.

Q. So the money in Wytrex had nothing whatsoever to do with Dunnes Stores or the trust; isn't that correct?

A. Mmm - when we done business with companies we had agreements that we would get kickbacks.

Q. Yes.

A. And - LTAs I think they were called, agreements, and that money

Q. What did you call them?

A. LTA.

Q. What's that?

A. Long-term agreements.

Q. I see.

A. Sorry. And when the kickback came it went back into the company. In this case because of the trading arrangement the kickback didn't actually go into the company, it went into my control, and I believe, I certainly believe that Noel Fox was aware of it.

Q. I am not having any difficulty with you being aware of it or Noel Fox being aware of it or anybody else being aware of it at the moment, I will come to that. Presently what I am anxious to establish here, if you can assist the Tribunal that is, that you had, Dunnes Stores had an agreement negotiated by you with Mr. Tse, even if was

loosely negotiated, that monies would be paid to Wytrex for the purpose of carrying out Dunnes Stores' business in the Far East as some sort of trading agent, is that it?

A. Yes.

Q. The payments going into Wytrex were legitimate business payments made by Dunnes Stores, isn't that right, in pursuance of that agreement?

A. Yes, at least 95 percent, because of the uplift, there was 95 percent of it that was, let's say 97, the carriage worked out at two percent - the majority of it was a trading arrangement, yes.

Q. So whatever you did then, you then negotiated or entered some sort of verbal understanding or agreement with Mr. Tse, of Wytrex, over and above the agreement that Dunnes Stores had entered into with them; isn't that correct?

A. Yes, yes.

Q. So the point I am trying to establish here, Mr. Dunne, is that the money in Wytrex was Wytrex's money, and you may have had some other loose arrangement with Mr. Tse in relation to that money, but it had nothing to do with Dunnes Stores at that stage?

A. It had nothing when it got outside Dunnes Stores, it was outside of Dunnes Stores' control, that's correct.

Q. And it had nothing to do with Dunnes Stores or the trust, at that stage?

A. The - certainly Noel Fox knew what was happening to the company's funds.

Q. Well, I asked you a few moments ago if this was - and I asked you quite carefully if it was a legitimate business expense of Dunnes Stores to pay Wytrex?

A. Yes.

Q. And you said it was; is that right?

A. That's what I said, yes.

Q. And is that right?

A. It was, yeah, it was - 95 percent of it was - if there was no, if we had gone directly to the suppliers and didn't want somebody to consolidate it 95 percent of it was a legitimate expense. If there was no - if there was no Wytrex the very best we could have done if we dealt direct was maybe by five percent cheaper, but

Q. But the advantage of Wytrex was having an agent in the area who knew the area?

A. And consolidated shipments and one container

Q. So there was a real benefit to Dunnes Stores in having somebody there to do this business?

A. Definitely, yes.

Q. So therefore the payments going to Wytrex were legitimate business expenses for Dunnes Stores?

A. That's correct.

Q. Would you agree?

A. Yes.

Q. But over and above that then, you had another arrangement with Mr. Tse; isn't that right?

A. I had, yes.

Q. You had. And it had nothing to do with, and I want you to think about this now, I know you think of yourself as Dunnes Stores, but it had nothing to do with Dunnes Stores, and it had nothing to do with Dunnes Stores and it had nothing to do with the trust, this money was now out in the Far East legitimately expended by Dunnes Stores for the purpose of their business?

A. If I can answer it?

Q. Yes.

A. What - it is like if we done business with a supplier in England or in Ireland, and we had an overriding deal that we were getting a kickback, the money would come back into the company.

Q. Did - sorry?

A. Yes, into - the LTA - if a supplier, if we done X pounds turnover for achieving a certain target, we might get a one percent extra discount.

Q. Yes, I can understand. You get a discount when you come to settle the account and

A. And it came back into the company. In this case, the point I was attempting to make was that the kickback, with the knowledge of the trustees, was not coming back into the company, the same as most LTAs or most kickbacks.

Q. But there was no kickback here; isn't that right? There was an agreement between you and Wytrex or you and Laurence Tse initially, when he was to act as Dunnes Stores' agent in the region, that there would be any form of discount or

monies refunded to Dunnes Stores? Was there ever such an arrangement?

A. Nothing refunded to me and that's

Q. That's a subsequent agreement you say?

A. When we started talking about trading, that became, part of the trade was we would buy cheaper and there would be something into it.

Q. Yes. I can understand that. But as far as Dunnes Stores were concerned, they were making a legitimate payment from which there was a real benefit?

A. Definitely.

Q. Yes. You had another arrangement, personally, with Mr. Tse and Wytrex over and above that, is that right, that you would receive something out of Wytrex?

A. I would, on behalf of - yeah - well I received it.

Q. You received it, yourself, for yourself?

A. I certainly received it and I never thought of receiving it for myself but I did because I directed it.

Q. To whom?

A. To members of my family.

Q. And did they know where it came from?

A. I believe so.

Q. Why do you believe that?

A. Because I told them.

Q. So, can we take it, and there may be some confusion in your mind about this: The point I am trying to establish is, if that is the case, that to suggest that you would have used

a payment out of, made by Wytrex as an example of the trust not being run properly, if I might use that broad term, is irrelevant to that issue, because Wytrex, as you say, was engaged in a legitimate business relationship with Dunnes Stores, and you, yourself, had an arrangement with Laurence Tse over and above that?

A. I had an arrangement which was known by others in Dunnes Stores, and so I believed it wasn't irrelevant to the litigation that I was taking against the company or attempting, the points that we are making.

