

THE TRIBUNAL RESUMED AS FOLLOWS ON FRIDAY, 5TH FEBRUARY,

1999 AT 10:30AM:

MR. COUGHLAN: May it please you, Sir. Just to explain,
counsel were

CHAIRMAN: I am sure there is some good reason,
Mr. Coughlan.

MR. COUGHLAN: Mr. Cummins please.

JOE CUMMINS, HAVING BEEN SWORN, WAS EXAMINED AS FOLLOWS BY

MR. COUGHLAN:

CHAIRMAN: Sit down, Mr. Cummins.

MR. COUGHLAN: Mr. Cummins, thank you. I think,
Mr. Cummins, you went to work for Dunnes Stores in the
early 1980s, is that correct?

A. That's correct.

Q. I think you were seconded to Oliver Freaneys?

A. That's correct.

Q. And you had considerable accountancy skills at that stage?

A. That's correct.

Q. And you now run your own business having resigned from
Dunnes Stores in or about October of 1993, is that correct?

A. That's correct.

Q. Now, Mr. Cummins, I think you recall three cheques,
amounting in total to €180,000 drawn on the Dunnes Stores
grocery account in November of 1992?

A. I do.

Q. And I wish to put the cheques up now, if I may, if you just identify are these the cheques you remember. The first one is one for œ49,620 drawn on the No. 6 account and it's dated 20th November, 1992. (Cheque handed to witness.)

We have the originals as well. Perhaps... Is that one of the cheques you recollect?

A. When I saw them they were blank at the time, but that is a cheque drawn on the No. 6 account.

Q. And put the other two cheques up just quickly so just to that's another cheque drawn on the No. 6 account in November of 1992.

A. That's correct.

Q. And we will put the third one up. And they were that was also drawn on the No. 6 account?

A. That's correct.

Q. Now, how do you recall the cheques?

A. The cheques are extremely unusual in that

Q. Could you speak into the microphone?

A. The cheques are unusual in that they are handwritten cheques.

Q. Why is that unusual?

A. Well all the payments from that section were generated from a computerised creditors system and would have been, 99.99 percent of them would have been printed by a computer printout.

Q. We will take that so. These cheques, the originals of

which you have there, do they normally form part of a continuous stream of continuous stationery?

A. They would.

Q. And would they be in a box beside a printer to which a computer would be attached normally?

A. Normally.

Q. And I want to be clear about this now, this is the grocery account cheques, is that correct?

A. Grocery account, set up specifically to deal with payments to grocery suppliers.

Q. And they are unusual because they are handwritten in your mind?

A. They are handwritten, yes.

Q. And as far as you know, they were not generated through the system or were not accompanied by an invoice, is that correct?

A. That's correct.

Q. Now, looking at the cheques, can you say whose signature they contain?

A. It appears to me to be the signature of Mr. Bernard Dunne.

Q. And whose writing is the date?

A. It also appears to be Mr. Dunne's.

Q. And the other writing on the cheques, can you say who you believe that writing to refer to?

A. I believe it to be the writing of Michael Irwin but I can't be sure.

Q. Do you remember being asked by anybody for these cheques?

A. I believe Mr. Dunne asked me for the three cheques involved.

Q. That's three cheques, did he indicate where they were to come from or anything like that?

A. I had only one account that I dealt with.

Q. That was the grocery account?

A. Grocery account.

Q. So you were asked for three cheques from the account you dealt with, which was the grocery account?

A. That's correct.

Q. And can we take it that you must have torn these off the continuous stationery or would they have been loose in any event?

A. Well one of them appears to be slightly out of sequence, I assume that was a loose one and the others were taken from the continuous stationery.

Q. And would you have taken them to Mr. Dunne or would you have given them to somebody to give to Mr. Dunne?

A. My recollection is that I gave them to Mr. Dunne at this stage.

Q. Can you remember what your next dealing with the cheques was after you gave them to Mr. Dunne?

A. As I said, when I presented them, they were blank. My next time I saw anything to do with these cheques is when they came through on the bank statements.

Q. Yes. And I take it when they came through on the bank statements, was it part of your function to do a bank

reconciliation?

A. That's correct, there was a monthly reconciliation done on all accounts.

Q. And would that have been perhaps sometime at the end of November?

A. It would have been in or about the end of November.

Q. And of course that would have been after the cheques had passed through the bank account, is that correct?

A. That's correct.

Q. And we had evidence yesterday from Mr. O'Donoghue, the present secretary, showing us the bank statement, showing the cheques going through the account. Now, can I ask you just before we proceed, you have said that you can remember them because they were unusual in that they were handwritten on the grocery account.

A. There is two aspects to them. They are unusual there was always cheques drawn on that account would have been accompanied by invoices from suppliers, so there is two aspects to them. One that they are handwritten and two, there was no accompanying documentation.

Q. There was no accompanying documentation. Yes. And when you received the bank statement then and you needed to do a reconciliation, they had to be for a purpose, isn't that correct, or they had to be recorded as being for a purpose at least.

A. They had to be posted somewhere.

Q. And where would they be posted sorry, in the normal

course of events, there was an invoice?

A. That's correct.

Q. What would happen?

A. If there was an invoice, it would have been from, for the grocery purchase and these cheques would have been simply settling those purchases, for those purchases, so they would not have come up for any consideration beyond that.

Q. So you would have a debit and a credit?

A. A debit and a credit.

Q. Now, you now were in a position that you needed to do the reconciliation on the account and you had three cheques amounting to €180,000 and you didn't have any corresponding invoice for them, isn't that correct?

A. That's correct.

Q. And did you ask anybody as to how you should post them in the journal?

A. I asked Mr. Dunne how they were to be treated at that point.

Q. Yes. And did he say anything to you or give you any instructions about them?

A. My recollection is he told me to write them off and just make sure that they weren't found.

Q. To make sure they were not found?

A. That's correct.

Q. Now, I think the journal entries for these three cheques purported to suggest that they were posted to the accounts of Neville's Bakery and Tender Meats, is that correct?

A. That's correct.

Q. And who were Neville's and Tender Meats?

A. They were both suppliers to the grocery division in Dunnes Stores.

Q. And would they have been relatively large suppliers or would they have been a fair number of transactions going through on their account?

A. Five or six hundred transactions per account on a weekly basis.

Q. On a weekly basis?

A. They were fairly large accounts.

Q. And is that why they were posted to those particular accounts as to, as opposed to any other account?

A. That's correct.

Q. Because there were a large number of transactions and they wouldn't show up as easy, would that be fair to say?

A. That's correct.

Q. Now, because you had been instructed by Mr. Dunne to make sure that they were not found, was it you who chose the actual companies against which the cheques were posted in the journal?

A. That's my recollection.

Q. Now even though they were posted in the journal to Neville's and Tender Meats, how were they ultimately dealt with in the end because of the absence of invoices?

A. Okay. They were ultimately moved from those accounts into the discount account, the grocery discount account.

Q. Yes. Perhaps you'd explain that.

A. The transactions were sitting on the accounts of Neville's and Tender Meats as debits.

Q. Yes.

A. Clearly they didn't belong there. They had to go elsewhere because they had no relationship to those two suppliers. They had to be credited from those accounts and debited into the company discount account.

Q. Perhaps, as they stood, they were indicative that there had been supplies to a Neville's and Tender Meats, isn't that correct in the first instance?

A. That's correct.

Q. But because there would be a large amount of business being done between Dunnes Stores and Neville's and Tender Meats, at the end of the trading year or other period, there would be a reconciliation between Dunnes Stores and the suppliers and Dunnes Stores in the case of these two companies anyway would have been obtaining a discount, is that correct, over the period?

A. The discount would have been the discount wasn't specific to those two accounts

Q. I appreciate that. It would be in the general course of trading?

A. Yes.

Q. But just in these two instances, if you take them because they are specific ones we are dealing with, there would be a reconciliation at the end of a trading period between

Dunnes Stores and suppliers, is that correct?

A. That's correct, that would have happened.

Q. And that would have been a general course of business?

A. All accounts would be reconciled, our ledgers against the suppliers' ledgers.

Q. And it may be that in some instances you may owe money over and above what you thought at any particular time but that in all instances or most instances, there would be a discount given to Dunnes Stores by the suppliers, isn't that correct?

A. That's correct.

Q. And these two or sorry, these three particular cheques were then taken into the discount which would have been given to Dunnes Stores by Neville's and Tender Meats, isn't that correct?

A. Not specifically Neville's and Tender Meats, there was one discount account in the grocery division.

Q. For the whole grocery division?

A. For the whole grocery division.

Q. So Neville's or Tender Meats were never out of this particular money, isn't that correct?

A. That's correct.

Q. But Dunnes Stores would have been out of it on the accounts because it was €180,000 of a discount which wasn't showing as an asset to Dunnes Stores, isn't that correct?

A. That's correct.

Q. So the payment was a Dunnes Stores payment, isn't that

correct?

A. That's correct.

Q. Or the payments. Now can you recollect, Mr. Cummins, when these cheques or payments next came to your attention, when you may have been asked about them?

A. When I was asked by the state solicitor's office, that's the next time they have come to my attention.

Q. You mean this Tribunal?

A. This Tribunal.

Q. Mr. Davis?

A. Mr. Davis.

Q. Had you been asked about them in the course of the Price Waterhouse investigation?

A. No.

Q. Or had you been asked about them during any subsequent inquiries or investigations that may have been going on into Dunnes Stores?

A. No.

Q. When you gave these blank cheques to Mr. Dunne and you then subsequently had to do a reconciliation and you saw that they represented actual figures or sums of money, they had to leave sorry, perhaps I should ask you this; where would you have handed the cheques to Mr. Dunne?

A. I believe in his office.

Q. And were you in the same building or the same office?

A. Adjacent, not in the same building, a building adjacent to where his office was.

Q. Now, there has been evidence given by a Mr. McCann yesterday about these cheques, two of them in the first instance, being given to him by Mr. Traynor and through his firm they were lodged to an account or to a bank branch in Thomas Street and giro-ed to the Rotunda branch of the Bank of Ireland. Obviously they must have left Dunnes Stores office to get to Mr. Traynor and to Mr. McCann?

A. Obviously.

Q. Did you take them out of Dunnes Stores office?

A. No. I never saw these cheques after I gave them to Mr. Dunne.

Q. And you have no knowledge as to who physically took them out?

A. I have no knowledge.

Q. Thanks, Mr. Cummins.

MR. CONNOLLY: I have no questions.

CHAIRMAN: Any questions? Thank you very much for your attendance, Mr. Cummins.

THE WITNESS THEN WITHDREW.

MR. HEALY: Mr. Pádraig Collery.

PADRAIG COLLERY, PREVIOUSLY SWORN, WAS EXAMINED AS FOLLOWS

BY MR. HEALY:

CHAIRMAN: Thank you very much, Mr. Collery. Again, you are already sworn.

Q. MR. HEALY: Thanks, Mr. Collery. Now, Mr. Collery, you have been asked to give evidence today in connection with a cheque for €80,000 drawn on the account of Carlisle Trust Limited No. 1 Account to the Bank of Ireland Rotunda branch. Just by way of background, I am right in saying that for some many years, you were employed by Guinness & Mahon bank in Dublin, isn't that right?

A. That is correct.

Q. And I think you left that bank in what date was it?

A. In the end December, 1989.

Q. And since then I think you have been employed in the business of banking and computer software, is that right?

A. That is right.

Q. Which is your particular area of expertise, is that right?

A. That is right.

Q. Now I think you were, during your period while you were in Guinness & Mahon and subsequently associated with the late Mr. Desmond Traynor in connection with operations he was conducting on behalf of Guinness Mahon Cayman Trust and the bank that has come to be known as Ansbacher Bank, isn't that right?

A. I gave him assistance in that matter, yes.

Q. And that assistance continued both after he left Guinness & Mahon and after you left Guinness & Mahon?

A. That is right.

Q. And part of that assistance involved, would I be right in

putting it in this way, involved the keeping of what have come to be known as the memorandum accounts?

A. That is as it's referred to, yes.

Q. And I will just very briefly put to you my understanding in the simplest terms of the memorandum accounts and you will correct me if I am wrong.

A large deposit of foreign currency was kept in Guinness & Mahon by what we will call for short, Ansbacher?

A. The deposits of Ansbacher or at least some of them were held on accounts in Guinness & Mahon.

Q. Yes. Internal movements on those accounts, I beg your pardon, internal movements on that large deposit account were kept on a memorandum account, is that right?

A. In relation to sterling, the movement across that account were reflected in one side of entries across the memorandum accounts.

Q. So in Guinness & Mahon, what you had was a single, as it were, a single deposit in sterling, the memorandum accounts showed different people as having a right to constituent parts of that single deposit, is that right?

A. In relation to the 297 account or sorry, the 602 account that is an accurate statement. That is not true of all accounts.

Q. The 602 is the main large deposit account?

A. That is correct.

Q. And where entries had to be made reflecting either debits from or credits to constituent elements of that deposit

account, you would keep them by way of a note or memorandum on what has come to be known as the memorandum accounts, isn't that correct?

A. I would have received instructions and I would have passed the one sided entry in most terms across those accounts.

Q. Maybe you will just explain to me, I am not a banking person, what you mean by a one sided entry?

A. In banking and accounting, normally a transaction has a debit and credit, as the previous witness referred to, in this side. It was just a reflection of a transaction which was posed so it didn't, a debit didn't necessarily have a credit.

