

THE TRIBUNAL RESUMED AS FOLLOWS ON THURSDAY, 4TH FEBRUARY,
1999 AT 10:30AM:

CHAIRMAN: Good morning.

MR. HEALY: Chairman, Mr. Paul Carty.

MR. ALLEN: Chairman, good morning. Chairman, before we
start, I should indicate that I appear on behalf of Messrs.

Deloitte & Touche of whom Mr. Carty is the managing partner
instructed by Maurice Curran solicitor of Mason Hayes and
Curran and I ask you, Sir, for Limited representation on
behalf of Deloitte & Touche.

CHAIRMAN: Certainly, Mr. Allen. I think it's entirely
proper that that order be made and it is of course in the
context of, I think, the observations that I have made in
the granting of previous representations that I think it
should be a limited order in the context of such portion of
the hearings as are referable to your client and I would
invite you to liaise with Tribunal counsel to ensure that
no needless occupation of your time is thereby involved and
also, of course, this will guarantee any this won't
guarantee any eventual outcome of costs.

MR. ALLEN: I fully accept that, Sir, and I am obliged to
you.

CHAIRMAN: Mr. Carty.

PAUL CARTY, HAVING BEEN SWORN, WAS EXAMINED AS FOLLOWS BY

MR. HEALY:

Q. MR. HEALY: Mr. Carty, you are a chartered accountant and I think you have helpfully provided the Tribunal with a statement which I think is contained in fold 9 of the book, Sir, or fold 5 of the book. Do you have a copy of that statement?

A. I have it here, yes.

Q. Now, I think you started off your accountancy career in Haughey Boland?

A. That's correct.

Q. And that firm, I think, subsequently merged with a firm known as Deloitte Haskins and Sells?

A. That's correct.

Q. That merger occurred in 1986?

A. 31st December, 1986.

Q. That firm then became Deloitte Haskins and Sells Haughey Boland?

A. That's correct.

Q. Subsequently the firm merged with Touche Ross to become Deloitte & Touche on the 1st May, 1991?

A. It became Deloitte and Touche on the 1st May, 1991.

Q. And I think you have been the managing partner in Deloitte & Touche since 1991?

A. That's correct.

Q. And prior to that, you were a senior partner in each of the other firms or quasi merged firms that I have mentioned?

A. That's correct.

Q. So you were a senior partner at one point in Haughey Boland, then became a senior partner in Deloitte Haskins Sells and Haughey Boland and in Deloitte & Touche and you have been managing partner in Deloitte & Touche since 1991?

A. That's correct.

Q. I think the statement you provided the Tribunal with is a statement based on inquiries carried out by you and by your staff in response to requests from the Tribunal; is that correct?

A. That's correct.

Q. And you are here to give the evidence, as it were, to bring together the various inquiries that have been carried out by members of your staff, is that correct?

A. Yes, that's correct.

Q. Now, Mr. Haughey, Mr. Charles J. Haughey is a former partner of Haughey Boland?

A. That's correct.

Q. Having retired from the firm I think in the early 1960s?

A. Yes.

Q. Mr. The late Mr. Desmond Traynor was also a partner in the firm, isn't that right?

A. He was, yes.

Q. And he retired from the firm you think sometime around 1969?

A. That's correct, yes.

Q. And neither of them retained any financial interest in the

firm after their respective retirements?

A. That's correct, Mr. Healy.

Q. Now, I think in your statement you refer to a bill paying service that was provided by your firm for Mr. Haughey?

A. That's correct.

Q. And this service was provided by a division of your firm called the business services division?

A. Yes.

Q. What the service consisted of was the payment of, whether for Mr. Haughey or anyone else, on a monthly basis, farm, stud, household and other expenses through the client account of your firm?

A. That's correct.

Q. And members of the staff of the firm in the business services division were the people who administered this service, who provided this service to clients of the firm?

A. Yes, Mr. Healy.

Q. The service was being provided, I think, according to your statement, for many years prior to your having joined the firm?

A. Yes.

Q. From about the 1960s onwards?

A. Earlier 1960s, Mr. Healy.

Q. And what it entailed was that once a month, Mr. Haughey's secretary would send a file of invoices and bills requiring payment to the business services division; is that correct?

A. That's correct.

Q. These bills and invoices were collated by Mr. Haughey in the person of his secretary and sent on to you on the basis that they had been approved for payment by him or by his secretary?

A. By his secretary usually.

Q. The business services division would then calculate the total amount due in respect of those bills and cheques would be prepared to discharge them; is that right?

A. That's correct.

Q. And those cheques would be drawn on your client's current account?

A. Yes, client's current bank account.

Q. Bank account, yes. Once you had prepared the cheques, i.e. once you had established

A. Not me now

Q. Yes, of course not you, once your firm

A. Firm.

Q. Once the business services division had prepared these cheques, they would then telephone Mr. Haughey's secretary and inform her of the amount of money Mr. Haughey would have to make available to meet the cheques; is that correct?

A. That's correct, Mr. Healy.

Q. And the practice or the experience of the firm was that within a few days the necessary funds would be received from Mr. Traynor; is that right?

A. That's correct.

Q. Usually in the form of bank drafts, sometimes in the form of cheques and you think sometimes even in the form of direct transfers to your account?

A. That's correct. To the Haughey Boland No. 3 Account, which is the client account.

Q. Yes. Now, when I say your account here, it's not your personal account, it's the firm's operating client account in which client account funds would be put so that cheques could be written on behalf of those clients?

A. Exactly.

Q. Now, on receipt of the funds from Mr. Traynor, they would then be lodged to the No. 3 Account and the cheques which had been prepared would then be dispatched?

A. Correct.

Q. To the various creditors and the file would then be returned to Mr. Haughey's secretary?

A. That's correct, Mr. Healy.

Q. Now, we will come to those accounts in a moment and we will look at one or two pages of them but I take it that as with client accounts operated by most professional people, a cheque wouldn't be written on a client account unless there were funds of that client to meet it?

A. There would always have to be funds in the client account and we would be very strict and professional in that area.

Q. And your firm, presumably no more than most other professional firms, were not in the habit of extending

credit facilities to clients?

A. Never, Mr. Healy.

Q. And can you say whether you ever extended a credit facility to Mr. Haughey?

A. As far as I am aware, the firm never extended a credit facility to Mr. Haughey.

Q. Now, I will come to the details of some of the sums of money we are talking about in a moment but one of the accounts or one of the bank accounts that you were asked to respond or to provide responses I will rephrase that you were asked to provide responses in respect of lodgements or transfers of money from a certain bank account in the name of Amiens Securities Limited to the Haughey Boland account but you had never heard of Amiens Securities until recently; is that right?

A. I never heard of Amiens Securities until the letter I received, the firm received from the Tribunal.

Q. I now want to ask you to look at some documents. (Documents handed to witness.) Now, the Tribunal asked you to look at your client account in the context of information furnished to you by the Tribunal concerning debits from the Amiens account I have mentioned to you in Guinness & Mahon to see whether there were any corresponding lodgements to your client account, isn't that right?

A. That is correct, Mr. Healy.

Q. Now, you weren't here yesterday but I have given you a copy

of a document which was put up on the overhead projector yesterday. It was a page from a Guinness & Mahon Amiens SL No. 1 Account. If you look at the monitor, I think there may be a monitor just down there.

A. I have this in front of me.

Q. You can see it, right.

A. I have it here. I can see it now.

Q. Now, you can see that there are, from this bank statement or this bank ledger, you will see that there are two debits on the 26th January from the Amiens SL No. 1 Account, one in the amount of 7,000 and one in the amount of 3,000. Do you see that?

A. Yes, I do.

Q. Making a total of 10,000.

A. Yes.

Q. And that was one of the dates that you were asked to consider in looking at your client account?

A. Yes.

Q. Now, the debits refer to Haughey Boland & Company; do you see that?

A. Yes.

Q. Indicating that each of those debits was apparently in favour of your firm?

A. Yes.

Q. By the name by which it was known in 1987. Now, if we could have on the overhead projector the Haughey Boland & Company No. 3 Account in Allied Irish Bank Plc. Now, I

think can you see that, you should also have a copy of it in your hand, Mr. Carty.

A. Yes, yes I have it.

Q. And this shows that on the 26th or the 27th, it looks to me like the 27th, there was on the 26th, there was a lodgement to your

A. Mr. Healy, I just want to make sure I have the right statement that's reflected on the screen. It's not in the same format, maybe somebody should look at this.

Q. Can we just go through this more slowly. First of all, the statement I am looking at in my book is an Allied Irish Bank statement. If it could be pulled down on the screen, we will see it better. Page 330 was statement for Haughey Boland & Company No. 3 Account?

A. I have been given page 331.

Q. You are now going to be given, I hope what's page 330.

(Document handed to witness.)

A. Page 330, yes, I have it now. Now I have the same as what you have.

Q. You have got the same as what I have and it's the same as what is on the screen?

A. Yes.

Q. And that shows a lodgement into your client account, Haughey Boland & Company No. 3 Account of €10,000 on the 26th January, 1987?

A. That's correct.

Q. And that's one of the lodgements you identify as appearing

to correspond with the debit we have just mentioned a moment ago?

A. That's correct, Mr. Healy.

Q. Now, the next Guinness & Mahon movement I want to bring you to is dated the 14th April, 1987 and if we can have that on the overhead projector, I will ask you to identify it in the documents you have in front of you.

A. Yes.

Q. Again, you see that's an Amiens Securities or Amiens SL Account, No. 1 Account, the particulars of the transaction I am referring you to are Haughey Boland & Company debit, €10,000 on the 14th April.

A. Yes.

Q. Now, I want you to look at page 342 of your own client account.

A. Yes, I have that.

Q. And this is one of the lodgements that you have identified though it appears to be slightly different, isn't that right?

A. That's correct, Mr. Healy.

Q. It's dated the 15th April, 1987 and there's an additional €11.14.

A. Yes.

Q. But you believe nevertheless that it appears to correspond with the €10,000 debit we have just identified from Guinness & Mahon around the same time?

A. I do, Mr. Healy.

Q. A day before, in fact.

A. Yes.

Q. Now, the next item I want to refer you to is a Guinness & Mahon, again same number 42, Amiens SL Account for the 29th July of 1987. It's page 42 of that statement.

A. Yes, I have it.

Q. You have it.

A. Yes.

Q. And that shows two debits on that date in favour of Haughey Boland No. 3 Account.

A. Yes.

Q. I think if you go to the Allied Irish Bank's Haughey Boland client account for what looks like a date, it looks to me like the 30th but certainly it's after the 29th

A. It's the 30th in my statement.

Q. It's page 362.

A. I have that.

Q. I don't have the original, I have a better copy of the original and it's the 30th.

A. I have the 30th July, yes.

Q. And that shows a credit to the account of 40,000?

A. That is correct.

Q. Now, I take it that

CHAIRMAN: I have just missed, Mr. Healy, the debit in the

MR. HEALY: I will go back to that, Sir.

CHAIRMAN: In the Amiens Account.

MR. HEALY: Just to go over that evidence for a moment, Mr. Carty, if you could just go back to statement no. 42 on the Amiens SL Account?

A. Yes, I have that.

Q. And there are two debits from that account on the 29th July of 1987 of 20,000 and 20,000, making in total 40,000?

A. Yes.

Q. You have identified what you believe to be a corresponding lodgement to your client current account of €40,000?

A. That's correct.

Q. On the 30th July.

A. Yes.

Q. Now, just to be clear about it, your company, your firm, Haughey Boland, was not operating a bill paying service for any company known as Amiens Limited?

A. Certainly not, Amiens Securities Limited.

Q. Yes, Amiens Securities Limited and as far as the business services division was concerned, the money in this case was coming from Mr. Traynor, isn't that right?

A. That's right, yes.

Q. And it's only subsequently that you have managed to make a connection between Amiens and the dates on which these lodgements would appear in your client current account, your firm's client current account?

A. Yes, that's correct, it's only when the letter in January

from the Tribunal when we became aware of Amiens

Securities.

Q. Now, I think one of the amounts you were also asked to look at was in respect of a Haughey Boland debit on a Guinness & Mahon account which I will put up on the overhead projector in a moment which does not appear in your client current account. Now, I am looking at Guinness & Mahon Amiens SL Account Statement No. 21.

A. Yes.

Q. Showing a debit of €1,100 on the 5th March, 1987.

A. Yes.

Q. Now, you were not able to find any corresponding lodgement to your client current account for that €1,100?

A. Not in the client account.

Q. Not in the client account. But it would appear that this may have been paid to the partners of your firm as a fee item; is that right?

A. It appears as a lodgement in an operating account of a similar sum.

Q. A similar sum in operating account.

A. Yes.

Q. And of course if these were due to the firm, they wouldn't go into the client account?

A. Certainly.

Q. They would go into the operating account?

A. No fees in the client account.

Q. Yes. Now, at a later stage in the Tribunal's work, you

are aware from contacts that you had with the Tribunal, it may be necessary to go into aspects of these accounts in much greater detail but just by way of background, can you indicate to me of the clients that Haughey Boland had, for whom transactions were being carried out on the client current account, would I be right in thinking that Mr. Haughey's business services division activities accounted for a huge number of transactions on the client account?

A. Yes, every month there was always transactions so that made the activity greater.

Q. Than anybody else?

A. Yes.

Q. Were you operating this bill paying service for domestic and business and farming purposes for anybody else?

A. Not through that client account, no.

Q. Not through that account. Now, if I could just take you back to your statement for a moment. I think you have informed the Tribunal that around the time of the merger between Touche Ross and Deloitte Haskins and Sells Haughey Boland that we have mentioned a moment ago, you spoke to a number of clients advising them about the merger and this is understandable, there might be people in one firm who mightn't wish to deal with another and vice versa or there could be client conflicts which is a business operated by one firm and a business operated by another. I think you spoke to Mr. Traynor about this matter, well, is that right?

A. That's correct.

Q. And in the course of the discussion with Mr. Traynor, he, that is Mr. Traynor, raised the bill paying service; is that right?

A. That's correct.

Q. And that was Mr. Haughey's bill paying service that we have just discussed?

A. Yes, Mr. Healy.

Q. And he said that in the light of the merger, he would like a more personal approach than I suppose could be provided by what was now becoming a very, very large firm?

A. Very, very large firm, yes.

Q. And he contacted you at a later stage and he indicated he wanted somebody else to take over the service?

A. Yes.

Q. And ultimately it was agreed that Mr. JJ Stakelum would provide the service in future?

A. That's correct.

Q. Through a company of his?

A. Yes.

Q. Did you have a meeting with Mr. Traynor and Mr. Stakelum to discuss the changeover?

A. Yes, Mr. Healy.

Q. And eventually were all the documents given to Mr. Traynor?

A. Yes, Mr. Healy.

Q. Just to go over one or two aspects of those dealings. It was Mr. Traynor with whom you discussed this transfer of

engagements, as it were; is that right?

