

THE HEARING RESUMED AS FOLLOWS AT 10:30 A.M. ON THE 25TH

MAY, 2000:

CHAIRMAN: Morning.

MR. COUGHLAN: Sorry, Sir. There has just been a slight technical problem, and I know it will delay the sittings for perhaps three quarters of an hour this morning.

Just to explain to the public, that it is just something beyond anyone's control at this stage.

CHAIRMAN: Well, I think the public are entitled to know it has been mentioned to me, Mr. Coughlan.

MR. COUGHLAN: Yes, Sir.

We want to ask Mr. Dunne some further questions, Sir, and inadvertently we indicated to Mr. Dunnes' legal advisers late yesterday evening that he wouldn't be required first thing this morning, and now the view that we take is that it would be preferable that Mr. Dunnes' evidence would be heard before Mr. Fox were to give evidence.

In those circumstances - Mr. Dunnes' legal advisers have rung him this morning and he has agreed to make himself available. He is in his office, and he will be here within half an hour or three quarters of an hour. It is just one of those unfortunate things.

CHAIRMAN: Very good, Mr. Coughlan. That's acceptable to

you, Mr. Gallagher? And Mr. Dunne is making it his business to get here as soon as possible?

MR. COUGHLAN: Yes, Sir.

CHAIRMAN: Very good. Well, I will sit then as soon as he arrives.

THE HEARING THEN ADJOURNED FOR A SHORT BREAK AND RESUMED AGAIN AS FOLLOWS:

MR. COUGHLAN: Mr. Dunne please.

BERNARD DUNNE RETURNED TO THE WITNESS-BOX AND CONTINUED TO BE EXAMINED AS FOLLOWS BY MR. COUGHLAN:

Q. MR. COUGHLAN: Thank you, Mr. Dunne, for coming at such short notice, and apologies for any inconvenience.

Mr. Dunne, I want to ask you about the Far East operation, so that the Tribunal can understand the matter fully. If you can assist the Tribunal to the best of your ability

A. Yes, Sir.

Q. we would be most appreciative. I suppose where I should start is perhaps if we looked at, or identified all of the payments that appear to have gone to Mr. Haughey in the first instance, and then we will go back and look at where they came from, and then try and establish what these Far Eastern companies were, the structure of them and who had control over them, is that

A. Okay, Sir, yes.

Q. agreeable to you? And, again I suppose if I start with the sums which were identified first of all in the proceedings between you and your family?

A. Yes, Sir.

Q. Is that all right? And the first figure which was identified in the proceedings between you and your family, in the particulars which we went into yesterday, and I will get you a copy of the report, there is one there, the McCracken Report, at page 89. (Document handed to witness).

The first payment was the €471,000 Sterling, isn't that correct, equivalent to approximately 500 Irish, that's the first one identified?

A. That's correct, yes.

Q. And if you go to the bottom of that page, Item C, Roman Numeral I, this amount was paid by way of a transfer of €471,000 Sterling from a US dollar deposit account maintained by Equifex Trust Corporation, AG - Tse Kam Ming, maintained in Zug, Switzerland. Then it says how the money was transferred to a client account in the name of Froriep Renggli and Partners to Barclays Bank, Knightsbridge to the credit of the account of Mr. John Furze, that's the first one identified?

A. That's correct, yes.

Q. The second one identified is €25,000 Sterling, and that is the Bangor, that's the money that came out of Bangor made

payable to John Furze; isn't that right?

A. That's correct, yes.

Q. And then we go over the page. The third one identified then was £150,000 Sterling, and that was for, the instructions were that it was to be paid to the account of Henry Ansbacher and Company Limited, for further credit to account number 190017-202. And that came through Equifex Corporation, that is the account maintained in Zug, in Switzerland; isn't that correct, that's where it came from?

A. That's correct, yes.

Q. And that went into, or the instruction was the same route into Henry Ansbacher, the 202 account, that the Wytrex payment was directed to be paid to also; isn't that correct?

A. If it says it.

Q. You can take it that that's so?

A. Okay, so.

Q. Then the fourth payment identified in the proceedings and disclosed to the McCracken Tribunal was the £200,000 Sterling, and this was from Rea Brothers, Isle of Man, and that was sent to Henry Ansbacher and Company Limited in London also; isn't that correct? So those instructions must have been given?

A. Yes, Sir.

Q. Now, if we go to the Wytrex payment which we dealt with yesterday, that was for £200 Sterling - £200,000 Sterling, I beg your pardon. And that, you can take it, was

directed to be paid to the 202 account in Henry Ansbacher and Company Limited in London, but you remember Cayman issued an instruction to Henry Ansbacher informing them that the 202 account was closed and that the money they expected to come in was to be paid into their 101 account and thence on to Dublin for the attention of Mr. Traynor?

A. Yes, I saw that, yes.

Q. And we have it on the screen. Now, the first payment identified in the proceedings, that is the œ471,000 Sterling, which was in August of 1988, that came out of a deposit account maintained by Equifex Trust Corporation AG; is that correct?

A. That's correct.

Q. Could you just explain to us what was Equifex Trust Corporation AG?

A. Equifex Trust was a body to hold funds that I would have generated in the Far East.

Q. Well, could we just come at it this way: It was obviously, this was a trust company of some sort; is that right?

A. A trust company

Q. A trust company?

A. It was a trust company, yes.

Q. And do you know who the trustees were for this company?

Was it persons in this company were the trustees?

A. Julian Harper was the - he managed it, I am not sure whether he was a trustee of the company, but the person who I dealt with all the time was Julian Harper.

Q. Right, and he was in the Isle of Man?

A. That's correct.

Q. And when was this set up, approximately?

A. In or around the time that I was talking to Mr. Fox, when Mr. Fox spoke to me about the

Q. The approach by Mr. Traynor?

A. The approach by Mr. Traynor, it might have been six months before that, but in that period of time, Sir.

Q. Was it set up for the purpose of dealing with the payments the subject matter of the approach, or was it something which had nothing whatsoever to do with that, when it was set up?

A. Nothing - the thing was being set up before the approach was ever made.

Q. Yes. So it was for another purpose?

A. Definitely so.

Q. And obviously if this was a fund managed by a trust company, somebody was entitled to the benefit of the monies being managed by that trust company; is that right?

A. That would be correct, yes.

Q. And who was entitled to that?

A. I was entitled to it.

Q. You alone?

A. I and, I - I will start with I alone, yes.

Q. Are you sure about that? Are you the only one who was entitled to benefit from that trust money?

A. If I wasn't there - I think maybe others could have, if I

was dead.

Q. Yes. Well, was there a trust deed?

A. There was a letter which said what should or could happen.

Q. I see. So a trust may have been set up. Was the trust set up by you?

A. The trust was set up by Julian Harper.

Q. I don't want to go into the full legalities?

A. I want to be sure what I am saying is right, Sir. My understanding, all this documentation I gave to the McCracken Tribunal.

Q. Yes.

A. And from memory

Q. Yes.

A. it was set up in a trust and I gave a

Q. A Letter of Wishes, would that be it?

A. I don't think he gave, I gave a Letter of Wishes, he wrote down my wishes, yes.

Q. So he was the - in technical terms was he the settlor of the trust as far as you

A. I am sure that would be it, that would be it.

Q. And you discussed matters with him and a Letter of Wishes was written by him; is that correct?

A. That is correct.

Q. And that was sent to Equifex?

A. I presume so, yes.

Q. And were you to be a beneficiary of this particular trust?

A. I would, I certainly was to benefit while I was alive, yes,

yes.

Q. While you were alive. And it is just in that context, leaving aside the full details of the trustees and who might have been entitled to benefit, did the Letter of Wishes, to your knowledge anyway, indicate that you were to be a person that the trust - that the trust could pay money to?

A. Yes.

Q. And that after, or in the event of your death, that somebody else - I don't want to go into it.

A. That's correct.

Q. Maybe your children or maybe

A. Okay, yes.

Q. Now, all of that, the paperwork if I could put it that way, of that was done by Julian Harper; is that right?

A. Yes.

Q. To the best of your knowledge?

A. To the best of my knowledge, yes.

Q. And when this payment was, 471 - we call it œ500,000 Irish

A. Okay.

Q. was made, how was that done? What were the mechanics of it?

A. The mechanics were, I believe, that I would have phoned Julian Harper and given him a bank account to transfer funds to.

Q. I see. So did it go something like you rang him and you



asked him to make an arrangement or to issue an instruction to Equifex to transfer œ471,000 Sterling into this bank account that you had particulars of; would that be the way?

A. I mightn't have actually said "Equifex", I might have just said "would you transfer funds to" - knowing that he had funds under his control, that I could call on.

Q. Yes. That's as you understood it. You understood you were, the ultimate control was yours as you saw it, that you could issue an instruction to transfer monies to you or to whoever you nominated, that was your

A. That was my understanding.

Q. And that was the working arrangement of it as well?

A. That's the way it did work.

Q. Now, did you receive information, not necessarily in the form of a statement or anything like that, but did you receive information which would enable you to know, approximately, how much money might have been in the account of the trust at any given time?

A. Mm, yes, I would have known because of - any money that was going into it was because I was putting, or able to put it in from the Far East, and I would certainly have phoned him and said, you know, "What's in the account?"

Q. What's in - that's what I am just asking, would you ring him up and say "What's there?" or

A. I would definitely.

Q. Yes. And he would be able to give you

A. He would, yes.

Q. not necessarily exact but a rough estimate of what sort of money was there?

A. He would, yes.

Q. And apart from Equifex, was there any other monies being managed under his control or managed by him?

A. I don't understand the question

Q. Well, as far as you were concerned, the actual - I am just asking about the mechanics of this now?

A. Okay, Sir.

Q. The paperwork was done by Julian Harper, Equifex - the monies were managed by Equifex Trust Company?

A. Yes, Sir.

Q. Isn't that right?

A. Yes, Sir.

Q. And when you wanted to, I suppose have monies payable to yourself or to some nominated person, you would ring Julian Harper and you would say "Would you arrange for transfer of monies", or whatever the arrangement was?

A. Yes.

Q. Now, we know that about Equifex Trust Corporation. Was there any other trust corporation which Julian Harper had done the paperwork for, for you?

A. Not that I can recall here, you know, no.

Q. Well, what about Tutbury, I am just asking you?

A. Sorry, yes.

Q. I am not trying to trick you or anything?

A. No, no. Tutbury was a completely separate identify,

separate operation, and the funds from Tutbury originally would have come from the Equifex Trust.

Q. I see.

A. I think Tutbury was set up after the Equifex Trust.

Q. Right. Right.

A. So monies would come from the Equifex Trust into Tutbury.

Q. At a later

A. That's what happened later on, yes.

Q. At a later stage. And do I understand - did all the monies come out of Equifex Trust into Tutbury?

A. Mm, at one particular stage I instructed the funds that were in the Equifex Trust to be transferred to Tutbury.

Q. Mm-hmm.

A. Then there was no funds.

Q. In Equifex?

A. In Equifex, that's correct.

Q. When was that, roughly, roughly?

A. Late 80s.

Q. Late 80s?

A. Yeah, I think late 80s.

Q. And was there a particular reason or were you advised or, that it was beneficial to do that?

A. The reason would have been, yeah, I would have had Noel Smyth doing things for me on Tutbury.

Q. I see. I see. So there were different

A. I got on - I would have got on better with Noel Smyth than I would have got on with Julian Harper.

Q. I see, right.

A. That's the way, when I look back on it.

Q. Fair enough. So Tutbury was set up after Equifex, and was Tutbury, to the best of your knowledge again, and I know you may not have been too concerned with the legal niceties of matters, I am just thinking from a practical view now; was Tutbury a trust as well, to the best of your knowledge?

A. Mm, I would - yes, or it was - yeah, it was set up and the company was in trust, yes to the best of my knowledge.

Q. To the best of your knowledge, yes. Well, I suppose were the shares in Tutbury owned by a trust would be the, to the best of your knowledge?

A. I think so, yes.

Q. And who were the trustees, do you know?

A. I don't know.

Q. Well, did you go through an exercise again of a Letter of Wishes?

A. No.

Q. You didn't?

A. No.

Q. But you had the power to direct how the monies were to be used in Tutbury; is that correct?

A. Definitely, yes.

Q. So from whatever the legal niceties or implications were of any of these, as far as you were concerned, just as an ordinary businessman, you controlled the funds that were in Equifex, although you had to go through Julian Harper, and

you controlled the funds that were in Tutbury, as far as

you were concerned?

A. That is correct, yes.

Q. And you could issue instructions and they would be complied

with?

A. Yes, that's correct.

Q. Now, in the late 80s - again I am not holding you to a

specific date - can we take it, from the late 80s Equifex

wasn't functioning, as far as you were concerned, it was

obviously some trust Corporation but it wasn't

A. There wouldn't have been any funds going into it, I

wouldn't think, might have been in '90, but there was a

period when funds stopped going into Equifex, yes.

Q. Yes. Yes. And Tutbury was operating, was it, by then?

A. Yes, definitely.

Q. Now, you have told us that the funds in Equifex came into

being as a result of monies generated in the Far East; is

that correct?

A. That is correct.

Q. And those monies generated in the Far East were through two

companies, is that correct, Wytrex and Carica?

A. That's correct.

Q. And were they the only companies?

A. I believe so, yes.

Q. Now, again, you have told us that, in your evidence, that

you understood that Mr. Laurence Tse was the beneficial

owner of Wytrex?

A. That is correct.

Q. Do you know who owned the shares in Wytrex? Was there a trust?

A. I don't believe so.

Q. Right. Who operated Carica?

A. What ran it?

Q. Who ran it?

A. Who ran it? Mm, Austin Isles, I think, of Pacific Trading.

Q. I beg your pardon?

A. Pacific Trading or - a man by the name of Austin Isles.

Q. Austin

A. Austin Isles.

Q. And was he based in Hong Kong?

A. He was based in Hong Kong.

Q. And what nationality was he, do you remember?

A. British, I think.

Q. British?

A. In fact I am sure he is British.

Q. Yes. And who owned the shares in Carica?

A. I would think that Carica was owned by Equifex Trust, I think.

Q. Right. Well, fair enough. So the shares - Carica was a company over which Equifex, you think, was the trust?

A. That's what I think, yes.

Q. And had that been, the paperwork for that been done for you by Equifex or had it been done

A. It would have been done by

Q. Julian Harper?

A. Julian Harper/Austin Isles.

Q. Yes.

A. Julian Harper being in the Isle of Man and Austin Isles in Hong Kong.

Q. Yes. Now, taking those two companies in Hong Kong, Wytrex in the first case, like the funds in Equifex, which - and subsequently in Tutbury, which you believed you had complete power over; can we take it that after the running expenses were taken out of Wytrex in the first instance, you had complete power over any monies that were left in that company?