Q. Now in, I think, the early 1990s, in 1991 I think, am I right in that some of or all of the Ansbacher deposits in Guinness & Mahon were moved to another bank?

A. It was '91 or '92, whatever the records reflect. That is correct. It did move to another bank, yes.

Q. And they were moved from Guinness & Mahon to Irish Intercontinental Bank?

A. That is correct.

Q. Which for short we will call IIB, because that's the

A. I am comfortable with that.

Q. The way it's frequently referred to. Now, one of the differences between, in a technical sense, between Guinness & Mahon and IIB is that Guinness & Mahon had a cash facility, isn't that right?

A. That is correct.

Q. It was, although quite a small bank, part of the clearing bank process, is that right?

A. Well I believe all banks are part of the clearing process in one way or the other but Guinness & Mahon had cash facilities whereas IIB did not have cash facilities.

Q. Guinness & Mahon, although a merchant bank, was nevertheless a bank you could get cheques drawn on it and you could bring cheques into it and get cash for those cheques?

A. That's correct.

Q. IIB did not operate what I call that over-the-counter type banking cash business?

A. I believe they did not have a front office whereby you can get cash.

Q. You call it front office. That the same thing as I would regard as over-the-counter.

A. Yes.

Q. Thanks. Now, one of the features of the way in which Mr. Traynor provided services to people who dealt with him in connection with the Ansbacher accounts was that if cash were required, it would be provided initially from the, by the drawing of a cheque and cashing of a cheque in Guinness & Mahon, is that right?

A. In the days when the accounts were with Guinness & Mahon, that is correct.

Q. And when the account moved to IIB, it wasn't possible to do that because IIB didn't have, as you called it, a front

desk or, I forget

A. A front office.

Q. Front office cash facility.

A. Correct.

Q. So that if somebody who was dealing with Mr. Traynor in connection with the Ansbacher accounts wished to obtain cash from that account or if Mr. Traynor wished to arrange for cash from that account to be transmitted to somebody, how would that be done in the days when the account was moved to IIB?

A. I believe another account in fact, another account was open with Bank of Ireland, then a cheque would be requisitioned from IIB, deposited into an account of Bank of Ireland and then subsequently a cheque issued on that account for an amount of cash or a cheque would be paid away from that account.

Q. Right. So let's just take that a little more slowly now. In order to do in order to achieve what you have just described, it was necessary to set up an account in Bank of Ireland or somewhere else for that matter, but Bank of Ireland would do?

A. I believe the account in question that we are referring to was with Bank of Ireland.

Q. Well we know for instance that Mr. Traynor and perhaps you were involved in setting up a number of such accounts, but one of them was the Kentford account, is that right?

A. That's the account, yes.

Q. And that was set up in the Bank of Ireland?

A. That is correct.

Q. In Stephen's Green, is that right?

A. That is correct, yes.

Q. And the role that account played in the way Mr. Traynor conducted his business is that a cheque would be requested from IIB or a draft payable to the Bank of Ireland?

A. That is one set of transactions that I believe passed through that account.

Q. And that cheque would then be brought to the Bank of Ireland and lodged to the account of Kentford, is that right?

A. Brought to or sent to.

Q. Or sent to?

A. Indeed it would. In the normal way, a person would make a lodgement with their ordinary bank account.

Q. And it would enable Mr. Traynor to ensure that somebody could then draw cash from the Bank of Ireland?

A. Or issue a cheque.

Q. Or issue a cheque?

A. That is correct, yes.

Q. And am I right in saying that that is something that was done frequently and you would have been aware of that being done frequently?

A. I was aware of it but I did not do it myself.

Q. When you say you were aware of it, were you aware of instructions being given by Mr. Traynor to assistants of

his to carry out operations like that?

A. I was indeed, yes.

Q. Now we come to this Kentford Securities account that we mentioned a moment ago. Were you involved in any way as a security as a signatory of that account?

A. I was indeed, yes.

Q. So therefore, you had the authority to sign a cheque instructing the bank to draw funds or to allow funds to be drawn from that account?

A. If it were required, yes, I had authority, yes.

Q. Now, I want to look at I want to talk to you about a cheque in the sum of €80,000 payable to cash drawn on the Carlisle Trust account which was lodged to the Kentford Securities Limited account in the Bank of Ireland and if we can just have the cheque for a moment. I think that cheque has been drawn to your attention before, is that right?

A. That is correct.

Q. Now, I'd just like to look at the lodgement slip whereby that cheque was lodged to the Kentford account and do you see the lodgement slip?

A. I do indeed.

Q. The account is described as a current account and that obviously is consistent with the purpose for which the account was set up that we described a moment ago, isn't that right?

A. That is correct.

Q. The address of the account is Kentford Securities Limited,
No. 2 account, 42 Fitzwilliam Square, Dublin 2.

A. Correct.

Q. And what was that address?

A. That was the address at which Cement Roadstone, an address
which Mr. Traynor had an office at.

Q. He was, I think at the time, in 1992, was he chairman of
the Cement Roadstone?

A. He was indeed.

Q. And his office as chairman was at that address?

A. It was.

Q. And it was from that address that instructions would come
to you or to your knowledge to other people to carry out
operations on the Kentford or other accounts?

A. I believe it was.

Q. Were you ever at that address yourself?

A. I was indeed, yes.

Q. How often would you go there or did you go there?

A. As I state in previous evidence to you and other tribunals,
it was normally a Saturday morning.

Q. And your purpose in going there would be to carry out some
of the administrative functions that we described a moment
ago?

A. That is correct.

Q. Now the lodgement slip is dated the 1st December of 1992,
is that right? Can you see that?

A. I can't see it, but if that's what you say it is...

Q. Do you see after the address of Mr.

A. Yes, I do see, yes of course.

Q. You see the date there?

A. I do, yeah. I am not familiar with that voucher, so...

Q. Now I want to look at the, perhaps on the overhead monitor

we can have a copy of the relevant part of the Kentford

statement. I am just going to give you some documents,

Mr. Collery, because I can't be sure that the overhead

projector will show copies as satisfactorily as you need in

order to be able to refer to them in evidence. (Documents

handed to witness.) And there is a copy of your

memorandum of evidence to assist you as well just in case

you don't have a copy. Now the last document we discussed

a moment ago was the lodgement slip itself.

A. Correct.

Q. What you now have in your hand is a relatively poor

photocopy of a microfiche of the account for the relevant

period. And it shows a lodgement it's I think the

second entry of £80,000. Do you see that, credit of

£80,000?

A. Yes, I do see a credit of £80,000.

Q. Prior to that, there was rather a low balance in the

account and now the account has been increased

substantially from £2,625 odd pence to £82,625.

A. Correct.

Q. And then you will see that after that credit, we may come

back to this later on, there are quite a number of debits

over the following days?

A. That is correct.

Q. And in fact those debits bring that credit balance down at the bottom of the page to €10,000, do you see that €10,000-odd, can you see that on your copy?

A. Yes I do indeed, yes.

Q. I think on the next page you can see that that balance by the 17th December has in fact come down to €10,000 down to €791, can you see that on the monitor?

A. On the monitor, yes I do.

Q. So that that €80,000 credit was reduced fairly rapidly, isn't that right?

A. Between the 1st and the 17th December, that is correct.

Q. We will come back to that in a moment.

A. Okay.

Q. Now I now want to ask to you look at an Ansbacher account, an Ansbacher statement. If you don't have a copy, I will arrange to let you look at copy

A. The monitor is fine.

Q. You are looking is that page 42 or page 43?

A. It looks like 43 to me.

Q. Now, you will see that on the 10th December of 1992, there is a lodgement of €80,000 Irish, isn't that right?

A. Well, there was a lodgement or account terms of 84,800 representing IR €80,000.

Q. You have corrected me. That the amount what you have is this is a sterling account. So of course the

currency of the account is 84,800 and the balance is increased by 84,800, by reason of an œ80,000 Irish lodgement or converted to sterling, is that right?

A. That is correct.

Q. Can you explain how that or what that entry reflects?

A. As we discussed and in our analysis in private session, it would appear what did happen and if you refer back, perhaps to assist people to understand, refer it the monitor of the Kentford account. If that could be put on the screen.

Q. We will get that for you just now. Right, you have that on the monitor?

A. What would appear to have happened is that that 80,000 was lodged in Kentford Securities account and as you referred to earlier, withdrawals were made which reduce that amount down eventually to a small amount. So we can see drawings of 5,000, 3,000, 25,000, 6,000. So we have to there is an assumption made that those withdrawals represented payments to persons who had accounts in the Ansbacher account.

Q. Yes.

A. Now, in on the opposite side, i.e., in the accounts of Ansbacher

Q. Well, we will just get that.

A. The accounts of Ansbacher or those clients in Ansbacher would have been debited with the sterling equivalent of those Irish pounds amounts to which we referred to earlier and while we don't see a statement there, we believe that

they were collected to the sum of 84,800 and in that account was in due course cleared by debiting the 84,800 and crediting the account of S8 with 84,800.

Q. If we can just have the statement of account moved to the left so that the identification of the account as S8 can be seen. It's on the top right-hand corner?

A. That is correct.

Q. So that the €84,800 credit in sterling is made to an account under the coded name of S8 and what do you know that code to, or who do you know that code to refer to?

A. As I stated in previous evidence, I made payments to Business Enterprise Limited which in due course were used for the benefit of Mr. Haughey.

Q. You made payments from that account to Business Enterprises. Are you referring to Mr. Jack Stakelum?

A. I am indeed.

Q. And was he operating a bill paying service for Mr. Haughey?

A. That is the evidence I understand to be the case.

Q. And it was from that account, the S8 account, that you made those payments?

A. Yes.

Q. And for that reason, you identified the S8 account with Mr. Haughey?

A. From previous evidence, that is correct.

Q. I just want to refer you for a moment, Mr. Collery, to another Ansbacher statement of account. This is the A/A20-X account. Do you see that on the monitor?

A. I do indeed, yes.

Q. And do you see that the 84,800 debit that you mentioned a moment ago is picked up on this account?

A. That is correct.

Q. And is that what you meant when you said a moment ago that the 84,800 is collected and then ultimately finds a home in the S8 account?

A. That is what that would seem to indicate, yes.

Q. And who would have been responsible for actually making these entries?

A. I would have passed the physical entries on the instructions of the late Mr. Traynor.

Q. So that what you had here was a lodgement to the Kentford account of œ80,000 Irish currency reflected in this credit on an Ansbacher memorandum account of œ84,800 sterling, is that right?

A. From the evidence that we have in front of us, that's what appears to have happened here. There was a switch done by drawings on one account and then a collection and a credit to this account and by the fact that the annotation is 80,000 Irish, then we were tying it back to the Kentford account.

Q. And would it be your experience that that is a type of operation or a procedure that was followed not infrequently in the operation of these accounts?

A. I wouldn't say it was a frequent thing that happened, but it happened, I do know it happened on a number of

occasions.

Q. Is that the type of operation you were involved in when you were working for Mr. Traynor? Is that the type of thing you'd be instructed to do?

A. I received instructions and from what we see there, that's what we are referring to here.

Q. Thanks very much, Mr. Collery.

MR. CONNOLLY: Some questions, Mr. Chairman.

THE WITNESS WAS EXAMINED AS FOLLOWS BY MR. CONNOLLY:

Q. Mr. Collery, I want to ask you some questions on behalf of the Revenue Commissioners. I understand at a later stage we'll be, the Tribunal will be examining how you operated these sort of exercises in record-keeping. What I want to focus on is not so much the method at this stage which is obviously going to be visited later. I want to look at what documents were kept by you in relation to this specific transaction and where they were kept. So if we can if I can just ask you some general questions as to how you managed to keep track of affairs of one individual client within the Ansbacher account.

Did you keep separate books yourself which were separate from the bank during your time there, 1974 to '89?

A. There were a separate memorandum set of accounts held separately in 42 Fitzwilliam Square at that particular time and as I previously gave evidence, that in turn was moved

when Mr. Traynor died.

Q. 42 Fitzwilliam Square is not the bank address?

A. No, but it was the address at which Mr. Traynor had his offices, I referred earlier.

Q. And that was kept by you, was it?

A. That was maintained by me, yes.

Q. On paper or an electronic order or both?

A. At that particular time, it was an electronic record.

Q. And that was there was was that kept on hardware that was used exclusively for this purpose or was it hardware that was shared with other transactions?

A. It was exclusively for this purpose.

Q. And in order to identify we say this transaction as being referable to a particular person, you alone do, I understand, had access to the appropriate codes or did other persons have that knowledge?

A. Mr. Traynor, during his lifetime, also had access to those, yes.

Q. And was that the exclusive location of this hardware and software containing this information up to 1989?

A. Up until 1984 sorry, up until 1994 when Mr. Traynor died.

Q. You left the bank, was it 1989?

A. That is right.

Q. So although you had severed your connections with the bank, you continued to record electronically details of the internal workings of this account, so as to be able to

identify which customer a particular transaction referred to, am I right in that?

A. In that context, you are correct.

Q. So that this service was being provided by you at the direction of Mr. Traynor up and until he died in 1994 or did it continue after that?