A. Oh yes, yes.

Q. And it was to Mr. Traynor that you sent all the documents?

A. Yes, correct.

Q. Even though it was Mr. Stakelum ultimately, as we know, took over the business?

A. That's correct.

Q. And just to recap on one other item in case I didn't deal with it sufficiently clearly, while the bills would come from Mr. Haughey through his secretary, the money would come from Mr. Traynor; is that right?

A. Yes, that's correct, Mr. Healy, yes.

Q. Thanks.

THE WITNESS WAS EXAMINED AS FOLLOWS BY MR. CONNOLLY:

Q. MR. CONNOLLY: I have just one or two matters. Good morning, Mr. Carty, I want to ask you some questions on behalf of the Revenue Commissioners. Firstly, if I understand the position, there was a separate cheque book kept in relation to Mr. Haughey's transactions for payments out; is that correct?

A. That's correct.

Q. In this way, you were able to make sure that the monies that came in from Mr. Traynor to service Mr. Haughey's debts didn't become intermingled with other clients who had the same bill service paying operating out of the No. 3 Account?

A. Who was able to say they did?

Q. But in this way you made sure there was a separate cheque book kept for Mr. Haughey's payments out?

A. Yes.

Q. So you would know which were the cheques and the bank drafts or even the cash coming in against, say, Mr.

Haughey's money as against somebody else whose bills were being paid. Was there a separate cash book kept so that

you would know which were Mr. Haughey's payments and which were somebody else's?

A. Well, they keep a clients' ledger, that would distinguish.

Q. There was a clients' ledger for each of the clients for whom a bill paying service was operated out of the No. 3 Account?

A. I suppose from accounting standards, you would have a clients' ledger where the monthly figure would be shown.

Q. Was it in Mr. Haughey's name?

A. Well, a client account, like a solicitor's client account, you are able to identify the clients.

Q. Yes, but - I appreciate that - was it coded?

A. Not coded.

Q. It was in Mr. Haughey's name?

A. Yes.

Q. That's all I wanted to ask you on that. The cheque book, it appears, was to be operated on two signatures of partners of Haughey Boland; is that right?

A. That's correct, and the client account.

Q. Yes, the No. 3?

A. Irrespective of being Mr. Haughey, any client.

Q. The No. 3 Account generally was to be operated on the signatures of two persons?

A. Always two persons.

Q. Were they the same two signatories on the special cheque book kept for Mr. Haughey?

A. The same procedures applied in drawing cheques on client account, any two partners could sign cheques on a client account.

Q. Well, any two partners of the firm

A. Yes.

Q. Weren't there two nominated signatories on the cheque book?

A. No.

Q. Very well. And I think I understand the position correctly that Deloitte & Touche continued to operate in relation to the farm business and paying of wages after 1991?

A. That's correct, yes.

Q. And was Guinness & Mahon, were they the bankers all the way through up to 1991 and afterwards on those matters?

A. No, no. My reflection is that I think it could be, I wouldn't be categorical saying Guinness & Mahon did it all the way through, there could be been the source of funds came from Mr. Traynor. Whether they came through Guinness & Mahon or a company or transfers as I mentioned in the statement earlier, it didn't necessarily he left

Guinness & Mahon at a certain date so I wouldn't know at this stage without really getting somebody to look back and see

Q. All right, but after the personal affairs, if you like, were being dealt with by Mr. Stakelum in 1991, the ordinary business of the farm accounts, that continued to be operated by Deloitte & Touche?

A. Only in a very limited way, Mr. Connolly, limited way. I think there was some payroll services provided.

Q. Yes. All right.

A. So it was limited.

Q. Well, was that paid out of Deloitte & Touche's bank account?

A. No, we were funded by the client.

Q. By Mr. Haughey?

A. I don't know I can't be specific but...

Q. In some way?

A. I didn't anticipate these questions but in a general way.

Q. In some way funds came in and then Deloitte & Touche would then pay a bank draft or cheque to

A. The Revenue Commissioners, PAYE, PRSI.

Q. It was a Deloitte & Touche cheque who would pay the wages of employee of the farm or

A. Client account, it was the client account.

Q. That was the way it was operated. I should have asked this, we know that Mr. Haughey left the firm sometime in 1966. Did he continue as equity partner

A. I didn't say '66.

Q. In any event, did Mr. Haughey continue as an equity partner after he left the firm?

A. I think I said earlier in my statement that I think was read this morning, that Mr. Traynor had no financial interest in the firm nor Mr. Haughey after respective retirements.

Q. Yes. And when was his retirement?

A. I think in the early 1960s.

Q. All right. Do you know, maybe it's a different department, do you know were Haughey Boland acting as tax acts for Mr. Haughey during the years 1966 up to 1991?

A. Yes, they did.

Q. Throughout that time?

A. Yes.

Q. Thanks very much, Mr. Carty.

A. Thank you.

CHAIRMAN: Mr. Nesbitt? Nothing arises. Similarly, Mr. Gordon, it doesn't seem likely that you I will leave you to the end, Mr. Allen. Mr. McGonigal?

MR. MCGONIGAL: No questions.

MR. ALLEN: Nothing arises.

CHAIRMAN: Thank you for your attendance, Mr. Carty.

THE WITNESS THEN WITHDREW.

MR. HEALY: Mr. Dunne.

BEN DUNNE, ALREADY SWORN WAS EXAMINED AS FOLLOWS BY MR.

HEALY:

Q. MR. HEALY: Thank you, Mr. Dunne, you are already sworn from yesterday.

A. Yes.

Q. I want to deal with that portion of your statement dealing with, I think what we have called the January/February cheques. Do you have a copy of your statement?

A. I don't.

Q. We will get a copy for you. (Document handed to witness.) Now, Mr. Dunne, in fairness to you, I should draw your attention and your attention, Sir, to the fact in his opening statement, Mr. Coughlan, at page 51 of volume 1 of the transcript, indicated when speaking in relation to these statements, that from the information made available to the Tribunal by Mr. Dunne, the Tribunal was able to tell you that Mr. Dunne was of the impression that he had not given instructions to any person to hand or to give these cheques, meaning the six cheques that were mentioned yesterday, to any politician for them to be used for the benefit of any politician and that he had no recollection of lodging or instructing any cheque to be lodged to an account in Guinness & Mahon. And that he had indicated that on occasions he would have given bearer cheques to employees or other persons and that such cheques might have

been lodged to accounts in Guinness & Mahon.

As Mr. Coughlan again mentioned in connection with another matter, from further information made available by Mr.

Dunne, I should point out that Mr. Dunne's sworn statement or signed statement, to correct that, is that he has no

recollection of what the cheques were used for and no

recollection of giving an instruction for them to be handed

over or given to any politician or to be used for the

benefit of any politician. Is that a correct

A. That is correct, yes.

Q. Account of your up-to-date position in relation to them?

A. Correct.

Q. Well, could we just go back to those parts of your

statement dealing with these cheques in slightly more

detail. It's on page 12, I think paragraph 13 of your

statement.

A. Yes, I have got it.

Q. Now, Mr. Dunne, I will just take you through your statement

first. Now, you know the six cheques we're talking about,

I think you were here yesterday?

A. Yes, Sir.

Q. And perhaps in a moment we might have some of them up on

the overhead projector. Those cheques were all made out

to bearer.

A. That's correct.

Q. They were drawn on the same day, the 28th January of 1987?

A. That is correct.

Q. On varying different bank accounts of different branches of Dunnes Stores?

A. That is correct.

Q. Now, for instance, there's one up on the screen drawn on the College Green Dublin account of Dunnes Stores with Ulster Bank?

A. Correct.

Q. And we had ones from Newbridge, I think Athlone and so on, Wexford

A. There was five or six of them, correct.

Q. Now, the cheques were for varying different amounts but in total I think they come to just over €32,000?

A. That's correct, yes.

Q. And I take it that because they are all written on the one day and you weren't obviously jetting around the country, they were all written in the one place?

A. I didn't write them but I would assume so.

Q. I beg your pardon, we will come back to that in a moment.

You signed them?

A. I did sign them, yes.

Q. We will come back to the details of the actual production of them in a moment but they are certainly all signed by you; is that right?

A. That's correct.

Q. Now, the cheque books for each of those branches on which those cheques were drawn, where are those cheque books

kept?

A. My recollection is they would be kept in an old leather briefcase. That's my recollection.

Q. Where was that?

A. My recollection would be that it was in my office.

Q. Is that your office in Dublin, is it?

A. Yes, my office in Dublin.

Q. Now, do you remember writing these six cheques or signing these six cheques?

A. I don't remember specifically signing these six cheques.

Q. Right.

A. But I would remember signing bearer cheques.

Q. Right. Well now, we will just come to the part of your statement dealing with that and we will come back to it in a minute. Bearer cheques were written by, I think in your experience, by only three people in your career in Dunnes Stores?

A. My recollection is that bearer cheques were written mainly by three people in Dunnes Stores and what I mean by bearer cheques, I mean the word 'bearer' was used. It's not bearer cheque or cash cheque I mean the word, the cheque written with the word 'bearer'. My recollection is they were written mainly by three people in Dunnes Stores. Do you understand what I am saying?

Q. I do and in other words, from the point of view of what you might do with it with the cheque, whether it was to bearer or to cash, it wouldn't make much difference; is that

right?

A. What I am saying is that there would have been people who would write cheques made out to cash.

Q. Correct.

A. There would have been mainly only three people writing cheques using the word 'bearer'.

Q. Right. Is that because of some personal idiosyncrasy of the people in question that they would write the word 'bearer' or word 'cash' or was there some other significance attached to using the word 'bearer'?

A. Absolutely not. It's just some what I believe would have, this is only an opinion, would have brought them around, it was a word my father used, he would never write a cheque out to cash, he would write it out to bearer and some people then

Q. Write bearer cheques rather than cash cheques?

A. Yes.

Q. And if you were writing a cheque to cash, you would use a different word?

A. I'd use the word 'cash' if I meant a bearer cheque. My meaning of the word 'bearer' would be pay cash.

Q. So am I safe therefore in concluding that there's no particular significance attached to the word 'bearer' except that it identifies possibly the kind of person who used that word as opposed to any other person?

A. Absolutely.

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

relation to these cheques, they all appear to you to have been prepared in the handwriting of Noel Fox; is that right?

A. They appear to be, yes.

Q. And when you say prepared, do you mean that the writing of the payee, in this case 'bearer' and the writing of the amounts is in the handwriting of Mr. Noel Fox?

A. That's correct.

Q. And the figures?

A. Appear to be in my writing.

Q. The figures appear to be your writing?

A. That is my writing, is my writing except the dates. The dates, I believe, are the same writing as the person who wrote the word 'bearer' who I believe to be Mr. Fox.

Q. So you think that everything on the cheque bar the signature and the figures for the amount was written by somebody else?

A. Certainly on this one and I believe they are all similar but this one I am looking at on the screen.

Q. Well, we better just go through them all one by one because I want to talk about them all in a moment. So we will put the whole six of them up.

A. I think they are but I just want to be...

Q. Let's go through them slowly one by one. Let's take this one first. I understand that to be drawn on the Newbridge

A. The bearer and the amounts written and the dates are in the

same writing, which I believe is Mr. Fox's. The amount in figures, which I think is €5,600 and the signature is mine on that cheque.

Q. I don't know if there's a better picture there, is there?

The next cheque we are looking at is for €5,400 drawn on Ulster Bank Wexford?

A. The same would apply there.

Q. The same would apply. The next cheque is for €5,400, Ulster Bank College Green, we may have mentioned that a moment ago. Again?

A. I think the same applies there. I am just looking at the dates but yes, the same applies there.

Q. If we could have the next cheque.

A. Same applies there.

Q. That's the Athlone cheque, the Eyre Square, Galway cheque?

A. Same applies there.

Q. And the Cornelscourt Shopping Centre Limited cheque?

A. Same applies.

Q. I think that's the six cheques, I wasn't keeping count.

You say that those cheque books were kept in a brown leather briefcase or bag in your office; is that right, the cheque books for those branches?

A. That's my understanding. These are written out of Dunnes Stores No. 2 Account, I think except one of them, and it is my recollection that the only cheque books for these companies going back to 1987 were the cheque books in my office in that bag and I am not sure whether the bank

issued another one but I doubt it, I would say they were in my office.

Q. Although they were in your office, the cheque books in fact were cheque books of individual branches around the country?

A. Yes, no branch would have had cheque books in the branch, they would have dealt with petty cash. All the Group's banks' cheque books were kept in Dunnes Stores headquarters or No. 2 Accounts in certain cases would have been kept in Deloitte & Touche or Touche Ross, I can't remember, in 1987, they would have kept some in the Cork office as well, I believe, or maybe the Dublin they were not in the branches.

Q. So that if cheques were to be written in respect of expenditure incurred by a branch in general, would those cheques be written not in the branch but in Dublin?

A. Can you repeat the question?

Q. If cheques were to be written in respect of expenditure incurred by a branch and we will say expenditure that couldn't be taken care of by petty cash, those cheques would be written in Dublin, would they?

A. The only they would be paid if an expense took place in a branch, a running expense, it would be paid for by the Group and if we were doing business with an oil company, for argument's sake and he was supplying oil, he would send us invoice every month with Dunnes Stores Wexford, Mullingar, we would make it out to Dunnes Stores, I am not

sure which company, send invoice to Dunnes Stores headquarters, total amount 17,900, 2,000 to Mullingar, 3,000 to Athlone and then at the appropriate time, that invoice would be apportioned, as it says, to each branch.

Q. Right, but an individual cheque would be written to that supplier for €17,000?

A. Correct, and his invoice would show he was invoicing the Group for €17,000 worth of service and it would show where the

Q. The individual amounts were to be apportioned to the individual branches around the country?

A. That's correct.

Q. So were these cheque books then kept for a different purpose altogether?

A. My recollection was that these cheque books were used mainly, even though we would know what our overall tax liability was, what my recollection of these cheque books mainly used for is when the company paid its tax, because they were all individual companies, we would pay if there was Dunnes Stores Wexford or Dunnes Stores Cornelscourt, each company was a separate entity, it had to

Q. Pay its own tax?

A. Pay its own tax even, each company paid its own taxes and in those days, up to 1987, until the thing was changed, I think it came up yesterday, we got less and less companies but in those days each company paid its own tax, I think

each company would have been assessed well, Dunnes Stores Mallow would be assessed for Dunnes Stores Mallow, so No. 2 cheque-books, if it was X thousand pounds, that's what that cheque book was mainly used for to my recollection.