A. Yes, any time I ever asked for funds out of it, I received it, yes.

Q. But you could direct that the monies had to be paid to you either by way of bank draft or you could direct that they could be paid somewhere else. You controlled it?

A. Yes.

Q. In that sense?

A. Yes.

Q. And was that the same in relation to Carica, you controlled that, the funds?

A. Mm, yes.

Q. And the monies that were generated in those two particular companies, did they both find or did the funds from both find their way to, in the first instance Equifex?

A. Yes

Q. Usually?

A. What happened was they found their way - in Wytrex and Carica - originally the monies found their way to Equifex, and in the case of Wytrex, sometimes it wouldn't go to Equifex, there could be some taken out in a bank draft.

There would have been a period - no, then there was a time when the funds were transferred from Equifex to Tutbury, whatever funds were there.

Q. Yes.

A. And then the funds from Carica and Wytrex never went to Equifex, they came straight from either Carica or Wytrex and went straight into Tutbury.

Q. Into Tutbury?

A. That's my understanding.

Q. Now, you told us yesterday that you distributed or you believe you distributed monies from Wytrex to other members of the company, members of your family; is that correct?

A. Yes, Sir, yes.

Q. Was that also - is that also your belief in relation to Carica?

A. Yes.

Q. And were, to your knowledge, members of the company, I mean the directors, particularly your family, your siblings, or anyone else in the company aware of the existence of - let's take them one by one, Wytrex?

A. Certainly Wytrex.

Q. Carica?



A. I believe that there was members of my family aware of Carica.

Q. Equifex?

A. I don't think they would have known about Equifex.

Q. Did you ever distribute any money out of Equifex to any members of the company?

A. I would think so, yes.

Q. But that they might not have been aware of where it came from; is that right?

A. That is correct, yes.

Q. And can we take it that no member of your family, or directors or members of the Dunnes Stores Company were aware of the existence of Tutbury?

A. I think that would be reasonable to - I think the answer to that is yes, I don't think they would have known if - the way it worked is that I don't think they wanted to know, and more importantly, maybe I didn't want to tell them.

Q. Yes, but that's - yes. So while - let's take it again piecemeal: Wytrex had a bank account obviously in Hong Kong; isn't that correct?

A. It had, of course, yes.

Q. And whilst it was maintained by Wytrex the funds in it, after normal expenses, were taken, the funds that were under your direct control; isn't that right?

A. That is correct.

Q. Likewise Carica must have had a bank account?

A. It did have, yes.

Q. And again after the expenses were taken by the company for its operations the funds in that were under your control; isn't that correct?

A. Yes.

Q. Under your personal control?

A. Yes.

Q. And if Mr. Tse or Mr. Isles' had failed to comply with an instruction given by you in respect of the funds, you would have felt that you were entitled to say to them "They must"?

A. Yes, I would, yes.

Q. And if you had wanted any information about them, you would have felt entitled to say to them "I want the information about the monies that were in there"?

A. Yes, I would have, I would have said, yes. I would say yes.

Q. Give you the information?

A. Yes, that's correct.

Q. "It's my money"?

A. Certainly on the money side, yes, it would be, yes.

Q. Yes. "It's my money"?

A. Yes.

Q. And there isn't any suggestion, but I am just giving this as an example, if you had been suspicious that there was more money being taken out than was warranted on the expenses side, it is something that you could have taken up with them and asked them to account for it as well, isn't

that right, as far as you were concerned?

A. I would have made changes if I had been suspicious of things, yes.

Q. And the monies going into the accounts of Wytrex and Carica came from the Dunnes Stores companies; isn't that right?

A. That's correct, Sir.

Q. And from there in most instances, not in all instances, on to either Equifex or laterally Tutbury; isn't that right?

A. In lots of cases, yes.

Q. Yes. Now, when you got involved in the litigation with members of your family, those proceedings were ultimately settled; isn't that right?

A. Yes.

Q. What happened - first of all can I ask you this: Were there monies in Tutbury up to the time you started the proceedings?

A. Was there monies - up to the time?

Q. Proceedings started?

A. So was there monies in Tutbury up to, we'll say 19

Q. Let's say 1992/'93?

A. '92/'93 I - yes, I think so.

Q. And the proceedings were settled, and I don't want to go into the details other than to ask you that anything that you believed that you might have been owed by members of your family, and anything that they believed was owed by you to them or to the company, that was all wiped out; is that correct?

A. Yes.

Q. What happened thereafter to Tutbury and the monies in Tutbury?

A. Monies in - the flow of monies would have stopped I believe, when I was removed as Executive Director.

Q. Yes.

A. Now, it is like taking the engine out of a car, I couldn't do it, the things that were happening.

Q. Yes.

A. I couldn't do them any longer, I hadn't got the power.

Q. Yes.

A. And the monies that were there, there was none now coming in.

Q. Yes.

A. But it was going out, and it just - like a well, it went dry.

Q. Well, was it you who had access to them, that's what I want

A. Oh, to the money that was there in '93? Yes, it was me.

Q. After the proceedings started or during the course of them or after they were settled, anything in Tutbury was taken by you; is that correct?

A. What was there, yes, would have been, yes.

Q. And when you say that "the flow", "the engine was taken out of the car", you had no control. Did Dunnes Stores continue to do business with Wytrex and Carica?

A. I doubt if they done business with Carica, but I believe

they continued to do business with Wytrex, that would be what I think.

Q. So Dunnes Stores would have continued to pay money to Wytrex?

A. Yes.

Q. And where did that money go then, do you know?

A. I have no idea. Well, sorry, if the money - it went to Wytrex.

Q. Yes, where did it go after Wytrex?

A. I don't know.

Q. But as far as you were concerned - sorry, if we can come back to this again; who held the shares in Wytrex?

A. Laurence Tse and his wife, that's what I think.

Q. Held the shares?

A. I think so, in Wytrex.

Q. In Wytrex?

A. Yes, that's what I think.

Q. But you acting on behalf of Dunnes Stores had the right to call the shots before your removal; isn't that correct?

A. I had, yes.

Q. And who called the shots then, or who had the right to call the shots?

A. I don't know.

Q. Was it Dunnes Stores?

A. Dunnes Stores would have had the right, yes.

Q. So whilst Mr. Smyth and yourself had difficulty at the time of litigation getting information from Mr. Tse, because he

didn't want to take sides, either you or Dunnes Stores after your removal, were the people who had at all times the right to call the shots in relation to Wytrex, isn't that right, to the best of your knowledge?

A. Call the shots in the case of taking funds out of the place or

Q. Or looking for information if they wanted it?

A. Or looking for information if they wanted it, yes.

Q. So somebody from here always had the right to call the shots?

A. Well, I had the rights to information that I was getting up to, I believed I had the rights up to, and I was getting up to the time of my removal.

Q. So to the best of your knowledge somebody here in this jurisdiction must still have the rights to tell Mr. Tse, "Give this information to the Tribunal"?

A. I don't know, I - I think it is a fair point, I don't know. I haven't - I have asked him and he wouldn't do it for me.

Q. Well then, let's go to Carica?

A. Yes.

Q. You think that members of your - sorry, I will just call it "Dunnes Stores"?

A. Okay.

Q. For ease of reference, would not have continued to do any business with Carica after your removal, that would be your view?

A. I would think not, no.

Q. You always had the right to call the shots in relation to Carica; isn't that right?

A. I certainly, the rights to call the shots as regards the money in Carica, yes.

Q. Did you ever ask Carica for any information?

A. I believe I had, I got all the information from Carica.

Q. When was that?

A. When I sent Noel Smyth to Hong Kong.

Q. Did you get bank statements?

A. From Carica I think we got all documents, and I think we gave them to the McCracken Tribunal.

Q. And they are available here, are they, in this country?

A. Yes, they are. Yes.

Q. Now, turning then to Equifex, the information which is disclosed in the Reply to Particulars in the proceedings, and which was disclosed to the McCracken Tribunal, about the œ471,000 Sterling payment?

A. Yes.

Q. Who physically got that information?

A. I think I got it.

Q. From Julian Harper?

A. From Julian Harper, Julian Harper gave it, but it was - I think it was on my request, yes.

Q. Yes.

A. Or my solicitor's request.

Q. Yes. But your solicitor was acting for you, of course,

and it was your request?

A. Yes. Yes.

Q. Yes. And what is your understanding of the Equifex Trust Corporation AG - Tse Kam Ming. What does that mean to you?

A. It means, what I think it means is that Tse Kam Ming, which is, I believe to be Laurence Tse, was a trustee or something of it.

Q. Trustee of what?

A. Of the Equifex Trust or, he was certainly, something to do with Laurence Tse, Tse Kam Ming is Laurence Tse in my

Q. Yes. And you think that he had something to do with the Equifex Trust or he was a trustee?

A. I am not sure.

Q. Now, he had nothing to do with Carica; isn't that right?

A. He had nothing to do - no.

Q. But Equifex held the shares in Carica as far as you know; is that correct?

A. As far as I know, yes.

Q. And you think that Mr. Tse and his wife held the shares in Wytrex; is that right?

A. That's my understanding, yes.

Q. Could it be that through the Equifex Trust that Mr. Tse, as a trustee, that it may have been this trust that held the shares and that may be

A. I don't believe so.

Q. You don't believe so?

A. No.



Q. When you used the expression yesterday that Mr. Tse was the beneficial owner of Wytrex, what did you mean by the word "Beneficial"?

A. That he owned the shares.

Q. He owned the shares. Where did you get that technical word from?

A. Well, where did I - I don't understand the question.

Q. What does it mean to you, or who explained to you what "beneficial" means?

A. Well "beneficial", that he owned the shares, that was my understanding of it.

Q. I see. Now, we know from information which has been furnished to the Tribunal that a direction was given to pay œ200,000 Sterling in November of 1990 to Henry Ansbacher's, Ansbacher Caymans, Ansbacher account in London for onward transmission to the account in Dublin for the attention of Mr. Traynor. And you, whilst you say you have no recollection, accept that you must have initiated that particular payment; isn't that correct?

A. That's correct.

Q. What other money or sums of money were coming out of Wytrex, that were not by this stage going into Tutbury?

A. What sums of money? Can you just repeat the question please?

Q. Yes, let's just take it - this, you said that in most instances monies from Wytrex in the first instance went into Equifex and subsequently into Tutbury, but that there

were occasions when it didn't take that route, out of

Wytrex; isn't that correct?

A. I would have said that - if I said that, what I think was most instances money went to members of the family and then sometimes to Equifex and Tutbury.

Q. Yes. Well let's - let's try and deal with this in detail, just so that the Tribunal can understand this. There were two ways in which money was taken out of Wytrex. One was that you got drafts when you visited Hong Kong?

A. That is correct.

Q. You have told the Tribunal that you distributed those drafts as you saw fit; isn't that right?

A. That's what I said. Yes, Sir.

Q. So I don't want to go to specific detail, you may have kept some for yourself or you may have given drafts to other people?

A. Yes, Sir.

Q. You have told the Tribunal you believe that that was to other members of your family; is that correct?

A. That is correct.

Q. Now, the other way that money came out of Wytrex was that you would ring up and direct a transfer?

A. I believe so, yes.

Q. Was that usually to Equifex?

A. I don't recall, I would say no.

Q. Was there an arrangement that monies automatically were transferred to Equifex at a given time?

A. No.

Q. So monies only went to Equifex on a specific instruction; is that right?

A. Are you talking about from Wytrex?

Q. Yes.

A. Mm, if they went to Equifex, they only went on a specific instruction at that time from me, that's correct.

Q. Very good. Now, we know that this particular - Equifex had ceased, sorry had ceased to be used by November of 1990, would that be fair to say - maybe it wouldn't?

A. I think so.

Q. Yes, all right. Well, either Equifex or Tutbury were in existence and being used at that stage, let's put it that way?

A. Okay, that's more accurate, yes.

Q. Yes. And again, in relation to Wytrex, if monies went to Tutbury from Wytrex, would that be on specific instruction as well?

A. It would be on instruction or it would be by bank draft that I would bring back.

Q. No, no. Yes, I - the bank drafts I want to leave aside for a moment because I want to try and ascertain how much was taken out in bank drafts approximately in proportion terms and how much was moved out by instruction to transfer, perhaps that would be a way of starting it.

Was more money taken out by way of bank draft than on

instruction to transfer?

A. In my opinion, yes.

Q. Right. Roughly 50/50, 60/40, 70/30, roughly?

A. I can't believe, but if

Q. 90 percent?

A. Well I, I will put it a different way

Q. Yes?

A. without saying a percentage, because I have no recollection, but I certainly can recall the bank draft situation.

Q. Yes.

A. I have a - I am sure I did transfer money by telex transfer, but I don't believe it happened that often.

Q. All right. Now, you have told us that about the bank drafts?

A. Yes, Sir.

Q. That that occurred once a year, once every 18 months or thereabouts?

A. That's what I think, yes.

Q. So that happened infrequently?

A. If - yes, okay.

Q. Would you agree?

A. Yes.

Q. Once a year or once every 18 months?

A. That's infrequently, yes.

Q. And whilst you say that you would have distributed some of those drafts or the proceeds, would there be a number of

drafts you would get when you visited?

A. I am sure there would have been times when I got a number, I would have to include that there would have been, that I had a couple of drafts, yes.

Q. Yes. Now, you distributed some of them, some you had yourself, did any of the drafts find their way into Equifex or Tutbury?