A. As previously given in previous evidence, it did continue after that.

Q. Up and until when?

A. I think it was '95. As I said in previous evidence, Mr. Furze asked me to provide that service for him until such time he was in a position to take it over.

Q. Well the records that were kept as to the internal memoranda the internal transactions on these accounts, they were entirely kept electronically at that same address up to '95, is that correct?

A. Up to '94.

Q. Up till '94. And '94 to '95, where were they kept?

A. '94, '95, '96, I haven't the correct details. I'd have to go back and check. They were in Inns Court at Mr. Sam Field-Corbett's office.

Q. Up till '94, did it continue after you left the bank in 1989 and up to '94, was it still the situation it was you and Mr. Traynor were the persons exclusively having access to this coded and confidential information?

A. That is correct, yes.

Q. And after Mr. Traynor's death, did that mean that it was

you alone had access to this information or was it shared with anyone else?

A. No, myself alone.

Q. And was any of this recording of the internal operations of these transactions kept on paper or was it entirely kept as an electronic record?

A. As I stated previously, the instruction to pass the entry during the late Mr. Traynor's lifetime would have been on paper format, i.e., the instruction would be given and, as I stated previously, I would have been said please debit, let's use S8 account, with the sterling equivalent which of course I would have done, so at that time, yes, yes, there was, if you call that paper records, that was a paper record.

Q. Well these sort of paper communications between Mr. Traynor and yourself which amounted to a note perhaps of numbers and dates and amounts of money, they weren't kept by you, they were supposedly discarded like any other work jottings?

A. Once the payments were reflected in the accounts, then it was discarded.

Q. I was concerned with records of some sort of a permanent nature. Am I to understand then that access into these electronic records would have required familiarity with the codes which applied to this information? I take it it wasn't readily accessible by anyone simply having access to a computer at an office in a given at this moment?

A. As I previously stated, you had to have a password to access. But once you had that password, like any database, it's easily to pass the codes.

Q. As you say it was only known to you and Mr. Traynor?

A. That is correct.

Q. And between 1989 and 1994, were you employed in the consultancy basis by Mr. Traynor or some company? In what role were you keeping these records?

A. We'd a long relationships since 1974 when I joined Guinness & Mahon. It wasn't I wouldn't class it as consultancy, you know, I was friends with him and I did that.

Q. Well the keeping of records, was that a service you were providing him for a fee?

A. It was a service I was providing to him. Let's say it was a very small amount.

Q. I want to understand the relationship

MR. HEALY: If I could just for one moment, I hesitate to stop anyone cross-examining but this witness has said nothing to criticize the Revenue and I am just concerned that Mr. Collery hasn't come here aware of any queries arising in relation to his personal situation, or his own personal dealings and he should be on notice of anything like that and if Mr. Connolly is going to draw up something like that, I think in fairness to Mr. Collery, he should have advance notice of it so that he can deal with it himself.

CHAIRMAN: That would seem to be correct, Mr. Connolly.

MR. CONNOLLY: I think that's right. I was simply concerned to understand who had control of the documents at a given time, whether it was Mr. Collery having them on behalf of Mr. Traynor or whether he had them in his own custody and it was within that context I was trying to establish what the relationship was between them and I wasn't concerned with so much with the nature of the employment as so much as who was in control of the records and that was the context in which I raised the question.

CHAIRMAN: I think if you are not proposing to stray into matters of remuneration which I think would be

MR. CONNOLLY: No. The question was a question of control and authority and in that context, I'd like to just pursue the question.

Q. Do you understand the distinction I am making? I am not concerned with the remuneration so much as what was the relationship in terms of authority and control of the records.

A. Well as I said in previous statements, that I have always seen those documents as documents relating to either Ansbacher or indeed subsequently to Hamilton Ross, they were never my documents. I was always holding them from '94 onwards at the behest of Mr. Furze and prior to that, Mr. Furze and Mr. Traynor. So it was on behalf of those companies that those documents were being held and indeed

they were their documents.

Q. That's what the hardware and the software was owned by Guinness & Mahon up to '89 and the hardware and software would have been owned by Mr. Traynor or one of his companies from '89 up till '94 and then presumably by Mr. Field-Corbett after that, is that correct

A. As I previously stated, the records of the memorandum accounts were indeed held on the computer system of Guinness & Mahon up until 19 probably 87 or '88. At that time. Then this independent system was brought into being and that was the ownership of Ansbacher Cayman I believe. Because that's where the fees came for payment of licence to operate the software.

Q. Right. That continued to be the situation effectively, was it?

A. Until it ceased, that is correct.

Q. And during your time in Guinness & Mahon, up till 1989, the recording of the the electronic recording of the operation of the internal workings of these transactions, if you like, was that under the control of the bank or was that something that was under your specific control and Mr. Traynor's?

A. It was under our specific control.

Q. So that we come to the point in the event that the Revenue were examining bank records in the period up to, we'll say, '74 to '89 while you were there, this electronic recording of the internal workings of the account would not properly

have been accessible to the Revenue on such an inspection because it was not, as far as you were concerned, part of the bank documents?

A. That is correct. And they would not be accessible to people in the bank as I previously stated either.

Q. Thanks, Mr. Collery.

CHAIRMAN: It's not unreasonable that you go at the end, Mr. Murphy. I will just check that nobody else has any matters to raise.

MR. McGONIGAL: There were a couple of matters, Mr. Collery.

THE WITNESS WAS EXAMINED AS FOLLOWS BY MR. McGONIGAL:

Q. I just want to try and understand your evidence in relation to this matter and I'd like to try and look at the actual facts that we know. Perhaps you can help me with them and translate them as far as possible into banking terms.

But you effectively we start with three cheques written by Ben Dunne, drawn on one of his accounts?

A. That's the evidence we heard this morning, yes.

Q. And those three cheques go to the account of Carlisle company?

A. That's what I believe happened, yes.

Q. Out of Carlisle company comes two cheques, one for €100,000 which goes to another account and one for €80,000 which goes to Kentford Securities?

A. That is correct.

Q. The lodgements into Carlisle Trust and the payment out of the two cheques, one to the other company and one to Kentford Securities, those would have been done on the instructions of Mr. Traynor?

A. I believe evidence was given yesterday to that effect.

Q. They would not have been done on your instructions nor would you have known that they say those instructions were being given?

A. That's absolutely correct.

Q. So that the only person who knew when he received the cheques what was to happen to them was Mr. Traynor?

A. That is correct.

Q. Now factually, when you look at Kentford Securities, you see a lodgement of £80,000?

A. I do indeed, yes.

Q. And that was on the 1st December of '92, approximately?

A. That is correct.

Q. By the 17th December, that £80,000 had been taken in various amounts?

A. That is as shown by the statement, yes.

Q. The persons who took out those various amounts were persons who had the authority of Mr. Traynor to take out those amounts?

A. Or Mr. Traynor himself.

Q. Or Mr. Traynor himself. So that if we stop there for a moment, am I wrong in thinking that the reality is that Ben

Dunne's money as such was taken out of the Kentford

Securities account?

A. The 80,000 was taken out of the Kentford Securities account. The legality of whether it's Ben Dunne's or whose money it is or is it Kentford's monies, I'd have to leave it to your good selves. I cannot give an opinion on that, Sir.

Q. But what you can agree with me on is this, is that the œ80,000 that was put into Carlisle Trust, that was put into Kentford Securities, did not go directly to Ansbacher Caymen Limited?

A. That is correct.

Q. So therefore can we not say that the œ80,000 which was taken from Dunnes grocery account was taken out of Kentford Securities by either Mr. Traynor personally or other persons for whom he acted and used by them?

A. That 80,000 was indeed used by the distributions made as you have described.

Q. If we go then to Ansbacher Cayman, and you go to the S8, you see a lodgement of œ84,000 sterling?

A. Correct.

Q. And as I understand it, that lodgement came from other accounts which may have been in Ansbacher Caymen Limited belonging to other people?

A. That's what we believe happened.

Q. That's what you believe happened. So you do not know it as a fact?

A. Well the statement we have doesn't go back far enough unfortunately but that is the method we believe where the switch was done.

Q. But the point is this, Mr. Collery, you don't know as a fact where the 84,000 came from?

A. We don't have evidence unfortunately but I believe that that's what happened.

Q. But if that is what happened, what you are saying is this, I think, that there are a number of accounts in Ansbacher Caymen Limited over which Mr. Traynor had complete control and he took money from those accounts to an amount of €84,000 and put it into an account named S8?

A. There would have been an intervening as it was an intervening account there. What I believe happened was, if we take one example, the 25,000 that was there, if that was drawn for Mr. X who had an account in Ansbacher, what we believe happened there was that was drawn from Kentford and the sterling equivalent would have been drawn to Mr. X's Cayman account and not an exchange deal done to convert it back into Irish pounds.

Q. But am I wrong in thinking that that is an assumption by you?

A. It's a belief that I have in the method when this occasionally, when this happened, that that is what happened here.

Q. But I know it's a belief, Mr. Collery. But isn't the position this; that the only person that can actually tell

us what happened was Mr. Traynor?

A. In any of these incidents, that is correct, yes.

Q. He had complete authority and control of the Ansbacher Cayman accounts?

A. Well so did Mr. Furze and I believe obviously

Q. But so far as Mr. Traynor is concerned, concentrate on him, isn't that right?

A. That is correct.

Q. So that if Mr. Dunne gave money to somebody, Mr. Traynor, and wasn't giving it to Mr. Traynor, for example, for Mr. Haughey's use, Mr. Traynor could put that €80,000 into accounts operated by him for the benefit of the account holders for whom he acted, isn't that right?

A. May I ask you to repeat that because it's...

Q. Mr. Traynor could take the €80,000 and put it into accounts operated by him for persons for whom he acted.

A. Are we inferring that he put it into Kentford Securities and distributed to other individuals?

Q. Yes.

A. That could be a possibility, yes.

Q. And it could be a possibility then, I take it, that not Mr. Dunne contributed to the €84,000, but others?

A. That could be another interpretation, but... of the facts.

Q. Of the facts and that's what we are concerned with, Mr. Collery, the facts. And the facts as they are shown at the moment are simply that €80,000 goes into Kentford Securities, that it was withdrawn by Mr. Traynor personally

or by others for whom he acted and to whom he gave that authority to withdraw it?

A. That's as it appears, yes.

Q. You are assuming, I think, that each of those persons had an account in the Cayman Islands?

A. I am assuming that, yes.

Q. You are assuming that the money which may have been withdrawn by Mr. Traynor personally was being withdrawn personally by him against an account in the Cayman Islands?

A. I believe that an account would have been debited in the Cayman Islands for those equivalent amounts, yes.

Q. You believe it but factually, Mr. Traynor may have been withdrawing money for his own use, for example?

A. Well as you stated previously, I can't say that

Q. Precisely. I want you to stick to only what you can say.

A. What we have to look at are the facts here. He operated the account. But what I can also believe is what I believe what I can say is what I believe happened.

Q. But what is concerning me here

MR. HEALY: Let him finish.

CHAIRMAN: Well yes, if you want to qualify or finish your answer, do so, Mr. Collery.

A. Sorry, Sir, I believe that is what happened in this particular case.

Q. MR. MCGONIGAL: You see, the reality is there are other

entries of the Kentford account, Securities account.

A. Yes indeed, and for example the 10,000 that is there, there would seem to be a straight in and out which contraed each other out. Now where that lodgement came from, I don't know, but we seem to see that the lodgement was there and then contraed by the subsequent cheque being issued, cheque no. 44.

Q. But what we are getting at, Mr. Collery, is that there was a lot of movement on this account?

A. It was a fairly active account, yes.

Q. And Mr. Traynor clearly was acting for a large number of people?

A. I can't say that there was a large number of people but he was acting for a number of people.

Q. And in acting for those people, he was taking, am I right in understanding, that he was taking money from them and using it in accounts operated by him?

A. I am not quite sure when you make the reference taking money from them.

Q. For example, I could have given him money and he'd have taken that money and perhaps put it into Kentford Securities?

A. For what purpose, Sir?

Q. I have no idea what purpose was Kentford Securities used for.

A. I have to understand the context in which you are making the statement that you have just made.

Q. If I gave Mr. Traynor a cheque, Mr. Traynor could put that cheque into Kentford Securities.

A. As one would normally do, you'd make a lodgement to an account, yes.

Q. As he did with the Carlisle Trust cheque?

A. That is correct.

Q. And that cheque then or that money which had been lodged to that account, even though it was my cheque, could be used by other persons for whom Mr. Traynor acted by them taking that money out again?

A. Well as I say, as I understood, in certain circumstances, you could be used in that way or normally what happened was there was a foreign exchange deal done which would convert sterling into that account, as was referred to earlier in this conversation, by a lodgement say being made by IIB lodged into Kentford and then subsequently being drawn out. In the case of this, what I believe happened, that deal did not happen and that there was a switch made by the 80,000 being used to fund these withdrawals and the equivalent of those withdrawals then were collected in sterling.

Q. Can I approach this in a slightly different way, Mr. Collery.

A. Yes, Sir.

Q. We know that the 80,000 which went into Kentford Securities was withdrawn from Kentford Securities by the 17th.

A. That's as this statement appears to show.

Q. Do you know the persons who got the benefit of that £80,000 from Kentford?

A. I do not.

Q. Can you say that the persons who got the benefit of that £80,000 had accounts in the Cayman Islands?

A. From the records that's in front of us, no, I do not.

Q. So if I, Mr. Collery, didn't have an account in the Cayman Islands but did withdraw from or get the benefit of the 25,000, the withdrawal of, for example, 25,000 from Kentford Securities, how would the balance be made up in the Cayman Islands?