Q. Obviously you wouldn't be writing a cheque to the Collector General addressed to pay bearer?

A. Oh no, no.

Q. And when you mentioned these accounts or cheques books as being on the No. 2 Account, would that mean they were in respect of matters other than, for instance, writing a cheque to the Collector General, they were for other purposes than that?

A. Yes.

Q. One of the cheque books is called, one of the cheques rather, Main Street, Newbridge one, if we could just get it up on the overhead projector, would you prefer a hard copy of it?

A. If you just tell me what's on it.

Q. Yes. Unless you can see it better than I can on your monitor, it says Dunnes Stores Newbridge and underneath that, No. 2 Account, it says '2 Account Private'.

A. Yes.

Q. Why is it called private?

A. I would think it says Private No. 2 Account.

Q. Yes, why the word 'private'?

A. I think it just evolved from my father's days.

Q. I see.

A. That's what I think. No particular reason.

Q. If those cheque books were in, I think as you say a briefcase in your office, does that mean that you were the person who mainly had access to them?

A. Yes, I think that's fair to say but mainly is the word, yes.

Q. I am just wondering why they were in a briefcase as opposed to financial controller's office? Why a briefcase in your office?

A. That's the way it was. Again, there were certain things would carry on from my father's days and they were Dunnes Stores were a very private company and our tax liabilities for I think that was the main reason, we were writing tax cheques, we got certain people to do it.

Q. You may have told me a moment ago but just to clarify again, was there a No. 1 Account in respect of each of these bank accounts as well?

A. I would believe so. I think there was in all stores, there was a No. 1 and No. 2, I think, but I am not sure, I am not sure there was a No. 1 because of the way it was done centrally but I would think there was but I can't be sure. The one there was the No. 2 Account.

Q. And was that the only account that you had the cheque books for in the briefcase in your office?

A. I am not going to say only. Mainly. They were the main I mean, I could have had other cheque books.

Q. But you didn't have a briefcase with No. 1 cheque books?

A. I had another bag of cheque books for other accounts.

This was a specific leather case for all the cheques books for each company. Whether there was another cheque book in my office for another I am not sure.

Q. How frequently would you sign cheques on those accounts? I am meaning now the No. 2 Accounts on the cheque books that would be in that briefcase.

A. What I would answer that question two ways; I would have signed them only yearly with the word 'bearer'. This is my recollection. I would have signed, I would have used them more frequently but they could have been made out to something, I mean, made out to something else. There might have been a genuine expense or a cash cheque made out but in the word 'bearer', I think it's true to say that my recollection is that I would have signed them once a year.

Q. Right, and for what purpose?

A. They would be some bearer cheques brought to me before our year end, this is my recollection, and presented to me or given to me by both Noel Fox and Frank Bowen.

Q. Right. And You'd sign them?

A. Of course I'd sign them, yes.

Q. And what would be done with them after you'd sign them?

A. The first thing that, and this is my recollection, I would get them and maybe there was 30, 40, I can't be sure but nearly I have to make one point, I am certain that I got them more regularly from Frank Bowen than I did from Noel

Fox. It's certainly the practice stopped. I certainly can't recall it going on all the time. At a certain year it stopped, I can't be sure, obviously it was going on in 1987. How many years beforehand or how many years afterwards, I can't be sure, but that would prove to me it was going on in 1987. What I would have done with the cheques when I had got them, I certainly would have signed some there and then and I assume because they were made out to bearer, it's fair to say I would have signed them all. But having said that, it's a contradiction because if they were unsigned, they would be safer but I think I signed them all but I am not sure but I would have signed some. I didn't get them altogether. Mr. Fox would come to me and Mr. Bowen would give me some but it wouldn't be the two walk into the office together. This is my recollection. When I would get them, I believe I signed them all and I certainly signed some and I would give some of them to whoever brought them to me, either Noel Fox or Frank Bowen. I would keep some for my own personal self and I would use others for executives in the business. That's my very clear recollection of what I done with these cheques.

Q. Can we just go over that then. You might be asked to write a large number of bearer cheques usually or sign a large number of bearer cheques usually before year end, about once a year?

A. That's my recollection.

Q. Right. These two people, including Noel Fox and Mr. Frank Bowen come to you and ask you to sign them. They wouldn't come with all the cheques together?

A. Did you say at least two or

Q. Only two. Only two people, just to recap on that, would come to you and ask you to sign these cheques?

A. They wouldn't ask me to sign them, they would give them to me, they never asked me to sign them. I am trying to be

Q. Absolutely. And they wouldn't come to you together, you think, they'd come

A. Definitely not.

Q. One of them came to you, either Mr. Bowen or Mr. Fox came to you, gave you a number of cheques, you'd sign those cheques and would the person who gave them to you take them away?

A. The only two people who would have given them to me was Noel Fox or Frank Bowen. And if we just take, if I am speaking of one, I am in turn speaking about the other, except for one proviso, in my memory, Frank Bowen would have done it more times than Noel Fox, that's my recollection and what happened was, this would happen in both cases, the cheques would be brought to me and they would be given to me. I wouldn't sign all but certainly some there and then and give them to, if it was Noel Fox or Frank Bowen, say, "look, there's some cheques for you."

Q. Right.

A. Bearer cheques. The rest I would use for myself or for people in Dunnes Stores, that's my recollection.

Q. Let's try to be a bit more specific then. If Mr. Bowen came to you, Mr. Frank Bowen came to you with bearer cheques, would I be right in thinking he'd only bring bearer cheques to you to be signed that he had written out himself? If Mr. Frank Bowen came to you with bearer cheques

A. If he came to me with bearer cheques or when...

Q. At any time and if he wanted you to sign them, would I be right in thinking that the bearer cheques that he'd want you to sign would be bearer cheques that he had written out himself?

A. I want to be perfectly clear here. Mr. Bowen would come to me with cheques he wanted me to sign. It might be to pay his fees or it might be to pay they would be cheques he'd bring that he wanted me to sign, these bearer cheques, there was never a situation where either Frank Bowen or Noel Fox brought these cheques that they wanted me to sign. Do you understand what I am saying? These bearer cheques, it would be like if somebody gave me a cash cheque, the only person who could convert that into money, if it was a cash cheque was me. If I one was where Mr. Bowen would come to me and he'd say, "look, I need a cheque for fees" and I believe they were paid in Deloitte's case, I think they were also paid out of these No. 2 Accounts in the Munster area. He would bring me a cheque and say "would you sign that?" because it was to pay his first

of all, say, "is it okay we get fees?" "Yes." He would bring the cheque and will you sign that? This was a practice on these bearer cheques that they would present me with the cheques out of each company and give them to me. They only became live if I signed them. They wouldn't say sign them there and then. That's my very clear recollection.

Q. So that if Mr. Bowen or anybody else came to you, Mr. Bowen or Mr. Fox came to you with bearer cheques, you are saying it was your signature would convert those cheques into money, obviously.

A. Yes, that's correct. Others would have, if there was other cheques in Dunnes Stores, they were given to me.

Q. Because you were the only person who could sign these cheques?

A. No, I was the only person who did sign them because I was the only one who got them.

Q. Right.

A. It was a practice that went from my father's days and I suppose as my father passed on and I took over, then they came to me. That would be my very clear recollection of it.

Q. I am just trying to come to these six cheques. These cheques are signed, according to you and I think according to Mr. Fox himself, they are signed by you but they are written by him?

A. That's definite.

Q. If Mr. Fox or Mr. Bowen came to you with cheques, what I am trying to find out from you is whether, in bringing cheques to you, to be signed by you, would they bring cheques written by somebody other than themselves?

A. Not with the word 'bearer' on them.

Q. Correct. That's what I am trying to get at. So if Mr. Bowen came to you with a cheque written out to pay bearer, it's a cheque he would have written?

A. Correct. Unless on the odd occasion, I am not sure if he was writing his fees out for the company, whether he wrote those cheques himself as well but

Q. Well, if Mr. Fox came to you with a cheque that said pay bearer, it would be a cheque he had written out?

A. Correct, in both cases I would say bearer cheques were only written out, to my recollection, by Noel Fox and Frank Bowen.

Q. Can we take it then that these particular cheques must have been brought to you by Mr. Fox, not only did he write them, they must have been brought by him to you?

A. Definitely.

Q. Would he have the authority to take the cheque books from the bag and to write the amounts and the word 'bearer' on to the cheque?

A. Did he have the authority? He must have had the authority.

Q. And before the cheques were brought to you, was the word, were the words 'bearer' and the amount on them?

A. Before I would have you see, I am thinking here, I am

just thinking it through, it would have been possible he could have been writing these cheques out in front of me as well, I can't remember, but certainly before I would have signed them, the œ5,200 and the date obviously was on it and then I filled in the figures and the my signature and again, common sense would say to me that I wasn't there, if I was there when it was being written, I would have got him to fill the whole lot in. That's just common sense. I think it was all filled out without the date...

Q. I am just wondering is it possible you would have told him the amount to be filled in?

A. It is possible. I don't recall it but I have to say it's possible. I certainly never told Frank Bowen the amount but I certainly couldn't say that with the same certainty in the case of Noel Fox. I have no recollection of saying that's the amount to fill in but the word is it possible?

I would have to say yes, it is possible. Unlikely, but possible.

Q. Wouldn't it be somewhat unusual for somebody else to put in the writing of the amount and for you to put in the figures for the amount?

A. These were unusual cheques so...

Q. It may not be a big point but I am just wondering why you would put in the figures and somebody else put in the amount beforehand?

A. I am trying to think. If I had the bearer cheques from all the companies, it might show me something.

Q. I see. Well, we may be able to come back to it.

A. I don't know, I mean, it's unusual but I can't answer the question because I don't know. I would have to see the rest.

Q. Okay. Now, you say these cheques were normally written before year end?

A. That's my understanding. That's my clear recollection of it.

Q. And was there any particular reason for that?

A. Practice. It happened for years and years and years in Dunnes Stores.

Q. But what was the purpose to which the cheques would be applied after they are written if you write a lot of these cheques before year end?

A. It was one per company that they be included in the previous year's figures.

Q. And what was the year end for the companies?

A. I am saying, in my opinion, I will give you what I believe to be the truth and what my recollection is. I would believe that in 1987, the year end must have been, and I could be wrong but this is my belief, that it was January the 31st January, 1987 but I don't know. I cannot recall but I would think looking at this that it was for the year ending 1987. I may be wrong but that's my recollection.

Q. You were aware, I think you have presumably seen the documents the Tribunal has made aware to you that Mr. Fox's belief is that he did not do this very frequently and his

impression, in fact, is he only did it once.

A. Just this once six times?

Q. Yes.

A. What I believe, and again, this is what I believe would be the case, if he had done it once, I would think it included more than six companies because the way it worked in Dunnes is Freaneys did one set of audits and Deloitte & Touche so he may have only done it once but I would believe and, again I am going back in my memory, I would believe it was more than six.

Q. Well, we are talking about the six, we are treating them as one lot of cheques by one signee, once six cheques were signed or filled out by Mr. Fox and that was the only occasion which he filled out.

A. The record would show. I can't remember. I have said I certainly can recall Frank Bowen doing it. I cannot remember how often Noel Fox done it but the records would show, if you look at the No. 2 Accounts. I don't have them. That would be

Q. You think they'd show that Mr. Fox signed more than these six anyway?

A. I really don't know, it's a fact that could be established.

Q. I just want to clarify one thing I said there. I referred to Mr. Fox signing the cheques, I should have said Mr. Fox filled out the cheques.

A. Yes. I don't know.

Q. You don't know.

A. To be sure, I don't know.

Q. How was the amount of each cheque arrived at?

A. Again, I can be certain that in the case, the ones that I got from Frank Bowen were reached by him when I got them, the amounts were on them and I am not trying to avoid I can't because of the way that's written, I don't know whether I could have said the amount and I don't know.

In the case of Noel Fox, because I know it wasn't as a regular situation as I am talking about in the Frank Bowen situation about bearer cheques, how the amounts were written or how the amounts were reached mainly was by the person who would give them to me. Now, the reason I am using mainly is because my recollection tells me that they mainly came from Frank Bowen. I got them sometimes how many years I got them from Noel Fox I couldn't tell you.

Obviously I got them one year. So my memory wouldn't be as clear who reached the amounts on the ones written by Noel Fox but they were similar amounts. I suppose bearer cheques are gone through, between three and five, they were similar to a putt, you know, it could be anywhere from fifteen inches to two foot, you know, it was within the measurement.

Q. But presumably that was because they all had a similar purpose then?

A. Bearer cheques had a purpose, yes.

Q. Just to come back to that purpose again, they were all

within a range at least?

A. That's correct, yes.

Q. Well, payments within that range were presumably, or cheques drawn and signed within that range were presumably for a particular purpose. What purpose would this, these six cheques have been used for?

A. Cash.

Q. Cash.

A. Yes.

Q. And to whom would the cash have been given?

A. The cheques would have been given to me, executives in Dunnes Stores and I certainly recall giving some to Noel Fox and to Frank Bowen. That's my clear recollection.

Q. And presumably, if they were being handed to somebody, they were handed to somebody as cash?

A. As a bearer cheque.

Q. They were not for the payment of fees or anything like that?

A. Definitely not my understanding, no.

Q. When you say for fees, I mean, if I was giving it to an executive in Dunnes, he clearly knew it was a cash payment and I don't believe when I gave them to Noel Fox and Frank Bowen they thought it was for fees.

A. That's my understanding.

Q. And if you gave them to somebody, would you give a person one of these cheques or a number of them?

A. It depended. I would say I gave some a number.

Q. But if they were all made out for, within a certain range and the purpose of which they were made out was connected with the range of the amounts on the cheques, presumably what you had in mind was that that was the sort of payment you'd make to somebody if you were making them a cash payment?

A. I don't understand the question.

Q. If you were making out six cheques as we have here within the range of what is it

A. I certainly can't remember giving six to anyone. Is that the answer?

Q. Well, that's part of the answer. You certainly can't remember giving six to anyone?

A. Except to myself. I would certainly have kept more than six myself.

Q. Right. They range between I think either, is it around 4,000 and 6,000 odd?

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

Q. And is that because that is the sort of cash payment you would envisage giving to somebody, you would envisage giving somebody between 4 and 6,000 odd?

A. I think no, I think that that again over the years in Dunnes, these bearer cheques between 4 and 6,000 came out of the company at the year end but it was never, I would believe that in my father's days I don't know what he done with them, I certainly gave them to executives and to myself. What he done with them I couldn't tell you or

what he meant for them.

Q. It's just that if you were why are some of the cheques for 5,600, some for 6,600, some for 5,400? Why those figures?

A. No reason. It's just the way it happened.

Q. If you were to look at bearer cheques made out, we will say around the same time, if there were any made out in 1986, would they be for the same amounts?