Q. I see.

A. If - what - the point that I am making is that if there was money coming back to me which was being in certain cases distributed to members of the family, and if I had known that at the time of my litigation, I would have made it as a point, that the trustees were losing dominion and control.

Q. In what respect, in that the kickback wasn't going to Dunnes Stores but was going to you and other people?

A. Well starting with me, yes, that it wasn't going back into the fund, into the trust.

Q. Now, you say that Mr. Tse sent to you at your home, statements about the affairs or some of the affairs of

A. I believe on a monthly basis, certainly a kind of a turnover and the overheads, so what I would call "management figures".

Q. And why was he sending those to you?

A. Because I had asked him.

Q. To what end?

A. To see what sort of surplus or what sort of profit was available.

Q. Yes. And then when you said there was - you destroyed those; is that right?

A. I didn't keep them.

Q. Did you destroy them?

A. I believe - yes, I did. I have none in my possession.

Q. Let's be careful about this, Mr. Dunne, now. Did you personally destroy them?

A. Mm, what I personally would have done is when I would have got them, and - I can't say for a day or for a week, I would then have put them in my dust bin, just tore them in half, and that's what I believe - in fact that's what I did do.

Q. In every case?

A. I would say yes, in every case.

Q. Did you show them to anybody in the intervening period between receiving them and destroying them?

A. I don't believe so.

Q. Is that "yes" or "no"?

A. I will say no.

Q. And you just, these were fairly - why did you destroy them?

A. A question of, there was a lot of figures coming into my house from the company, whether it was sales - and it was purely just a question of, I didn't have an office at home,

it was a question of purely, I would say common sense,

nowhere else to put them.

Q. Why were they sent to your home?

A. Because I asked them to be sent.

Q. But why, why did you ask?

A. Because of the nature of the business which was, it was outside of Ireland and it was a trading arrangement where there was a kickback.

Q. Does that mean

A. which was going to the family, starting with myself.

Q. Does that mean that you were conscious of the sensitivity or confidentiality in relation to these?

A. Can you repeat?

Q. Were you sensitive about these particular documents, you didn't want to leave them around where they might be seen by anybody else?

A. No.

Q. You weren't sensitive?

A. I was sensitive that they wouldn't be seen, but that wasn't the reason why I tore them up.

Q. Well, could I ask you this

A. Yes, Sir.

Q. you wouldn't want anyone outside yourself and anyone you may have distributed funds to, to know about the contents of those; would you?

A. That would be correct.

Q. Now, tearing things in half and throwing them - was this in

your domestic dust bin, is hardly the most secure way of disposing of sensitive documents, is it, Mr. Dunne?

A. That's why I am saying they weren't, if I felt they were really sensitive, I am sure I could have shredded them, they were sensitive but not to the extent of where I was conscious or afraid of them being found in my dust bin or

Q. Did the trading profits of Wytrex go into the Dunnes Stores overall accounts?

A. Did the trading profits of Wytrex? No. The kickback didn't go into the Dunnes Stores overall account.

Q. So the accountants either in Dunnes Stores or the auditors never got to see these, did they?

A. No, they didn't. No, they didn't, no.

Q. Now, you visited Hong Kong twice a year; isn't that right?

A. On average, I would say, yes.

Q. Well, once or twice a year?

A. Yes.

Q. And on occasions when you were there, you would ask Mr. Tse what sort of funds were available, and he would get drafts for you, bank drafts; is that right?

A. I certainly recall that, yes.

Q. How many times would you have got drafts would you think?

A. I can only - I could only make a guess.

Q. Yeah, roughly?

A. I would say once - on one out of the two visits I would think.

Q. Yeah, so maybe once a year?

A. Once a year or once every 18 months, that's what I

Q. Yeah, and what level of drafts would you obtain?

A. The amount?

Q. Mm-hmm.

A. I would think 200,000, those sort of levels is what I believe it to be.

Q. And on other occasions you rang Mr. Tse and asked him to transfer monies that might be in the account; is that right?

A. Yes, I - I believe so, yes.

Q. Would they be similar type levels?

A. I am not able to recall, but I would say, I would say - I can't recall but somewhere, somewhere between 100 and 200 I would say would be

Q. Yes, and where would you direct that that money would be sent?

A. I can't really recall any situation. I can - it is far easier to remember a bank draft because you were carrying something that you didn't want to loose, you were conscious of it.

Q. Yes.

A. And I really can't recall where I would - how often or where I would have phoned him and said "transfer money".

Q. Where did you have accounts that he could transfer money or did you?

A. I never had accounts, no.

Q. So who was he transferring the money to?

A. That's - I can't recall, it was not - it was - I don't think I ever transferred money to a member of the family.

Q. Well now, if you were transferring money or if you were issuing instructions or asking, to put it as neutrally as possible, Mr. Tse, to transfer money, he had to transfer it somewhere, didn't he?

A. No question, yes.

Q. And you had to be able to get access to it if you were asking him to transfer it, isn't that right, or give an instruction in relation to it?

A. I would certainly give instructions, yes.

Q. And some of it went into Tutbury I think, didn't it?

A. Some of it definitely went into Tutbury, I am not sure whether it was by bank draft or by

Q. I see. I see. And where else could it have been sent, do you think?

A. Obviously there is one answer where it went.

Q. Yes.

A. Sorry, that's what - the Tribunal has established.

Q. This 200,000?

A. This 200 obviously went there.

Q. You see the importance of trying to establish where the monies went, because we now come across this œ200,000?

A. Absolutely, yes.

Q. So if you can assist the Tribunal as to anywhere else the monies might have been transferred to, it might be an area

where the Tribunal might need to look?