A. Yes - into Tutbury, yes.

Q. In Equifex?

A. I doubt it, I would say no. No, at no time is the answer.

Q. The drafts didn't, wouldn't have found their way?

A. I don't believe so, no.

Q. Now, there was no standing instruction or arrangement for monies to move from Wytrex into Equifex; is that right?

A. No.

Q. Was there an arrangement or a standing arrangement that monies from Carica would move into Equifex?

A. I would think so yes, the route that Carica's monies were to take, was when they went to Hong Kong they then went to the Equifex Trust, I certainly didn't have to - I gave no instructions and the money, you know, I would think went by - without me, it went normally to

Q. There was some standing instruction that that, when it reached a certain level it moved to Equifex?

A. I would believe so, yes.

Q. And can we take it that you never took drafts from Carica?

A. I took drafts from Carica, from Equifex you mean?

Q. No Carica, Carica directly?

A. No, I never took drafts from Carica directly, that's correct.

Q. So you didn't have to get involved with Carica at all, either to get drafts or to issue specific instructions to transfer money; would that be correct?

A. That's correct, yes.

Q. In Wytrex, you got drafts, and some of those drafts ultimately would have found their way into Tutbury you believe; is that right?

A. Yes.

Q. But not into Equifex?

A. I don't believe so.

Q. Right. So if any Wytrex money ended up in Equifex it was as a result of a specific instruction because there was no standing arrangement?

A. I would say that is correct.

Q. And can you remember giving a specific instruction for any Wytrex money to go into Equifex?

A. I can't recall any, no.

Q. Well, can I come at it this way? Did any Wytrex money ever go to Equifex?

A. I would think - I would think yes, initially. Equifex

Q. When was Equifex set up?

A. Equifex was set up at the time of Carica.

Q. Which was when?

A. '86/'87 and

Q. So you say initially, so can we take it in the early period that some Equifex money went to, or some Wytrex money went to Equifex?

A. I think so, I can't be sure but I would think so, yes.

Q. Would that have been in a period when you were not getting drafts?

A. I really, I don't know.

Q. Wytrex in fact existed from the early 80s, didn't it, in its own name or in a previous name?

A. Yes, yes.

Q. But by 1988 can we take it that no Wytrex money was going to Equifex?

A. In 1988?

Q. If you can remember?

A. Yeah, I don't - I don't think so.

Q. Right. So, when the first payment was made, as identified in the proceedings, that is the £471,000 Sterling?

A. Yes.

Q. That came from Equifex; isn't that right?

A. That's correct.

Q. It came out of Equifex?

A. Yes.

Q. And were they purely Carica monies that were in there at that time?

A. If - in my opinion I would say mainly Carica, yes.

Q. There may have been still some Wytrex money in there from monies that came in previously?

A. There could have been, but it was mainly Carica.

Q. So let's move it on even a year, let's say by 1989 there was no Wytrex money going into Equifex, was there?

A. By 1989? I don't think so, but I

Q. 1989 up into 1990 or thereabouts?

A. What I do know and this is what I want to be, what - I do know that I put drafts from Wytrex into Tutbury.

Q. Yes.

A. Now, if I was doing that in 199 - whenever Tutbury was set up, I don't want to say that I wasn't putting money into Equifex.

Q. Right.

A. And I am just

Q. I want you to - I am not particularly interested in the actual monies going in?

A. Okay, Sir.

Q. But what monies, how they went in I am interested in?

A. Right.

Q. I am - if they went in by draft I am not that concerned because you, you have dealt with drafts?

A. Okay, Sir.

Q. But what I am trying to ascertain then is that if they went into Equifex, they would probably have gone in by way of draft, if they did, would that be fair to say, from Wytrex?

A. I don't know, but I am sure that could be established.

Q. Yes. I am not trying to catch you out, Mr. Dunne?

A. No, no, I am trying to be very open and honest with my



answers, I really don't know. I don't want to say they just went in by draft, but I don't know.

Q. Sorry, just bear with me for a moment. But, if you were issuing instructions - my interest in instructions being issued to Wytrex is that this œ200,000 came straight from Wytrex, obviously on instruction, which must have come from you; would you agree with that?

A. Absolutely, yes.

Q. Now, if you issued few instructions you believe, to transfer monies?

A. I do believe that, yes.

Q. What I am trying to find out is what other instructions could you have issued to transfer money and to where?

A. I could have and this would be - where do I believe I could have issued instructions?

Q. Yes, and how often?

A. I don't believe it happened very often.

Q. Right.

A. Because I, I believe I didn't do it very often.

Q. Yes.

A. I could have issued instructions to put money from Wytrex into Tutbury into Equifex. I could have seen if I ever gave anybody money.

Q. I can understand. Equifex and Tutbury were there as vehicles that you had power and control over anyway, you could get at the money?

A. Yes.

Q. And it is perfectly understandable that if the money was to come out of the Far East it was to go into Equifex or Tutbury at various stages?

A. Mm.

Q. So yes, it is perfectly understandable that you could have issued instructions to transfer monies to either Equifex or Tutbury. Would you have issued instructions for the money to be transferred anywhere else?

A. I don't believe so, but the answer is I could have, of course if I had the, which I believe I had the power. I had the power.

Q. Yes, I accept that. It was your money, that's

A. Yeah.

Q. Let's be clear about that, wasn't it, it was your money, as far as you were concerned?

A. Okay, if you - it wasn't my money, it was Dunnes Stores' money.

Q. Well I use it, your money, Dunnes Stores' money, but was there any doubt, it certainly wasn't Laurence Tse's money, let's be clear about that?

A. No, not - if there was a surplus there that I identified I don't think it was Laurence Tse's money, yes.

Q. Absolutely. And you see that's why I keep coming back to try and jog your memory as to where else you could possibly have issued instructions to send money to, that you could have power over. Other than Equifex and Tutbury, there was no nowhere else, was there?

A. No.

Q. And you believe that you have issued, if you issued instructions it would have been a rare occurrence?

A. I do believe that, yes.

Q. Now, we know that this particular payment to Henry Ansbacher in London occurred as a result of an instruction from you; isn't that right?

A. That's what? The instruction I gave to Laurence?

Q. To Laurence Tse, yes. I don't think there can be any doubt about that, would you agree?

A. None, absolutely not.

Q. But, would it be fair to say so, that that was probably the only occasion that you issued an instruction for monies to be paid other than to Equifex or Tutbury?

A. I couldn't say that, Sir.

Q. Right. Well, at the time that this particular instruction was issued to Laurence Tse, I am just going back and let's reconstruct the time itself?

A. Yes.

Q. You must have known on that occasion, that the money, if it was to go for the attention of Mr. Traynor, that it was for a payment to Mr. Haughey, isn't that correct, at that time?

A. If I can remember, must have known, yes.

Q. You must have known it at that time?

A. I must have known that there was a bank account and I knew whatever was on the - whatever - I can't say what was on the piece of paper.

Q. Yes.

A. But I, I must have known something, yes.

Q. You must have known, if it was ultimately to go to Des Traynor it was part of the monies that you were paying for; isn't that right? You must have known, isn't that right?

A. Yes.

Q. Now, did you ever pay that sum of money to anyone else?

A. Not that I recall, no.

Q. But you are unsure, or you cannot commit yourself in the witness-box that you didn't issue any other instruction to Laurence Tse to make a payment out of Wytrex other than to Equifex or Tutbury?

A. I would be unsure, yes.

Q. So, can we take it that there is a doubt in your mind that you may have issued a further instruction to Mr. Tse for a direct payment out of Wytrex?

A. It wouldn't be that there would - I would say I did issue other instructions but I can't recall them.

Q. You did issue other instructions?

A. I think I would have, just as much as I took money by bank drafts, I believe I did issue instructions to him to transfer funds.

Q. For yourself?

A. I don't

Q. For yourself?

A. I think if it was for my own personal self, I think I would remember.

Q. And there would have been no need to do it - first of all, where would you have instructed the money to go if it was for your own self, because you already had Equifex and Tutbury?

A. I don't know, I don't know where. I don't think it was for myself.

Q. So you don't think it was for yourself?

A. No, I don't think so, no.

Q. You think you may have issued instructions for him to transfer money for other people?

A. It could have happened, yes.

Q. It could have happened?

A. Yes, I think it could have happened. I don't

Q. Could it have been that you issued further instructions that monies would be paid through a route which would ultimately lead them to Mr. Traynor, could that have happened?

A. No, I don't believe so.

Q. Why not?

A. What I have, what I think I might have done is to people not included in, not politicians or, but maybe people working in Dunnes or

Q. I see.

A. But I can't be sure.

Q. You think that you may have, and it may have been for business payments, and I use that in its broadest sense?

A. Yes, that's what I am

Q. Now, you had, you have no recollection of this particular payment, which is a sizable payment by anyone's standard?

A. Absolutely none.

Q. But you are satisfied or are you, that there were no further instructions to pay monies, I won't use the term "to politicians" but to somebody, to Mr. Traynor or to somebody like Mr. Traynor?

A. I am satisfied, yes, with that.

Q. How can you be so satisfied?

A. As I have said yesterday, I have said that once or twice before and it has come back and I have been proven wrong.

Q. Mm-hmm.

A. But, I just - that's - I believe that to be the case.

Q. Now, I think if you issued an instruction for monies to be paid directly out of Wytrex, to be transferred in the business sense, I use that in its broad context, where would the payments have been made to?

A. Can you just repeat the question please?

Q. You say that you may have issued instructions that monies would be paid to, and I use the term "In the business sense", where would those payments have been made to?

A. Bank accounts and if, if I done

Q. Bank accounts abroad or bank accounts here?

A. I think so.

Q. Bank accounts abroad?

A. I think so, I believe so.

Q. Right. And would you have had, you would obviously have

had to have specific information of a bank account to direct such a payment; isn't that right?

A. If I made them, yes, definitely.

Q. If you made them?

A. Yes, Sir.

Q. And somebody would have, some body or some number of people would have had to give you some information; is that correct?

A. That would be correct, yes.

Q. Or would you have set up bank accounts to allow such payments to be made?

A. That could have happened as well.

Q. Well, did it?

A. Mm, it might have happened for one or, one or two people in business, yes.

Q. I am not really interested or after people like that, but you can remember that sort of thing, can't you, wouldn't that be fair to say? I am not trying to expose these people.

A. No, what I am - what I am saying is I don't want to say I never did it. I have recollections of, that it may have happened or that

Q. Yes, what we are trying to do is to get at the facts in relation to the payments that went to Mr. Traynor or routed through Mr. Traynor from you. So - if you do remember making payments to some people, which were "Business type payments"?

A. Yes.

Q. If you remember that, tell us because we are not particularly interested in those people and I am not going to ask you to name those people?

A. Yeah. What - the other point I want to make, I can recall payments I made to business people.

Q. Yes.

A. What I am not sure of is where they came from, whether it was Wytrex or

Q. Or Carica?

A. or Tutbury or

Q. Right. I see.

A. So that's where there is confusion.

Q. Yes, I see, and I can understand that and, you know, that's - again I am sorry to be tedious about this, but we have to try and find out what was coming out of Wytrex?

A. I understand, Sir.

Q. Now, if you have that concern that it may have been out of Tutbury or out of Wytrex, if it came out of Tutbury

A. It is not, there is no - it is not concern. What I am saying is I can't remember specifically anything, because if I was doing it, and I certainly have recollections of doing it, it could have been Tutbury, it could have been Wytrex, it could have been Equifex, I am not saying that.

Q. Yes, that it was. So your concern really is that you want to be careful and be as accurate as possible to identify - you do remember making such payments but you are



uncertain as to which particular funds or account they came out of, is that what you are saying?

A. No, I just have a recollection of doing transactions where I telexed transferred money to accounts, yes.

Q. Yes. All right. You can remember that. And you can remember them, and you can remember that number of payments in the context that they involved associates, if I could describe it that way, would that be

A. Yeah, I would say, yes.

Q. Now, you can remember that. So, we can put those - you do have an actual memory of those. What I am trying to get at is this œ200,000 payment. Did you ever issue an instruction, did you ever issue an instruction to transfer œ200,000 to

A. To anybody?

Q. to anybody from Wytrex other than monies going to Equifex or Tutbury?

A. I don't know. Did I, can I just get the question again? Did I ever?

Q. Leave aside the business, the business type payments, the few bob you might have been directing one way or another?

A. Okay. I understand, Sir.

Q. œ200,000. You issued an instruction that it would go to London?

A. That's fact, yes.

Q. Did you ever issue an instruction for that sum of money to Wytrex, other than to have monies go to Equifex or Tutbury,

that sort of money?

A. I don't know. I mean, I - I just can't recall.

Q. Well, in relation to the other type of payments, what we describe as the "business type payments", we take it they weren't in the £200,000

A. I think there would have been 100, you know, in or - I think they would have been.

Q. 200?

A. I - I don't think 200, no. In fact I would say no.

Q. Yes. So - we now get to a situation where would it be safe to say that your memory is that you never made a payment of, or directed a payment of £200,000 out of Wytrex other than monies going, which may have been going either by way of draft or into Equifex or Tutbury?

A. I certainly don't recall it, that's correct.

Q. So that narrows it down to just the one payment so, you think of that sort?

A. To the best of my recollection, I would have to agree with that, yes, Sir.

Q. And at the time you knew that, what it was for, it was for Mr. Traynor, at the time?

A. I am sure I did.

Q. You had to. Sure didn't you do the instruction?

A. If I gave the instructions, yes, I am sure I did.

Q. And is the reason why you don't now recollect it or perhaps considered it in anyway significant was that it was always your intention to pay, or sorry - you always intended to

pay that which was necessary?

A. There is no reason why I don't remember it. I just honestly don't remember it.

Q. You had agreed to pay up to œ900,000 or, let's call it close to a million; isn't that right?

A. I certainly recall that, yes, Sir.

Q. And in evidence you gave to the McCracken Tribunal, you considered, you know, sort of, or did you consider it open-ended?

A. No, I don't think I considered it open-ended, I mean I - I didn't consider it down to the last pound if you know

Q. Yes.

A. Not open-ended, no.

Q. So can we take it that you never considered it open-ended to the tune of another million pounds?

A. I would say that's correct, yes.

Q. Can we take it, Mr. Dunne, that as an experienced businessman, bearing in mind the - can I take it that a million pounds is something you would notice, even with the sums of money that went through Dunnes Stores?