A. I would definitely say so, yes.

Q. And '85 and so on?

A. I would say so, yes.

Q. And as you said a moment ago

A. I am trying to remember, some of the bigger companies there might be more I don't know you would see the fingerprint over the bearer cheques. I firmly believe there's nothing to the amounts, they just evolved. There might have been some at 8,000, I can't recall, but there was no pattern to the amounts. There was I keep saying this, like the range in a putt, it was within the range and that came, in my opinion, somewhere between 3,000 and 6 or 7,000, that's my recollection of it. I couldn't be sure was there one made out for 9,600. I really don't know but I would say that sort of what you are looking at there gives a fairly good indication of what the bearer cheques were written for.

Q. Would it be reasonable to assume in general one of these cheques was given to an executive or another person who was

going to receive them? In general a person would only get one?

A. No.

Q. In general what would a person get?

A. I would say in general, two or maybe the odd time three.

That's what I would say would be a reasonable... Now I am not saying there wouldn't be people getting one. I

believe there would only have been, there was only so many companies and I can't be sure that every company wrote a

bearer cheque, most of them did, but I think it would be

more reasonable to say that two would be the

Q. Could we put it this way then; it was more usual that two cheques would be given to somebody, you might have a case where one cheque would be given but that would be unusual?

A. I can't really answer that. I mean, it could be one, it could be what you are saying, what was the predominant pattern?

Q. Correct.

A. I really can't say. I mean, I certainly can say outside of me there was nobody would have got six. I can say that with absolutely certainty.

Q. Right.

A. I could say then it's five, I would say between one and three would be as much as that would be as much as would have happened, in my opinion. That's my recollection.

Q. I am going to come back to this question of the writing of the cheques, Mr. Dunne. Why would somebody else write out

the cheques or fill in the cheques including the amount

leaving it to you to fill in the numbers?

A. It would only happen on bearer cheques.

Q. That's all we are talking about now, just bearer cheques.

A. I am trying to remember. I think the way I got them from

Frank Bowen was the amount was filled out and I am just

trying to tell you which again would be unusual, the amount

was filled out, this is my recollection, and the figures

were put in but there was no date or no signature. That's

the way I think... if I saw some of the cheques.

Q. The amount was filled out, the figures was filled out but

there was no signature or date.

A. No date or signature, that would be my recollection of

the

Q. These are, I think we can safely say, according to Mr. Fox,

they are Mr. Fox cheques?

A. No doubt.

Q. So in these cheques...

A. Why was it done?

Q. Or how was it done? What was the order in which it was

done?

A. Well certainly why they I couldn't tell you I

would think, I really couldn't tell you, I can't answer the

question.

Q. After this kind of cheque was written, how would it be

treated in the accounts of the various companies?

A. It's something I don't know. The auditors would know.

Q. But you are a businessman, you have been many years.

A. I would say it was in the expenses of the company but I don't know. I mean again that's a fact that we can establish.

Q. Coming back to the mechanics again of the writing of the cheques and the handing them to you, would this be handed to you anywhere you might happen to be or would they be handed to you only to be signed in your office?

A. I would say in my office. I would definitely say that.

Q. And if there are six cheques as we have here, all filled in by the one person, all dated the one day, would it be safe to assume that they were all handed to you at the one time?

A. I would say that's safe to say, yes.

Q. And would it be safe to assume that you signed them all at the one time?

A. I would say that's safe to say, yes.

Q. Just to take it a step further, we know that they all fetched up in a bank account between the 2nd and 4th February, 1997, some short few days later so that would seem to suggest they were all signed by you and dated by you at the same time?

A. That's correct.

Q. To get back to what you do with the cheques after they were signed by you, your statement is that you have no recollection of anything that you might have done with these cheques; is that right?

A. That's correct. I'd like to I have to look at the

cheques in total and to I certainly I mean I know the bearer cheque system. When I say what I done with them, but I have no recollection whatever of those six cheques as opposed to, we will say, twenty cheques, I don't know exactly how many but bearer cheques, I have no recollection of one individual cheque or two individual cheques. Am I making myself understood?

Q. But we know that these six were probably signed by you at the same time?

A. I agree with that.

Q. And probably signed at the same sitting in the same room.

Now was that unusual?

A. For me to sign a group of bearer cheques once a year? It wasn't unusual.

Q. You would be signing more than six?

A. I would have thought so, yes.

Q. How many can you can you remember how many you would be signing?

A. You see, I have a very clear recollection, in the case of Bowen I might be signing fifteen or twenty. I am assuming, that is what I don't know because I haven't got the records. If there were six, I am assuming, my common sense would tell me there was more than six signed on that date. When they were handed, I just don't think there were six cheques handed to me on that date but I don't know.

Q. Is that six by Mr. Fox or more than six, some of which were

handed to you by Mr. Fox?

A. No, there's definitely no way that I got them from Mr. Fox and I got them from Mr. Bowen on the same day. That's definite, so we are talking about the cheques handed by Mr. Fox.

Q. To go back to what we were saying a moment ago, the question I put to you a moment ago, how many in all, how many bearer cheques in all would you write on this, at this year end?

A. I would say for most companies that had No. 2 Accounts, most trading companies excluding Northern Ireland and I am talking about '87, I believe if there were six written by Mr. Fox in '87, that is my memory, that is what I believe, I believe there was more and in 1987, if there was 30 or 40 No. 2 Accounts, Dunnes Stores, Mallow, Mullingar, I believe there would have been bearer cheques written for most of them. That's what my belief is but I don't have the records in front of me, Sir.

Q. If Mr. Bowen was coming to you with bearer cheques, would they be limited to the Munster area?

A. They would have been limited to the from memory here.

Q. Take your time.

A. What I believe they would be limited to was the stores in either the Munster area or the stores that they, which is Touche Ross or Deloitte & Touche had done the audit on that year. Every company was a separate trading entity so it was either limited to the Munster stores or to the stores

and I am only speaking from memory or to the stores that they carried out the audit in, excluding Northern Ireland. I am speaking about the south of Ireland, making a clear distinction here about the south of Ireland on this particular issue, on bearer cheques.

Q. Does it follow if Mr. Fox came to you with bearer cheques, they would be limited to the Dunnes Stores companies that were the subject or the object of Freaney's audit?

A. That would be my understanding, without any records, that's what I think happened but it's a long time ago and I feel comfortable saying this because I am saying it's only what I believe to be the case but I think it can be proved whether I am right or wrong, I am speaking from memory.

Q. Absolutely, and if you feel at a the later point even tomorrow or any other time if you want to correct anything or you have more information, don't hesitate to bring that to the attention of the Tribunal.

A. What I'd like to say is that the records will show, I don't know whether I am speaking purely from memory here, when I say memory here, just thinking of my days in Dunnes. I know the bearer cheques system and what I'd like to say to you, Sir, is that the facts here will, can be established. I am not sure I am not sure of what I am saying but the facts will establish by checking the No. 2 Accounts in those companies for 1987 and the facts can be established.

Q. It's possible to establish how many potentially, how many

bearer cheques could be written then?

A. What actually happened as regards bearer cheques, because I have no, I am speaking not even from memory, I am speaking from just the past and saying what I think happened.

Q. We will just pass from that then and if necessary, it can be revisited at a much later date if more information comes to hand. Would you have any record of how the bearer cheques were applied?

A. I don't understand the question. To the company or?

Q. Would anybody have any record of how the bearer cheques were applied? Who got them? How much a person got or whatever?

A. I would say only me.

Q. And how would you keep that record?

A. None, I mean I would just they were like pound notes, if you understand.

Q. I do.

A. And that's the way the bearer cheque was.

Q. We don't have pound notes any more but I know what you mean.

A. Well but you know and so the only person who, if anybody has a record, it has to be me, I have to take responsibility for that.

Q. Is that record in your head or is it a physical note?

A. No, anything I have again I am not it's not that I I just wouldn't keep. I am not a man who keeps records. I keep anything I remember is in my head.

Q. Does that mean that if somebody is to get one or two or three of these, it would be your decision as to how many a person was to get?

A. Absolutely.

Q. And to whom would you give those instructions if you didn't carry them out yourself?

A. Only to myself. I was the person they were like my pound notes, even though it was the company's money, they were like my own pound notes.

Q. Right. To come back then to the point at which these cheques would have been signed and converted, if you like, into pound notes, is that right, once they were signed?

A. That's fair comment, yes, that's correct.

Q. Would you take them or would you give them to somebody else to be passed on to executives?

A. Only me would pass them on.

Q. Only you would pass them on?

A. Definitely.

Q. So can I safely assume then that these six cheques that we are talking about here would have been signed by you and then passed on by you to somebody else?

A. That is correct.

Q. Now in this particular year, 1987, can you remember passing on these cheques to anyone between the date they were drawn, the 28th January, and the date the last of them was lodged to a bank account in Guinness & Mahon, the 4th February?

A. Not the date. I mean, if I didn't have the dates in front of me here, 1987, January, 1987 and February 4th, I would say I would remember passing bearer cheques in that year. I couldn't if I didn't see that, I couldn't say I would remember the dates or the time.

Q. In the ordinary way, if you were giving bearer cheques to executives, would they be, as it were, bonuses or thank yous for additional effort or dedication, is that what they would be?

A. It would be.

Q. Would you hand them out to executives soon after taking them away from your offices signed or would there be a long space of time between when you sign them and when you hand them out to people?

A. My recollection is that I hand them out, some of them very quickly, within a week or two and there would still be some available to me, whether this a drawer or on my possession, sometime well after when they were given to me.

Q. Well looking at these six cheques, you were here yesterday and I think you saw some of yesterday's evidence put up on the overhead projector again today

A. Yes, Sir.

Q. These six cheques were lodged to Guinness & Mahon bankers on the 2nd and on the 4th February in two tranches, three cheques on one occasion and three cheques on another?

A. That's correct, Sir.

Q. Just to get one matter clear, did you lodge them to

Guinness & Mahon?

A. No, Sir.

Q. You didn't lodge them?

A. No, Sir.

Q. So and you are absolutely sure of that?

A. Absolutely sure I didn't lodge them.

Q. And did you give instructions to anyone to lodge them?

A. Absolutely not.

Q. Can you be absolutely sure of that?

A. I am absolutely I mean to Guinness & Mahon, I am absolutely sure, yes. Absolutely sure I didn't.

Q. What is clear is that some time shortly after you signed them if they weren't lodged by you, you must have given them to somebody who lodged them into that Guinness & Mahon bank account?

A. Again, that's definite.

Q. It's up on the screen. Can you see it?

A. Yes, Sir.

Q. It shows that €15,400 was lodged on the 2nd and €16,800 was lodged on the 4th.

A. That's what it shows, yes.

Q. In money terms, would they be substantial thank yous or bonuses to be paying to executives in 1987, 15,400 and 16,800?

A. They would be substantial but I would have done things like that for key men in Dunnes Stores in the late eighties, definitely, '86 or '87, substantial but I would have done

it.

Q. They would be key men?

A. Yes.

Q. They would be not every employee would be getting the equivalent in cash terms of nearly €30,000 in one case and nearly €32,000 in another?

A. Definitely not.

Q. Would you know the executives or the key executives to which you would be handing that kind of money that you were to hand it in a batch of three cheques worth 15,400 and another batch of three worth 16,800? Would you remember who those key executives were if they were to get that type of bonus?

A. I would say, and again this is from memory, it would have to be one of twenty or twenty-five people, maximum twenty-five people.

Q. So potentially there was a maximum of twenty or twenty-five people who could have got bonuses of that order?

A. That's my honest belief, there would be sorry, I have to there would have been not more than twenty-five people would have got a bonus of €15,000 but the maximum number of people who could have got the bearer cheques would be, in my opinion, and my memory, maximum twenty-five people in Dunnes Stores in 1987.

Q. Well can I just clarify this now. The maximum number of people who could have got any bearer cheque is twenty-five people; is that right?

A. I would say that's I would say that's accurate.

Q. Taking that twenty-five or that potential for twenty-five bearer cheques, how many amongst that twenty-five would get a cheque or would get three bearer cheques amounting to, say, 15,400 or 16,800?

A. Even less.

Q. Obviously even less?

A. Yes.

Q. Far, far less?

A. You see, I am giving you the maximum.

Q. Yes.

A. But the answer is yes, I mean I would have to say far, far less.

Q. At this point I want to make it clear, Mr. Dunne, I am not going to ask you, because certainly I wouldn't ask you to give the name of any person until such time the Tribunal had an opportunity of looking into the matter so I am not going to ask you to name any such person here. It may be information the Tribunal may have to ask you for another occasion but I am not going to ask you here.

A. No difficulty.

Q. But would I be right in thinking could there have been any key employee who would have got œ32,000 in 1987?

A. Of bearer cheques?

Q. Yes.

A. Outside of me, no. That's my understanding and my belief and I am not sure if I got thirty-two myself, I would have

to say if anybody could get that amount, it would have been me.

Q. Right. To come back again to look at this bank statement and to look at the two lodgements to the one bank account on the 2nd and 4th February, 1987, if those two lodgements were made by one person

A. Sorry?

Q. If those two lodgements had been made or were made by one person, then that person could only be you or some person to whom you gave the total of the six cheques, isn't that right?

A. That would be my understanding, yes.

Q. Alternatively, I suppose it's possible that if you gave €15,400 to one person and €16,800 to another person, those two people could have made a lodgement to the same bank account at that time?

A. That's another option or another possibility and the yes, I was going to say the other one, because I am going on memory, is that I would have given 32,000 to somebody in Dunnes Stores or to somebody else, including Mr. Haughey. I mean, there is the other possibility.

Q. That's what I want to explore now, you have come to that point.

A. Sorry.

Q. Let's consider it as a possibility first. Is it possible you could have given it to Mr. Haughey?

A. If I gave it, I believe I would remember but is it

possible? Of course it's possible.

Q. Anything's possible I suppose.

A. Yes, certainly.

Q. I don't mean it in that sense. At that time in 1987, we know there was an election going on, isn't that right, coming up in any case?

A. I don't know, I mean, if there was when you say votes, I am not too interested in elections.

Q. Right. Well there were elections coming up I think in February of that year.

A. Yes.

Q. Do you remember having any dealings with politicians during the early part of that year?

A. Not specifically, no, I don't. The answer is no.

Q. Were any political donations requested from you prior to that election?

A. Without recalling any, I wouldn't say there wouldn't be a month goes by without getting requests for political donations even still.

Q. The request for assistance that you described in your evidence the other day came from Mr. Noel Fox and Mr. Noel Fox was relaying a request from Mr. Traynor, isn't that right?

A. That is correct.

Q. Now, at this time, had you had any prior contact with Mr. Charles Haughey, other than in connection with the payments we have mentioned in the last two days?