A. Correct, and I unfortunately - this - I have no recollection where it went, where it went.

Q. So - the payment which was disclosed to the McCracken Tribunal, which was the 471,000 payment?

A. Yes.

Q. How was that brought to the attention of that Tribunal, do you know - if you can remember?

A. I think, I can't remember definitely, but - did I bring it to their attention?

Q. Sorry, maybe if we go to page 89. It arises in the particulars. The payment was paid by way of a transfer of 471,000 from US dollars deposit account maintained by Equifex Trust Corporation AG, "Tse Kam Ming, maintained" - is that Mr. Tse?

A. Sorry?

Q. Is that Laurence Tse by any chance, Tse Kam Ming?

A. I would think so, yes.

Q. "Maintained at Zug, Switzerland. The money was transferred to a client account in the name of" what is that, "Froriep Renggli and Partners and from thence to Barclays Bank PLC, Knightsbridge in London for the credit to account number", the account number is given in the name of John Furze.

That information was available for the purpose of the Reply to Particulars, and it was information brought to the

attention of the McCracken Tribunal; isn't that right?

A. That's correct, yes.

Q. Where was that information obtained?

A. Mm, that information was obtained by my solicitor.

Q. From whom?

A. From Julian Harper I think in the Isle of Man.

Q. And how was that information available?

A. I requested Noel Smyth to talk to Julian Harper.

Q. I want to know, how was it available to Julian Harper?

A. Because he was controlling or - he was involved with me,
or - he was, Julian Harper was in the Isle - I just
can't

Q. Yes?

A. He was in the Isle of Man and he was, I think he spoke to
them about, he was before the McCracken Tribunal.

Q. He may, yes. Now, what I want to know is your knowledge.

You see, money was only transferred two ways from Wytrex,
isn't that right, as you have told us, by bank draft or by
transfer on direction?

A. That's definite.

Q. Yes, there is œ471,000 here?

A. Yes.

Q. Which came

MR. GALLAGHER: I wonder, Sir, a point of clarification.

I don't wish to interrupt Mr. Coughlan. The 471,000 wasn't

Wytrex money, it was money from the Equifex Trust

Corporation. Earlier I understood he referred to it as

Wytrex money. I just wanted to clarify that.

Q. MR. COUGHLAN: Maybe Mr. Dunne could clarify it; what was the, just give us that œ471,000, give us the routes of it now, where it came from and how it ended up in this information being given?

A. It would have come, what I believe - it would have come from trading in the Far East.

Q. Mm-hmm.

A. And it would have ended up in, through either Carica or Wytrex in the Isle of Man or, through Julian Harper.

Q. No. Is that - are you correct about that? The amount was paid by way of transfer?

A. Yes.

Q. From an account maintained, Equifex Trust Corporation AG - Tse Kam Ming, whom you said you believed to be Mr. Laurence Tse?

A. Correct.

Q. Maintained at Zug, Switzerland? The account was maintained at Zug, Switzerland; is that right?

A. I thought it was maintained in the Isle of Man, obviously if it says it there, it was maintained in Zug, Switzerland.

Q. Well, did Mr. Laurence Tse so, to your knowledge - I think you have already, and I am not holding you to this, you always believed that Mr. Tse's accounts were in Hong Kong; is that correct?

A. I believed that Wytrex accounts, yes, were in Hong Kong.

Q. What other dealings did you have with Mr. Tse other than Wytrex?

A. Nothing.

Q. So can we take it, if Mr. Tse is involved in this particular transaction it must represent some involvement of Wytrex, that's the £471,000?

A. It must have, yes.

Q. And this particular information - well, was it the case, I am just trying to clarify this really, that funds generated in the Far East were transferred to Equifex and/or Tutbury?

A. That is the case.

Q. Would that be your - yes?

A. That would be the case, yes.

Q. And Far Eastern profits must include, at least, Wytrex profits; isn't that correct?

A. Far Eastern funds must include

Q. Must include?

A. That's right.

Q. What other funds were coming from the Far East?

A. Carica funds.

Q. Yes.

A. They are the only

Q. They were the only two?

A. That's the only two that I am aware of.

Q. And were those funds also transferred out of Tutbury or Equifex for management purposes?

A. Correct.

Q. So in fact the presence of, if that be Mr. Tse, that it was the account of Equifex, and it might be reference to Mr. Tse - I don't think - I am just trying to ask you for your assistance?

A. When the money came out of the - when the money came out of Wytrex it wasn't into either Equifex or Tutbury.

Q. Yes.

A. That's

Q. Yes. And they were managed either in the Isle of Man, is that correct, or

A. I think in the Isle of Man; in both cases I think in the Isle of Man.

Q. In both cases in the Isle of Man. And it was from that particular source, I take it, that was Mr. Julian Harper; is that correct?

A. That's correct, yes.

Q. And it would have been from that particular source, that this information about the 471,000 payment was established; is that correct?

A. That's correct. Yes, Sir.

Q. Now, so can I take it therefore, that the probability is that when you gave instructions to Mr. Tse to transfer monies, this is as opposed to getting drafts now, to transfer monies?

A. Yes.

Q. That the probability is that the money was transferred to the accounts of either Equifex or Tutbury. Would that be

fair to say?

A. I don't think I could stand over that, no.

Q. You don't think so?

A. I don't think so, no. I can't recall that situation.

Q. You see the problem here, Mr. Dunne, is we keep turning up lots of money that nobody has informed the Tribunal about before, so we have to try and get to the end of this at some stage. Do you understand?