A. I - a million pounds in one go I would have noticed a lot quicker than if it was, excuse the expression, "on the drip".

Q. Yes. I know.

A. But I should have noticed it, yes, Sir.

MR. COUGHLAN: It is just, Sir, that - I know we started a bit late, but to allow people who may have made luncheon

arrangements for our normal time, that we might rise and come back a little earlier.

CHAIRMAN: Very good. Mr. Dunnes' spell of testimony isn't concluded, so if it is convenient for you, we will conclude your evidence after lunch, Mr. Dunne, at five to two. Thank you.

THE HEARING THEN ADJOURNED FOR LUNCH.

THE HEARING RESUMED AFTER LUNCH AS FOLLOWS:

CHAIRMAN: Good afternoon.

BERNARD DUNNE RETURNS TO THE WITNESS-BOX AND CONTINUES TO BE EXAMINED BY MR. COUGHLAN AS FOLLOWS:

Q. MR. COUGHLAN: Mr. Dunne? Thanks Mr. Dunne. Just to clear up one matter, it is just - I think that there was a payment or there was a payment made to Mr. Lowry through Tutbury; is that right? Or funds did come out of Tutbury at some stage?

A. There was, yes, that was established at the last Tribunal. Yes, Sir.

Q. It was just when we were talking, just to clear up that particular issue, but were there any monies paid to Mr. Lowry from Wytrex?

A. No. Not that I can recall, but no.

Q. Yes, so the only, the only payment that you seem to think was of this magnitude, œ200,000 and made payable or

ultimately for the benefit of a politician was this particular payment out of Wytrex; is that correct?

A. That's correct, yes.

Q. Now, can we take it that the, the affairs of Wytrex, Carica, Equifex or Tutbury did not show up in the accounts of Dunnes Stores?

A. The affairs of Wytrex, Carica

Q. Take a moment, they did not show up in the accounts of Dunnes Stores?

A. No, I mean the Wytrex showed up just as a purchase.

Q. As a purchase?

A. But the affairs of the companies, no.

Q. Yes; and of course they were intended for that purpose, not to show up in the accounts of Dunnes Stores, would that be fair to say?

A. The profit, that surplus profit of Wytrex did not

Q. It was intended not to show up?

A. That's correct, yes.

Q. Now, you informed the Tribunal that, on a previous occasion, that when Mr. Noel Fox approached you about Mr. Traynor's request, you remember that?

A. Yes, I do remember that.

Q. Now, you thought it was in the Autumn of 1987; isn't that correct or thereabouts?

A. The first approach.

Q. That was your recollection anyway?

A. That is my recollection, yes.

Q. And when you reflected on the matter and decided that you would deal with the whole payment yourself, I think you informed the Tribunal that you indicated to Mr. Fox that it would take some time to generate the funds; is that right?

A. Correct, yes.

Q. And it was always your intention that they be generated from Far East monies; is that correct?

A. That is correct, yes.

Q. Did you inform Mr. Fox of that?

A. I would think - I would think so, yes, I would think so. I certainly knew that I wasn't generating it from the island of Ireland.

Q. Yes.

A. So I would think, yes.

Q. Yes?

A. I would think he understood that they were coming from the Far East.

Q. He understood?

A. That is what I think, yes.

Q. Now, of course the reason why you wanted to do it from the Far East was because of your desire for confidentiality in relation to these particular payments; isn't that right?

A. That would be correct, yes.

Q. Did you convey that to Mr. Fox or did you take it as a given that he would understand?

A. I believe there was an understanding, it was to be confidential or

Q. Yes; and then what was believed to be the first payment, before we came across the Tripleplan payment, was the Furze payment - was the John Furze draft or cheque out of Bangor; isn't that correct?

A. That's correct, yes.

Q. And that, you believe, arose because an urgency had arisen or money was required quickly; isn't that right?

A. That is correct. Money was required earlier than what I could have organised it, yes.

Q. When you say that - was it your understanding that the funds would be generated in the Far East, that the funding would have to be created there or built up there?

A. Those - the type of funds that I was talking about was the 7 to 900, yes, those sort of funds would have to be generated, yes.

Q. Could we take it that there wasn't that level of funding there when the approach was made to begin with?

A. You can take - that's correct, yes.

Q. You certainly didn't have it, as you told us, personally in terms of liquid assets, that level of cash?

A. No, I didn't. No, I did not, no. In 1986/87, no, I did not. In liquid form, definitely not, no.

Q. And this was when the approach was made and whenever it was made you certainly didn't have it personally in liquid assets and there weren't sufficient funds in the Far East at the time that the John Furze draft or cheque was drawn on Bangor; isn't that right?

A. That is why it was made

Q. Out of Bangor?

A. Yes, definitely.

Q. And we know the Tripleplan predates the John Furze draft or the John Furze cheque, I just called it; and that came out of Bangor as well?

A. That's correct.

Q. And you personally, or the Far East companies, wouldn't have had sufficient funds generated to meet that level of payment at that time either; would that be correct?

A. Which is before

Q. The Tripleplan?

A. No definitely not, no.

Q. Now, of course the John Furze payment out of Bangor and the Tripleplan payment had to show up in Dunnes Stores' accounts didn't it, somewhere or another?

A. They certainly had to, yes.

Q. And they were posted to the intercompany account; isn't that correct?

A. I think - I think they were posted to Dunnes Stores.

Dunnes Stores Ireland or Dunnes Stores George's Street.

Yes, that is correct.

Q. Yes; and we have been over this before, but there certainly appears to have been difficulty in dealing with them. They were carried from year to year, particularly the Tripleplan payment; isn't that right?

A. That's correct, yes, and I think the Furze payment.



Q. And the Furze; yes, the Furze of course, was identifiable and was always identifiable for what it was for. Isn't that right?

A. I always remembered the Furze, yes.

Q. And at some stage both you and Mr. Fox knew what the Tripleplan one was about, at some stage - sorry, perhaps Mr. Fox knew at some stage what the Tripleplan one was all about and he

A. I think I found out at some stage in the Tribunal, I think this Tribunal.

Q. Oh no, you must have known it at the time that the cheque was drawn, that Matt Price drew the cheque, you must have known at that time?

A. That Tripleplan?

Q. That was a payment to go to Mr. Traynor?

A. Absolutely not.

Q. You didn't?

A. Absolutely not.

Q. Well, perhaps we could deal with that at some stage, if anything turns on it. I am just wondering are you correct about that? But we will

A. Okay.

Q. I think you accept that an instruction must have emanated from you in relation to Tripleplan at the time?

A. Yes, at Matt Price, yes.

Q. Matt Price wouldn't have drawn that sort of money?

A. I think his records show that he did phone me. There is a

record there, yes.

Q. So at the time that it was drawn you must have been aware of what it was for, at that time?

A. I don't believe that I was. That is the point. Anyway, I believe that if I was aware of what it was for, I don't believe I would forget it.

Q. Yes. Well, applying - can we take it so, that if you believed or; sorry, if you knew what it was for you wouldn't have forgotten that this was a payment ultimately for Mr. Haughey?

A. I don't think so, no.

Q. And that was for, I think, what was it? Around a quarter of a million pounds or thereabouts; I can't remember. £300,000 I think?

A. Okay, yes.

Q. Applying that standard to this Wytrex payment, why is it that you can't remember it, Mr. Dunne? If you had known what the Tripleplan one was for at the time you wouldn't have forgotten it. You knew what the Wytrex one was for at the time the instruction was given?

A. I must have, yes.

Q. You had to, yes. Well, applying the standard, that if you had known that it was ultimately for Mr. Haughey, how is it that you have forgotten and have no recollection about the Wytrex payment?

A. I just have forgotten. I mean I can't answer why I have forgotten, but I have forgotten. I don't know why I have

forgotten.

Q. And you told the McCracken Tribunal and you have told this Tribunal that your agreement or undertaking or understanding of what you intended to pay for the benefit of Mr. Haughey was not open-ended; isn't that correct?

A. That is correct.

Q. And that it was always something that you yourself understood the general parameter of, give or take a sum of money?

A. I would have said my understanding was 900,000. Whether that was punts or sterling, I would have said 900,000.

Q. Isn't the reality, Mr. Dunne, that you must have had an understanding or an agreement or an undertaking in fact to pay at least, I say this at this stage, at least in the region of two million pounds to Mr. Haughey, or for his benefit?

A. Did I have an understanding or

Q. Yes?

A. No, I did not, no.

Q. Have you any explanation? Have you any explanation as to how nigh on another million pounds appears to have been paid for his benefit?

A. No. I mean there is no explanation, except that I just wasn't watching it. If I was keeping a record I am sure I would have said "hold on, you know, this has gone over"

Q. Well, very good. Let's go back so. You conveyed to Mr. Fox the type of money you intended to pay, did you?

A. Yes, I think there was, I believe there was an understanding that it was going to be between 700,000 and 900,000 pounds, and I recall that figure being discussed, yes.

Q. I see. Well, let's take a million, to give it

A. Yes.

Q. To give it a broad parameter?

A. Yes, Sir.

Q. And every time, leave aside the bearer cheques for the moment, the £32,000; I don't want to get into those for the moment; but the significant payments, the big ones, the Tripleplan cheque?

A. Yes, Sir.

Q. Which went to the Plan, which was a Mr. Furze company, so we know where that went; isn't that right?

A. We do know, yes.

Q. You didn't, you didn't know Mr. Furze and you had no discussion with Mr. Traynor?

A. Never, never met Mr. Furze and discussed it, and casually shook Mr. Traynor's hand once.

Q. So for the cheque to be drawn by Matt Price in Bangor and to find its way into Tripleplan, information must have come to somebody from Mr. Traynor. Would you agree?

A. Yes, I think that is fair comment, yes.

Q. The John Furze cheque, the £250,000 out of Bangor, that came as a result of Mr. Fox approaching you, that he had been approached, that there was a degree of urgency for

money; isn't that right?

A. That's correct, yes.

Q. The 471,000 Sterling, that information for the routing of that particular money was given to you by Mr. Fox; isn't that right?

A. That is correct.

Q. That is your recollection. The £150,000 Sterling which was in May of 1989, again went through a bank route. The information which must have been supplied to you by Mr. Fox; isn't that correct?

A. That's what I believe, yes.

Q. And the £200,000 from Rea Brothers in the Isle of Man, which found its way to Henry Ansbacher and Co. in London, again was that as a result, a route of which you were informed by Mr. Fox?

A. I believe so, yes.

Q. This particular Wytrex money again followed a route into Henry Ansbacher and Co. in London; isn't that correct?

A. That is correct.

Q. And there are specific details about account numbers and all the rest of it?

A. Yes, I have seen that, yes, correct.

Q. You have informed the Tribunal that that information must have been given to you by Mr. Fox?

A. That's what - I assumed that, yes.

Q. Well, could anyone else have given it to you?

A. Mr. Traynor could have, but I never spoke to Mr. Traynor.

Q. So he couldn't have if you never spoke to him. Did he write you a letter ever?

A. I don't ever - I mean I don't know whether he sent Christmas cards.

Q. Oh, yes, I know; but I mean letters about this?

A. No, never.

Q. About the route?

A. No, never.

Q. And then the Carlisle, the Carlisle Trust cheques as we referred to them; the No. 6 Grocery Account cheques?

A. Yes.

Q. They must have gone from you directly. Whilst you have some slight recollection that you had a discussion with Mr. Barnicle, that's

A. That may have happened.

Q. Not all of it went to Celtic Helicopters, but that in fact found its way to Mr. Traynor; isn't that correct? We know that it went into Carlisle with Mr. Traynor

A. Some bank in Thomas Street or something.

Q. Yes. Now, let's exclude the Dunnes Stores Carlisle cheques for the moment because there is - you don't make any suggestion that Mr. Fox had any role to play in relation to those?

A. None whatsoever, no.

Q. And they came to, I think, £160,000 or thereabouts; am I correct in that or was it

A. I think it was 180.

Q. £180,000. So even if we deduct that from the total, and you, you believe through Mr. Fox, conveyed nearly two million pounds for the benefit of Mr. Haughey; isn't that right? Excluding those

A. That is a fact, yes.

Q. And it is your belief that there was an understanding between you and Mr. Fox that the sums of money which would be paid would have been 700,000 to 900,000 pounds or call it a million?

A. Yes, certainly that was my understanding, yes.

Q. Does it strike you as unusual that you, as an experienced businessman, and Mr. Fox as an experienced man in business and in the world of accountancy, would not have noticed that it was climbing up to two million pounds when the understanding was that it would be just short of a million?

A. When I look at it now, yes. I would have to say that certainly it would strike you as unusual.

Q. Could it have been that in fact the understanding was that it would be in the region of two million or any sum of money that was necessary?

A. If it was I believe I would remember it. So the answer to that is "no".

Q. MR. COUGHLAN: Thank you Mr. Dunne.

MR. CONNOLLY: I have no questions.

CHAIRMAN: Ms. Carroll, were there any matters you wish to raise, insofar as there are any conflicts? Obviously there

may be some; obviously I won't hold you to acquiescing because we are not operating strict court rules of evidence.

MS. CARROLL: Yes, I know that.

CHAIRMAN: Very good Ms. Carroll.

MR. GALLAGHER: If I may? Just a few questions if I may, Sir?

CHAIRMAN: Yes.

THE WITNESS WAS EXAMINED AS FOLLOWS BY MR. GALLAGHER:

Q. MR. GALLAGHER: Mr. Dunne, just to take you back again. I don't want to repeat your evidence yesterday, but just to refer to the three Sterling bank drafts of €70,000 each that you gave evidence of yesterday and had previously given evidence of to the McCracken Tribunal?

A. Yes.

Q. And you have explained how they had not been included in the payment as alleged in the proceedings?

A. That is correct.

Q. And I think you recollect your evidence to the McCracken Tribunal as to the circumstances which, in which you gave those drafts to Mr. Haughey?

A. I do. Yes, yes.

Q. And it was your evidence that you had completely forgotten about that until some time in early 1997 after the



McCracken Tribunal was set up. That had gone completely from your mind?