A. Are you asking me had I met Mr. Haughey before 1987?

Q. Before that

A. I would think so, yes.

Q. What was that contact?

A. I had met him, I think the first time I met Mr. Haughey was sometime around '86. I would have met him with Mr. Fox.

How many times in '86 I couldn't tell you but to answer your question had I made contact with Mr. Haughey prior to this? The answer is yes.

Q. And that was with Mr. Fox; is that right?

A. I believe the first time that I met Mr. Haughey was with Mr. Fox.

Q. Was it Mr. Fox introduced you to Mr. Haughey?

A. That's what I mean, yes.

Q. And where was that?

A. I think it was in Kinsealy.

Q. And what type of occasion was it?

A. Going back to my memory here but what I think it was, we had a cup of tea some, I would assume a Saturday morning and the reason I would think because I was working, I would think that my free day was Saturday.

Q. But what was the purpose of the visit to Mr. Haughey?

A. I wanted a meeting I wanted to be introduced to him.

Q. So was the sole purpose of that meeting your desire to be introduced to Mr. Haughey?

A. Definitely. I had never met him. I knew Mr. Fox knew him and I recall saying I'd like to meet Mr. Haughey.

Q. And there was no other occasion, there was no party on that particular morning, no lunch party or anything?

A. No, no.

Q. And who was present at the meeting?

A. Myself and Mr. Fox.

Q. And Mr. Haughey?

A. Oh yes, of course, yes.

Q. And nobody else?

A. Definitely not.

Q. And just to can you fix the date with any greater certainty than simply by reference to 1986?

A. I can't even, I would say it's '86. I couldn't put any date on it. I believe it was 1986. I couldn't tell you whether it was spring, summer, I don't know. I really couldn't.

Q. Did you ever have any contact with Mr. Traynor?

A. No.

Q. You are certain of that?

A. Em, no. I met him this is the only time I met Mr. Traynor was to shake his hand.

Q. Right. When was that?

A. That was at a wedding, one of the Haughey's, I don't know whether it was again, they are facts, I don't know which one of the Haughey's wedding I was at and I shook Mr. Traynor's hand.

Q. Do you remember roughly the date?

A. No, but it's a fact that can be established.

Q. Mr. Traynor was introduced to you by somebody else?

A. No, I my recollection is I was going to the toilet and I think I recognised his face but I just, when you go to a place, hello, how are you? It was literally like that, shook his hand, that was the only contact I had with Mr. Traynor.

Q. Were you aware of Mr. Fox's acquaintance with Mr. Traynor prior to the phone call, prior to your discussion with him about the phone call he got from

A. No.

Q. You were not aware of it?

A. Definitely not.

Q. Thanks very much.

CHAIRMAN: May I just say at the outset, Mr. Connolly, whilst I can see that your clients may have an interest in the wider role of some of the evidence that was given today, it seems to me abundantly clear from the Terms of Reference that you would not be entitled to probe the financial practices of the taxpayer at this public inquiry on the existing Terms of Reference except strictly in accordance with the rule I gave yesterday.

THE WITNESS WAS EXAMINED AS FOLLOWS BY MR. CONNOLLY:

MR. CONNOLLY: The limit I intended to reply applies to my questions. One or two questions on behalf of the Revenue Commissioners. Firstly I just want to understand clearly there was no, you have told Mr. Healy you kept no record.

Was there any cash book of any kind or any ledger so that someone in Dunnes Stores would be able to see how much was paid to any individual at any given time? Was there anything put down on paper about these bearer cheques?

A. I don't think so but I am not sure. It's something that the company auditors I haven't been saying this up to now, I don't know was the answer.

Q. You don't know of anything that was kept in the way of ledger or cash book perhaps by Mr. Bowen or Mr. Fox that you didn't know about. You knew nothing about anything put in writing about the bearer cheques?

A. I didn't, no.

Q. It would appear from what you told us this morning there was something of a practice of writing bearer cheques only up to a certain amount and in the event that you wanted to pay somebody more than that, you give them a number of bearer cheques. That's the way things were working out?

A. I don't understand the question.

Q. Well in the event that you were going to give a number of bearer cheques to somebody, was the reason for that because if the cheque was over a certain amount it might be queried, say, by the auditor?

A. No. I said the bearer cheques, I am going now on my recollection, there was one bearer cheque

MR. NESBITT: Mr. Chairman, this appears to be straying away. I have no objection to My Friend if he says with

the six bearer cheques but he seems to be flying past that.

CHAIRMAN: I think the six cheques, Mr. Connolly, as I stated yesterday, what was known or might reasonably have been known by your clients must be the limit, otherwise it's all too evident for potential pitfalls.

MR. CONNOLLY: I will rephrase the question. These six cheques, if they were going to be given to one person, was there any reason why it couldn't be done by one bearer cheque or were you anxious by keeping the amounts smaller than otherwise would be the case to maintain confidentiality?

A. As I said, there was a practice evolved.

Q. Yes.

A. And my recollection of the thing was that bearer cheques to the tune of between, I would have said as a ballpark figure, between 3 and 5,000 was written out but it was just something that evolved, Sir.

Q. There was no ceiling on what you could, on the drawing of the cheque, it was a practice that had evolved for whatever reason?

A. That's my answer.

Q. And in the event that you intended to pay this œ32,200 to the one person, was there any technical reason why that person was to be given six bearer cheques rather than one bearer cheque?

A. I don't recall giving œ32,000 cheques to any one person,
Sir.

Q. Well, in relation to these cheques, do you recall any
discussion with Mr. Fox in relation to these cheques before
or subsequently?

A. That these specific

Q. These six cheques, do you recall any discussion with Mr.
Fox either before they were signed by you or afterwards?

A. No. I would recall a discussion about the bearer cheques
as I said as a practice but not specifically about these
six cheques, no, I don't, Sir.

Q. When you say not specifically about these cheques, does
that mean that you recall some general discussion which
would have some application to these cheques as well as
other matters?

A. No. What I think I would have said is thanks. Like the
cheques would have been brought in, thank you.

Q. Well, I want to deal with these six cheques. Would it not
be appropriate for you say in relation to these cheques to
discuss with Mr. Fox well what are these for? Why are they
getting that amount of money? Would that not be
appropriate conversation in relation to cheques of this
kind?

A. Mr. Fox would have had no say over who the cheques were to
go to. I mean, they only became live when I signed them
so he never either Frank Bowen or him and specifically
about these cheques, never asked me to sign them. It was

I made them live, do you understand?

Q. My question is in relation to these six cheques, how would they know what amount to fill in unless they had some chat with you beforehand?

A. I don't believe so. I have said I can't it's something that evolved over the years in the business and how do they know, it's something that just happened over the years. I don't believe certainly in the case of other bearer cheques, I have no input into what went into them. We knew, when I say we, I and the people who wrote them, namely the two people I spoke about, I would have known when the bearer cheques were coming in, I would have nearly understood how many in or around each cheque was going to be worth from each company. Am I making myself clear?

Q. I think so, but I thought the cheques were in a leather briefcase in your office?

A. Sorry, the cheque books, yes.

Q. So that when Mr. Fox and Mr. Bowen came in, I just want to understand was there anything by way of discussion between you as to what would be put down as the amount of the bearer cheque?

A. I believe that Mr. Bowen had No. 2 cheque books in wherever he was based at the time which I think was Cork. The cheque books for those ones would have been in my office. Would there have been any discussion about the amounts? I can't recall. I don't think so. It evolved over years of practice. That would be the way I look at it.

Q. And do you recall filling out the cheque stubs of these or would that be for Mr. Fox to do?

A. I would think that the cheque stubs would say 'bearer'.

The person who would fill them out would be

Q. Would fill out the stub?

A. I would think so. I am speaking from memory.

Q. In any event, were you ever queried subsequently by anyone on behalf of the company about these cheques with a view to your making a repayment or making reconciliation in your current account within the Dunnes Stores Group generally?

A. For the ones that I took?

Q. For these six cheques, were you ever asked about those?

A. No, no.

Q. Well then as far as the treatment of these six cheques, they would have been set down as expenses against each of these six companies or would they, or do you know were they set down as against expenses for the central holding company?

A. I don't know.

Q. Thanks, Mr. Dunne.

CHAIRMAN: It's twenty-five to now so we will resume at ten to two.

THE TRIBUNAL THEN ADJOURNED FOR LUNCH.

THE TRIBUNAL RESUMED AS FOLLOWS AT 1:50PM:

MR. NESBITT: May it please you, Mr. Chairman. As

yesterday, we don't propose asking questions of Mr. Dunne on issues that are outside the terms of the Tribunal, but we don't take it as agreeing with some of the information that appears. There is one other matter I'd like to deal with, with your permission. In the course of Mr. Dunne's evidence, there was suggestion made that there was payments in the manner which might suggest that they had not been brought to the attention of the Revenue and I'd like to make it very clear the position of the company is.

In 1989, there was full disclosure to the Revenue of all the cheques of the type that has been discussed by Mr. Bernard Dunne in evidence this morning. The practice of such cheques being issued ceased and the Revenue have been paid all tax that is due arising out of those matters. I think it's only fair for the company that that be said at this point in time.

CHAIRMAN: Very good, Mr. Nesbitt, I note that. That then I think leaves just a couple of other persons. Mr. McGonigal, any matters you wanted to raise?

MR. MCGONIGAL: There is just one matter, Mr. Chairman.

THE WITNESS WAS EXAMINED AS FOLLOWS BY MR. MCGONIGAL:

Q. First of all, I should indicate that as far as our client is concerned, he accepts that some of the monies from the Amien accounts were used for his benefit, although he didn't know it at that time. We further accept that the

bearer cheques went into the Amien account. He himself did not put them there. And there is just one matter I want to put to Mr. Dunne in relation to his evidence.

There was a suggestion, Mr. Dunne, this morning, that there was, it was indicated the possibility that you might have given them to Mr. Haughey. Mr. Haughey's evidence will be that he did not get those bearer cheques from you, Mr. Dunne. If Mr. Haughey gives that evidence, would you accept that as being the position?

A. Has Mr. Haughey said it, it's correct, yes I'd have to hear what he said

Q. Assuming that he gives that evidence, you would be prepared to accept it?

A. I'd have to stick by what I said, which there is a possibility

Q. I appreciate that.

A. that it could have been me. I have no recollection whatsoever. So your question is?

Q. Assuming he gives evidence that you that he did not get those cheques from you, if he gives that evidence, you will be prepared to accept that as being correct?

A. I don't know how to answer that question. I don't really know how to

Q. Let me put it this way, you have absolutely no recollection of what happened to these bearer cheques?

A. That is correct.

Q. So far as you are concerned, the bearer cheques were presented to you by Mr. Noel Fox and you signed them?

A. That's my evidence, correct.

Q. At the same time, you filled in the amounts numerically?

A. The amounts numerically that is correct.

Q. So far as the balance of the cheques are concerned, they were filled in by Mr. Fox?

A. So far as

Q. The balance of the bearer cheques, the writing on the cheques that was filled in by Mr. Fox?

A. The signature and the amount in figures were the only thing I filled in.

Q. So far as those bearer cheques were concerned, it's not clear in your mind whether the writing was there when you signed them or whether you signed them and then the writing was put there?

A. I don't know, that's correct.

Q. It's not clear in your mind where those bearer cheques went to after they were filled in?

A. No, I don't recall where they went to, that's right.

Q. It's not clear in your mind whether you held on to those bearer cheques?

A. That's correct.

Q. Nor is it clear in your mind whether Mr. Fox got those cheques?

A. That's correct.

Q. In saying that there was a possibility that you gave them

to Mr. Haughey, you are merely speculating as to one of many possibilities which could have happened?

A. To one of a number of options, yes.

Q. I am merely saying to you that so far as Mr. Haughey is concerned, he will be saying that you did not give him those cheques. Do you understand that?

A. I understand it.

Q. Thanks, Mr. Dunne.

A. Thank you.

MR. MURRAY: I have no further questions.

CHAIRMAN: I am sorry, Mr. Gordon, I should have in fact asked you

MR. GORDON: Not at all, Sir, I have no questions in any event.

CHAIRMAN: Likewise yourself, Mr. Murray.

MR. MURRAY: That's correct.

CHAIRMAN: Does that leave you anything, Mr. Healy?

MR. HEALY: Just one matter, Sir.

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

Q. I just want to clarify one thing you said this morning, Mr. Dunne, in response to a question I think it was from Mr. Connolly and I want to clarify this because it concerns Mr. Bowen and he is not here and I am conscious of the fact

that he is not here. I think you said this morning that Mr. Bowen, that you believed that Mr. Bowen had two cheque books where he was based "had No. 2 cheque books in wherever he was based at the time which I think was Cork." You then went on to say "The cheque books for those ones would have been in my office." Could you just clarify that for me.

A. What I was saying, I was speaking about Mr. Bowen, I certainly know that I had a bag of No. 2 cheque books in my office. When Mr. Bowen gave me bearer cheques, I believe that he had the cheque books on his possession, whether it was in the Dublin office, I don't think I would say I believe to be absolutely the case that Mr. Fox the cheques that were with in Mr. Fox's writing, I believe to be the case that they came out of the bag in my office. I would say with the same certainty that I believe the cheques, the bearer cheques that Mr. Bowen gave me, I believe to be the case he had cheque books. He didn't have to go to my office to get the cheques. That's my understanding, going back on memory.

Q. Thanks very much.

CHAIRMAN: Thank you, Mr. Dunne.

THE WITNESS THEN WITHDREW.

MR. HEALY: Mr. Fox.

NOEL FOX, PREVIOUSLY SWORN, WAS EXAMINED AS FOLLOWS BY MR.

HEALY:

CHAIRMAN: Mr. Fox, please sit down, you are already sworn.

Q. MR. HEALY: Thanks, Mr. Fox. If we could have the cheques please on the projector.

Mr. Fox, I want to talk to you about the six cheques that we have been dealing with in the evidence this morning. I think you informed the Tribunal that you have seen the six cheques and that the handwriting on the cheques including the date is your handwriting?

A. That is correct.

Q. And the signature and the figures are the handwriting of Mr. Dunne?

A. That is correct, yes.

Q. And I think you have told the Tribunal that you can not recall filling in these cheques?

A. That is correct, yes.

Q. Or being asked to do so by Mr. Dunne?

A. That is correct.

Q. Can you just confirm for me what you mean by filling in the cheques?

A. Well the date is my handwriting and the word bearer is my handwriting and the description of the figures in writing is my handwriting.

Q. You informed the Tribunal that you didn't regularly fill out cheques for Mr. Dunne and that you imagine that this

must have been a once-off occasion?

A. That is correct.

Q. When you say you didn't regularly fill out cheques for Mr. Dunne, can I take it that sometimes, perhaps infrequently, you filled out cheques for him and I mean cheques in general now, I am not talking about bearer cheques or any specific type of cheque?