A. I do understand it clearly.

Q. And here we have now another œ200,000 coming to the attention of the Tribunal, which has come out of Wytrex, which you accept, although you say you have no recollection, must have been initiated by you, and it ends up in a bank account or being paid through a bank account in London?

A. That's correct.

Q. And you know nothing about a bank account, a Bank of America in London; isn't that right?

A. I know nothing; no, I don't.

Q. So - and you know nothing about the route - and the diligent searches or seeking of information by you and your solicitor for the litigation, for the McCracken Tribunal, doesn't seem to be able to uncover much information at all; isn't that right?

A. Can you repeat - yeah, it doesn't

Q. You can't give any information about this from anybody. You couldn't get any information at the time of the

litigation?

A. On which?

Q. About this €200,000 payment, Mr. Dunne?

A. The 200 you are discussing?

Q. The Wytrex payment we are discussing now that the High Court sent to this Tribunal?

A. I have no information.

Q. Now, can there be any doubt but that Mr. Tse, if he sent you documents, must also have had documents?

A. Can you repeat it? Can there be any doubt?

Q. That if Mr. Tse sent you documents, he must have had similar documents himself?

A. There is no doubt in my mind that that is correct.

Q. And if monies were paid out of bank accounts under his control, he must have bank statements; isn't that correct?

A. That is correct.

Q. Which would show payments made or should?

A. They should do, yes.

Q. And leaving aside the loose arrangement that you have spoken about, and when you said that Mr. Tse didn't want to take sides in the dispute between you and your siblings or the trustees, Mr. Tse considered himself still to have a relationship with either you or with Dunnes Stores; isn't that correct?

A. That - yes, I would agree with that.

Q. And apart from yourself, who else did Mr. Tse deal with in Dunnes Stores?

A. He would have dealt with the textile buyers. Do you want me to name them?

Q. No, I don't think - I am not talking about people. Were people at that level receiving distributions from you out of Wytrex?

A. I thought you meant who would Mr. Tse have dealt with.

Q. Not in normal business, who else would he have been dealing with on behalf of Dunnes Stores apart from yourself?

A. I think only myself.

Q. And after you were removed you say that he continued to have a relationship with Dunnes Stores, did he?

A. I believe so, yes.

Q. And have you spoken, you say that you have spoken to Mr. Tse in recent times, you received a fax from him?

A. Yes.

Q. Have you discussed this particular matter with him?

A. This matter, about this payment?

Q. About payments in general?

A. Of course I have.

Q. And what sort of response are you getting?

A. Cordial but very, but just what I am saying - he says he has no recollection or no documentation.

Q. Sure you can get documents from the bank. You can get bank statements from a bank, couldn't you?

A. Yes, of course.

Q. Have you asked him about that?

A. Yes, I have.

Q. What does he say about that?

A. He has no documents or recollection.

Q. But did you ask him could he go to the bank and maybe the bank could get, look at records of their documents?

A. I did definitely.

Q. What did he say to that?

A. He said "Leave it with me".

Q. I see. When did he say that?

A. The first - after I had met with the Tribunal here, I went and contacted him, I think that was September when we met, and within a couple of - I don't know exactly what period of time, I made contact with him and I told him what I was looking for and the requests that were being made and that how important the information was, and he came back and said he had no documentation or he had no bank records, and then I asked him could he give it to me in writing, which he telexed.

Q. Well, did you ask him - have you asked Mr. Tse if he would assist the Tribunal by looking for, just the bank statements?

A. Yes, I have.

Q. And what explanation has he given for that?

A. He said to me that he had no recollection or records.

Q. I can understand that he mightn't have recollection or records, but approaching a bank, to get the documents, the bank would have records?

A. Correct.

Q. And he has refused to do that, has he?

A. Well, he certainly hasn't cooperated with me and he has said that he couldn't help me out, he had no recollection or records.

Q. Well, you had the authority to direct Mr. Tse to, you believed anyway, to transfer any monies that were in the accounts over and above the running costs and payments to Mr. Tse; isn't that right?

A. Well, he carried out my instructions, so yes, I had the authority.

Q. And to take the monies, to direct him to take the monies out of bank accounts; isn't that right?

A. Obviously, came out of bank accounts, yes.

Q. Well, did you consider that your company or did you consider it Mr. Tse's company?

A. I considered it Mr. Tse's company. Not only did I consider it, I believed it was Mr. Tse's company.

Q. But all profits made in the company were yours; isn't that right?

A. Profits, I don't know whether they were all profits, but certainly profits which were made were, yes, mine or - at this stage I will say mine, yes.

Q. Yes, because you said in your statement that when you received bank drafts you distributed them; isn't that correct?

A. That's correct, yes.

Q. And would you consider it unusual that when you had a

trading relationship, and remember now the case is over, it is settled between yourself and your siblings and the trust; isn't that correct?

A. It is, yes.

Q. And whilst one might understand Mr. Tse's reluctance to take sides when there was a dispute going on, now it is all over, there is an important matter going on in this country, the Oireachtas have deemed it appropriate that an inquiry should be held; is there any reason that you can see why at this stage Mr. Tse couldn't assist by going to the bank and getting the bank statements?

A. None that I can see.

Q. To your knowledge does Mr. Tse still have a trading relationship with Dunnes Stores, whatever about Wytrex?

A. I don't believe so.

Q. You don't believe so?

A. No, because I asked him when I was speaking to him.

Q. Yes.

A. And he told me he had a new business now. I don't believe he has a trading - but that's

Q. That's your belief?

A. I can't be sure.

Q. You can't be sure, that's your belief. So as far as you can see there is no adverse business consequence for him in being involved in anything?