A. In that case you would have got a loan from Mr. Traynor personally, you would owe it back to him.

Q. So that your assumption that the 84,800 lodged to S8 is the same as the 80,000 in Kentford is an assumption only?

A. Well the transaction does say IR 80,000 and it is by that which we were relating the two payments.

Q. But it's merely an assumption. It's not the same 80,000?

A. Well it's the statement of fact that it is 80,000 both in Kentford and then there is an annotation on that transaction says 80,000.

Q. Well the 80,000 came into the Ansbacher account on the 10th December, isn't that right?

A. Correct.

Q. What was the state of the Kentford account as of that date?

A. It's pretty vague on the statement but it was 80,000, £82,000 pounds in credit and between, as I say the 1st

December and the 17th December, it was reduced down. The exact dates I am unable to read unless from your copy you can.

Q. You see, I think if you look at the 9th December, Mr. Collery, the 9th December, there was a debit of 25,000 which appears to have left the Kentford Securities at 52,000?

A. If that is the 9th and that withdrawal of the 25,000 did indeed leave a balance of 52,600 in the account, yes.

Q. So there was €80,000 then appearing, Irish, appearing on the 10/12.

A. In the Ansbacher? Correct.

Q. Well that clearly doesn't come from the Kentford Securities account.

A. By what in what manner do you...

Q. Well where did it come from? Let me put it that way, what accounts did that €80,000 come from?

A. We don't have evidence as to the exact accounts they came from. It was collected in an A/A26 account we believe and then debited from there.

Q. But whose accounts were they collected from?

A. As previously stated, I don't know, because I don't have the statements of the accounts for that period.

Q. Well, was Ben Dunne's one of the accounts?

A. Not to my knowledge.

Q. Thank you, Mr. Collery.

MR. FULLAM: Mr. Chairman, I have just one question.

THE WITNESS WAS EXAMINED AS FOLLOWS BY MR. FULLAM:

Q. Mr. Collery, I appear for Mr. Field-Corbett. I think Mr. Connolly put a question to you as to the ownership of the hardware and the software after 1994. Now I think he said to you that after that period it was owned by Mr. Field-Corbett. I think you may have clarified that, but is it not the case that Mr. Field-Corbett had no proprietary interest in the software or hardware at any stage?

A. No, I didn't say that. I said the ownership of Ansbacher because it was they who paid the licence fees for the licence. I said, I think the evidence will show that I said I had the equipment at the offices of Mr. Sam Field-Corbett.

Q. But he didn't own it?

A. Absolutely not.

Q. Thank you.

CHAIRMAN: Mr. Murphy?

MR. MURRAY: Chairman, just two short clarifications.

THE WITNESS WAS EXAMINED AS FOLLOWS BY MR. MURRAY:

Q. First of all, Mr. Collery, you had talked about the memorandum accounts and the code to the computer was held by you and by Mr. Traynor until his death. Can you perhaps just clarify in terms of Ansbacher accounts, what

detail there was in the Ansbacher accounts in Cayman?

A. They were memorandum accounts in the early days which referred to the balance that Ansbacher had with Irish Intercontinental Bank.

Q. And in terms of the designation of the S8 account, what was the position in the Cayman Islands in regard to that information?

A. I am sorry, I am not familiar with the information that's in Cayman because I don't know what their records show but on a monthly basis, copies of those statements with their, showing the transactions thereon would have been sent to Ansbacher and Hamilton Ross as the case was.

Q. And what you were doing was taking a reflection of what was in the Cayman and having it here in Dublin?

A. Well as I said previously, those memorandum accounts merely reflected transactions that moved across the main accounts in the bank and then I have to presume that when those statements went to Cayman, that they were reflected in the accounts of Cayman bank.

Q. I see. The second point relates simply to the assumption that Mr. McGonigal referred to. I think in answer to a question put by counsel for the Tribunal, you were simply making an assumption that the amount of 80,000 and 84,800, that it was reasonable to assume that these were the same. You are not saying anything further than that?

A. That is correct. I believe it's reasonable to connect the two of them.

Q. Thank you, Mr. Collery.

CHAIRMAN: You might, Mr. Healy, I think after Mr. Collery has dealt with some detail with Kentford, he then mentioned Hamilton Ross. It might be desirable since that body hasn't been mentioned for sometime that Mr. Collery be asked to set it in context.

MR. HEALY: Yes.

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

Q. Perhaps you might do that first, Mr. Collery. The Sole Member has asked you just to clarify the reference to Hamilton Ross. I think that must have been in the context of references to IIB, is that right?

A. That is correct. As stated in previous evidence

Q. You are referring to

A. To another Tribunal, the accounts of Ansbacher, some of those accounts or some of those balances were transferred to a company which is owned by John Furze in the name of Hamilton Ross and it also had a similar arrangement to the arrangement to which we were referring to earlier here.

Q. So that where transactions were or operations were carried out here on the memorandum accounts, the details were sent to the Cayman Islands and they were reflected in documents held by Hamilton Ross in the same way as other instructions or transactions occurring here were reflected in documents held by Ansbacher?

A. I would have expected that to have happened.

Q. Now, just one last thing, just to be clear about the evidence that you are giving. You are of course being asked to comment on documents and on entries contained in banking documents. Entries that you would have made yourself, isn't that right?

A. That is correct.

Q. And you are being asked to comment on, based not only on your particular expertise, but on your experience of dealing with those documents and the type of operations that were carried out on them, isn't that right?

A. That is correct.

Q. Now, those entries were made, did I understand you to say that you'd go to 42 Fitzwilliam Square to carry out those entries, but could you indicate how often you'd go there?

A. As I said to the previous tribunal, approximately once on a Saturday morning.

Q. Once a week?

A. Once a week, yeah.

Q. So that transactions might, as it were, pile up that you'd have to attend to on a Saturday morning?

A. They certainly did.

Q. Right. Now, just one last thing. I think in answering a question of Mr. McGonigal's, you drew attention to the fact that the 84,800 credit to the account of S8 is recorded in the statement of account by reference to what's described as 80,000 IR, Irish, isn't that right?

A. That is correct.

Q. Now, that's a legend that doesn't refer to a lodgement of 80,000 Irish. The legend refers to the Irish money, isn't that right?

A. That's as we believe it is, yes.

Q. That legend or was that legend of any particular assistance to you in reaching the conclusion you have reached?

A. Well because they happened around the same date, and entries that we see there, I believe it's reasonable to expect that they both relate to each other.

Q. And would I be right in assuming that in the absence of any lodgement of €84,800 sterling to IIB on or around that date, there would be no other explanation for the 84,800 credit to S8 in your experience?

A. In my experience what you would expect otherwise to have seen is that there would have been a foreign exchange deal to do that, yes.

Q. Thank you very much.

CHAIRMAN: Thank you for your attendance

MR. HEALY: Sorry, I beg your pardon, Sir, there is one other matter quite unrelated to the line of inquiry I have just been pursuing to Mr. Collery and if I could just take it up. It's a related matter but not dealing with this particular area. Mr. Collery, you weren't here yesterday I think, am I right in that?

A. That's correct.

Q. Well in the course of evidence given by Mr. Sam Field-Corbett yesterday, Mr. Corbett mentioned that in 1997, you raised an inquiry with him concerning a cash cheque for €80,000.

A. That is correct. It would have been late '87, early 1998

Q. You mean '97/'98?

A. '97/'98, as the now Tribunal was now in session at that time and I was endeavouring to ascertain details of all transactions that went across the S8 account.

Q. Right. And it was in relation to that €80,000 that you raised the matter with Mr. Field-Corbett?

A. Well, it transpired to be eventually that 80,000. At the time I was not aware that it was relating to that.

Q. So what your query related to was the €80,000 you saw in the memorandum accounts?

A. That's correct.

Q. And your inquiry wasn't in relation to, at that stage, Carlisle at all?

A. Not at all, no.

Q. And it wasn't as a result of any inquiry to you that you were prompted to make that inquiry of Mr. Sam Field-Corbett?

A. Not at all. No. It was in order, as I say, to help the Tribunal which I knew eventually would be asking questions about all transactions across that account and I was endeavouring to prepare myself to have the information

available for you.

Q. Thank you very much.

A. Thank you, Mr. Chairman.

THE WITNESS THEN WITHDREW.

MR. COUGHLAN: Mr. John Byrne.

JOHN BYRNE, HAVING BEEN SWORN, WAS EXAMINED AS FOLLOWS BY

MR. COUGHLAN:

CHAIRMAN: Thank you, Mr. Byrne, if you'd like to sit down please.

Q. MR. COUGHLAN: Mr. Byrne, I think you furnished a statement to the Tribunal and in the first instance, you instructed your solicitors to write to the Tribunal and I am going to hand you a copy of that letter and your statement to assist you while you are in the witness box.

(Document handed to witness.)

I think perhaps we'd commence with the letter dated 20th January, 1998, sent from your solicitors, Messrs Gore & Grimes, to the solicitor for the Tribunal, Mr. Davis. And it reads "Dear Sir, we act for Carlisle Trust Limited of 8 Inns Quay, Dublin 2. We write further to our discussion which took place between our client's counsel, Mr. Bill Shipsey, SC, and the Tribunal's counsel, Mr. John Coughlan, SC.

"During the conduct of an investigation by an authorised

officer appointed by the Minister for Enterprise Trade and Employment into the affairs of Celtic Helicopters Limited, our client was advised by their bankers, Messrs Bank of Ireland, that three cheques to the value €180,000 drawn on grocery account of Dunnes Stores Ireland company and signed by Mr. Ben Dunne were deposited to our client's bank account in November, 1992.

"Our clients have ascertained that these cheques were deposited to our client's bank account on the instructions of a former director, the late Mr. Desmond Traynor.

"They have also ascertained that a further instruction was given by Mr. Traynor to draw two cheques on our client's bank account and to forward both cheques to him. The first cheque was for €100,000 and was made payable to Celtic Helicopters Limited. The second was for €80,000 payable to cash.

"We enclose with this letter copies of the three cheques which were deposited to our client's bank account. We have requested Bank of Ireland to furnish us with copies of two cheques drawn on Carlisle Trust Limited and we will furnish copies of these to you as soon as they come to hand.

"Our client considers these transactions may fall within the Terms of Reference of the Tribunal and should therefore be brought to your attention. If there is any further

assistance that the Tribunal requires from our client in this connection, please let us know. Yours faithfully,
Gore & Grimes."

I think your solicitors were instructed by to you send that letter to the Tribunal, is that correct?

A. That is correct.

Q. I think in due course you made a statement to the Tribunal and I'd like to, in the first instance, take you through your statement and then I may have a few questions to ask you, if that is alright with you.

And I think in your statement you informed the Tribunal of who you are, that you are Mr. John Byrne of Simmonscourt Lodge, Simmonscourt Avenue, Ballsbridge, Dublin 4 and you are a director of Carlisle Trust Limited and you call that "The Company". And you be authorised by the company to make this statement in a response to a request from the Tribunal to your solicitors, or to the solicitors for the company?

A. That is correct.

Q. And I think you have informed the Tribunal that sometime in late 1994 or early 1995 you were contacted by Mr. Brendan Vaughan of Bank of Ireland Rotunda branch and he advised you that he had received a request from solicitors acting for Margaret Heffernan in a High Court action between Margaret Heffernan and Ben Dunne?

A. That is correct.

Q. The solicitors were looking for discovery of cheques relating to Dunnes Stores and it had come to light that three cheques from Dunnes Stores had been lodged to the account of, your company, at Bank of Ireland Rotunda branch in 1992, is that correct?

A. That is correct.

Q. I think at that stage you were amazed at this and made immediate inquiries from Patrick McCann of Management Investment Services Limited, which company provided administration and accounting services to Carlisle Trust, is that correct?

A. That is correct.

Q. I think you were advised by Mr. McCann that a sum totalling €180,000 had been received from Dunnes Stores Ireland and paid out immediately on the instructions of the late Mr. Desmond Traynor who was the company's financial adviser and a director.

A. That is correct.

Q. I think Mr. McCann also advised you that Mr. Traynor said that these were simply contra payments and had no effect on Carlisle Trust's accounts?

A. That is correct.

Q. Mr. McCann did not know why these payments had been put through and Mr. Traynor was, at the time, you believe, that this inquiry was made, deceased, is that correct?

A. That is correct.

Q. I think you have informed the Tribunal that you never

thought about these transactions again until such time as they were once again drawn to your attention in 1997 when you received a letter from Bank of Ireland in relation to the cheques following inquiries made by the authorised officer inquiring into the affairs of Celtic Helicopters Limited.

A. That is correct.

Q. I think you have informed the Tribunal that you decided that this matter should be brought immediately to the attention of the Moriarty Tribunal and you instructed your solicitors to write to the Tribunal advising of the situation which they did in the letter which we have just opened, isn't that right?

A. That is correct.

Q. I think you obtained, through your solicitors, from the bank, copies of the cheques and lodgement slips which were furnished to the Tribunal?

A. That is correct.

Q. I think you have informed the Tribunal that Mr. Traynor did not advise you of these transactions and you were disappointed that they should have used the company's bank account for the transactions that had nothing whatsoever to do with the company?