A. I believe from time to time, whilst I am not certain but I do believe that I would have filled out cheques made payable to the Revenue Commissioners for the annual taxes payable by the group.

Q. When you say you filled out cheques like that, do you mean you'd have filled them out for Mr. Dunne, that Mr. Dunne would have asked to you fill them out?

A. Oh yes. In other words, please pay Collector-General or pay the Revenue Commissioners X pounds and then they would be brought to Mr. Dunne for signature.

Q. And when you'd fill out a cheque like that, would you put in both the amount in writing and the amount in figures?

A. I would indeed, yes.

Q. You'd put in both the writing and the figures?

A. I'd complete the cheque I would think.

Q. The only matter for Mr. Dunne would be to sign the cheque?

A. Just to sign the cheque, yes.

Q. Would I be right then in suggesting that apart from these cheques, there are no cheques where you filled in the amount in writing leaving the amount in figures to be

filled in by Mr. Dunne?

A. That would be unnatural.

Q. You think that would be an unnatural way to proceed?

A. Unnatural act, yes.

Q. It's not a common sense way to proceed, is that what you mean?

A. No, no. I think what happened here was that Mr. Dunne put in the amount and signed the cheque and whilst he was doing that to the next cheque, he asked me to make out the original cheque to bearer or cash or whatever and I would have handed them back to him. I think that's what would have happened naturally.

Q. Well that sounds common sensical that he'd, in other words, that he'd give you a cheque with his signature and the amount in figures on it leaving you to go through the handwriting part of it?

A. I think probably if we were having a cup of tea or something, he just took the cheque books out of his bag and said, look, fill in the amount, signed it, handed it to me and I filled in the words and handed them back to him.

Q. So what you are describing is a sort of a joint operation where he has the book, he puts in the number, signs it, tears it out and while he is doing the next one, you are filling it out?

A. That's what I think happened.

Q. I will come back to the mechanics of it again in a

moment. You feel that this was a one-off occasion. Do you mean that writing bearer cheques was a one-off occasion for you, is that what you mean?

A. Yes, I wouldn't have written out bearer cheques and gone to Mr. Dunne with bearer cheques.

Q. You wouldn't have done that?

A. No.

Q. Do you feel this was possibly the only occasion that you did that?

A. Would be

Q. I am not trying to stick you to might have been once or twice?

A. I would be amazed if there was another occasion, I honestly would.

Q. Is it not therefore something that would stand out in your memory if it's something you did only once?

A. Not really. Like it's what, twelve years ago. I really don't remember it.

Q. When you describe how you think that Mr. Dunne sat down with a cheque book and signed the cheques and filled in the numbers leaving you to fill in the writing, do I take it from that that you were both in the same room and he pulled out a number of cheque books and that you and he did the job sitting down together?

A. That's what I think, yes.

Q. Is that what you think or is that what you remember?

A. I don't remember it. I don't remember the cheques at all,

but I am just applying some logic to it.

Q. Right.

A. I have been looking at it there on the screen this morning.

Q. Were you familiar with the practice of making out bearer cheques in this way and giving them to executives in the manner that we have heard described this morning?

A. It was a practice that Mr. Dunne liked to reward hard working executives, and people who had put in very unsocial hours over Christmas trading or whatever, and he often gave them cheques like that, yes.

Q. And would it be your recollection that the end of January is the year end for Dunnes Stores or was then the year end?

A. They were definitely ending on a calendar year basis at some stage, the year end now is 31st January.

Q. That is the current year end?

A. Yes. I cannot tell you back in '87 whether it was the 31st December or 31st January.

Q. We shouldn't perhaps waste time speculating on it because I can presume it can be found out for certain, can it?

A. For certain, yes.

Q. You heard Mr. Dunne say this morning that his recollection was that you would have been involved in the writing of cheques like this more than once. Perhaps not as much as anybody else, but certainly

A. That is not my recollection. I would be surprised if that is the case. I do believe I may have filled out cheques payable to the Revenue Commissioners because the purpose of

these books was, it was an old practice from the late chairman, he kept his income tax payments private and that was the real purpose of those No. 2 accounts.

Q. I see. Had you ever written a cheque while you were in Dunnes Stores to bearer?

A. Other than a full cheque?

Q. Well, other than these cheques?

A. Other than those, I have no recollection of writing bearer cheques.

Q. And if you were writing a cheque to cash for any purpose, if you simply wanted to get cash yourself, in a bank or in a public house or anywhere, would you write pay cash or pay bearer?

A. Pay cash. If I was cashing a cheque for myself at home?

Q. Yes.

A. I might say pay Noel Fox, I might say pay cash, depending where I was.

Q. So if you were writing a cheque where pay bearer is on it, it's because somebody would have asked you to write it in that somewhat either unusual or old-fashioned way, is that right?

A. The late chairman used to write bearer.

Q. But you wouldn't write bearer?

A. Well I may have, Mr. Healy, but I don't recollect really.

They are both the same expressions, bearer or cash. They really mean the same thing.

Q. They are but would you agree with me that bearer is not an

expression that's used very much nowadays in cheque writing?

A. No, I would think the more modern expression is cash.

Q. And that's been the case for some many, many years with most people who write cheques?

A. Yes.

Q. And I take it that if you were to write a cheque and the cheque was to be written in that fashion, if I can use that word, using the expression bearer, it's because somebody would have asked you to write it in that way using that word?

A. Well Mr. Dunne may have said to me look make it out to cash or bearer. Depending on which word came first, he may have said bearer or cash, or he mightn't... I can't recollect what he said to me.

Q. You feel but why would you use that expression? If Mr. Dunne asked you for some cheques, why would you use that particular expression bearer unless somebody asked you to use it?

A. I have no idea. Other than I have no idea. I don't think it means whether it's bearer or cash. I think they both mean the same thing.

Q. I appreciate they both mean the same thing but it's not the way you'd write a cash cheque, pay bearer and what I am suggesting to you is you feel this was done on only one occasion, the cheques were written in a way that you wouldn't normally write a cash cheque and I am just asking

you why for those reasons you wouldn't remember it.

A. I really don't... I couldn't I really don't recollect.

It's back in '87 whether my habit would have been to write bearer or cash, I just don't know.

Q. I think the Tribunal brought these cheques to your attention sometime ago and have you had any opportunity to inquire whether any more than those six cheques were written on that occasion?

A. I have no idea whether there were more written, Mr. Healy, or not.

Q. Have you any knowledge of any have you any knowledge of the persons to whom these cheques would have been given by Mr. Dunne?

A. No.

Q. You wouldn't know in the ordinary way what executives, if there were any such executives, who were going to get large bonus or cash bearer payments of this kind?

A. I'd have no idea who he would have given them to, none.

Q. So after those cheques were written by you and signed by Mr. Dunne, you would have had no further knowledge of what happened to them?

A. I'd have no further knowledge.

Q. And they never came into your possession other than for the purpose of writing them out?

A. Other than for the purpose of writing them out. I would have handed them back to Mr. Dunne.

Q. Mr. Dunne said that these payments would have been treated

as expenses in the company accounts. Are you familiar with that treatment of this type of payment?

A. No, I don't really deal with the company's accounts.

Q. Would the reason that Mr. Dunne would ask you to fill out these cheques and not ask anyone else to do it, would that be to maintain confidentiality or privacy as regards the writing of them?

A. I was probably there that morning with him and he wanted the cheques for a purpose and obviously whilst he was filling them out, he was asking me to complete them.

Q. But I think that apart from your role in these particular six cheques, you were familiar with the writing of cheques like this, were you? You were aware of the fact that cheques like this would be written on a fairly regular basis perhaps once a year?

A. Perhaps once a year, yes, and given to executives.

Q. You saw the statement of the Amiens account that was put up on the monitor this morning?

A. Yes.

Q. Have you any knowledge of how those six cheques came to be lodged to Guinness & Mahon and that particular account?

A. I have no knowledge whatsoever.

Q. You know nothing else about the cheques?

A. Nothing. I never heard of Amiens Securities.

Q. You never heard of it?

A. Never, other than

Q. Other than in the course of this public hearing?

A. Yes.

Q. And at this time, had you any had any contact with Mr. Traynor?

A. No.

Q. In connection with

A. No, I had no contact with Mr. Traynor. Mr. Traynor's first approach to me was asking me would Mr. Ben Dunne join a consortium or club of businessmen to put a fund together.

Q. I see. And would you have had any dealings with any political fundraiser or such or politician around this time?

A. No.

Q. Prior to the 1987 February elections?

A. No, no.

Q. So as far as you are concerned, you had nothing whatever to do with the fact that these cheques eventually ended up in that account we see mentioned up there on the monitor?

A. Nothing whatever to do with those entering into a Amiens account, no.

Q. Thanks, Mr. Fox.

MR. CONNOLLY: I have no questions, Chairman.

MR. NESBITT: No questions, Mr. Chairman.

MR. MURRAY: I have no questions, Sir.

MR. McGONIGAL: No questions.

CHAIRMAN: Mr. Gordon?

MR. GORDON: Just one matter.

THE WITNESS WAS EXAMINED AS FOLLOWS BY MR. GORDON:

Q. Mr. Fox, in the context of the clarification which Mr. Nesbitt offered to the Chairman a few moments ago, I think it is the case that you, in fact, were directly involved in the disclosure of this practice to the Revenue in 1989 and the resolution of that with the Revenue?

A. Yes, the practice ceased sometime before 1989 and there was full disclosure made to the Revenue Commissioners and a settlement made.

Q. Everything was dealt with to the entire satisfaction of the Revenue?

A. Yes.

Q. Thank you very much.

CHAIRMAN: Thank you.

MR. HEALY: Mr. Chairman, sorry just arising out of that just one question.

THE WITNESS WAS EXAMINED FURTHER BY MR. HEALY:

Q. When that practice was disclosed to the Revenue, was any inquiry made as to where these cheques had gone at that point?

A. No. It was an umbrella settlement of a practice and it

occurred over a period of years.

Q. And no attempt had been made to trace the cheques or the accounts into which they were lodged?

A. No. In the Amiens Securities?

Q. Well anywhere. Was any attempt made to trace any of the cheques?

A. No.

Q. They were treated simply as a lump sum of cash that was paid out and there was a reckoning with the Revenue?

A. Yes, that is correct.

Q. Thanks, Mr. Chairman.

CHAIRMAN: Thanks, Mr. Fox.

THE WITNESS THEN WITHDREW.

MR. COUGHLAN: Sorry, Sir, we were going to move into what had been described as the Dunnes Carlisle cheques at this stage. I think Mr. Donoghue was going to be the first witness, is on his way. I wonder in the circumstances if you might rise for a few moments, Sir.

CHAIRMAN: Very good.

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

MR. COUGHLAN: Thank you, Sir, for your indulgence. I should indicate at this stage, Sir, that I will be dealing with what has been described as the Dunnes Stores Carlisle

cheques. Unfortunately, there are two witnesses who are indisposed by reason of illness at the moment and their evidence is evidence which we are of the view should be given before the people more centrally involved with the cheque give their evidence.

There are three witnesses we had intended calling this afternoon who deal with the matter in the earlier stages and if these witnesses complete their evidence before the time, four o'clock as you indicated the time the Tribunal would sit, I would ask you in those circumstances to rise until the morning.

CHAIRMAN: Yes. Well if that arises, we may take the opportunity to make up lost time on a future occasion.

MR. COUGHLAN: Mr. Pat O'Donoghue please.

PAT O'DONOGHUE, ALREADY SWORN, WAS EXAMINED AS FOLLOWS BY

MR. COUGHLAN:

CHAIRMAN: Thank you very much, Mr. O'Donoghue, you are already sworn.

Q. MR. COUGHLAN: Now, Mr. O'Donoghue, I think you have already told us that you are the group financial controller of Dunnes Stores.

A. I was previously to being director and secretary.

Q. I wonder could you pull the microphone closer to you there please. Thank you. And I think in your capacity as

group financial controller, in January of 1998, you wrote to the solicitor of the Tribunal, isn't that correct?

A. Which letter is that?

Q. It's a letter dated 23rd January. I will hand you a copy of it. (Document handed to witness.)

A. That's correct.

Q. And I think you have already given evidence about the matters on the first page of that letter yesterday, isn't that correct?

A. Yes.

Q. Now, if we could turn to the second page of the letter I think, with that letter you said "I also enclose copies of the following cheques drawn on Dunnes Stores Ireland Company Grocery No. 6 Account with Bank of Ireland between the 20th and 27th November, 1992."

A. That's correct.

Q. You then list the three cheques, or you list three cheques and you enclosed them with your letter?

A. I don't believe I enclosed the cheques. I think I enclosed copies.

Q. Copies, yes copies. Now, perhaps we will put the first cheque up and I think we do now have the originals of the cheques. (Cheques handed to witness.) And I think that is a cheque drawn on Dunnes Stores Ireland & Company, it's drawn on the Bank of Ireland, College Green. It's the No. 6 account. It's made payable to cash and it's in the sum of €49,620 pounds, is that correct?

A. That's correct.

Q. I think the cheque number is 29915?

A. Correct.

Q. I think the second cheque is cheque number 29916 and again it's drawn on the Dunnes Stores No. 6 account, the Bank of Ireland, College Green. It's made payable to cash and it's in the sum of €50,962?

A. That's correct.

Q. I think the third cheque is cheque number 29890 and it's again drawn on the Dunnes Stores No. 6 account at the Bank of Ireland, College Green. It's made payable to cash and it's in the sum of €79,418?

A. That's correct.

Q. I think in that letter you informed the Tribunal that "... these cheques came to the attention of Dunnes Stores in 1993 as part of a review arising from the activities of Bernard Dunne."

A. That's correct.

Q. You also informed the Tribunal that "Dunnes Stores identified that the cheques had been apparently lodged to Bank of Ireland Rotunda branch, but could not trace them any further due to Bank of Ireland's refusal to identify the account holder."

A. That's correct.

Q. I think you also informed the Tribunal that on the 21st January, 1998, your solicitors were contacted by Deloitte and Touche to inform you that "... their client, Carlisle

Trust Limited, had been informed by Bank of Ireland of an inquiry by the Minister for Enterprise Trade and Employment's authorised officer which had resulted in these payments being discovered." That's what you have informed the Tribunal?

A. That's correct.

Q. And you informed the Tribunal that "Deloitte and Touche informed our solicitors that the three cheques were lodged into an account of Carlisle Trust Limited with Bank of Ireland Rotunda and that €100,000 was subsequently paid to Celtic Helicopters Limited and the balance of €80,000 was subsequently paid to Mr. Desmond Traynor."

A. That's correct.

Q. And you enclosed the copy cheques as you said with the letter?

A. Correct.

Q. Now, looking at the cheques and in particular the cheque numbers. The sequence appears to be that the first number is 29890, is that correct?