A. I can't see it, no.

CHAIRMAN: Can I just ask you, Mr. Dunne, at this

particular time, how big a part of Dunnes' costs base would what you were effectively transacting through Wytrex have represented? In other words, was the Far East manufacturing operation very much the biggest component of what went on Dunnes Stores' shelves at a later stage?

A. Was the Far East - what percentage of our turnover, is that the question?

CHAIRMAN: Yes.

A. Of our turnover, in total, of textiles I would say, on footwear the Far East was maybe two percent of our turnover, that's what I believe.

CHAIRMAN: Yes.

A. A lot of the merchandise that came from the Far East was on quota, so you just couldn't buy quantities

Q. MR. COUGHLAN: I see. Now, you had agreed or you have given evidence that you had agreed to pay, you say, on behalf of Dunnes Stores and with Dunnes Stores' money, 7 to €900,000 for or on behalf of Mr. Haughey; isn't that right?

A. That's what is clear in my mind, yes.

Q. And then on the evidence to the McCracken Tribunal over and above that was the drafts that you say that you had when you visited Mr. Haughey and you gave him; isn't that right?

A. That's correct, yes.

Q. And that brings it in excess of a million pounds, in your own mind; isn't that correct?

A. That's correct, yes.

Q. And on the evidence given before the McCracken Tribunal, you identify particular payments; isn't that right?

A. That's correct, yes.

Q. And on matters which have been dealt with at this Tribunal there are significant sums of money over and above that; isn't that correct?

A. That's correct, yes.

Q. Bringing the matter, bringing the whole thing very close to two million pounds?

A. My sums, looking at everything, I think comes to about 1.7.

Q. Including this £200,000?

A. Yes.

Q. Well, I will get somebody to do a tot here, but it is neither here nor there?

A. 1.7 or 1.8 is what I think.

Q. But it is, would you agree, huge sums over and above what you first of all agreed and intended to do; is that right?

A. Certainly a huge increase, yes.

Q. And a huge increase over and above what was disclosed to the McCracken Tribunal; isn't that right?

A. Yes, I would use - a huge increase, yes.

Q. And you have told this Tribunal, that you have no recollection in respect of these significant sums of money over and above what you disclosed to the McCracken Tribunal; is that correct?

A. Yes, that is correct, yes.

Q. Even though the payments appear to have commenced before the time you indicated to Mr. Justice McCracken; isn't that right?

A. That's correct.

Q. And ceased certainly after the time you had indicated the last payment to have been made; isn't that correct?

A. That's correct, yes.

Q. And now right in the middle of it all we find another €200,000; isn't that right?

A. That's correct.

Q. Do you or what would your comment be if a member of the public were to express at least a surprise that you have no recollection in respect of these payments?

A. If a member of the public were to

Q. Yes, I am conducting the public's business here, Mr. Dunne, I want to put to you - in fact it comes to - it seems to come to 1.875660 Sterling, which is probably at least, which is probably over 2 million pounds Irish. I am putting something to you, Mr. Dunne, for your comment because I am not making any case, but I am asking you that if it were suggested that it is hard to believe that you couldn't remember these sums of money, over and above the sums which you disclosed to Mr. Justice McCracken, that it is just hard to believe that?

A. I think that's a fair comment to say it is hard to believe, but I just would like to make one other point.

Q. Yes.

A. That it is not hard to believe, but at the time I was controlling the Dunnes Stores Group and 10 or 12 million pounds a week. Now, I didn't sign every cheque, but I was - so it is hard to believe that these sort of monies I can't recall, but it is in the context of what I was in control of on a weekly basis. I can understand it, it is hard to believe but

Q. Yes, well you knew when you were approached by Mr. Fox and you decided to do the payment yourself or on behalf of Dunnes Stores, that you would have to get the money, you believed from the Far East, you knew there wasn't that sort of money around, just to be paid at that stage; isn't that correct?

A. The money was always around. If you are turning over 10 or 12 million pounds a week the money was around. The particular way that it was done wasn't around. I mean, there was, you could write a cheque out of Dunnes Stores for a half a million pounds and as a percentage of turnover that week, 10 million, half a percent

Q. I suppose most of the drawings on Dunnes Stores' accounts would have been to do with payments to suppliers, drawings in respect of wages and salaries, matters of that nature; isn't that right?

A. Overheads and merchandise, that's correct, yes, and capital expenditure.

Q. Yes. That would be the normal sort of expenditure. And

payments to a Mr. John Furze or payments or directions that monies go into an account in London for the attention of Mr. JD Traynor, these are all - and these were significant sums; isn't that right?

A. Certainly significant sums, looked at in isolation.

Q. No, significant sums looked in anyway?

A. Looked in anyway, significant sums.

Q. But they were all ultimately, or you believe anyway, destined for Mr. Haughey isn't; that it?

A. That's what I believe, yes.

Q. So you knew you wanted to make payments to him, and from your, could I suggest from your business experience, it would seem unlikely that you would be paying more than you intended paying?

A. Unlikely that I would be paying more than I intended to pay?

Q. Yes.

A. That's - yeah, I would say that's

Q. That's unlikely, isn't it?

A. Well not unlikely, but it is a fair comment to make.

Q. Well, you intended to pay all the money when Mr. Fox came to you; isn't that right?

A. That's what I definitely said, yes.

Q. And being the businessman that you are, you wanted to get the best deal, you bet him down as far as you were concerned, if I can put it that way, that was your belief anyway, 7 to €900,000 each?