A. That is correct.

Q. I think that is the statement you furnished sorry, I beg your pardon I think there is an addendum to the statement. I think in response to a query raised by the

Tribunal concerning whether you had discussed the Carlisle cheques, you responded that you had never discussed the Carlisle cheques with the late Mr. Des Traynor at any time, and when I use the term Carlisle cheques, I mean the Dunnes Stores Carlisle cheques, if you understand what I mean.

A. That is correct.

Q. You never discussed them with the late Mr. Traynor at any time and the late you say that the late Mr. Traynor had died prior to you becoming aware of the existence of these cheques?

A. That is correct.

Q. When you were advised by the Bank of Ireland or somebody on behalf of the Bank of Ireland that queries were being made on behalf of solicitors for Margaret Heffernan or Dunnes Stores about cheques which seemed to have found their way into the account of Carlisle Trust, I think you have stated in your statement that you were amazed. I take it you were amazed, isn't that correct?

A. Well I certainly was, I didn't expect that.

Q. No. Because can I ask you, I take it that Carlisle Trust had no commercial relationship with Dunnes Stores which would have involved a payment into the accounts of Carlisle Trust from that source?

A. None whatsoever.

Q. And because you were amazed, I take it you wanted to get to the bottom of it yourself?

A. Of course, that is correct.

Q. And can we take it that you contacted Mr. McCann or somebody in his firm to make an arrangement for you to come in and sort this out?

A. Well I did, and I also contacted, at the time, Deloitte Touche.

Q. You also contacted Deloitte Touche. Can you remember who you contacted in Deloitte Touche?

A. I think it was somebody in the audit department, to ascertain if Carlisle Trust was in any shape or form out of pocket.

Q. Yes

A. And when I was assured that it wasn't, I just sort of forgot about it.

Q. And I know your first concern when you would be made aware that a transaction might have taken place over the company's accounts would be to ensure that the company wasn't out of pocket in the first instance, isn't that correct?

A. That is correct.

Q. And did it cause you any concern that what appeared to have been cheques drawn on Dunnes Stores went into your company's bank account and were then drawn out and made payable to, in one case, a company called Celtic Helicopter and in another case drawn for cash?

A. Well, it was a mystery to start with.

Q. And I appreciate that, Mr. Byrne. First of all, just to clear up matters, I think you yourself had made an

investment at some stage in Celtic Helicopters, is that right?

A. Yes.

Q. Apart from that, did Carlisle Trust have any commercial reason for drawing a cheque in favour of Celtic Helicopters in the sum of €100,000?

A. No connection whatsoever.

Q. And I take it that there was no commercial reason why a cheque for €80,000 cash would be drawn on the accounts of Carlisle Trust, isn't that correct?

A. Absolutely.

Q. Did it occur to you that apart from satisfying yourself that Carlisle Trust wasn't out of pocket, which of course would be your first concern, but did it occur to you that there was a danger of an appearance being given that money was being laundered through the accounts of Carlisle Trust?

A. That did occur to me, yes, and that's why I was anxious to check it out with Deloitte and Touche.

Q. Now because it's a matter which would, did occur to you and no doubt would concern you, that there would be any chance or any appearance that the company's accounts might have been used in what I might just loosely describe as money laundering, did it occur to you that that is a matter which you might have brought to the attention of Dunnes Stores, that their money was going through the accounts of Carlisle Trust?

A. That didn't occur to me. It didn't occur to me. I

assumed that all this was done for the benefit of somebody, but I thought myself provided that Carlisle Trust was not involved in any shape or form in the transaction, you might say, and they weren't going to derive any benefits or lose any money, so I more or less

Q. Perfectly understandable what your primary concern would be but, as far as you were aware, you had been informed by the Bank of Ireland, probably Mr. Vaughan or somebody like that, that an inquiry was being made by Dunnes Stores that some of their money had seemed to gone into the Rotunda branch of the Bank of Ireland, isn't that correct?

A. That's true.

Q. And Mr. Vaughan was able to, or somebody in the bank was able to tell you that the money appears to have found its way into the account of Carlisle Trust, isn't that correct?

A. That is correct.

Q. So as far as you were aware, it looked to you at that stage that Dunnes Stores, or if he might have even used the term Margaret Heffernan in a loose way, but that Dunnes Stores money had certainly found its way into the company's bank account?

A. That is correct, but at that time, we knew where the money went to.

Q. I appreciate that, and I know that you knew that it didn't affect the balance for Carlisle, I understand that but this wasn't, I suppose you as a businessman would understand, it wouldn't be unreasonable for somebody who thought that they

had lost €180,000 somewhere, to make inquiries to find out where it might have gone?

A. Well, I think we knew where it went insofar as that it went to it was an in-and-out situation and one went to Celtic Helicopters and the other 80 went somewhere else.

Q. Yes, but can I ask you this, if any of your companies seemed to have lost €180,000, you'd be anxious yourself to find out where it had gone, wouldn't you?

A. I certainly would, yes.

Q. And anyone conducting business would consider it appropriate and proper that they should find out where a sum of that size might have disappeared from their company, isn't that right?

A. I certainly assume Dunnes knew themselves.

Q. Yes, you would assume that Dunnes knew themselves that they were looking for €180,000 that they couldn't seem to find, isn't that correct?

A. Not quite. I assume that they knew.

Q. You assumed that Dunnes

A. Dunnes would have known where the 180,000 went to.

Q. Well, I don't I will ask you. Why do you make that assumption when you had been informed by the bank that Dunnes were trying to find out from the bank where it went? Why did you assume that Dunnes knew?

A. Well, I assumed that they'd have records of some sort.

Q. Yes, well they had records which showed that they seemed to be missing €180,000 alright, isn't that correct, otherwise

they wouldn't have been making an inquiry?

A. That's correct.

Q. But why should you assume that they knew where it went if they were inquiring of the bank to know where did this money go?

A. Well, I don't know how I could, apart from contacting Dunnes and informing them that, about this 180,000 for which, for some unknown reason I didn't do.

Q. That's what I am trying to explore if you will just bear with me, Mr. Byrne, really is to why this wasn't done at this time.

A. Well because that's a question that I don't know.

Q. You certainly knew Dunnes were inquiring. You knew it was their money which had gone through your account. You knew where it had gone to. And you knew they were looking for it but you didn't tell them?

A. I didn't tell them. When I discovered that I had not suffered any benefit or any loss myself, I more or less forgot about it.

Q. Even though you were concerned that there would be an appearance that money laundering had taken place through the bank account of Carlisle Trust?

A. Well I wouldn't say... Money laundering never entered my head.

Q. Well I thought you had told us a few moments ago that whilst your primary concern would have been to ensure that the company hadn't lost anything and of course that was

your

A. That is correct.

Q. That was your duty and responsibility as a director as well, a secondary concern was the, I thought you had said, the question of the appearance being given that money laundering had occurred through the company's accounts?

A. I didn't say that. I don't think I said anything about money laundering.

Q. Well an appearance that money for which there appeared to be no appropriate commercial reason was coming from a major Irish company through your accounts, going out to an identifiable source as far as you were concerned in one case and a cash payment in the other case, and there seemed to be no commercial reason good, bad or indifferent for this. Did this not jump up and ask you to, or ask yourself the question what is going on here?

A. Not really. Once I ascertained that the money had gone out of the account and it was, everyone knew where it went.

Q. Well everyone didn't know where it went, isn't that right? In 1994, everyone didn't know where it went.

A. Celtic Helicopters.

Q. Celtic Helicopters, as you say. You knew it went to Celtic Helicopters. Did you make any inquiry of Celtic Helicopters yourself to ascertain whether they got the money?

A. I am sure we did.

Q. When you say I am sure we did, was this matter discussed

within the company or did you take these decisions yourself

in conjunction with advisors or how was it decided?

A. I would have taken instructions from my solicitors on that.

Q. You would have taken instructions from your solicitors on that point?

A. Yes.

Q. And you think that you may have made inquiries of Celtic Helicopters to make sure that they had understood that they had received the money, is that correct?

A. That would be it.

Q. That's your understanding?

A. That would be my understanding.

Q. And what about the cash payment?

A. I had no idea where that went to.

Q. æ80,000 cash drawn on the company account or drawn on the bank of a company, it's an extremely unusual event, isn't it?

A. Most unusual, I would describe it, most unusual.

Q. Because most cash amounts you see drawn on company accounts would relate to petty cash and matters of that nature, isn't it, incidental type of expenses?

A. That is correct.

Q. That are posted and that. But æ80,000, did that not concern you because you didn't know where it had gone at that stage or did you?

A. I had no idea where it went. And I am sure that I instructed my solicitor to make inquiries, but... They

could come up with nothing.

Q. But you knew

A. Sorry

Q. That Dunnes Stores sorry,, we are dealing with where the money had gone in the first instance. You were inquiring you say that you knew where it went in respect of Celtic Helicopters and that your understanding that inquiries were made of Celtic Helicopters, is that correct?

A. That is correct.

Q. You didn't know where the €80,000 had gone, but your understanding is that you would have instructed your solicitors to make inquiries about that, is that correct?

A. That would be correct.

Q. You were able to ascertain, of course, that Carlisle was not out of the money so you could satisfy yourself about that, is that correct?

A. That is correct.

Q. Now, turning to the other side of the transaction, you knew from inquiries made of the bank by inquiries made in Bank of Ireland by Dunnes Stores that they were trying to find out where this money had ended up, isn't that correct?

A. That would be correct, I would assume that would be correct.

Q. So if you were making inquiries about where the money had gone, did it ever occur to you or were you advised, if you were asking your solicitor to pursue the matter, that a

simple inquiry maybe made to Dunnes Stores, "Look, what appears to be your money has gone through our account, it's gone to Carlisle in a sum to cash. Do you know anything about it or did you want this to happen? Because if you did, we want to have words with you about your money going through our bank." Did that occur to you?

A. It didn't occur to me, but I am not so sure if I didn't discuss this with my solicitor.

Q. You are not sure whether you did?

A. I am not sure.

Q. I see. So weren't you cross, that what on the face of it appeared to be a substantial Irish company has allowed money go through your bank account and make payments to somebody else? It couldn't be for any proper purpose, isn't that right, as a businessman you say that?

A. This is true, this is true.

Q. Now, Dunnes appear to have lost the money, because they were looking for it. And there appeared to be you there appeared to you to be something improper going on and you didn't tell them about it?

A. Well I am not sure whether we informed them. We probably did, but I don't remember.

Q. You keep saying 'we'. I am trying to

A. When I say 'we', my solicitors and myself.

Q. I see. And this would have been back in 1994 when a query was raised, isn't that right?

A. That is correct.

Q. And you fix it as being sometime around litigation that was going on between the Dunnes, isn't that correct?

A. That would be I presume that would be the reason why the thing arose in the first place.

Q. I think there was a fair amount of publicity even about the litigation, there were reports in the newspaper of people in and out of court and various applications, isn't that correct?

A. That is correct.

Q. Well did it occur to you if an inquiry was being made by the solicitor on behalf of Margaret Heffernan, that this must be something to do with a court case and it's probably very important? Did that occur to you?

A. It could have occurred to me, but once I had ascertained that the company was not out of pocket in any shape or form, and I ascertained that the cheques had gone out of the account, I really didn't I put it behind me. I forgot all about it and I didn't really pursue it after that.

Q. Well you see perhaps we will

CHAIRMAN: I am trying to keep perhaps another five minutes, Mr. Coughlan.

MR. COUGHLAN: You have told us that you satisfied yourself that the company wasn't out of pocket. Perfectly understandable. But you have told us that it's your understanding that you pursued it to the extent that

inquiries were made of Celtic Helicopters and you believe that you may have discussed it with your solicitors to make inquiries about the €80,000 cash, is that correct?

A. That's correct.

Q. If you knew the company was out of pocket or wasn't out of pocket and that was sufficient to satisfy you, why were other inquiries pursued of the people to whom the payments were made?

A. Repeat that please.

Q. Your first concern of course would be that Carlisle Trust would not be at the loss of €180,000. Perfectly understandable. You are able to satisfy yourself by asking Mr. McCann about that, isn't that correct?

A. That is correct.

Q. You knew that the payments were made to Celtic Helicopters and a payment to cash, isn't that correct?

A. That is right.

Q. And you have told us that it's your understanding that inquiries were made of Celtic Helicopters and you were satisfied that they got the payment, is that correct?

A. That is correct.

Q. And that inquiries may have been made about the €80,000 cash, but that may have drawn a blank, is that correct?

A. That is correct.

Q. Now what I want to ask you is that in like manner, why didn't you make inquiries of Dunnes Stores if you were pursuing the line of inquiry as to where the money had

gone?

A. It never occurred to me.

Q. It never occurred to you?

A. Never occurred to me.

Q. And it never occurred to you that there was litigation going on that solicitors were making this inquiry, and that it may have been something extremely important from the point of view of a court case? That didn't occur to you?

A. Well I discussed this with my solicitor and I honestly couldn't tell you if they had made inquiries. I forget.

Q. Well, you obviously thought that this whole matter was important enough to discuss it with your solicitors, isn't that correct?

A. Of course I did.

Q. And can we take it that you must have brought all the information available to you to their attention, is that correct?