A. Correct.

Q. The date of that cheque is the 27th November, 1992?

A. Correct.

Q. The second cheque the second sequence is 29915, and that's dated 20th November, 1992, isn't that correct?

A. Correct.

Q. And dealing again with the cheque number, the third cheque number is 29916 and that's dated 23rd November, 1992?

A. Correct.

Q. So it would appear that the first cheque in terms of the cheque number is the last one by virtue or by reason of the date on which it's written?

A. That is correct.

Q. They are out of sequence in that regard?

A. In regard to the date equals cheque numbers, yes.

Q. Now, I think you also furnished the Tribunal I think with the relevant bank statements dealing with these amounts?

A. Correct.

Q. The copies that are up are extremely poor and perhaps I would ask you or do you have a copy of the full bank statement which, for confidentiality reasons of course, has been

A. I have my own copy.

Q. obliterated by the Tribunal. And what do the bank statements show?

A. Clearly shows these cheques were presented and paid.

Q. And could you tell us the date on which they were presented and the sequence of presentation? I think the

A. The first cheque which is 29890 dated 27th November, was presented and paid on the 1st December.

Q. Yes.

A. 1992.

Q. That was for the sum of £79,418, isn't this correct?

A. Correct.

Q. The other two cheques, that is cheque number 29915 for

œ49,620 and 29916 for œ50,962, both, the first one dated 20th November, the second one dated 23rd November, were presented and paid on the 25th November, 1992. I think that's what your records show?

A. Clearly shows.

Q. Are you in a position so say whether they are affected by a purchase or an asset in the affairs of Dunnes Stores?

A. They do not reflect the purchase of an asset.

MR. CONNOLLY: Just one or two matters, Mr. Chairman.

THE WITNESS WAS EXAMINED AS FOLLOWS BY MR. CONNOLLY:

Q. Mr. O' Donoghue, I have some questions on behalf of Revenue Commissioners in relation to these three cheques. I'd like your assistance. It appears that the journal entries on these three cheques have noted them as being posted to the accounts of two Neville's Bakery company and a third company, Tender Meats, is that correct?

A. That was the original post date

MR. COUGHLAN: I will have a witness who will deal with the actual posting or journalising of those. Mr. O'Donoghue wasn't involved at that stage as I understand it.

MR. CONNOLLY: I simply

MR. COUGHLAN: If that's any assistance.

MR. CONNOLLY: I appreciate it's coming. I simply wanted

a more centralised view of the transaction and the witness who is dealing with it and it's in that context. Are you aware of this, Mr. O'Donoghue I don't want to take you by surprise are you aware of that in the journals?

A. Yes, I am.

Q. To any person examining the books of Dunnes Stores Ireland, which appears to be the company on which these cheques were drawn, any outsider such as a person conducting a Revenue audit, it would appear if he was looking at that it would tend to indicate that an ostensible transaction had been conducted for those three cheques being ostensible business with Neville's Bakery and Tender Meats, is that right?

A. These payments were transferred to an suspense account in 1993/94 and that was their final destination.

Q. They were written off at that time in Dunnes?

A. Correct.

Q. And Dunnes Stores Ireland, that's the central company, is it, the holding company if you like?

A. Correct.

Q. Well in answers that they were written off, prior to that, prior to 1994, were they were they in the books as ostensible transactions to Neville's Bakery and Tender Meats?

A. My understanding this they were posted to a discount account in those names.

Q. Which would mean that Dunnes Stores Ireland would be at the loss of the sum of €180,000 in those cheques, is that

right?

A. Correct.

Q. And again, up to 1994 when they were written off, I just want to examine what would have been available if there was an outside audit of the books of the Dunnes Stores Ireland, was there any invoice against any of these transaction or is the only record the cheque journal entry?

A. To my knowledge, I have not seen any invoice.

Q. The only item on paper appears to be the cheque journal entry?

A. I can only account for my own knowledge and I have not seen any invoice.

Q. Neville's Bakery and Tender Meats, although they are associated companies in the sense they are connected with the Dunne Family, they are not part of the Dunnes Stores group of companies that would be answerable to you or anyone else in central control, isn't that correct?

A. No. Effectively they would have been run as a direct subsidiary and run effectively by people who have a management influence over that company.

Q. But I just want to be clear on this, that in the event that there was, say, a Revenue audit of Dunnes Stores Group, these companies would be outside the scope of that kind of audit, say, by the Revenue?

A. I believe they are separate companies.

Q. But what I am getting at is that their accounts are not something that come within your scope of scrutiny as group

financial controller of the Dunnes Stores Group, is that

correct?

A. No. They would form part of a wider brief in terms of the management of the Dunnes Stores Group and related companies.

Q. My question is simply this, in the event that there had up to 1994 been a Revenue audit of the Dunnes Stores Group, would the Neville's Bakery and Tender Meats' accounts be put before the Revenue in that situation as part of the audit or would they be regarded as outside the scope of a Dunnes Stores Group audit?

A. It's a hypothetical situation. I just don't have an answer for you. I don't know.

Q. Well, do you have a view?

A. Everybody has a view.

Q. I am just asking you

A. It would depend what the Revenue Commissioners would seek, how wide their brief would be.

Q. Well, I will rephrase the question. Do you regard these two companies as part of the Dunnes Stores Group? I will leave the question at that.

A. The answer is yes.

Q. Right. Thanks, Mr. O'Donoghue.

CHAIRMAN: Mr. Murray?

MR. MURRAY: I have no questions.

CHAIRMAN: Mr. McGonigal?

MR. MCGONIGAL: I have no questions.

MR. COLLINS: No questions.

CHAIRMAN: Mr. Nesbitt?

MR. NESBITT: Just one question, Mr. O'Donoghue.

THE WITNESS WAS EXAMINED AS FOLLOWS BY MR. NESBITT:

Q. I presume if the Revenue had come in and asked questions about these particular questions, they would have had access to exactly the same information as you had when you looked at them?

A. That's right.

MR. COUGHLAN: Just one question, if Mr. O'Donoghue is in a position to clarify.

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

Q. You have informed the Tribunal that they were written off in the accounts for 1994?

A. A period up to '94.

Q. The period up to 1994. When was that done? When were those accounts signed off?

A. In '98.

Q. Thank you.

CHAIRMAN: Thank you.

THE WITNESS THEN WITHDREW.

MR. COUGHLAN: The next witness, Sir, is Mr. Patrick McCann.

PATRICK McCANN, HAVING BEEN SWORN, WAS EXAMINED AS FOLLOWS
BY MR. COUGHLAN:

CHAIRMAN: Thanks, Mr. McCann.

MR. COUGHLAN: I think, Mr. McCann, you furnished a statement to the Tribunal and I intend in the first instance taking you through your statement. I think you have informed the Tribunal that you are Patrick McCann of 8 Inns Court, Winetavern Street, Dublin 8 and you are a director of Management and Investment Services Limited which company has acted in or about, since in or about 1978, as company secretary to Carlisle Trust Limited.

A. That's correct.

Q. Sorry, I will just get you a copy. (Document handed to witness.) And I think you have also informed the Tribunal that Management Investment Services Limited has also provided administration and accounting services for Carlisle Trust Limited?

A. That is correct.

Q. And I think you are authorised by the company to make this statement in response to the queries raised by the Tribunal.

A. Correct.

Q. I think you informed the Tribunal that on or about the 20th November, 1992, you received from the late Mr. Desmond Traynor two cheques drawn on the Dunnes Stores Ireland Company Grocery Account at Bank of Ireland, College Green, Dublin 2?

A. That is correct.

Q. I think the first cheque was dated 20th November, 1992, payable to cash for a sum of €49,620, is that correct?

A. That's correct.

Q. And the second cheque was postdated to the 23rd November, 1992 for a sum of €50,962, also payable to cash?

A. That is correct.

Q. I think you have informed the Tribunal that you were instructed by Mr. Desmond Traynor who was and had been for some time financial adviser and director of Carlisle Trust Limited to lodge the cheques to the account of Carlisle Trust Limited, isn't that right?

A. That is correct.

Q. And I think you made the lodgement on the 20th November, 1992?

A. I did.

Q. Now, I think we have up, and it's a poor copy I grant you, of the express lodgement and I think it indicates that it was paid in by Patrick McCann, isn't that correct?

A. Correct.

Q. And it's dated 20/11/1992?

A. Yes.

Q. And that's into the Carlisle account, Bank of Ireland Rotunda branch?

A. Bank of Ireland Rotunda branch.

Q. I think at that time also, Mr. Traynor advised you that a further lodgement of a sum of €79,418 would be made directly and you subsequently ascertained that a cheque for that amount dated 27th November, 1992 was lodged?

A. I did.

Q. And I think you there was also in existence the lodgement slip for that cheque, isn't that correct?

A. That's correct.

Q. And it was lodged into the Carlisle Trust account at the Bank of Ireland Rotunda branch on the 27th November, 1992?

A. Yes.

Q. I think you informed the Tribunal that at the same time, Mr. Traynor instructed you to draw two cheques on Carlisle Trust Limited No. 1 account with Bank of Ireland Rotunda branch, is that correct?

A. That is correct.

Q. The first cheque being €100,000 payable to Celtic Helicopters and the second being the sum of €80,000 payable to cash?

A. That is correct.

Q. I will just put up the first cheque, €100,000, payable to Celtic Helicopters and the second one are those the two cheques?

A. They are the two cheques.

Q. I think the first cheque to Celtic Helicopters, if we could just put that up on the screen, was dated 24th November, 1992. It was drawn up by you and signed by your colleague Mr. Samuel Field-Corbett, managing director of Management Investment Services Limited.

A. That is correct.

Q. I take it, it was just taken to Mr. Corbett for the purpose of having it signed?

A. Yes.

Q. The second cheque was dated 30th November, 1992, and that was also drawn by you and signed by Mr. Field-Corbett?

A. That is correct.

Q. And I think those two cheques were sent to Mr. Traynor?

A. They were.

Q. I think you have informed the Tribunal that Mr. Traynor instructed you that you should note these transactions as being contra as they would have no net effect on the financial position of Carlisle Trust Company Limited?

A. That's what I was instructed.

Q. Sorry, My Friend Mr. Healy just draws to my attention, is there any significance in the fact that the first cheque made payable to Celtic Helicopters is typewritten and the cheque made payable to cash is handwritten?

A. There is no significance.

Q. There is no significance. Now, as far as you were aware, was there any commercial relationship between Carlisle

Trust and Dunnes Stores Ireland?

A. Not as far as I was aware.

Q. And as far as you were aware, there was no commercial basis for the payments by Dunnes Stores Ireland to Carlisle Trust company?

A. Not as far as I was aware.

Q. And I think that you have informed the Tribunal that since the payments into and out of the company account were treated as contras, the only record of payment occurred in the bank statement of the company and in the company lodgement slips and cheque.

A. That is correct.

Q. In other words, they would never have appeared in the accounts of the company?

A. Wouldn't appear in the accounts of the company.

Q. I think you have informed the Tribunal that the transaction was unusual and you had never been involved in any similar transaction for Carlisle Trust Company Limited or indeed any other company associated with Carlisle Trust before or since?

A. That is correct.

Q. I think you have informed the Tribunal that you have been advised by Mr. John Byrne that he first became aware of this transaction as a result of an inquiry to Bank of Ireland Rotunda branch, made by lawyers acting for Margaret Heffernan in the action between Ben Dunne and Margaret Heffernan some years ago?

A. That is correct.

Q. And you have informed the Tribunal that you were advised by Mr. Anthony Gore Grimes that the first time he became aware of these payments was when the matter was brought to his attention in December, 1997 following a letter from Bank of Ireland to Mr. John Byrne in that month.

A. That is correct.

Q. I think you have informed the Tribunal that both Mr. Byrne and Mr. Gore Grimes have advised you that Mr. Traynor was a trusted financial adviser and director and was accustomed to give instructions in relation to the operation of the accounts of the company?

A. That is correct.

Q. And I think you have informed the Tribunal that neither Mr. Byrne nor Mr. Gore Grimes would, however, have expected Mr. Traynor to have routed money through the company for purposes unconnected with the company's business.

A. That is correct.

Q. Now, I think the company have furnished to the Tribunal the bank statements relevant to these particular payments, isn't that correct, and lodgements? The first document which is up, what does that show? I know there may be other matters which for reasons of confidentiality are not relevant to the Tribunal's Terms of Reference.

A. It is a bank statement for Carlisle Trust in November 1992 showing a giro credit on the 25th November, being a lodgement of 100,582.

Q. And what does giro credit indicate to you, that it came from

A. In my experience, the giro would mean that the lodgement was made at a different branch to that of the account.

Q. And the now, do you know who made the lodgement and where it was made whereby it was giro-ed to Rotunda branch?

A. The lodgement would have been made at Bank of Ireland Thomas Street and it would have been lodged by one of the members of staff.

Q. One of the members of your staff?

A. One of the members of our staff as part of the normal daily routine.

Q. And I take it that you must have a lodgement book because I come back to the express lodgement docket again. How did that come into being?

A. The lodgements are entered up on a lodgement book, on the express lodgement book.

Q. Which you would keep in your office?

A. Which we would keep in our office.

Q. Yes. And if I could go back to the bank statement again, that is on the 27th November, a lodgement for €79,418 into the account, isn't that correct?

A. That's correct.

Q. And what would that indicate to you?

A. That would indicate that the lodgement was made directly at the branch.

Q. At the branch. Now, if we go to the next page of the

statement. I think that shows two debits, is that

correct?

A. That's correct.

Q. One dated 1st December, for the sum of €100,000 and the second one dated 3rd December for €80,000.

A. That is correct.

Q. And can you tell us what that indicates?

A. That would indicate the cheques passing through the Carlisle Trust account on different dates.

Q. That's the Celtic Helicopter cheques?

A. The Celtic Helicopters cheque for €100,000 and the second cheque for €80,000.

Q. The cash cheque?

A. For cash.

Q. Mr. McCann, I think you are a certified public accountant, isn't that correct?

A. That is correct.

Q. And you served your articles with Oliver Freaney & Company and subsequently worked with Messrs Byrne, Surdival & Associates, is that correct?

A. That is correct.

Q. And I think, is it correct that you joined Managements and Investment Services and qualified in 1987?

A. I did.

Q. And what is Managements and Investment Services?

A. Management and Investment Services is a company that provides administration services for clients.

Q. And when you joined the company, who was the principal of the company?

A. The principal was Sam Field-Corbett.

Q. I think is it correct that you initially worked in that company as an employee and subsequently you became a director, is that correct?