A. I didn't beat them down, but I reached the figure 7 to

Q. Yes. And to you, looking at it anyway, that was an awful lot of money?

A. Looking at it anyway it was an awful lot of money, yes.

Q. And you knew it was an awful lot of money?

A. And still is, yes.

Q. And still is. And to pay more than twice that, I must suggest to you, must have been something which you had to know about?

A. I didn't - I found out about it eventually, but I didn't know at the time, no.

Q. Or was it that you always intended to pay about 2 million pounds?

A. It certainly was never that I always intended to pay 2 million pounds, no.

Q. Now, you accept that you would have initiated this particular payment by giving the instructions to Mr. Tse?

A. I do accept that, yes.

Q. Where would you have received the information to give those instructions?

A. I can only make an assumption, I can't recall getting any specific instructions.

Q. Well, you didn't know about Ansbacher Cayman's accounts or account number in Henry Ansbacher in London, did you?

A. Definitely not, no.

Q. So somebody must have told you?

A. Somebody had to give me - yes, that's correct, yes.

Q. And you had to convey that information to Mr. Tse. Can we take it that Mr. Tse wouldn't have known it either?

A. I believe so, yes.

Q. Well, who could have given you that information?

A. I can only make an assumption.

Q. Who, who could have - who could have given you that information?

A. I think Noel Fox.

Q. Was there anyone else who could have given it to you?

A. I don't believe so, no, I don't. The answer is no - Mr. Traynor could have given it to me, but I never spoke to Mr. Traynor.

Q. That's what I mean, yes?

A. Yes.

Q. So the only person you could have, that could have given it to you, is Mr., Mr. Fox, is that right, in your view?

A. That's - I'm assuming - I can only assume it because I have no recollection.

Q. Now, Mr. Dunne, come on. Let's work at this. Is there anyone else who ever spoke to you about this affair?

A. I don't ever recall being spoken to about this affair.

Q. About the payments to Mr. Haughey?

A. There was only one person spoke to me about payments.

Q. Yes?

A. That was Mr. Fox.

Q. Yes. Did anyone else discuss it with you - perhaps I should at this stage say that Mr. Dermot Desmond gave

evidence at this Tribunal, and it is in the public domain,

that at one stage you said something to him about it?

A. I did say something to him about it, yes.

Q. And he has told this Tribunal, that he was approached by

Mr. Traynor, but at the time because of the circumstances

in the stock market, it was after Black Monday, he refused

to get involved?

A. What I recall Dermot Desmond saying to my solicitor, that

he - I was present when a phone call was made and he

was - I was present, I didn't hear exactly what was - I

think he was wondering why when the McCracken Tribunal was

set up why I didn't just leave the country and I don't know

exactly what he

Q. Yes, I don't think so. I don't think that is the context

we are talking about. I think Mr. Desmond informed the

Tribunal that he met you and you made some comment to him,

I don't want to go into the comment that was made, but it

wasn't at the time - I think in fact in fairness to Mr.

Desmond it was to the effect that he couldn't afford to do

it or something at the time, or a jibe or

A. That he said this to me?

Q. No, that you said it to him?

A. No.

Q. I see.

A. My only recollection of my conversation with Dermot Desmond

was in a golf club.

Q. I see.

CHAIRPERSON: But you are satisfied, Mr. Dunne, with your earlier answers several months ago when you stated that your only contact personally with Mr. Desmond Traynor was a passing social contact, and that you never discussed the details or anything of that sort of this nature with him?

A. Absolutely certain.

Q. MR. COUGHLAN: So it couldn't have been Mr. Desmond, because he didn't know anything about the routing of this particular money; is that correct?

A. Mr. Dermot Desmond?

Q. Yes.

A. Not to my knowledge.

Q. That's the only other person that we have come across who may have had some sort of a contact or a comment or something about it, so the only other person then was whom, Mr. Fox?

A. That's correct, yes.

Q. Nobody else?

A. Nobody else, no.

Q. You are definite about it?

A. I am definite, I am certain, yes.

Q. Now, you know in relation to the routing of money, apart from the occasion when you say that Mr. Fox approached you after you had agreed to do it and said that money was needed quickly, and that was the John Furze payment out of Bangor, you are aware of that?

A. I do, yes.

Q. The routing of money, was that only indicated to you on one occasion or were there a number of occasions on which it was indicated to you, how it might be done?

A. On a numbers of occasions.

Q. On a number of occasions?

A. Yes.

Q. On a number of occasions. And on - your belief is that it was Mr. Fox in all circumstances who indicated the route to be taken?

A. I can't be sure here, but I do believe, because I have no recollection of this one, but on a process of elimination, I certainly believe that all of the money transfers up to this one, was certainly given to me by Mr. Fox and I believe that he gave me this one, but that's an assumption.

Q. Was it always in writing?

A. Sorry?

Q. The instructions, was it always in writing for the route?

A. I would think so, yes, and it could be my writing, where he called it out to me or it could be - but certainly it was written down, yes.

Q. And what happened to the note if it was your own note?

A. I have no idea. I certainly didn't file it or keep it or

Q. Did you bin it?

A. I would say yes. If the answer is "yes" or "no", the answer is yes, I didn't keep it.

Q. You didn't keep it?

A. No.

Q. Now, you have informed the Tribunal that to the best of your knowledge, information and belief there are no other payments made; isn't that right?