A. Well, what information I had, which was very little.

Q. Yes. But you knew that the money had gone through the account?

A. I did, yeah.

Q. You were able to tell anybody you were making inquiries of, that this information had been brought to your attention by Bank of Ireland, is that correct?

A. That is correct.

Q. You were able to tell anybody who was assisting you or who you were making inquiries of that there had been payments

out to Celtic Helicopters and a payment to cash?

A. That is correct.

Q. You were able to tell everybody that the company wasn't out of pocket, Carlisle?

A. Well I wasn't prepared to tell everybody, but I was telling my solicitor that.

Q. Yes, that there had been a contra on the bank account, isn't that right?

A. That is correct.

Q. And were you able to tell your solicitor that solicitors for Margaret Heffernan were making inquiries of the Bank of Ireland Rotunda branch to see where their money may have gone?

A. That is correct.

Q. And were you able to tell your solicitor that this sum of money came in to the accounts of Carlisle Trust and were drawn out on the instructions of Mr. Traynor, €100,000 made payable to Celtic Helicopters and €80,000 made payable to cash?

A. That is right.

Q. And you decided not to inform Dunnes Stores, is that correct?

A. I am not sure if we didn't inform Dunnes Stores, I had some very long discussions with my solicitors on that and they probably informed them, but I don't remember.

CHAIRMAN: We will leave it until five to two if that's convenient, Mr. Byrne. Thank you very much.

THE TRIBUNAL THEN ADJOURNED FOR LUNCH.

THE TRIBUNAL RESUMED AS FOLLOWS AT 1:55PM:

CHAIRMAN: Good afternoon. Mr. Byrne please, if you come back.

CONTINUATION OF EXAMINATION OF MR. BYRNE BY MR. COUGHLAN:

Q. MR. COUGHLAN: Thanks, Mr. Byrne. I just want to say one thing at the beginning, Mr. Byrne. I don't want to be in any way sensational or emotive and I don't want to use the term laundering in the strict sense we use it now and I will refer to the payment just perhaps being irregular or unusual if I might put it that way.

Now, before lunch, Mr. Byrne, I think you had felt that you had raised these queries and sought advice after Mr. Traynor had died; is that correct?

A. I am not quite sure when I made inquiries after he died but the only time it came to my notice was when the Bank of Ireland notified me.

Q. Well, if the Bank of Ireland notified you or if inquiries were directed your way prior to Mr. Traynor's death, can we take it that you would have raised it with Mr. Traynor?

A. Of course I would have.

Q. And I want to ask you now, do you have any recollection of raising it with Mr. Traynor?

A. Never never, I never had any recollection of raising it

with Mr. Traynor.

Q. Well, can I take it that if an inquiry was made relating to your company's accounts in the Bank of Ireland, that you would expect the Bank of Ireland within a reasonably short period of time of an inquiry being raised asking you to or informing you about it, would you expect that?

A. I would.

Q. And I think you had a large number of companies, or you had a number of companies or you were involved with a number of companies?

A. That is correct.

Q. And for that reason, there was a designated person in the Bank of Ireland who might have liaised with you in relation to your companies and perhaps your personal affairs; isn't that correct?

A. That would be correct.

Q. And I think that was a man called Mr. Vaughan, is that correct?

A. That is correct.

Q. So if a query was raised with the Bank of Ireland, you would have expected the Bank of Ireland to have informed you within a reasonable period of time, working time that is; isn't that correct?

A. Yes I would.

Q. And if that was raised with you, if a period which predated Mr. Traynor's death, you have said that you would have raised it with Mr. Traynor; isn't that correct?

A. That is correct.

Q. So it is probably important for the Tribunal to establish when the information or query was raised with you; isn't that correct?

A. That is correct.

Q. Mr. Dunne, I think, has informed us that the litigation involving himself and his siblings or Dunnes Stores settled towards the end of November, 1994. You can take that as being a correct statement of his evidence.

A. I take that.

Q. Mr. Traynor died on the 11th May, 1994, isn't that correct or around that period?

A. Around that period.

Q. From the information made available to you, the query was raised in the context of litigation; isn't that correct?

A. I think that would be correct.

Q. So if there are facts which would seem to indicate that that query was raised with the Bank of Ireland prior to Mr. Traynor's death, you would expect that would have raised the matter with Mr. Traynor, is that so?

A. That is true.

Q. Can you say who raised the query with Celtic Helicopters?

A. I can't recollect.

Q. Well now try, Mr. Byrne.

A. Who raised it with...

Q. Could I attempt to be of assistance to you by leading you into various situations that may assist you in your

recollection? You were carrying out this inquiry yourself, isn't that correct?

A. Yes, I did make the inquiry.

Q. You sought the advice of your solicitor; isn't that correct?

A. As far as I know I did.

Q. Did you bring it first of all could I ask you did the board of Carlisle Trust meet regularly?

A. Not too regularly.

Q. Who were the directors of Carlisle Trust?

A. Des Traynor.

Q. Yes.

A. My wife

Q. And anybody else at that time?

A. No. None that I can recall.

Q. Did you discuss it with your wife?

A. I did.

Q. And in pursuance of your inquiries, you have told us that you ascertained that Celtic, from Celtic Helicopters that they had received the money, isn't that correct?

A. That is correct.

Q. Well, who would have made that inquiry? Did you make it yourself or did somebody make it on your behalf?

A. Somebody would have made it on my behalf.

Q. So let us try and ascertain who that may have been, so.

Was it your wife?

A. It wouldn't have been my wife. It could be it could be

Pat McCann.

Q. It could be Pat McCann. Could it be anybody else?

A. Nobody else.

Q. Nobody else?

A. I don't think so.

Q. Could it have been

A. I can't envisage it.

Q. You can't envisage anybody else raising it for you?

A. Well, if I had raised it with Pat McCann, I wouldn't have asked anybody else.

Q. Do you know who in Celtic Helicopters the inquiry was directed to?

A. I don't know.

Q. Did you ask the person who was carrying out the inquiry on your behalf who they had spoken to?

A. No.

Q. You yourself made an investment in Celtic Helicopters, is that correct?

A. Yes I did.

Q. Was that prior to this particular matter coming to your attention?

A. It was about the same time.

Q. Sorry, in fairness to you, it was around November, 1992?

A. I think it was sometime...

Q. And how did you come to make that investment in Celtic Helicopters?

A. How did I come

Q. What contact was made? Who did you speak to or how it did it arise?

A. I was approached by one of the directors of Celtic Helicopters, John Barnicle and...

Q. And was it as a result of speaking to him you made your investment?

A. Exactly.

Q. So you had had contact with Mr. Barnicle?

A. I had, not much but I had, yes.

Q. Who else, to your knowledge, other than Mr. Barnicle was involved in Celtic Helicopters?

A. Well I knew that Ciaran Haughey is one of the is a co-director and partner, whatever you like.

Q. Well, do you know if the query or inquiry was directed to either of those two gentlemen, for example?

A. Well if I was making any inquiry, it would be to John Barnicle.

Q. Well would you have told Mr. McCann to make the inquiry to Mr. Barnicle?

A. I could have but I can't I am not clear on that.

Q. Well, let's see if we can help there again. Mr. Barnicle was the person whom you had discussed your investment with, is that correct?

A. That is correct.

Q. You knew that Mr. Ciaran Haughey was also involved in Celtic Helicopters?

A. Yes.

Q. Would you have asked Mr. McCann to direct his inquiry to one or other of those people?

A. Well, my impression was that John Barnicle knew more about what was happening and I think if he was directing inquiries, it was through John Barnicle.

Q. As a result of this inquiry which you had put in train, you were informed that Celtic Helicopters had received the money, is that correct?

A. That would be correct.

Q. Is it correct, Mr. Byrne?

A. That would be correct.

Q. Is it correct, not would be, is it correct?

A. It is correct.

Q. And you believe that all of that was done by Mr. Pat McCann?

A. That is right.

Q. Now, that's one end. Let's turn to the œ80,000 cash. I think everybody who has given evidence about this, understanding business, would be of the view that a cheque drawn for œ80,000 cash on a company is highly unusual, isn't that correct?

A. That would be correct.

Q. So what inquiries did you direct in respect of that particular payment?

A. Well, any inquiries I would have made would be to Pat McCann and that's where it ended.

Q. Well what inquiries did you make? You told us before lunch

that you sought the advice of your solicitor and you particularly sought the advice of your solicitor about this cash payment, isn't that correct?

A. I could have discussed it with my solicitor.

Q. No, no, no, Mr. Byrne. Before lunch you told us you did.

A. Well, if I said I discussed it with my solicitor, I did.

I had regular meetings with him every day, not every day but every week.

Q. And obviously this is a matter which would have been exercising your mind as being something unusual, isn't that correct?

A. Something unusual.

Q. So what inquiries did you direct Mr. McCann, if it was Mr. McCann, to make about the cash withdrawal?

A. I just told him, I don't know what instructions I gave him.

Q. Now, Mr. Byrne, you are a businessman of very longstanding; isn't that correct? Isn't that correct?

A. Well, it would be.

Q. Mr. Byrne, you are a businessman of longstanding

A. Yes.

Q. And you would describe yourself, and I think rightly be proud of it, as a successful businessman of longstanding?

A. That is correct.

Q. €80,000 cash is drawn on your company's account and you want to find out about it. What inquiries did you direct?

A. The inquiries I would have, the inquiries I would have made would be with Pat McCann and that would be socially rather

than anything and he would have told me what he thought.

Q. Now, Mr. Byrne, try not... I am not asking you about that, I am asking you what did you direct Mr. McCann to do? You said you were directing an inquiry. What do you say you directed him to do? What inquiry?

A. Well, I would have asked him to make some inquiries.

Q. Of whom?

A. I didn't give him any brief as to who because I wouldn't know where, what happened to the 80,000.

Q. So are you saying that what you said to Mr. McCann, if you did ask him, was make an inquiry about that, is that what you are saying?

A. That was roughly what I would say.

Q. Are you serious about that, Mr. Byrne?

A. I am.

Q. It was œ80,000 drawn for cash on your company's bank account and you just said to somebody who conducted secretarial services 'make an inquiry about that,' is that what you are telling the Tribunal?

A. That is what I am telling the Tribunal.

Q. And this is a matter which you discussed with your solicitor, is that correct?

A. That is correct.

Q. And did you inform your solicitor that you had told Mr. McCann make an inquiry about that, is that what you are telling the Tribunal?

A. That is what I am telling the Tribunal.

Q. And everything seemed all right then; is that right?

A. Everything, as far as I was concerned, I was not out of pocket and I really had forgotten almost.

Q. What did Mr. McCann, if it was Mr. McCann, tell you as a result of his inquiry?

A. Well, I am not sure, I don't know what he told me but he certainly, he didn't come up with anything conclusive.

Q. Well, you told us before lunch that you were happy that there was nothing missing from the funds of Carlisle, perfectly understandable.

A. That is correct.

Q. And you were happy that you knew where the monies had gone to, isn't that right?

A. That is correct. They were out of the Carlisle account.

Q. That had come from the Carlisle account, isn't that right?

A. That is right.

Q. Now, you say that you could identify and you had satisfied yourself that Celtic Helicopters had received the $\text{€}100,000$; isn't that right?

A. Well, that's what I was told.

Q. No. You satisfied yourself. You were a director of the company. You were satisfied; is that right?

A. I was.

Q. But there could have been no such satisfaction in respect of the $\text{€}80,000$ drawn to cash, isn't that right, because you didn't know?

A. I didn't know.

Q. And from what you tell us, the result of any inquiry didn't assist you in satisfying yourself; isn't that correct?

A. That is correct.

Q. If this query had been brought to your attention by Bank of Ireland prior to Mr. Traynor's death, you believe you would have discussed it with him?

A. Of course I would have discussed it with him.

Q. And would you have had words with him about it?

A. Of course I would have. I was extremely annoyed about it.

Q. You were extremely annoyed about it; isn't that correct?

But then to satisfy yourself about where the œ80,000 had gone, was it not a simple task to turn to Dunnes Stores to ask them did they know anything about it?

A. Never occurred to me.

Q. Why didn't it occur to you, Mr. Byrne?

A. Never did.

Q. I am asking you. You said it didn't, I am asking why didn't it occur to you?

A. Just didn't. I thought myself if Dunnes Stores were concerned they would ask themselves.

Q. But they were asking, they were asking the bank and you knew they were asking the bank.

A. Well I thought then perhaps that that, I thought then maybe that that would be sufficient for them.

Q. What would be sufficient for them?

A. That, in the knowledge.

Q. In the knowledge of what?

A. That they would derive whatever information they had from the bank.

Q. What other information?

A. Whatever the bank had offered.

Q. Sorry?

A. I don't know what information the bank had.

Q. You knew that the bank was raising the query with you.

You knew that Dunnes Stores didn't know, isn't that correct?

A. That is correct.

Q. So how could Dunnes Stores know about it from any information they would get from the bank?

A. The bank were the obvious source of information.

Q. Did you discuss this matter with your solicitor?

A. No.

Q. You didn't discuss this matter with your solicitor?

A. No.

Q. Did you tell Mr. Vaughan in the bank to give Dunnes Stores the information?

A. I didn't because he had given it, to the best of my knowledge, he had given it.

Q. To the best of your knowledge Mr. Vaughan had given it to Dunnes Stores?

A. Yes.

Q. And what was that knowledge based on?

A. It was based on the cheques that came in and the cheques that went out, again to the best of my knowledge.

Q. We know from the cheques that came in and the cheques that went out that they were Dunnes Stores cheques that came in but what was your knowledge based on that the bank had given this information to Dunnes Stores if that was your view?