A. That is correct, yes.

Q. Even though it was surrounded by a chain of events in terms of obtaining the drafts, then subsequently meeting Mr. Haughey, and paying them over?

A. That is correct, yes.

Q. And am I correct that at the time of your proceedings it was very much in your interests insofar as the claim you were making that the Trust was a sham, to prove as many payments as possible of Trust money to third parties?

A. Yes, that's correct.

Q. And that was the purpose of pleading these payments and other payments that were made to other third parties, excluding Mr. Haughey?

A. That is correct, yes.

Q. Insofar as Equifex is concerned, I just want to clarify one point, which I think you said in your evidence, or Mr. Harper said in his evidence to the McCracken Tribunal; but Equifex was a Trust Corporation set up by Mr. Harper's company, European Corporate Services?

A. Correct.

Q. And it was a trust company that had other trust funds that had nothing at all to do with you?

A. Correct, yes.

Q. I think following on yesterday I think we explained yesterday to the Tribunal that we believe that Mr. Harper

was available to the Tribunal, and I think your solicitor made contact with his office yesterday and didn't speak to Mr. Harper, but his secretary informed Mr. Smyth that Mr. Harper would be available to the Tribunal. I think you are aware of that?

A. I am, yes.

Q. Mr. Isles that you mentioned and the Pacific Trading Corporation, Mr. Isles is now dead I think; is that correct?

A. That is correct, yes.

Q. When did he die?

A. I could only have a guess, I would think maybe in the mid-'90s. 93/94 I think.

Q. And so far as the Carica documentation is concerned, I think the documentation you had in relation to Carica you made available to the McCracken Tribunal and also made it available to this Tribunal?

A. Yes, I did. Yes.

Q. Thank you.

CHAIRMAN: Nothing then arising in that regard? Thank you very much Mr. Dunne.

THE WITNESS THEN WITHDREW.

MR. HEALY: Mr. Noel Fox please?

NOEL FOX HAVING BEEN PREVIOUSLY SWORN RETURNS TO THE WITNESS-BOX AND IS EXAMINED BY MR. HEALY AS FOLLOWS:

CHAIRMAN: Thank you Mr. Fox. Of course you are already sworn.

Q. MR. HEALY: Thank you Mr. Fox. You provided the Tribunal with a statement in response to a request for information based on a number of queries raised by the Tribunal solicitor with your solicitor; isn't that right?

A. I did, yes.

Q. I take it you have a copy of the statement in front of you?

A. Yes, I have.

Q. To shorten matters, what you were asked about was the payment which we have been describing as the "Wytrex payment"?

A. Yes.

Q. And a number of ancillary questions arising out of that and arising out of the fact that the Wytrex payment only came to the notice of the Tribunal in recent times?

A. Yes.

Q. If I go through your statement. First you say:

"I have carefully considered the Tribunal's letter dated the 20th of April, 2000, to which I am asked to provide whatever information I can in relation to a payment of œ200,000 Sterling from Wytrex (Far East) Limited to Ansbacher (Cayman) Limited in November of 1990. I have also reviewed the evidence given in the McCracken Tribunal regarding other payments made for the benefit of Mr.

Charles Haughey by Mr. Bernard Dunne".

You say I have no knowledge whatsoever of the payment now under consideration. I was not involved in any communications with Mr. Bernard, with Mr. Ben Dunne or Mr. JD Traynor in relation to it and in fact I was unaware of its existence until being informed of it by the Tribunal's letter.

In the course of my review of my evidence given in the McCracken Tribunal and in particular the payment of œ200,000 made in February of 1990, I note that the account number referred to in the copy telex dated the 28th of September, 1990, from Mr. Guy Dotchin. I think that should be D-O-T-C-H-I-N?

A. Okay.

Q. "Ansbacher (Cayman) Limited to Henry Ansbacher Limited was 190017-202. We can come back to that document later. This account is the same account number per the handwritten note that I gave to Mr. Ben Dunne in February of 1990. I also note that this account number appears from this telex to have enclosed, at the date of the telex in November of 1990.

I did not receive any further approaches from Mr. Desmond Traynor after February of 1990 and I have no information regarding this November of 1990 payment to give this, to give to this Tribunal. I have no knowledge whatsoever of

any payments made by Mr. Bernard Dunne for the benefit of Mr. Charles Haughey post February of 1990. "

That is your statement. Isn't that right?

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

Q. And I think if we can go to the body of your statement, what you are saying is you have looked at the evidence you gave to the McCracken Tribunal and you note that a transaction referred to in that Tribunal involving an Ansbacher Cayman account in Henry Ansbacher in Dublin involved a bank account 190017-202; is that right?

A. That's right, yes.

Q. That is the account number you say that was on a document which was handed to you or that was given by you, I suppose to Mr. Ben Dunne, based on information you had got from Mr. Traynor in connection with a payment that Mr. Dunne organised and which was dealt with in the McCracken Tribunal?

A. That's right, yes.

Q. And you say that that account number - sorry, you say that you also note that that account appears from documentation which you have seen, to have been closed at the date of the telex in November of 1990?

A. Correct.

Q. So that therefore you couldn't have had the information which would have enabled you to convey to Mr. Dunne how the money was to come?

A. Yes. I don't believe for one moment that I was involved in

this payment.

Q. Well, can I just suggest to you for a moment and you can indicate to me whether you agree with this or not - I just want to put on the overhead projector some of the documents that you were referring to in the course of your statement and which were produced in the context of the McCracken, or in the context of the proceedings given or the evidence given to the McCracken Report.

I think one of the documents put up or produced at the proceedings of the McCracken Tribunal with which you may be familiar is a letter from Noel Smyth and Partners to Mr. Mike Rayton Esq. of Clarke and Rayton, 10 to 12 Saint George's Street, Douglas, in the Isle of Man; in relation to Tutbury. I will give you a hard copy. Can you recognise the document? (Document handed to witness)

This is a document which relates to the transaction which was being discussed with Mr. Bernard Dunne this morning and indeed on an earlier occasion in the course of evidence he has given to this Tribunal. It is the Tutbury, or the payment that came through Tutbury in February of 1990?

A. Yes.

Q. That is the €200,000 payment mentioned in the McCracken Report?

A. Yes.

Q. And that payment was routed in this way as a result of instructions which you obtained and which you conveyed to

Mr. Bernard Dunne in the course of one of your eight

o'clock early meetings; is that right?

A. That is correct.

Q. So you got certain instructions, I think from Mr. Desmond

Traynor; is that right?

A. I got two account numbers.

Q. Yes.

A. One a dollar account.

Q. Yes.

A. And one

Q. I can put that document up as well. I am just trying to

get to the main elements of the events that occurred. You

got instructions from Mr. Traynor. You took a note of

those instructions. You either gave that note or made a

new note of those instructions and you gave it to Mr.

Bernard Dunne?

A. That is correct, yes.

Q. And I think the next document which we can put on the

overhead projector is a document which appears to be partly

in your handwriting in any case, and is, I think, the

instructions we were talking about. You will find it with

the hard copy you have as well, sorry.

(Document handed to witness).

A. Thank you.

Q. Apart from the amount, the words "AMT" standing for

amount. "STG" for Sterling and "£200,000" at the bottom

there is no doubt but that the rest of that document is in

your handwriting; is that right?

A. That is my handwriting. The "Amount Sterling œ200,000" is not my handwriting.

Q. What I am saying, apart from that, the rest of the document is in your handwriting. What it contains is the name of the bank, Henry Ansbacher and Co.; the address which is London, the account in that bank to which money was to be transferred; that was Ansbacher Limited and there were two accounts given, one in dollars and one in pounds sterling; is that right?

A. That's right, yes.

Q. And obviously you were given a dollar account and a sterling account because at that time it wasn't clear how the money was going to be, what currency was going to be used to lodge money to the account?

A. Yes.

Q. And somebody wrote at the bottom, eventually, the words "AMT Sterling, œ200,000". I presume that was about, that at that time it had become clear that Sterling was to be used?

A. I am unaware who wrote that.

Q. Do you recognise the handwriting in fact?

A. No, no.

Q. Well, in any case it tallies with the instructions you had that œ200,000 payment was going to be going through this account; isn't that right?

A. No, it was discretionary. It was up to Mr. Dunne what



amount he wanted to put on transfer.

Q. Had you any idea how much money was going to be sought? I can't quite remember your evidence in that regard?

A. No.

Q. Just a further payment?

A. Yes.

Q. A further payment of the total of the 900,000 had been envisaged?

A. That approach was - and the one previous was to that was would Mr. Dunne be able to give some further help.

Q. Um-hum?

A. And the amounts were left discretionary.

Q. Yes?

A. There was 150 and 200 as it turned out to be.

Q. Yes, um-hmm. But it was in any case as you understood it, part of the overall amount of money which was originally envisaged as coming from Mr. Dunne to help Mr. Haughey?

A. The overall amount of money was finished at that stage.

Q. I see. You mean you were up to 900,000 at that stage?

A. Yes.

Q. Correct me if I am wrong, but I can check that in any case; so you passed on the instructions to Mr. Dunne and as we know, the money did go into that account and eventually went into the account of Ansbacher Cayman in the London bank?

A. Yes.

Q. And the account number that you have mentioned is

190017-202?

A. That is correct, yes.

Q. Now, can I ask you to look at some of the documents that the Tribunal brought to your attention for the purpose of seeking your response to a number of queries; and in particular I think the document that you mentioned in your statement, which is the telex message from Mr. Dotchin of Ansbacher in the Cayman Islands to Henry Ansbacher and company in Dublin. (Document handed to witness)

A. Thank you.

Q. You see, it says: "For value 3rd or 4th of October 1990, or whenever" in manuscript. "You will receive Sterling œ200,000 marked for the attention of JD Traynor and for attention to our account 190017202. This account is closed as you know, so please credit the funds to our Sterling current account 190017-101 immediately upon receipt of the funds. Please debit our account 190017-101 and transfer Sterling 200,000 pounds to Guinness and Mahon Limited Dublin for account 13154602 marked for the attention of Mr. JD Traynor. Could you please also telephone and advise myself or Mike as soon as the funds are received".

Your point is that the account referred to in that telex is account 101, the account 202 having been closed at that time?

A. Yes.

Q. Would you agree with me that it would be possible to put

another interpretation on the circumstances which resulted in this telex; and I want to put them to you; which is that instructions were given either to Mr. Dunne or to somebody else, for money to be sent to the Ansbacher (Cayman) account in Henry Ansbacher in Dublin, account 202. But that Ansbacher Cayman when they learned of this, presumably from Mr. Traynor or whatever, contacted the London bank and said: "You are going to receive money marked for account 202, please note account 202 is closed and the money should go to account 101". Do you accept that?

A. Yes, yes.

Q. And what I am suggesting is that that would seem to indicate that whoever got the instructions, we will say in Ireland, to arrange for the routing of this money, would have got instructions based on account 202, because that is what the Ansbacher Cayman people understood the London people were expecting. Do you follow me?

A. I don't follow you. Mr. Traynor was very precise. If you look at my original note of February, he is very precise in his instructions. I couldn't imagine that he would ask money to be directed to a closed account.

Q. Could you agree with me that that telex is based on the notion or on the proposition that somebody in London was going to get money marked for the credit of a closed account, because it said: "You will receive money marked for credit to our account 202. "

A. Yes.

Q. So the person who gave the instructions for the money to be routed to London was giving instructions based on account 202 being open?

A. Yes.

Q. So therefore would you agree with me that the fact that account 101 was the actual account into which the money went, doesn't necessarily explain away any potential involvement you may have had? I am simply trying to jog your memory here. You are saying that it was because it was account 101 was involved

A. No, I am certain I would have remembered this. I don't - I do not remember having anything whatsoever to do with this transaction.

Q. But, if I could just take you up on that?

A. Yes.

Q. Mr. Fox, you say you certainly would have remembered it. You didn't remember it until the Tribunal brought it to your attention that you were involved in the Tripleplan payment?

A. No, I brought the Tripleplan payment to the attention of the Tribunal.

Q. But you didn't bring it to the attention of the McCracken Tribunal?

A. No, I had forgotten.

Q. Yes. So can you be so sure that if you had forgotten the Tripleplan payment, that you couldn't also have forgotten this payment?

A. I am certain that I had nothing whatsoever to do with this transaction. It is two transactions as well in one year.

I would have remembered that.

Q. Well, can we just clarify one thing in relation to your statement? Your reasoning for thinking you could have had nothing to do with this is that the instructions you were given in February of 1992 related to account 202 and the instructions in this case seemed to you to relate to account 101?

A. That is correct.

Q. Can I suggest to you that that reasoning is flawed because the account, the instructions here must have related to account 202?

A. Well, I didn't give those instructions.

Q. But do you agree with me that the reasoning is probably flawed?

A. I really can't agree with that, Mr. Healy.

Q. You are saying that your reasoning is not flawed?

A. Yes.

Q. So what you are saying to me is that if instructions had been given in November of 1992 in relation to this, they would have been given for the money to be credited to account 101?

A. Yes.

Q. But can't you see in that letter, it is clear that they must have been given, for credit to be given to account 202?

A. I couldn't imagine Mr. Traynor giving instructions to transmit money to a closed account. I just couldn't.

Q. You accept Mr. Traynor must have been involved, from that telex in any case; isn't that right?

A. Yes, I do. Yes.

Q. And you accept that that telex is informing the London bank, Henry Ansbacher, that money is to be expected, marked "for the attention of JD Traynor"?

A. Yes.

Q. And you accept that that money is going to come marked for credit to a particular account?

A. Yes.

Q. And that the account number in question, the material part of the account number is "202"?

A. Yes.

Q. And that the letter is saying clearly "this is a mistake, you'll have to put it into 101"?

A. I would have thought Mr. Traynor would have known that that account was closed.

Q. The instructions, as a matter of probability, could only have come from Mr. Traynor first day; isn't that right?

A. Yes.

Q. So he must have made a mistake; isn't that right?

A. I certainly believe that I had nothing whatsoever to do with this.

Q. That is a different matter Mr. Fox. I am not trying to - I fully accept that that is what your belief is but the

reasoning that you have relied on in your statement is flawed?