A. Yes.

Q. That was your view before this particular payment came to the attention of the Tribunal as well; isn't that right?

A. That's correct, yes.

Q. And it was your view when you gave evidence to the McCracken Tribunal; isn't that right?

A. That's correct, yes.

Q. Can there be any other monies around, Mr. Dunne?

A. I don't believe so, no.

Q. Now, why don't you believe that?

A. The same time as - well, on the same way as every other time I have said it, I really did not believe there was anything further.

Q. And then another €200,000 will show up; isn't that right?

A. That's correct.

Q. That has been the history at this Tribunal; isn't that right?

A. That is what has happened to me, yes.

Q. So without access to Mr. Tse's bank accounts, or Wytrex's bank accounts, or maybe even Equifex's bank accounts or maybe even Tutbury's bank accounts, have you been through all of those?

A. I have been through Tutbury's bank accounts, I haven't been

through Wytrex's because I couldn't get them.

Q. Yes.

A. But

Q. For all we know there could be other payments there?

A. I don't believe so, but the answer is, and as you said yourself, I have said that a couple of times before and other things have come up which

Q. Thanks Mr. Dunne.

CHAIRPERSON: That's the conclusion of your examination, Mr. Coughlan? I am just concerned, Mr. Gallagher, I know the Tribunal had a number of half and formal meetings, and also, it has been quite a long afternoon for your client, so have you any sense of how much you may have to go into, if you did feel it necessary to go overnight of course I have allowed

MR. GALLAGHER: I would try and get it done today, I don't think I would be that long. I would try and keep it - one is always afraid of saying that, maybe if I could go for ten minutes Your Lordship could

CHAIRMAN: As I have already indicated, this is a fact finding and not a litigation cross-examination syndrome, so if it is necessary to defer in part, of course you have full access to Mr. Dunne, but we will see what progress can be made and rephrase the position maybe at ten or quarter past.

THE WITNESS WAS THEN EXAMINED BY MR. GALLAGHER AS FOLLOWS:

Q. MR. GALLAGHER: Thank you very much.

Mr. Dunne, I just have a few questions, if I may? Firstly just going back to the McCracken Tribunal and the disclosures you made to that, I just want to go back to that first, am I - who authorised the disclosure to the McCracken Tribunal of the details of the payments to Mr. Haughey that formed part of the High Court proceedings?

A. I think I did.

Q. And I think you voluntarily furnished to the McCracken Tribunal all of the records that you had relating to those payments, including the Pleadings themselves in the High Court proceedings; is that correct?

A. Definitely, yes.

Q. And in addition, there was a payment that had not been mentioned in the High Court proceedings and those were the three bank drafts of €210,000?

A. That's correct, yes.

Q. And that, the fact of that payment wasn't recorded anywhere in writing; isn't that correct?

A. That's correct, yes.

Q. And you volunteered that information to the McCracken Tribunal?

A. Yes, I did. Yes.

Q. And I think to the very end Mr. Haughey denied that he had received that payment, even when he admitted the earlier

payments?

A. That's correct, yes.

Q. And his final position was just that he had no recollection of it?

A. That's correct, yes.

Q. In connection with the High Court proceedings, did you issue instructions to your solicitor, Mr. Smyth, to go to the Far East to try and obtain documentation in relation to Carica and Wytrex?

A. Yes, I did.

Q. And did you place any limitation or restraint on what documents he should obtain?

A. None whatsoever.

Q. And having carried out your instructions and gone to the Far East, did your solicitor produce for you, documents which provided evidence of these payments to Mr. Haughey?

A. Yes, he did, yes.

Q. And those documents had never previously been within the jurisdiction; is that correct?

A. That's correct, yes.

Q. And did you authorise him to speak to Mr. Julian Harper and various other people who had acted on your behalf in connection with these payments?

A. Yes I did, yes.

Q. And in connection with the McCracken Tribunal, did you issue instructions that these other people, including Mr. Harper, should be made fully available to the Tribunal?

A. Yes, I did.

Q. Even though they were not compellable witnesses?

A. That's correct, yes.

Q. And I think you through Mr. Smyth and your connections, got them to come to this jurisdiction to give evidence?

A. That is correct.

Q. Now, in relation to Mr. Tse, he was the beneficial owner of Wytrex; is that correct?

A. That is correct, yes.

Q. And Wytrex organised these payments and made the various arrangements in relation to the purchases by the company of products in the Far East; is that correct?

A. That is correct, yes.

Q. In connection with Mr. Tse, you have spoken to him on a number of occasions and asked him to provide you with any additional documentation?

A. Yes, I have, yes.

Q. And your solicitor has been to visit him and asked him for additional documentation; is that correct?

A. At the time of litigation, yes.

Q. Yes. And I think you have supplied his telephone number to the Tribunal?

A. Yes, I have.

Q. Mr. Tse is now, I think, partly based in Hong Kong but also he acquired a Canadian passport and is partly based in Canada?

A. That's correct, yes. I think that's correct.

Q. Just, if I can come to the trust money for a moment, without going into the detail. Effectively the Dunnes Trust which was the subject matter of your High Court proceedings, had as its main or exclusive assets a controlling interest in the Dunnes Stores Group of companies?

A. That's correct.

Q. And by extension all of the assets of those companies were indirectly assets of the trust?

A. That's correct.

Q. Payments made to Wytrex, what was the source of those payments?

A. Dunnes Stores.

Q. Dunnes Stores. And Dunnes Stores paid not only the price of the goods, that they could have got them for, but paid an additional five percent over and above the price of the goods?