A. Well, I assumed they had.

Q. Why?

A. If the request, if the request was made to any bank, then they give the information.

Q. About another person's account?

A. Yes...

Q. You are a businessman of very longstanding as you admit and are you saying to the Tribunal that it was your assumption that Bank of Ireland had given this information to Dunnes Stores about your company's account; is that what you are saying?

A. Well, that's what I assumed.

Q. Mr. Byrne, I must suggest to you you would have been apoplectic with rage if a bank had discussed you, your personal or your company's accounts without the permission of the company or without your permission in the absence of a court order; isn't that correct?

A. That would be correct, yes.

Q. Or perhaps a Tribunal order. You would have known that?

A. Yes.

Q. So to tell us that you assumed that the bank would have given the information to Dunnes Stores could not have been

used on a knowledge that this information would be given out willy nilly by a bank; isn't that right?

A. Well, that would be correct.

Q. And you never informed Dunnes Stores or instructed the bank to inform Dunnes Stores; is that correct?

A. That is correct.

Q. Did you instruct the bank not to inform Dunnes Stores?

A. I did not.

Q. Did the bank ask for authority from you to inform Dunnes Stores?

A. They did not.

Q. Why did you then think that Mr. Vaughan might have given the information to them?

A. My contacts with Mr. Vaughan was that he rang he telephoned me to tell me that this query had come in.

Q. Yes?

A. And we discussed it at some length and we, we could have discussed the cheques that came in and cheques that came out, I really don't remember, but it was in the light of that conversation that he gave the information.

Q. He gave whom the information?

A. Would have given whoever asked for it.

Q. Let's take that so, if we may, a little bit slowly. Mr. Vaughan contacted you by telephone?

A. Yes.

Q. And he informed you that solicitors on behalf of Dunnes Stores had raised a query about their money which had gone

into your company's account in the Rotunda branch; is that correct?

A. That is correct.

Q. They could trace it as far as the Rotunda branch but they couldn't identify the account, isn't that correct?

A. I don't know that.

Q. Well, you think they knew which account it had gone into?

A. I think so, I assumed.

Q. Why did you think that?

A. I don't know.

Q. And that they were seeking to obtain information from the bank as to where it had gone; isn't that correct?

A. That would be correct.

Q. And why was Mr. Vaughan talking to you about this? Was it just to keep you apprised or was it to take some form of instruction from you?

A. I don't think it was to take instructions from me. He just rang me to inform me that he had this query in from the, I don't remember who.

Q. Did you ask him what did he say to Dunnes Stores or what did anyone in the bank say to Dunnes Stores?

A. Didn't say.

Q. Did you ask him?

A. I didn't ask him.

Q. Why didn't you? This was information which was relevant to you, wasn't it?

A. Could have been but this was a conversation on the

telephone, I really can't remember what we discussed.

Q. But it must have had an effect on your mind if you caused inquiries to be made about it?

A. Well, I had to make inquiries about it after hearing it and when I satisfied myself that the company didn't suffer any financial loss, that was more or less the end of the story as far as I was concerned.

Q. Well, it was important enough for you not only to direct the inquiry you have told us but it was important enough to bring to the attention of the your solicitor; isn't that correct?

A. Well, I think I discussed it very early on with my solicitor at arms length.

Q. What's this about now, Mr. Byrne? You told us before lunch that this was a matter that you had discussed with your solicitor. How does the arms length enter into it after lunch?

A. Well, it had been brought, it had been something that you might spend time talking about on a broad perspective rather than sort

Q. On a what perspective?

A. Speaking about it in general rather than specifically about anything.

Q. Well, tell me how you might word it in general terms without being specific.

A. I couldn't really say what it was in general terms.

Q. But you are the one who has introduced this into the

equation now, Mr. Byrne, so tell me how do you speak about this particular transaction or series of transactions in general terms without being specific. Perhaps I will be of assistance to you in taking you through it. Would you have informed your solicitor that the Bank of Ireland had raised a query about the Carlisle Trust accounts?

A. Well, I would have, certainly would have mentioned something about the query the bank had.

Q. About the query the bank had?

A. Yes.

Q. So you would have informed your solicitor that the bank had informed you that Dunnes Stores, through their solicitor had raised a query about the account or monies that may have found their way into the account; is that correct?

A. I would have, I would have mentioned it that the bank had a query, I wouldn't have specifically I mightn't have I mightn't have said exactly where the query came from.

Q. I beg your pardon? Say that again.

A. I may not have said exactly where the query came from but I would certainly have said the bank had this query from.

Q. From whom?

A. It had to be from Dunnes.

Q. It had to be from Dunnes. Okay. So the bank had raised a query, it had to be Dunnes, and what was the query?

Didn't you inform your solicitor what the query was?

A. Probably did.

Q. You probably did?

A. I don't remember.

Q. And the query was that some of their money was missing and they were looking for it, isn't that right?

A. Well if if they were looking for it, that would be a Dunnes problem.

Q. But you had told him that Dunnes and you have informed us in your statement that in 1994, you were informed by the bank that a query had been raised by solicitors for Margaret Heffernan, isn't that right?

A. That could be correct, yes.

Q. No, that's what you told us in your statement, that's the sworn evidence this morning, Mr. Byrne; isn't that right?

A. That's right.

MR. SHIPSEY: Sorry, Sir, just in relation to that one matter, I am perfectly acceptable Mr. Coughlan is entitled to put the witness's statement but the context that is stated in the statement is in the context of Dunnes looking for discovery of documents, not in the context of Dunnes looking for the recovery of any money and I feel the context is important.

MR. COUGHLAN: Very good. I thank My Friend for drawing that to my attention because even more significantly, it would now seem to be the situation that Dunnes were looking for discovery of documents, they were looking for documents, isn't that correct, as far as you understood the query that was raised?

A. I can't remember.

Q. And that would make it even something far more significant to seek or to inform your solicitor about, isn't that right? Am I correct?

A. That could be correct.

Q. You wouldn't be or one wouldn't expect you to be familiar with finding your way around things like discovery of documents and matters like that and court orders. That wouldn't be something on a day-to-day basis you would have any involvement yourself with, you are not a lawyer?

A. No, I wouldn't.

Q. So can we then take it that the discussion or what you informed your solicitor must have taken some little bit of time so?

A. I can't recollect.

Q. Come now, Mr. Byrne?

A. I cannot recollect how long it took.

Q. But in any event, can we be certain about one thing, Dunnes were not informed, isn't that correct, as far as you know?

A. Yes, as far as I know.

Q. And can we take it you never instructed anybody to inform Dunnes; is that correct?

A. That is correct.

Q. Did you inform or did you first of all, did you yourself inform anybody else about this?

A. Nobody else.

Q. Did you instruct anybody to inform anybody else about this?

A. No.

Q. Now, you say that the incident or the transactions went out of your mind then; is that correct?

A. That is correct.

Q. But that you remained, I presume, annoyed or cross with Mr. Traynor for what he had done?

A. That would be correct.

Q. And you knew at that time that there was these common features to the transactions, Dunnes Stores, Mr. Traynor and Celtic Helicopters; isn't that correct?

A. That would be correct.

Q. And there was a fourth feature, which was that it was this money was being, or sorry, it was about these payments was being sought in the context of a dispute between Mr. Dunne and members of his family or the company, isn't that correct?

A. That is correct.

Q. I think the country became convulsed sometime later when there was a leak in the newspapers that somewhere in the region of €1 million may have been paid to a politician; isn't that correct?

A. That is correct.

Q. And that is somewhere in that region of €1 million paid to a politician by Mr. Bernard Dunne; isn't that correct?

A. That's correct.

Q. And in the first instance, I think an investigation was carried out by Judge Gerard Buchanon, do you remember that,

from your general knowledge?

A. Yes.

Q. And that subsequently, there was a sworn inquiry before a Tribunal of Inquiry of which Mr. Justice McCracken was the Sole Member, do you remember that?

A. Yes, I remember that.

Q. And do you remember from newspaper reports and television reports during the course of that Tribunal of Inquiry the names of Mr. Bernard Dunne, Dunnes Stores, Mr. Des Traynor and Celtic Helicopters all featured; do you remember that?

A. Yes, I do remember that.

Q. During the course of that inquiry, did anything occur to you about this previous transaction which had these common features back in 1994?

A. Didn't occur to me.

Q. Did anybody else discuss it with you or bring it to your attention that there were these common features?

A. No.

Q. And it stayed out of your mind all during the reporting of the McCracken Tribunal; is that correct?

A. That is correct.

Q. Nothing at all occurred to you?

A. That is correct.

Q. Not even a glimmer that, well that thing that happened back in 1994 may have some relevance, I don't know whether it does or it doesn't but it may have some relevance. That didn't even occur to you?

A. No, it didn't.

Q. And the matter came back or what prompted your memory was the query sorry, I beg your pardon, I'll rephrase that, the information furnished by the authorised officer appointed by the minister into Celtic Helicopters; is that correct?

A. That is correct.

Q. Where the €100,000 payment appeared to have been identified as possibly coming from Carlisle Trust; is that correct?

A. That is correct.

Q. And when that information was made available to you by the authorised officer, did you then at that time make the connection with the €80,000 cash and the transaction which Mr. Traynor had put through the bank account of Carlisle Trust?

A. That is correct.

Q. Because apart from your own personal investment in Celtic Helicopters, Carlisle Trust had no commercial relationship with Celtic Helicopters; isn't that correct?

A. None whatever.

Q. Now, it's a matter we can return to if needs be but are you absolutely positive that all of this information which caused you to put certain inquiries in train in 1994 occurred after Mr. Traynor died or could it have happened before he died?

A. Absolutely positive that it happened after.

Q. You are absolutely positive. Thank you.

MR. CONNOLLY: No questions, Chairman.

MR. HARDIMAN: No questions.

MR. McCARTHY: In relation to matters about Mr. McCann, either new matters have come to pass notice of them and I may wish to reply to them, I will have to take instructions in relation to it

MR. COUGHLAN: That would be absolutely appropriate that Mr. McCarthy be in a position to deal with it at a later stage. The transcript will be furnished to him

CHAIRMAN: Yes, and Mr. McCarthy, I will invite you to liaise with Mr. Coughlan as to when the matter may be raised again. Mr. Shipsey? Mr. McGonigal?

MR. MCGONIGAL: No questions.

THE WITNESS WAS EXAMINED AS FOLLOWS BY MR. SHIPSEY:

Q. MR. SHIPSEY: Mr. Byrne, just a few brief questions. Mr. Byrne, you have described and explained to Mr. Coughlan and also in your statement that Mr. Traynor was the director or a director of Carlisle Trust; is that correct?

A. That is correct.

Q. Could you assist the Tribunal by informing the Tribunal the extent of your relationship with Mr. Traynor? For example, how long did you know Mr. Traynor before his death in 1994?

A. Over 30 years.

Q. And would I be correct in saying Mr. Traynor would have been your auditor or accountant at one stage from the 1960s?

A. That is correct.

Q. And I think Mr. Traynor was a fellow director within a number of companies with which you have been associated; is that correct?

A. That is correct.

Q. Did you have a personal friendship with Mr. Traynor?

A. Yes, I had.

Q. Was Mr. Traynor a person that you trusted and trusted to a very considerable extent?

A. Absolutely.

Q. And if Mr. Traynor had requested some of the persons who were employed by you, either directly or through some of your companies to do something, is that an instruction you would have expected to have been carried out?

A. I would.

Q. Insofar as this particular transaction is concerned, your recollection is you became aware of it sometime in 1994 or early 1995; is that correct?

A. That is correct.

Q. And you have stated to Mr. Coughlan that you are certain it was after Mr. Traynor's death?

A. That is correct.

Q. Is there any reason that you would not have spoken to Mr. Traynor about it, had you learned about it before his

death?

A. Well, he would have been the first person I would have spoken to.

Q. And when you first learned about this matter, the person who was responsible for the accounts and for filing the returns for Carlisle Trust was Mr. McCann, Mr. Patrick McCann?

A. That's right.

Q. And insofar as you were aware of litigation involving Dunnes Stores and a query being raised by the solicitors to your bank, it was in the context of a request for discovery of documents; is that right?

A. That would be correct, yes.

Q. Were you ever written to at any stage either in 1994, '95, '96, '97, '98 or into 1999 by Dunnes Stores?

A. Never.

Q. Were you ever written to by Dunnes Stores or anyone on behalf of Dunnes stores?

A. Never.

Q. When you made inquiries of Mr. McCann, you believe in 1994, and when you ascertained that cheques totalling €180,000 had been paid into the Carlisle Trust account and two cheques had been paid out of the Carlisle Trust account, did you make any inquiries as to how that was treated or had been treated in the accounts of Carlisle Trust?

A. Yes, I did.

Q. And what did you learn as a result of those inquiries?

A. That it was treated as a contra account.

Q. And what does it mean being treated as a contra and what did that mean to you?

A. Well, I suppose you could describe it as being in and out.

Q. Now, you said in response to Mr. Coughlan that you didn't recall the matter between sometime in 1994 and sometime late in 1997 when you received communication, I think not from the Minister's investigator who was investigating Celtic Helicopters but I think from Mr. Vaughan in Bank of Ireland; is that correct?