A. I have relied on the fact that I had nothing whatsoever to do with it. I mean I can - you can take me up and down this ladder for as long as you like Mr. Healy but

Q. That is a different matter. You are saying that you had nothing to do with it because you don't remember having anything to do with it?

A. Yes.

Q. Well now can I suggest to you that as I suggested a minute ago, that your memory hasn't served you one hundred percent in the past. I put it no further than that?

A. Um.

Q. If you weren't involved in this, we must assume that somebody else was involved in conveying instructions which, as a matter of probability, must have come from Mr. Traynor to Mr. Dunne; isn't that right?

A. Yes.

Q. Can we take it that no one else other than Mr. Dunne would have been able to give instructions in relation to monies to come out of, or connected with Wytrex?

A. I have no idea.

Q. Would you accept that as a matter of reality?

A. I don't know.

Q. You don't know. You think other people could have given instructions in relation to Wytrex?

A. I don't know. I know nothing about Wytrex.

Q. You have never heard of it?

A. Or its workings. I know it to be a supplier company to Dunnes Stores.

Q. Yes?

A. I just want to say something. Mr. Dunne said yesterday that I was aware of his relationships or his arrangements with, his relationship with Mr. Laurence Tse. I was not.

Q. You mean you weren't aware of the connection with Mr. Laurence Tse or you mean you weren't aware?

A. I wasn't aware of what he called his "kickback arrangements".

Q. Well, did you - perhaps we better go over that then. Were you aware of the existence of Wytrex?

A. Yes.

Q. Were you aware of the existence of Carica?

A. No, absolutely not.

Q. Were you aware of the existence of any other Far Eastern company of which Dunnes Stores had associations?

A. No.

Q. Were you aware that when Mr. Ben Dunne was first asked by you to put together this sum of money, in fact on foot of his own suggestion that he would contribute the whole lot to the fund being set up by Mr. Traynor; were you aware at that time that Mr. Dunne was going to source this money in the Far East?

A. No, I believed Mr. Dunne was going to do this personally and he wanted it kept private.



Q. Mr. Dunne says that he believed that you would have known that the money was coming from the Far East?

A. I gave Mr. Dunne these bank numbers and he then dealt with the bank numbers subsequently. I have no idea where the money was coming from.

Q. I am not talking about that time for a moment. I am taking up the matter that you drew up yourself; Mr. Dunne's involvement, or suggestion that you were aware of his arrangements with Mr. Tse. I am just trying to take that for a minute and deal with it. I want to go back to the very first time that you drew up with Mr. Dunne the question of providing funds for Mr. Charles Haughey. You received a telephone call from Mr. Traynor; is that right?

A. Yes.

Q. You went to Mr. Dunne; is that right?

A. Yes.

Q. We won't go into all of the details of it, but Mr. Dunne eventually expressed the desire to take on the entire burden, I think as it was mentioned in earlier evidence, of funds, Mr. Haughey's financial troubles?

A. Yes, yes.

Q. There was a suggestion that Mr. Dunne would require some time to put this money together?

A. Yes.

Q. Mr. Dunne has given evidence that he envisaged putting the funds together, or generating the funds from Far Eastern activities?

A. Yes.

Q. He has indicated that you would have been aware of that?

A. I was not aware.

Q. Can we just stick with the Far Eastern activities for a moment then?

A. Yes.

Q. You were aware that there was a company called Wytrex with whom Dunnes Stores had connections?

A. I was aware of Wytrex as a supplier to Dunnes Stores, yes, supplier of general goods.

Q. You were not aware of the arrangements that Mr. Dunne has now described, involving Mr. Laurence Tse and what he called "LTAs" or "kickbacks" from Wytrex?

A. I was not aware of that.

Q. You were not aware that funds were being accumulated in the Far East and were being, I suppose rerouted into trusts controlled by Mr. Dunne?

A. No, absolutely not.

Q. And you were not aware that some of the money that came to fund Mr. Haughey, came from trust funds or other funds under the control of Mr. Dunne in the Far East?

A. No, I was unaware at all times of where the funds were coming from.

Q. Was it your impression that Wytrex was a company which had absolutely no; let me rephrase it; was it your impression that Wytrex was a company in which Dunnes Stores had absolutely no interest?

A. Absolutely, yes.

Q. A completely arms length supplier?

A. An arms length supplier, the same as anyone else.

Q. And you had never heard of Carica?

A. I had never heard of Carica until the litigation started or well into the litigation.

Q. After you had discussed with Mr. Dunne the provision of the, or the undertaking by him of the entire burden of providing the funds being requested by Mr. Traynor; you presumably communicated that to Mr. Traynor?

A. Yes, I told Mr. Traynor that Mr. Dunne didn't want any other contributors involved. He would do the entire sum himself.

Q. And then you got requests for payment?

A. Yes.

Q. And the first request must have been the Tripleplan request, as far as the evidence goes?

A. Yes.

Q. And that came from Mr. Traynor himself?

A. Correct.

Q. And the next request was the November 1987 request?

A. Yes, Mr. Furze.

Q. The Furze cheque?

A. Yes.

Q. And the next one was, again pursuant to a request from Mr. Traynor, the 471,000?

A. Yes.

Q. And the next request then was the €150,000 in April of 1989?

A. That's right Mr. Healy, yes.

Q. And the next request was February of 1990?

A. Yes.

Q. Now, the February of 1990 request was for the funds to be put into that account in that bank in London?

A. Yes.

Q. That was the second time that you had received a request for funds to go into that bank in London?

A. I had written down the instructions and handed them to Mr. Dunne.

Q. You wrote the instructions down on the back, I think, of a piece of Dunnes Stores - I won't call it stationery - but internal stationery, not marked stationery; is that right?

A. Yes, I think so.

Q. I think you so described it?

A. I think it was a wages sheet.

Q. A wages sheet?

A. Yes.

Q. To write the numbers down on that you must have had them yourself in some notebook or some other document?

A. I may have got a telephone call and had the paper on my desk at the time.

Q. But I think that you; you wrote that down at one of the early-morning meetings; isn't that right?

A. I may not, I may have had those wage sheets in my own

office and wrote it down on that.

Q. I see. But you handed it to Mr. Dunne at an early-morning meeting?

A. Yes.

Q. And you know where you got or what you did with the information for the first payment that went into that account, that being the second payment?

A. It would be exactly the same procedure. And I would have handed that piece of paper to Mr. Dunne.

Q. You wrote it down again?

A. Yes.

Q. And you mislaid the piece of paper?

A. No, I gave it to him.

Q. I am sorry. I beg your pardon. You gave it to him?

A. Yes.

Q. Do you know what he did with it?

A. I have no idea.

Q. So on each occasion you wrote down the information you were given by Mr. Traynor?

A. Yes.

Q. And while you might not have remembered the numbers, you would presumably have remembered that on each occasion it was Ansbacher Cayman's account in Henry Ansbacher in London?

A. Yes.

Q. You might have remembered at least that it was Henry Ansbacher in London that the money was to go to?

A. I think I might have remembered Miter Square or something like that.

Q. I see. Would you agree with me that it is at least unusual that having gone through that process on two occasions, by contacting you with those numbers for onward transmission of that information to Mr. Dunne, a similar approach, according to your evidence, wasn't adopted in November of that year?

A. Well, it wasn't adopted through me.

Q. That is what I mean. I am suggesting that the process, or the procedure was to go through you on each previous occasion, on every previous occasion in fact where accounts were involved?

A. That is correct.

Q. And although the self same account was used with one variation, if you like?

A. It was a big variation.

Q. I see. But the self same information must have been given to the person in Dublin or the person who contacted Mr. Dunne; isn't that right?

A. Yes.

Q. In other words, incorrect information, but nevertheless the self same information as you had been given earlier in the year must have been given in November?

A. Yes.

Q. So the self same information concerning the self same accounts in London was given to somebody else. This was

breaking a pattern, wasn't it?

A. Yes.

Q. Can you think of any reason why that pattern would have been broken?

A. No, I cannot.

Q. You can't?

A. No.

Q. Was your relationship of trust with Mr. Dunne the same in November as it had been in February?

A. I really couldn't relate back like that.

Q. Were you having the early-morning meetings in November, do you think?

A. We probably were, yes.

Q. I presume that once the litigation started there might have been some, when I say the "litigation" once the background to the litigation started, before actual proceedings were issued, there must have been some tension in Dunnes Stores?

A. Yes, there were.

Q. Can you say whether your early-morning meetings continued up to the time that Mr. Dunne was removed as an executive of the company?

A. I can't Mr. Healy. It is something I could try and check on, if you wish me to?

Q. Could I put it this way? If the early-morning meetings continued up to November of 1990?

A. Yes.

Q. Isn't it again unusual that that course, or the course that

had been followed on every previous occasion and with specific reference to these accounts on two previous occasions was not followed on this occasion?

A. Yes.

Q. If you weren't the person through whom this information was mediated by Mr. Traynor, was there any other person that you are aware of, to whom Mr. Traynor would have confided information as sensitive as this?

A. No, I have no idea.

Q. Isn't it reasonable to assume, Mr. Fox, that having set up this highly confidential arrangement, involving the routing of money in this highly confidential way, that Mr. Traynor would have, if you like, broken cover to give information like this to another person?

A. Well, I know I had nothing to do with it, Mr. Healy.

That's the bottom line.

Q. You are saying you can't remember it. You can't be sure?

A. I am certain that I had nothing to do with it.

Q. But you are relying on your memory purely to say that?

A. Yes, I am.

Q. And can I put it this way; I am not suggesting that you are telling lies or anything like that, I am simply suggesting that your memory is frail on the point. That all of the pointers would indicate to you being the only person to whom Mr. Fox, or Mr. Traynor I beg your pardon, would have conveyed this sensitive information?

A. Well, if you are to go on the pattern of what happened in



the past, you can draw that conclusion. I am telling you that I had nothing to do with this one.

Q. When Mr. Dunne originally agreed to put, to undertake these payments, you say that you had no idea where the money was going to come from other than that you understood it to be a personal obligation that Mr. Dunne was undertaking?

A. Yes.

Q. And I think you have given evidence already that it was this view that formed the attitude you took to query his decision concerning the Tripleplan and the second payment, the Furze payment?

A. Yes.

Q. When you were asked questions about those two payments in the course of the preparation of figures for Dunnes Stores audits, you indicated to, I think Mr. Drumgoole was one of the people raising queries, that this was a matter for Mr. Dunne. I think you said "talk to Mr. Dunne about it"?

A. Yes.

Q. You did not disclose to Mr. Drumgoole what, at that time you subsequently knew, but you subsequently might have forgotten about it; you did not disclose to Mr. Drumgoole the nature of the transactions represented by either the Tripleplan or the Furze entries on his query sheets, if I can put it that way?

A. No, I did not.

Q. The reason you did that was you felt you had an issue of confidentiality to Mr. Dunne because of circumstances in

which he had agreed to make these payments?

A. Yes.

Q. By making the payments in that particular way, by involving Dunnes Stores executives, Dunnes Stores (Bangor) in this case; Mr. Dunne was at least exposing himself to the risk that the confidentiality he wanted to surround the payments with could be breached; isn't that right?

A. Yes.

Q. Because audit queries were bound to arise; isn't that right?

A. Yes.

Q. And as an accountant and as an experienced accountant, you would have been aware that this was a serious risk?

A. Yes.

Q. Did you ever say to Mr. Dunne, "look you have got to try and do it some other way. You are going to expose yourself doing it this way".

A. What do you mean "do it some other way"?

Q. Did you ever warn Mr. Dunne by involving Dunnes Stores companies and involving the potential of creating an audit trail that could lead to unhelpful queries, if I can put it that way, that he was taking a risk?

A. I would believe that I would have sat down with Mr. Dunne, we never did in fact, and organise that through his own current account. That never happened. We were overtaken then by litigation and it was some years afterwards that the matter was resolved.

Q. When you say you would have sat down with Mr. Dunne; you mean would you have sat down with him sometime in the 1990's?

A. In the early '90s to try and resolve this.

Q. Between 1987 and 1990 the problem was there, it wasn't going away?

A. Yes it was, it was put into suspense.

Q. Was there some particular pressure that was brought on at that time that would have prompted, or was the particular pressure that caused Mr. Dunne to pay the money in this way articulated by Mr. Traynor at all, apart from saying "we must have money now", did he say why he had to have money at such short notice?

A. He lead me to believe that there was a huge financial problem there at the time. I can't recall his exact words, but he left me under no illusion that there was a serious problem.

Q. Did you have any occasion, ever, to visit the Far East with Mr. Dunne to have dealings with Wytrex?

A. No.

Q. You have never met Mr. Tse?

A. I may have met - I may have been introduced to him in Dunnes Stores if he was over. I can't recall, if I were introduced to him I would have just said "hello, nice to meet you".

Q. You weren't involved, you weren't aware that he was in any case acting almost as an agent as opposed to an arms length

supplier to Mr. Dunne?

A. No, no.

Q. Thanks very much Mr. Fox.

CHAIRMAN: Just before any further questions, could I just raise with you Mr. Fox, one more general aspect that has caused me some concern? At the time of these events, obviously your relationship with Mr. Dunne was a great deal happier than has followed upon more recent events?

A. Yes.

CHAIRMAN: Would it be fair to say that apart from being a close business colleague, attending the daily management meetings and the like, he was quite a close personal friend?

A. He was a personal friend. I mean how close I can't say, he was a close personal friend.

CHAIRMAN: Yes; but you had advised him as regards his own financial affairs to some degree?

A. Advised him, not really. No.

CHAIRMAN: There was some mention at an earlier stage, I forget who stated it; was it the position that he may have sought some advice in relation to his own personal income tax or general financial affairs from you?

A. Not from me, from our office. I am sure we would have done his income tax returns.

CHAIRMAN: I see; and you had been involved in the

somewhat traumatic events of his kidnap in an unfavourable light by paramilitaries?

A. Yes, that was a very traumatic time, Sir.

CHAIRMAN: Yes. Did you ever have occasion to perhaps clip his wings as a friend concerning some perhaps extravagant scheme or the like?