A. Roughly speaking, yes.

Q. And that additional five percent was payment from Dunnes Stores' assets, Dunnes Stores' monies?

A. Well, yes it was, yes.

Q. And from that five percent of Dunnes Stores' monies this fund you spoke about was created?

A. Yes.

Q. And subsequently dispersed as you have described in the various ways?

A. That is correct.

Q. And I think it was your contention in the High Court proceedings, that this Dunnes Stores' money, which ultimately formed part of the trust, was being used in this way for the various disbursements to the knowledge of the trustees?

A. That was correct. Yes, that's correct.

Q. Now, can I just ask about the Equifex payment just for a moment, to come back to that and perhaps try and clarify an aspect of that. Excuse me, pages I think 89 - firstly 87 and then 89. 87 was a copy of the Notice for Particulars in the High Court action, seeking particulars of amounts you said had been paid from trust assets to Mr. Haughey?

A. Yes.

Q. As part of your evidence of the disbursement of trust funds?

A. Correct.

Q. And the replies gave the detail that's included therein on the basis of the information then to hand?

A. That is correct.

Q. Not mentioning the bank drafts of €210,000, the three bank drafts?

A. That's correct.

Q. Yes, and the sum of €471,000 Sterling that Mr. Coughlan was asking you about, that was a transfer from Equifex trust corporation AG. Now who controlled Equifex Trust Corporation?

A. Julian Harper.

Q. And this is the Mr. Harper who on your instructions came and made himself available to the McCracken Tribunal?

A. That is correct.

Q. And Tse Kam Ming is the name of a trust of which one of the trustees was Mr. Tse, Laurence Tse?

A. I think so, yes.

Q. I think you have to get trustees out of the jurisdiction, foreign trustees and Mr. Tse made himself available, is that correct? You had to get trustees out of the jurisdiction, I think it was in Hong Kong and Mr. Tse agreed to act in relation to it?

A. That's correct, yes.

Q. And monies - Equifex was most probably made up of monies from Carica or payments made from Wytrex on foot of the arrangements you described?

A. Definitely, yes.

Q. Now, insofar as the Wytrex bank accounts are concerned that you were asked about; Wytrex, as you explained, was the company beneficially owned by Mr. Tse?

A. Yes.

Q. Did you ever receive bank accounts of Wytrex?

A. Never.

Q. And so far as you are concerned do you have any objection to or any basis for objecting to the Tribunal getting Wytrex bank accounts if Mr. Tse or Wytrex is prepared to make them available?

A. Absolutely not.

Q. You had dealings with Mr. Tse and Wytrex over a period of time?

A. I had, yes.

Q. And I think you described that purchases of textiles from the Far East represented two percent of turnover, you indicated to the Chairman?

A. The textile turnover, maximum.

Q. Is it two percent of the textile turnover or the entire Group turnover?

A. If you take textiles, footwear and toys.

Q. Yes.

A. In total I would say about two percent of the turnover.

Q. Two percent of textile, footwear and toys?

A. Between two and five percent.

Q. Two and five percent. And that would exclude turnover relating to food and other activities in which Dunnes is involved?

A. Yes.

Q. And would the food activities, how would that compare in size to the textiles, toys and footwear turnover which was the bigger part of the business?

A. I think we were roughly, at that stage we were 50/50.

Q. Did Mr. Tse or Wytrex ever give you a full account of his dealings on your behalf, on behalf of the Dunnes Stores Group? Did he ever make a full disclosure?

A. No.

Q. And he hasn't done that to this date?

A. No, he hasn't, no.

Q. So quite apart from the disclosure of providing information in relation to payments to Mr. Haughey, you have never received from Mr. Tse or Wytrex a full disclosure of all of the dealings in which he had an involvement in connection with the Dunnes Stores Group?

A. Never, no.

Q. What you did receive from time to time at your specific request, were these accounts which you would review, and having reviewed dispose of?

A. Management figures.

Q. Management accounts?

A. Yes.

Q. Thank you very much. Thank you.

MR. CONNELLY: No questions. Nothing Sir.

THE WITNESS WAS FURTHER EXAMINED BY MR. COUGHLAN AS FOLLOWS:

Q. MR. COUGHLAN: Sorry, Sir, just one or two questions arising there.

I think - when did Mr. Tse go to Canada or have a

A. I think he had done it before, I don't think it - he - he done it before 1997, before Hong Kong became part of China.

Q. Is that recent fax from Canada so?

A. No, that was - the fax came from Hong Kong.

Q. Where is Mr. Tse?

A. When I last spoke to him it was from Canada.

Q. And how did the fax come from Hong Kong, do you know? Was he in Hong Kong when he faxed that?

A. Well, I am not sure whether he was there when he actually sent the fax, but I was speaking to him in Hong Kong.

Q. Well, I think you are aware, aren't you, that Mr. Julian Harper doesn't feel that he should make himself available to this Tribunal, isn't that so?

A. I don't know.

MR. GALLAGHER: I am not sure that's the position. But my solicitor - we have different information that he was available but

MR. COUGHLAN: If that is so, that's fine. That's fine.

CHAIRPERSON: Well, Mr. Dunne, should it transpire, and accepting for present purposes that you don't have direct controlling over Mr. Tse because your business relationship has long ended, but if it were to transpire from your inquiries that any evidence of any further payment were to emerge, do I have your undertaking that you will fully cooperate through your advisors with the Tribunal?

A. Absolutely Sir.

CHAIRMAN: And make anything available, even if our inquiries do not uncover this?

A. Yes, Sir.

CHAIRPERSON: Thank you for your attendance. We will
take up further evidence then at 10:30am tomorrow
morning.

THE HEARING THEN ADJOURNED TO THE 25TH OF MAY, 2000, AT
10:30AM.