A. That is correct.

Q. And I think you are still associated with Mr. Field-Corbett?

A. I am.

Q. And what were your functions within the company?

A. My functions within the company were to look after a group of clients who the company supplied the services for.

Q. Did that include Carlisle Trust?

A. That included Carlisle Trust.

Q. And what type of services did the company and does the company provide for Carlisle Trust?

A. It looks after the collection of rents, the collection and payment of service charges and items of that nature.

Q. And did it hold the cheque books for Carlisle Trust?

A. It did.

Q. And is it correct that your co-director, Mr. Sam Field-Corbett, had cheque signing authority?

A. He did.

Q. I think you were granted signing authority in April of 1995, isn't that correct?

A. That is correct.

Q. And I think is it correct that the accounting system maintained is that the nominal ledger is the prime record of accounts?

A. It is.

Q. Now, from the I think, Mr. McCann, from the time you joined the company to your present involvement, were you aware whether there was any business relationship between Mr. Sam Field-Corbett and Mr. Des Traynor?

A. I was aware of a relationship between Sam Field-Corbett and Mr. Traynor.

Q. And was the primary relationship that involving providing secretarial services?

A. Within the company Management Investment Services and Mr. Traynor, it would be providing secretarial services.

Q. And companies which Mr. Traynor may have been involved with?

A. And companies Mr. Traynor was involved with.

Q. And were you aware of any relationship between Mr. Pdraig Collery and Mr. Traynor?

A. I was.

Q. Now, Mr. Collery was employed by Guinness & Mahon, but did he provide any services in relation to any of the Carlisle Trust businesses?

A. Mr. Collery was employed by Guinness & Mahon and in association with Mr. Traynor he would have had the calculations of loan interest on loans that Carlisle Trust had.

Q. And after he left Guinness & Mahon, did he continue to provide this service or assistance to Mr. Traynor?

A. He did.

Q. I think to the best of your knowledge, Mr. Collery neither made lodgements or requested cheques to be drawn on the account of Carlisle Trust Limited, is that correct?

A. That is correct.

Q. Now I will come back to the issues raised in your statement when you were advised by Mr. Byrne about this particular transaction and asking you about it, but in 1997, first of all, did you have any discussions about anything which relates to the series of transactions you have given evidence about?

A. Discussions with who?

Q. With anyone. Did you have discussion with Field-Corbett, Mr. Collery or anyone of that nature?

A. Mr. Byrne

Q. Leave Mr. Byrne out sorry, maybe you should proceed?

A. Mr. Byrne asked about the transactions and I told him what I did to the accounts under the instructions of Mr. Traynor.

Q. And that was when?

A. That would be in November '97, early '98.

Q. Had you made any inquiries or discussions or did you have any discussions with anybody else other than Mr. Byrne at that stage about these transactions?

A. Not at that stage.

Q. Did you subsequently?

A. No subsequently.

Q. What was Mr. Byrne's concern as raised with you at that stage?

A. Mr. Byrne asked me what the transactions were and how it came to pass that they were they went through the Carlisle Trust account. I told him that I had carried out the lodgement and the drawing of the cheques under the instructions of Mr. Traynor.

Q. Did you have any difficulty in remembering the transaction when the inquiry was raised by Mr. Byrne?

A. I did not. It was an unusual transaction and for that reason I remembered the transaction.

Q. To the best of your knowledge, did Carlisle Trust Company Limited have any commercial relationship with Celtic Helicopters at that stage?

A. Not to my knowledge.

Q. And to the best of your knowledge, was there any commercial reason why Carlisle Trust should have been drawn a cheque in the sum of €80,000 cash at that stage?

A. Not to my knowledge.

Q. Thank you, Mr. McCann.

MR. CONNOLLY: I have no questions, Chairman.

CHAIRMAN: Mr. McGonigal?

MR. MCGONIGAL: No questions.

CHAIRMAN: Mr. Shipsey?

MR. SHIPSEY: No questions.

CHAIRMAN: Mr. Fullam?

MR. FULLAM: No questions.

MR. NESBITT: Mr. Chairman, there is one point I'd ask to be dealt with. It's a minor point but I'd like it to be cleared up. I think this witness suggested that he learned about how these cheques had been dealt with from Mr. John Byrne. I think the suggestion may have been that Dunnes Stores had learned about what had happened from that time. I will let the Tribunal know that that is not in fact the case. That's all I have to deal with.

MR. COUGHLAN: I am just wondering how Mr. Nesbitt thinks that suggestion was made.

MR. NESBITT: This witness' evidence suggested that he learned from Mr. Byrne following inquiries by the solicitor of Margaret Heffernan. I don't think that's technically correct. Certainly we learned nothing about it at that time.

CHAIRMAN: I am certainly not taking it to mean anything referable to your clients in any context, Mr. Nesbitt.

MR. McCARTHY: Perhaps I should clarify one matter.

THE WITNESS WAS EXAMINED AS FOLLOWS BY MR. McCARTHY:

Q. There seems to be a suggestion that in 1997 that Mr. John Byrne approached Mr. McCann in 1994, is that correct?

A. In 1994, Mr. Byrne inquired about the interest in the account.

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

Q. Sir, just in 1994, sometime in 1994, you can't be sure when, Mr. Byrne inquired about the entries on the account, is that correct?

A. That is correct.

Q. In 1997, a further query was put to you, is that correct?

A. Correct.

Q. And in relation to the inquiry, or the query raised in 1994, what did Mr. Byrne say to you?

A. I gave Mr. Byrne the information that the transactions passed through the account and he asked me where the instructions came from. I informed him they came from Mr. Traynor. And that is the extent of the query.

Q. Maybe I should clarify this. In order for to you furnish him with the information which was factually the information you did furnish him, what did he ask you and what did he say to you when he asked you?

A. He asked me what the entries were on the bank statements. I told him that I had received two cheques from Mr. Traynor. I was told that there would be a further

cheque lodged to the account. That I was to draw two cheques, one for 100,000 and one for 80,000 and pass them back to Mr. Traynor.

Q. And did you tell Mr. Byrne to whom the cheques were drawn in favour of?

A. I can't recollect if I informed him at that stage who the cheques were made payable to.

Q. Can I ask you this, you said Mr. Byrne raised the query with you. Did he have the bank statements with him or how could you give us some indication to the best of your recollection of what transpired?

A. To the best of my recollection, I informed him that I had received the cheques in 1994 I did not have knowledge at that stage of the actual make up I didn't recollect the make up of the lodgement so I was able to inform Mr. Byrne that the lodgement was made and that two cheques were drawn. It is most likely that I would have had the information available as to the make up of the two cheques.

Q. Well was this a pre-arranged meeting? Well where did it take place to begin with?

A. The meeting was taking place in Winetavern Street.

Q. In your offices in Winetavern Street?

A. Yes.

Q. And were the bank statements available?

A. We would have all the records in our office.

Q. And did Mr. Byrne come to your office as a result of making an appointment or did he just drop in?

A. I don't recollect.

Q. You can't recollect. But what would have prompted you to have the bank statements at the meeting?

A. At the meeting he would have asked for the bank statements. They would have been readily available. We have all the records.

Q. Yes. I take it they'd be in a filing cabinet?

A. In a filing cabinet.

Q. You'd have to get them out?

A. Have to get them out.

Q. And did he only raise this as a query or did he have a general discussion about the accounts or the bank statements of the company?

A. I can't recollect.

Q. Well why does this particular incident stick in your mind that you can remember telling him that you did so on the instruction of Mr. Traynor?

A. I recollect that I told him what the transactions were but I was not able to inform him of the make up of the lodgements. So what I while I could give Mr. Byrne some of the information, I was not in a position to give him all of the information.

Q. You were able to tell him that you had been instructed by Mr. Traynor to make a lodgement and then, that another lodgement would arrive; isn't that correct?

A. That is correct.

Q. And you were able to tell Mr. Byrne that you had drawn two

cheques on the instruction of Mr. Traynor; as to who they were payable to, you can't be sure, is that correct?

A. I am not sure.

Q. And that you did all of this on the instructions of Mr. Traynor?

A. That is correct.

Q. And you were unable to assist him as to the make up of the lodgement, is that correct?

A. At that stage I did not recollect the make up of the lodgement.

Q. The lodgement being the money that went into the account, is that correct?

A. That is correct.

Q. And is that what Mr. Byrne was directing his inquiries to?

A. As far as I can remember, that was the

Q. And that was sometime in 1994?

A. Sometime in '94.

Q. And was that the first time that Mr. Byrne raised a query about the make up of the lodgement?

A. In 1994.

Q. 1994. And a second query was raised in 1997, isn't that correct?

A. '97.

Q. And I think you have told the Tribunal that you were advised by Mr. John Byrne that he first became aware of this transaction as a result of an inquiry to Bank of Ireland Rotunda branch made by lawyers acting for Margaret

Heffernan in the action between Ben Dunne and Margaret

Heffernan some years ago?

A. That is correct.

Q. So can we take it that what you are informing the Tribunal

is that you had been advised about Mr. Byrne that it was in

1994 that he first became aware of something about this

transaction as a result of queries being made of Bank of

Ireland by lawyers for Margaret Heffernan in an action?

A. That is correct.

Q. Thank you, Mr. McCann.

CHAIRMAN: Thank you for your attendance.

MR. McCARTHY: I want to ask Mr. McCann in relation to

the you don't carry out any auditing of the accounts for

Carlisle Trust?

A. I do not.

Q. That's another party.

CHAIRMAN: Thank you.

THE WITNESS THEN WITHDREW.

MR. HEALY: Mr. Sam Field-Corbett.

SAM FIELD-CORBETT, ALREADY SWORN, WAS EXAMINED AS FOLLOWS

BY MR. HEALY:

CHAIRMAN: Thank you, Mr. Field-Corbett. You are already

sworn.

Q. MR. HEALY: Mr. Field-Corbett, I think you have very helpfully made a statement to the Tribunal. Do you have a copy of it in front of you?

A. I am afraid (Document handed to witness.)

Q. Mr. Field-Corbett, I think you are a director of Management Investment Services Limited, the company that Mr. McCann has just been telling us about?

A. That's correct.

Q. And were you in fact the person who set up this company?

A. I was.

Q. And you have operated it for many years?

A. Yes.

Q. Initially you operated it from premises I think in Trinity Street?

A. Trinity Street, yes.

Q. And subsequently from Winetavern Street?

A. Correct, yes.

Q. And the company has since 1978, I think as the last witness may have told us, acted as company secretary to the Carlisle Trust Limited?

A. That is correct, yes.

Q. And you are aware that during all of that time, the company has been providing administration and accountancy services for Carlisle Trust?

A. Yes, that is correct.

Q. You were not a director of Carlisle Trust, no more than Mr. McCann was, but you were an authorised signatory on the

company's bank account, isn't that right?

A. That is correct, yes.

Q. And the company have authorised you to furnish information to the Tribunal in connection with the matters that are the subject of the Tribunal's Terms of Reference, isn't that right?

A. Yes.

Q. I think that you recall that in late November of 1992, your colleague, Mr. McCann, presented you with two cheques drawn on Carlisle Trust No. 1 Account with the Bank of Ireland Rotunda?

A. That's correct.

Q. For signature?

A. Yes.

Q. The first cheque was €100,000 payable to Celtic Helicopters. Do you see it on the monitor there?

A. I do, yes.

Q. There may be a better monitor in front of you. That's your signature on the cheque?

A. It is.

Q. And if we could just quickly go to the other cheque, that is a cheque for €80,000 and again, that's your signature, is that right?

A. Yes.

Q. Is there any significance in the fact that one is one cheque is a typed cheque?

A. I wouldn't say I don't see why there is a difference

between typed

Q. Well obviously except you type the cheque are you a typist, or Mr. McCann? Somebody had to be instructed to type it.

A. Our secretary would have typed it.

Q. The cash cheque was a cheque for a very substantial sum of money, isn't that correct?

A. That's correct.

Q. I presume you weren't in the habit of writing cash cheques on Carlisle Trust accounts for œ80,000?

A. Not on any account for 80.

Q. Not on any account?

A. As far as I am aware.

Q. You were nevertheless prepared to sign the cheque?

A. Yes, Mr. McCann informed me that this was requested by Mr. Traynor, he was financial director and adviser to Carlisle and I wouldn't have questioned it.

Q. That was good enough for you?

A. Yes.

Q. His instructions were good enough for you. You didn't obviously go behind Mr. McCann. Once he told you Mr. Traynor had told you, you accepted that he had authority to write the cheque?

A. Not at all, no.

Q. Now, you would you have signed all cheques coming out of your offices for Carlisle Trust?

A. At that time, yes.

Q. And I take it that you were not aware of any business Carlisle Trust was doing with Celtic Helicopters?

A. No.

Q. You weren't aware of the purpose of that cheque and you weren't aware of the purpose of the €80,000 cheque?

A. That's quite right.

Q. Were these cheques ever drawn to your attention at any later stage?

A. Well my recollection of it is that in about the latter part of '77

Q. I am sure you mean '97.

A. '97, sorry. Mr. Collery asked me about a cheque for, a cash cheque for €80,000 and I told him that I had no recollection and when I asked Pat, Mr. McCann, he remembered the particular transaction.

Q. Just take it slowly. Mr. Collery, whom we have already heard mention of in evidence, asked you what you knew about the cheque?

A. Did I know anything about a cash cheque for 80,000.

Q. That's something that would stand out in your memory?

A. It didn't, it didn't.

Q. And you said you knew nothing about it?

A. Correct.

Q. Did he tell you why he was making that inquiry?

A. No, no. He just said did I know anything about it.

Q. Why would he ask you then about a cash cheque for 80,000 just out of the blue? Why would somebody ask you that

question and expect to you give an answer?

A. I think Mr. Collery has the answer to that. I don't know.

Q. Was Mr. Collery in the habit of asking you questions about Carlisle Trust's affairs?

A. No, no. No he didn't say Carlisle Trust cheque. He just said a cheque for 80,000.

Q. A cheque?

A. Cash like he didn't say it was Carlisle. To my recollection, no.

Q. Did you regard that as a strange query?

A. A bit odd, a bit odd.

Q. You heard Mr. McCann give his evidence a moment ago?

A. Yes.

Q. About how the matter was drawn to his attention in 1994?

A. Yes.

Q. Did he bring it to your attention in 1994?

A. No.

Q. He never raised any inquiries with you?

A. No.

Q. And nobody raised any query with you about it?

A. To the best of my knowledge, no.

Q. And you think it was in late 1987, just to recap on that 1997?

A. '97, yes.

Q. Thanks very much.

CHAIRMAN: Very good. Thank you very much for your

attendance, Mr. Field-Corbett.

THE WITNESS THEN WITHDREW.

MR. COUGHLAN: Sorry, Sir, I have run out of witnesses at this stage because the illness of the witnesses.

CHAIRMAN: Half past ten tomorrow. Thank you very much.

THE TRIBUNAL THEN ADJOURNED UNTIL THE FOLLOWING DAY, FRIDAY, 6TH FEBRUARY 1999 AT 10.30 AM.