A. No. I said to him when he was doing this transaction, that "look there was no need to", that the amount originally requested was 150,000. But he wanted to

CHAIRMAN: Well, that was what I was coming to Mr. Fox.

It does occur to me, that given your evidence on a number of occasions that these were sums of money of considerable magnitude to be discharged from Mr. Dunne's own personal assets, as opposed to Dunnes Stores money. That apart from conveying Mr. Traynor's request, you might have felt it appropriate to convey a certain caution as the sums increased and become larger over the months?

A. Yes.

CHAIRMAN: Is that the case?

A. That would be the case, yes. The last two amounts were discretionary.

CHAIRMAN: Yes. And can you recall what you may have said to him, in rough terms?

A. I really can't, Sir. What I would have said to him, I said "look," maybe I said "you don't have to do this", maybe I

didn't. I just can't remember what I said.

CHAIRMAN: You have stated that when it came to the extended audit procedures you had a particular personal, ethical, difficulty in your dealings with your colleague, Mr. Drumgoole?

A. That's right, yes.

CHAIRMAN: I suppose it is the fact of matters that your perceived inability to tell all you knew to him did complicate and extend the effort to audit the books?

A. Yes, it did, yes.

CHAIRMAN: In retrospect might it have been desirable that you would have responded to Mr. Drumgoole by saying that there were matters that you were precluded from discussing and would have to be taken up with Mr. Dunne rather than a reference to Mr. Dunne simplicitor?

A. Yes, Sir. I mean the clairvoyance of hindsight, I would have done an awful lot of things different.

CHAIRMAN: Mr. Connolly, any questions?

MR. CONNOLLY: No questions, Chairman.

CHAIRMAN: Mr. Gallagher?

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

Q. MR. GALLAGHER: Mr. Fox, I don't want to go back over old controversies that we have had as you gave previous

evidence. One or two matters I want to clarify with you on behalf of Mr. Dunne. You mentioned there in answer to the Chairman that you initially thought that the sum of œ150,000; am I correct in understanding that is what you said?

A. Yes.

Q. But isn't the case Mr. Fox, that your evidence to the McCracken Tribunal was not that the initial request was for œ150,000, but that six or seven people were each being asked for œ150,000 and your evidence was that you believed that the total sum was 900,000 pounds?

A. Yes. Yes.

Q. So from the beginning it wasn't a question of 150, it was a question of 900,000?

A. That is what I have said to the Chairman. I said that Mr. Dunne was asked to join a consortium.

Q. Yes; and once you knew Mr. Dunne had suggested taking over the entire payment of œ900,000, that was a very considerable sum in those days; isn't that correct?

A. Yes.

Q. And you knew, I suggest to you, that Mr. Dunne wasn't going to pay that from his personal funds?

A. I believed he was.

Q. I see.

A. Yes.

Q. I think on the last occasion you raised that and you asked that Mr. Dunne's tax affairs be looked at to see whether or

not he had that sort of money; isn't that correct? That was an issue raised on the last occasion in relation to the Tripleplan payment?

A. I don't remember raising that issue.

Q. I see. Well the Tribunal perhaps will remember it, that his returns were looked at to see if he had those sort of personal funds and it was an issue raised by your Counsel.

And isn't it the case that he didn't have those sorts of personal funds at that time?

A. I don't believe that. I believe he had those resources.

Q. I see. Leave aside any questions of friendship, you were certainly a very close confidant of Mr. Dunne at the time?

A. Yes.

Q. And you have agreed previously that you were very closely and intimately involved in the business?

A. Yes, and a trustee of the business.

Q. You were in fact a trustee of the trust which effectively owned and controlled the business; isn't that correct?

A. The trust does not control the business.

Q. Well, that was one of the issues in the proceedings; isn't that correct? You were a trustee of the trust?

A. I am a trustee of a block of non-voting Ordinary Shares. I am a passive trustee.

Q. But you were a trustee of the Dunnes Trust; isn't that correct?

A. Yes.

Q. And one of the allegations in the proceedings was that you



and the other Trustees were aware that trust monies were constantly being used for non-trust purposes, that was one of the allegations made against you?

A. Yes.

Q. And that allegation was based on further more particular allegations that vast sums of money were paid out of the Dunnes companies to third parties that had nothing at all to do with the trust. That was the allegation?

A. That was the allegation, yes.

Q. And it was Mr. Dunne's contention that these payments were so frequent and of such a magnitude that the trust was a sham. That was his allegation?

A. Yes.

Q. And in attempting to prove the trust was a sham he was trying to put forward as many particulars of payments or details of payments as he could; isn't that correct?

A. Yes.

Q. And of course if you knew that company monies were being used for non-trust purposes, non-company purposes, you as a trustee would have been in dereliction of your duty?

A. I did not know about

Q. I note what you say. I am saying that if you had known and if you had allowed company monies to be used for non-trust, non-company purposes, you would have been in dereliction of your duty as a trustee?

A. As a trustee, I mean that is a very debatable question.

Q. There can't be any doubt about that Mr. Fox. You are an

experienced man. If you are a trustee of a trust, the trust monies are to be used for trust purposes and not other purposes.

A. I was a trustee of a block of ordinary non-voting shares.

Q. Yes, if you were trustee of a trust

A. I was not part of the day-to-day management or control of Dunnes Stores.

Q. Leave that aside for a moment. I am asking you a simple question. If you were a trustee of a trust and it comes to your notice that assets of the trust are being used for non-trust purposes, if you allow that to happen, that would be a breach of the trust?

A. If I knew of it.

Q. Yes; and the allegation was that you did know of that?

A. That was the allegation, yes.

Q. And I must suggest to you that you never believed and could not have believed that any of these payments were being made from Mr. Dunne's personal funds?

A. Well, I contradict that totally.

Q. Thank you.

CHAIRMAN: Thank you Mr. Fox.

THE WITNESS THEN WITHDREW.

JACK STAKELUM HAVING BEEN PREVIOUSLY SWORN RETURNED TO THE WITNESS-BOX AND WAS EXAMINED BY MR. COUGHLAN AS FOLLOWS:

CHAIRMAN: Thank you again Mr. Stakelum, again of course

you are already sworn.

Q. MR. COUGHLAN: Mr. Stakelum? I think Mr. Stakelum, that you have been asked to assist the Tribunal and you have furnished a memorandum of proposed evidence relating to a company which was known as Feltrim; isn't that correct?

A. Right.

Q. And I think that you have informed the Tribunal; do you have the memorandum with you?

A. I do.

Q. You have informed the Tribunal that you were financial director of Feltrim PLC from the 1st of March of 1988 to the 24th of March 1990; is that correct?

A. That's correct.

Q. And that prior to the flotation of Feltrim PLC you were asked by Deloitte and Touche to become the Financial Director of the company, having been informed that the Stock Exchange had advised that the company needed bolstering in that area; is that correct?

A. That's correct.

Q. They needed somebody of weight in the financial community and you were the person who was asked to do it?

A. Yes.

Q. I think you agreed to take on this appointment and you were invited to subscribe €5,000 for shares in the soon to be floated company; is that correct?

A. That's correct.

Q. And I think you did subscribe œ5,000 from your own funds and you were issued with 12,500 shares?

A. That's correct.

Q. I think you have informed the Tribunal that approximately one million pounds was raised in the flotation but that almost all of the funds were spent within one year in various exploration ventures; is that correct?

A. That's right.

Q. These exploration ventures were entirely unsuccessful ventures and there was no return whatsoever to the company; is that right?

A. Correct.

Q. I think you informed the Tribunal that the company subsequently went through a series of financial crises and that you recall that you had a number of discussions with Mr. Trevor Watkins about various schemes or plans for raising funds; is that correct?

A. That's right.

Q. And that in or about July of 1991, after you had resigned as Financial Director of the company, through your own company, BEL, you advanced the sum of œ15,000 by way of a loan to Feltrim; is that correct?

A. That's correct.

Q. Now, I think you have informed the Tribunal that you have no recollection of the circumstances of the loan, and you have no documents relating to it; is that correct?

A. That's correct.

Q. Now I think - I think Mr. Davis, the solicitor for the Tribunal has informed you that he had a phone call from Mr. Trevor Watkins and that he, Mr. Watkins, recalls talking to you about equipment in Wicklow and that that is what the €15,000 loan was for. Do you have any recollection?

A. No, I don't have it about the equipment, but Mr. Davis just informed me of that today.

Q. It is just something that has just come in.

A. Yes.

Q. You don't have any recollection?

A. I don't have any recollection about equipment, but I mean it could have been, because he would have been talking about needs for the company.

Q. Yes; but you do accept or you do believe that the loan which was advanced must have been as a result of discussions with Mr. Trevor Watkins?

A. I believe so. I mean, in discussions I understood that he had said that couldn't be, in his statement, that it must have been Mr. Conor Haughey, but I still believe it was Mr. Trevor Watkins, because he was the one that was negotiating most of the reconstructions for Feltrim, and it made more sense to me that that would have happened.

Q. Yes. Now, I think you have informed the Tribunal that you do not believe that you would have made the loan of €15,000 without any prospect of it being repaid?

A. No, I am not in that kind of league of handing away money.

Q. Well, maybe we will come back to that in a moment. Is that

okay, Mr. Stakelum?

A. Right.

Q. I think that in March of 1992, half of the loan advanced was converted to shares; is that correct?

A. Right.

Q. The conversion of €7,500 at €5 per share?

A. 5p.

Q. 5p, I beg your pardon. 5p per share resulted in the issue to BEL of €150,000 shares in the company; is that correct?

A. That's correct.

Q. And that in June of 1993, as a result of a "one to three" conversion of shares, this holding of 150,000 shares representing half the amount of the loan was converted to 50,000 shares at 1.5 pence per share; is that correct?

A. Yes.

Q. At that time the advance of the loan was also converted, the balance of the loan was also converted into shares, with BEL being issued with 333,333 shares; is that correct?

A. That's right.

Q. Also at that time fees in the sum of approximately €2,500 owed by the company to your company, BEL, were written off with BEL being issued with 333,333 shares; is that correct?

A. That's correct.

Q. And as of June, 1993, your company, that's BEL, held 416,666 shares in Feltrim, which of course had changed name by then; isn't that correct?

A. I don't know when it changed the name.

Q. To Minmet. I think that you disposed of your shareholding in Minmet, of course, by 1997; isn't that right?

A. Yes.

Q. In October 1997, realising €16,117 and there was a total loss of €492 as far as you were concerned?

A. Right.

Q. Right. Now, if we go back to the time when you left the company. The million pounds which had been raised in the flotation had been eaten up in exploration?

A. Yes.

Q. Ventures?

A. Right.

Q. Is that correct?

A. That's correct.

Q. And all of these - can I take it that these exploration ventures were on behalf of the company, but primarily instigated by Mr. Conor Haughey from within the company?

A. Primarily, yes.

Q. Yes; would that be fair to say?

A. Maybe, absolutely, yes.

Q. Yes?

A. Absolutely. Absolutely.

Q. And I think would it be fair to say that the company had considerable losses over the years?

A. Well that's fair to say. The practice with exploration companies, they tend to capitalise a lot of the expenditure on these ventures.

Q. Yes?

A. And in technical accounting terms that is not a loss.

Q. I see

A. But there would have been overhead expenditure that wouldn't have been capitalised and there was absolutely no incomes, so there would have been losses over the period, and a very negative cash flow.

Q. Well, by 1991, from information furnished to the Tribunal, the deficit on the profit and loss account was approximately 3.5 million pounds. Would you agree with that?

A. Well, I wouldn't have followed accounts. I was gone at that stage.

Q. Yes, I know that.

A. Yes.

Q. But you made, I am just asking the circumstances whereby a loan came to be made. The state of the company when you made it?

A. Well, the state of the company would have been extremely difficult. At the time I was - a great shortage of cash. The actual loss that might be of three million pounds might be the policy that would be decided by new owners or whatever, so I am not familiar with what the accounts would have been after those, but it could well have been.

Q. Well, would it be fair to say that the company wasn't in a healthy state when you moved on?

A. It certainly would, yes.



Q. There was, the share price had tumbled all over the place on it, hadn't it?

A. Well the flotation price was 40 pence when it went on the market and it doubled on that first day and then on a series of situations; I mean even if, in the adjustments for the loan there, you were looking at, the shares were down to one and a half pence.

Q. One and a half pence?

A. Yes, so

Q. And you weren't asked to buy or you weren't asked to invest in the company. At that stage you were asked for a loan; isn't that correct?

A. Yeah, I mean I don't remember the circumstances but I suspect what they might have been, where if somebody - there was several attempts at reconstruction of that company.

Q. Yes?

A. With several efforts to invite outsiders to come in and invest for one reason or another. Some were interested in the fact that it was a public limited company and it was a vehicle that could be used.

Q. Yes?

A. There was certainly a property consortium in England that were interested in it but then found out that they couldn't have used this for a public property for just their property acquisition, so there were a number of these that failed for one reason or another.

Q. Now, just asking you about the circumstances, this company was in an unhealthy state?

A. Dire straits.

Q. Dire straits as you say yourself. You lent them €15,000.

That isn't a criticism, I am just suggesting to you that you couldn't have had huge faith in being repaid that €15,000 when the money was lent, Mr. Stakelum?

A. Well, it might have depended on the proposition that was put. I mean, I certainly wouldn't be just lending €15,000 to a company where I had ceased to be a director on the basis that the company was in dire straits. But there can be suggestions, I mean I would have myself over the years, specialised in the rescue operations, and I don't know the circumstances in Feltrim; I don't know what the proposal was being put to me.

Q. I see.

A. But there certainly would have been a belief that I would have been refunded my money and presumably a protection for the share price somewhere along the way. Now, it didn't happen and I suppose that is not terribly surprising. But it was all

Q. Why didn't it happen, would you think? Why is it not surprising?

A. I wouldn't have had access to what the management of the company was thereafter, but I know that the company obviously went into further dire straits. Incidentally, in the last 18 hours or so I have seen a copy of Trevor

Watkins' statement and I mean there is a whole lot of new information there for me.

Q. Yes.

A. That I wasn't aware of.

Q. I see.

A. Some of which that I might even resent, that I seem to be the first person to put in a loan. I was not a promoter in this company, I was only invited in.

Q. Yes.

A. Because they needed a Financial Director for the Stock Exchange.

Q. Wouldn't it be fair to say that when this company was set up and Mr. Conor Haughey was involved in this company; isn't that right?

A. Right.

Q. And we see that the firm of Deloitte and Touche are acting; isn't that correct?

A. Yes.

Q. And for the purpose of Stock Exchange requirements, they needed somebody of weight in the financial community; isn't that right?

A. Yes.

Q. And you were asked to join on that basis?

A. Yes.

Q. I accept it is a public company and I accept that the purpose, there was to be a flotation on the Stock Exchange. But just looking at it in practical terms; Mr.

Conor Haughey, in the period of the raising of the million pounds on the flotation, and the subsequent expenditures, was effectively in control of the company; isn't that right?

A. Yes, I mean there was a Board of Directors.

Q. There was a Board of Directors?

A. He was the Chief Executive, yes.

Q. And in fact whilst the company has come good, it was as a result of a complete change in the operators of the company; isn't that correct?

A. You mean as of today?

Q. Yes.

A. I think there were a few changes.

Q. Yes.

A. Yes.

Q. But at the time that this money was requested of you by way of a loan, this company was in dire straits, as you have described it?

A. Right.

Q. Described it yourself.

A. Yes.

Q. Now it is not a criticism, I am just suggesting to you that again, in the way you had been asked to join the company to give it some added weight, to meet Stock Exchange requirements, in the same way you were a person who would have been known to Deloitte and Touche, and to the Haughey family, and it was in those sort of circumstances that you

were asked for the loan?

A. Well, No. 1 I wouldn't have thought that Deloitte and Touche had anything to do with the loan aspect of the thing.

Q. Not of the loan aspect, I agree, yes?

A. I don't honestly remember the circumstances, but you see, what I would have believed now, and I don't know

Q. Yes?

A. Is that probably Trevor Watkins, that I believe - I am not sure how he feels about it, but he would have been involved in a number of aspects of that company, in the sense that there were promoters originally there that financed it, that put the major part of the finance into place, and I believe that what would have happened there, as the meetings used to be held in my office when - the Board meetings and that.

Q. Yes.

A. And we were owed some money for fees there, the 2,500 that I have referred to.

Q. Yes.

A. There might have been some continuing discussion from Trevor. I believe Trevor was looking to rescue operation number 77B.

Q. Um-hmm?

A. Whereby he said maybe something like "there is a proposition now if loans were advanced and we would like you to help out, having had an involvement with the company

to the tune of X". I don't know whether he asked me for Y and he got Y minus which was X and various other people might have been making contributions and this would put the company back on its feet. I really don't know what the circumstances were. So much so that I actually checked the Companies Office to see had I resigned after, as indicated. I had resigned so I really don't remember that. The £15,000 would have been significant in my terms, not absolutely so - I wouldn't have gone into bankruptcy now if it went up in smoke. I did get most of it back.

Q. Oh, yes, that was fortuitous. Was that not so? Was there any - let's look at this now in real terms, Mr. Stakelum, there was no documentation relating to this loan to begin with, was there?

A. I suspect, like, there is always a cheque that is issued presumably.

Q. Oh, yes, I know.

A. Yes.

Q. There was no formality, I am talking about a commercial arrangement that you were entering into, or an investment you were making. This company was in an appalling state at this stage, Mr. Stakelum. You have said yourself a dire state; isn't that right?

A. Yes.

Q. Was there any terms discussed that you would get your money back in a year or two years or you might have to be in for the long haul? Like, were there any of these discussions?

A. I believe there would have been very different discussions.

Q. I see.

A. I believe there would have been - I don't recall it. I am quite sure that there would have been a definite discussion.

Q. And there would have been interest applicable would there?

A. Sorry?

Q. There would have been interest applied to the capital sum for repayment would there?

A. No, I wouldn't imagine that would arise. I would have been involved in hundreds of loans with hundreds of companies for hundreds of people. It wouldn't have been significant. I believe that whatever suggestion took place with me at the time, the believe I certainly would have had the belief that I would get my money back. Even though companies can be in dire straits, many of them are rescued from those, because they have a need of funds and there is something else.

Now, whether it was that, I was sold a package about something in Wicklow that I only found out about today, I don't remember. But I would not have been given away the €15,000 on the basis that the cheque was torn up as far as I was concerned. I was certainly not doing that. I would have expected a return. But in situations like that the things can change weekly or monthly, they need more money or they need this. Fortuitously after you can say that I only lost 485 or whatever I lost, but I wouldn't have

believed that at the time.

Q. So can we take it that it is your evidence, is it your evidence to the Tribunal that when you made this loan to the company you were making it as an investment, to the extent that you understood you would be getting that back with or without some interest payment? Was that what you are saying to the Tribunal was your state of mind when you made that loan?

A. I believe that my state was mind would be that I was certainly being asked to help the company in a situation where I had had a previous involvement and that I agreed, under whatever circumstances were portrayed to me at the time, and I believe that those circumstances were not that I was being asked for a charitable donation to write off, that it was a commercial situation and that, you know, sometimes you are in situations, for instance, in the first 5,000 shares.

Q. Yes.

A. I got a phone call from Deloitte and Touche to say that a company was being floated called Feltrim PLC. I was not at all friendly with the Haughey family. I don't think I had seen Conor Haughey since he was two years of age until Feltrim PLC.

Q. Right.

A. I did not know it was being floated. I did not know, I don't think I knew that Conor Haughey was a geologist. I didn't know anything about that. I merely got a phone call



to say "look there is a company being floated, the Stock Exchange feels that the Board needs some boosting in that area, would you be prepared to go on the Board?" I would have asked what was involved. I was like a director of maybe 35 to 40 other companies.

Q. Yes, of course?

A. So what would be my time factor? What was needed? It would be, it would be kind of part-time Executive Director, if you like.

Q. Yes?

A. We discussed the fee that would be available, and I said fine, and then I went down, I think to Arthur Cox's office where they were preparing the flotation, and was introduced to the people involved.

Q. Yes?

A. The people involved were Conor Haughey and I think, I think I hadn't met him since he was about two years of age. I am not sure because I wouldn't class myself at all as being a friend of the Haughey family. I would have been articulated to his father a long time ago.

Q. Yes?

A. In operating that, with the other Board Directors this million pounds was, there was discussion because I was a very late entrant into the scene.

Q. Yes?

A. That they would see if they could make available to me 5,000 worth of shares and it was a great compliment. I

would dearly have wished not to have do it, but you are being invited to be a director so you do. When I made the loan I would have had a history of involvement with the directors of the company. And through my office and I was still owed fees, and I just don't remember the circumstances; Trevor Watkins doesn't remember asking me for it, I don't remember either, but I believe it was he, because I don't know who else was proposing rescue operations.

Q. Yes?

A. Whatever bill of sale he had and equipment in Wicklow sounds a bit vague to me, there would have been a combination of helping out a company where you were involved, and some package of where I was going to get the return. I have no idea whether at that time they said they were going to convert the loan after a short while into shares or what they were doing but that's what suited their rescue operation.

Q. Yes?

A. Only last night when I seen this did I realise that there were only two other loans made to the company by two individuals.

Q. Um-hum?

A. One of them Bernie Cahill was involved as chairman while I was there, and the other individual was not involved with the company at all.

Q. Um-hum?

A. And I was the first loan. Now, I think I was being told about, probably a package, and I would have figured that I was one of a big number of people that might have been making loans.

Q. I see.

A. So, I don't accept any chastisement for being a financial person and making a loan to a company in dire straits.

Q. There is nobody chastising you.

A. Many a company I would have saved with loans.

Q. There is nobody chastising you. People are trying to get at the facts and the real reasons behind things. There is nobody chastising anybody.

A. All right, wrong word.

Q. May I just ask you, if we could establish this as a fact; you had, by the time this particular loan was being made to Feltrim, a professional relationship with the father of Conor Haughey; isn't that correct, through Mr. Traynor you were in a - a bill paying service was being operated by BEL at that stage; is that correct, Mr. Stakelum?

A. I think that started in September '91 and the

Q. February '91 I am told?

A. Yes.

Q. This was July of 1991, Mr. Stakelum. You did have an involvement. A professional involvement with the Haughey family at that stage, Mr. Stakelum; is that correct?

A. Well, I would like to elaborate a little?

Q. Yes, you may. First of all could we establish the fact

first; is that correct?

A. Well, if I tell you what happened you will tell me whether it was a professional relationship with the Haughey family. I would have had absolutely no discussion with Mr. Charlie Haughey at that time. The relationship with the Haughey family, in view of the bill paying service, arose from a luncheon discussion with Mr. Traynor and Mr. Paul Carty of Deloitte and Touche, where they had been carrying out a function.

Q. Yes.

A. It was no longer convenient for Deloitte and Touche to do that. I was asked to do it and I said "fine". My total involvement was with Mr. Traynor.

Q. Yes.

A. Now, Mr. Haughey's secretary would send in, when the arrangement commenced, bills which my secretary mostly paid. I don't believe I met Mr. Haughey. I am sure he was told by Mr. Traynor that Jack Stakelum was now doing the paying, but

Q. I think you did, perhaps at a subsequent stage, perhaps it was after Mr. Traynor's death when you went with other matters.

A. Absolutely, when Mr. Traynor died it was necessary for me to have direct contact with both Pdraig Collery and with Mr. Haughey. Now, if that is a professional relationship with Mr. Haughey or the family, I accept that. But I don't believe Mr. Haughey had any input into that. Des Traynor

would have told him that Jack Stakelum is doing that now, there would be no discussion. I wasn't aware of anything other than the bills coming in. If that is a professional relationship, then I accept it.

Q. When you were asking initially because of Stock Exchange needs on the formation of this company, originally, when you were asked to join it, who in Deloitte and Touche asked you to join the Board?

A. I am not positive.

Q. Yes?

A. I mean we are talking about 12 years ago, I would suspect that it was Mr. Gerry McGee because I think he was the partner dealing with the thing. I would have, I was a former partner in part of what that company was, so I knew a lot of them.

Q. Yes.

A. Now, I suspect it was presumably the partner that was dealing with that and I think that was Mr. Gerry McGee.

Q. Yes, very good. Well I suppose asking the question on behalf of the public, as we have to here in this Tribunal, Mr. Stakelum, you were operating a bill paying service on behalf of the Prime Minister of the country; is that correct?

A. Um-hmm.

Q. That is?

A. Yes.

Q. You were asked to provide a loan for a company which was in

dire straits, in which a son of the Prime Minister was the Managing Director; isn't that correct?

A. That's right.

Q. Could I ask you if, could any of those things have affected your reason for making the loan at that time? It is not a chastisement, it is not a criticism?

A. Fine. I don't accept - I am not concerned about that. One of the things I am not sure about, but I would believe, presumably Mr. Conor Haughey was still Managing Director at that time.

Q. At that time, yes.

A. But I think

Q. For another two years in fact.

A. Yes, but I think he would have had, what would I say? He wouldn't have had any money to operate so there would have been controls in a situation where he wouldn't have been as effectively in charge as he had been up to

Q. In fact, it was after Mr. Conor Haughey had effectively left, effectively left his position that the company was turned around eventually; isn't that correct?

A. I think so.

Q. Thank you very much Mr. Stakelum.

CHAIRMAN: Well Mr. Stakelum, I am certainly not trying to impugn the high reputation you have deservedly acquired in both accountancy and in legal circles through your liquidation work. But I really do wonder do the factors

that Mr. Coughlan has brought to your attention not make the situation both at the stage that you were first involved at the behest of Deloitte and Touche and laterally when you agreed to make the loan, a bit different to perhaps a couple of qualified youngsters approaching you with a wonderful idea about a ".com" business today?

A. I am not sure. I didn't know that the Haughey factor would have been one; if that was Joe Bloggs and I had been involved with Joe Bloggs and his company and then was approached after, on some basis, that I had left and that €15,000 - a €15,000 loan would help that company resolve some problems and that it was also going to be returned to me, I honestly think that I would view that in the same way.

I think I would have professionally without involvement of money, because my resources would be quite limited but I would have been involved in many rescue operations that didn't involve parties of that name or nature; and then there would have been, on a few occasions when I would somewhere lend money to situations, and I don't think it had anything to do with the fact that it was, there were different people.

I also, I wouldn't be positive about this, but I suspect that when the problem arose in connection with needing to bolster a board of directors in a hurry, that the phone call to me from Deloitte and Touche would have had nothing

to do with it. I wasn't doing a bill paying service at that stage for Haughey. It would have nothing to do with the fact that I knew Mr. Haughey. It would have had to do with the fact that I had formally been a partner there years ago and they knew me and they would have been prohibited from finding a director because they would have been acting as auditors, you know, in the sense from their firm. So I think they are looking up and saying "who is half sensible or not too mad and would fit the bill?" And gave me a phone call. I don't think that had anything to do - I suggest there was no great

Now Mr. Haughey over the years had asked me to do the odd work for a constituent. My own feeling about that, it was when Saint Jude failed he rang me, because it was always a disastrous situation or something, but I don't think that my €15,000 loan had anything more; I am positive about it, I mean I am genuinely positive about it myself, there would have been some circumstances put to me at the time that made some sense.

CHAIRMAN: I suppose the majority of the many rescues that you have told us you have been involved in would have entailed you risking, only perhaps having to write off fees as you had to do also in this case, rather than also in investing?

A. I used to specialise in the receivership and liquidation. You saw that your fees would be there and available to



you. I had a kind of a preference in it. What I am saying is that even though there is dire straits in a company, I would believe too many of them are liquidated that could be rescued.

CHAIRMAN: Thank you for your evidence Mr. Stakelum.

A. Thank you.

THE WITNESS THEN WITHDREW.

MR. COUGHLAN: Those are today's witnesses, Sir. I think it is intended that we will sit at 10 o'clock tomorrow.

CHAIRMAN: Because of lost time. We have a number of witnesses and a number of other factors. I think we will sit at 10 o'clock then tomorrow.

THE HEARING THEN ADJOURNED UNTIL THE 26TH MAY, 2000, AT 10AM.