A. That is correct.

Q. And you say you didn't recall it at the time of the McCracken Tribunal but it was brought to your attention then again late in 1997; is that correct?

A. That is correct.

Q. And I think you said in your statement also to Mr. Coughlan that this was a matter that when it was brought to your attention again that you instructed your solicitors to write to the, to this Tribunal to apprise them of the information and to provide them with backup documentation?

A. That is correct.

CHAIRMAN: Anything else, Mr. Coughlan? Thank you very much, Mr. Byrne. It might be possibly necessary to trouble you for some later occasion briefly. I will see you get adequate notice.

A. Thank you very much.

THE WITNESS THEN WITHDREW.

MR. HEALY: Mr. Lacey.

MR. PETER LACEY, HAVING BEEN SWORN, WAS EXAMINED AS FOLLOWS

BY MR. HEALY:

CHAIRMAN: Thanks, Mr. Lacey.

Q. MR. HEALY: Mr. Lacey, I think you are an accountant; is that right?

A. That's correct.

Q. And are you a member of the firm of Price Waterhouse, Chartered Accountants?

A. I am a partner in Price Waterhouse Coopers as it's now known.

Q. I see. And how long have you been a partner in that firm?

A. Since 1981.

Q. And in 1994 and in 1993 you were a partner in the firm as it was then known Price Waterhouse?

A. Yes.

Q. And it's the same firm?

A. Yes.

Q. Now, I think in the year 1993 and part of the year 1994, and perhaps even earlier than 1993, your firm had been commissioned to carry out an investigation in relation to certain cheques drawn on various accounts of Dunnes Stores; is that right?

A. Yes, the work was actually commissioned in late 1993.

Q. Late 1993.

A. Yes.

Q. And were there specific cheques or specific payments that you were asked to look at or was it a general roving investigation?

A. No, there was specific matters to which we were directed.

Q. And amongst the matters that you were asked to investigate, were you asked to investigate three cheques drawn to cash on the Dunnes Stores Bank of Ireland No. 6 Grocery Payments Account amounting in total to €180,000 and individually, in the amounts €79,418, €50,962, and €49,620.

A. Yes, we were.

Q. Just so that we are all certain that we are talking about the same thing, we might just have the cheques put up one by one on the overhead projector. There should be a monitor in front of you that might make it easier to see the cheques the first cheque is €50,962 and the next cheque, if we could have that up, €49,620 and then the €79,418 cheque.

A. Yes, I recognise those cheques.

Q. Now, you were asked to conduct an investigation into a large number of cheques and your report, as I understand it, dealt with a large numbers of cheques but all I am asking you to address your attention here today are these three cheques and therefore I have drawn to your attention some relevant pages of a report prepared by Price Waterhouse, well two reports, draft reports prepared by

Price Waterhouse but I am not dealing with any of the cheques other than these ones. Now, do you have copies of the relevant portions of the I will have them passed up to you for your assistance there. (Documents handed to witness.)

Now, the first document I want you to look at is a page showing the front page of a report described as Dunnes Stores Interim Report on Investigation, 14th January, 1994, stamped 'draft', and marked 'Prepare in Contemplation of Litigation'. And you recognise that as, I think, what would be the covering page of the first report prepared by your firm?

A. Yes, I do.

Q. Now what was your role in the preparation of this report?

A. We were requested to determine how the cheques had been dealt with within the books and records of Dunnes Stores and to make what other inquiries we could to determine the nature of the payments and as a result of that, we were able to determine how they were dealt with within the books but we were not able to determine what the cheques were for.

Q. What I want you to particularly address is your specific role in it. You obviously didn't do everything. One man couldn't have done everything. What was your specific role in relation to the preparation of the report?

A. I was the partner with overall responsibility for the assignment so the, my colleagues who worked on the

individual sections reported to me and I reviewed their work.

Q. Now, this first document which I have referred to as the interim report makes reference to the three cheques on page 3 under the heading 'Bank of Ireland No. 6 Grocery Account'. This is page 3 in fact of a section of the report, the section dealing with grocery the No. 6 Grocery Payments Account. At paragraph 3 you identify the cheques and the identification there I think tallies with the identification of the cheques we saw a moment ago, the actual cheques or the copies of the actual cheques and at that point, the results of your investigation which are set out on page, on paragraph 4 are contained at the bottom of the page. Now, as you can see the word 'deleted' is in there because part of the results don't deal with the three cheques I am talking about. Now what was the result of your investigation at that point?

A. At that point, we had established the cheques appeared, two of the cheques appeared to have been lodged to an account with Bank of Ireland Rotunda branch with an Account No. 14793574. And at that point, we were unable to determine what had happened to the other cheque for €79,418.

Q. You also indicated that the inquiries which you had made up to that point showed no evidence that the accounts of Bank of Ireland Marino, or Bank of Ireland Rotunda were bank accounts of any company within the Dunnes Stores Group or any related company?

A. That's right.

Q. Now, the cheque, as far as you were concerned at that stage, appeared to have been lodged to an Account No. 14793574. We may have a copy of it. (Cheques handed to witness.) At that point in your report, you have referred to two of the cheques, total value of one œ100,582 appearing to have been lodged to account No. 14793574 at the Bank of Ireland Rotunda branch. How were you able to arrive at that conclusion from the cheques?

A. Because it appeared to us that the sort code for that branch was written on the back of the cheque. The sort code is information that's publicly available as to the branches concerned and by looking at the list of sort codes we were able to identify that the sort code in question related to Bank of Ireland Rotunda branch.

Q. And was there also an account number on the back of the cheque?

A. 14793574 in handwriting.

Q. At that point the only information you had was the account number and the branch in relation to those two particular cheques?

A. That's correct.

Q. Now, that information had obviously all been obtained at some point prior to the 14th January, 1994, the date of the report?

A. Yes.

Q. Now, I will just pass now to the second document that I

have asked you to look at and you have been asked to comment on before. This is a document headed 'Dunnes Stores Report on Investigation Volume 1, April 1994 Prepared in Contemplation of Litigation'. And again, this is the cover page of a much fuller document?

A. Yes.

Q. From which the Tribunal has extracted a number of pages.

I want you to turn again to one of the other pages, to page 7 and this appears to be page 7 of a section of the report dealing with cheques drawn on the Dunnes No. 6 Grocery Payments Account. At that point you had clearly got a little more information; is that right?

A. Yes.

Q. And you had details, more details in relation to each of the individual cheques?

A. Yes, we had fuller information.

Q. Right. In relation to the first cheque, 29915 made out to cash, €49,620, you knew that the destination of the funds was lodged to the Bank of Ireland Thomas Street for credit transfer to the Bank of Ireland Rotunda and apparently lodged to the same account number we mentioned a moment ago?

A. Yes.

Q. The next cheque for cash or two cash for the sum of €59,952 was lodged to the Bank of Ireland Thomas Street again for credit transfer to the Rotunda branch and lodged apparently to the same account.

A. That's so, yes.

Q. The next cheque in relation to which you had very little information the first time that you reported, you were now able to record that it had been apparently lodged to the Rotunda branch directly as opposed to by credit transfer?

A. Yes.

Q. And then at the end of the report, at the end of that passage in the report you say; "As these cheques are made payable to cash, Bank of Ireland have refused to disclose details of the bank account No. 14793574 at Bank of Ireland, Rotunda." Now, I am going to come back to that passage in the report in a moment. Before I do, I just want to deal with one or two other matters. By that time, you had also reported on the way in which the cheques had been treated in the accounting records?

A. Yes, we had.

Q. And I think what you say is that the net effect of the treatment is to charge the total value of the cheques, €480,000 to the Grocery Settlement Discount Account with the related credit being to the bank account. Then you go on to mention that the journal passes through a number of suppliers' accounts. You were not here today but we heard of some of these suppliers' accounts earlier in the evidence this morning. Neville's Bakery Dublin, Neville's Bakery Macroom and Tender Meats. You went on to say "subsequent entries on the cheques journal to the suppliers' accounts off-set the entries on the cheques and

there was no net effect on the suppliers' accounts." Will you just explain to me in the kind of language a non accountant would understand precisely what that means, that passage?

A. What it means is that the payments were recorded both as a debit and a credit in the same suppliers' account. So that the effect on the balance on the account was nil. It cancelled out. In other words, the effect of posting both a debit and a credit of exactly similar amount was to leave the balance of the account entirely unaffected.

Q. The debit in this case was one which was characterised as a payment to the suppliers and a credit was characterised as a discount from those suppliers; is that right?

A. No, I think it would be more correct simply to say that they were simply debits and credits. The all the items in question are payments so that the normal accounting, if these had been payments to suppliers, would have been to debit the suppliers' account and to credit the bank account but as it happened, all of these payments appeared both as debits and credits in these three suppliers' accounts.

Q. They were, in other words, only journal entries. They were represented by nothing else?

A. They simply passed through these accounts without having any impact on the balance on them.

Q. Can I take you back now to the sentence in the report that I mentioned a moment ago, which is contained one third of the way down page, and which goes, "As these cheques are

made payable to cash, the Bank of Ireland have refused to disclose details of the bank account No. 14793574 in the Bank of Ireland Rotunda." Was that the conclusion of all of your work in relation to those cheques?

A. It's simply a factual recital of our understanding of what the position was. We did not deal directly with the bank in regard to these payments. My recollection is that was done by the solicitors acting for Dunnes Stores so what's recorded here in our report is our understanding of the factual position.

Q. Yes. Of what was reported back to you by solicitors?

A. Yes.

Q. Now, this is a report which is prepared in contemplation of litigation and therefore a report over which your firm and you personally were going to have to stand, isn't that right?

A. Yes.

Q. And the statement that we are talking about is a statement effectively that meant you had come up against a blank wall; isn't that right?

A. Yes.

Q. And therefore not a statement that you would have included in the report lightly?

A. No, but at the same time, it wouldn't have been a surprise to us because every day we request banks to confirm balances on behalf of clients and they would only do so on receipt of specific written authorisation from the client

so therefore it wasn't in any sense a surprise or a controversial matter to learn that the bank would not disclose details of another customer's account to a third party.

Q. Quite so. Now, the date of that report is April of 1994?

A. 12th April, 1994.

Q. So therefore the information in question which led you to make that statement must have been obtained between January at the very latest and at the very latest, April of 1994?

A. Yes.

Q. And this report was the final report that your firm produced in connection with these matters; is that right?

A. There was a further volume that was issued a few weeks later that related to other matters.

Q. But on this issue, was that the final one?

A. Yes, it was.

Q. And before the report was allowed to leave your firm without the qualification "draft", what, if any, monitoring process was gone through to ensure that it was an appropriate report to carry the authority of your firm and you as a partner?

A. Well, it went through what I might describe as our normal review process first whereby the work of the staff involved on each section was reviewed by the partner and manager assigned to the work but in addition in this case, because of the particular sensitivity of the matters we were reporting on and the fact that it was the subject of, at

that stage of litigation, we commissioned separate teams within the firm to effectively do a verification exercise on the report before - independent of the engagement teams - before the report was issued.

Q. That's sort of an internal due diligence type of examination of your own work?

A. That would be a good way of putting it.

Q. And how long did that take?

A. It was done over a period of three or four long days.

Q. Right. You don't know the precise date of publication of the report, do you?

A. The 12th April, 1994.

Q. I take it that most of the information must have been available well in advance of that time?

A. Yes, it was.

Q. Thanks very much.

MR. CONNOLLY: I have no questions, Chairman.

MR. HARDIMAN: Sir, I don't want to ask a question but I do want to clarify my client's position in relation to that report. Dunnes Stores are the expert which commissioned the Price Waterhouse for the purposes of litigation. They have produced it to the Tribunal, as you know, Sir, at its request and on the understanding that it remains confidential except insofar as relevant to your inquiries and I wish to emphasise that its production does not waive the privilege subsisting the report for all other

purposes.

CHAIRMAN: That's fully noted, Mr. Hardiman. Thank you.

THE WITNESS WAS EXAMINED AS FOLLOWS BY MR. GARDINER:

Q. MR. GARDINER: If I could ask you some questions on behalf of Mr. Haughey. The purpose of your report, according to Mr. Justice McCracken, page 7 of that report, Mr. Chairman, was to investigate certain specific events which it was alleged were operated solely by Mr. Ben Dunne but which were monies that became the property of the report. Was that the purpose of the report?

A. It was one of the purposes.

Q. Yes. Now in looking at the property of the group, we have heard Mr. Dunne refer to companies known as Tutbury and Equifex which were companies funded by monies apparently the property of Dunnes Stores, certainly mostly funded by monies from Dunnes Stores. Were you asked to look at those accounts?

A. Both Tutbury and Equifex were companies, I think we were aware of at the time, that our investigation was being conducted. My recollection is we made very little progress in establishing information about either of those.

Q. Well, where did you look who did you ask questions of in relation to those?

MR. HARDIMAN: Sorry, Sir, I am concerned as I have just said, if I may interrupt My Friend for a moment, as I have

just said, my clients produced and were happy to produce the report for your purposes, Sir, in the absolute confidence it would be treated as confidential as indeed it has been and I am concerned that the, that there would be any roving commission into the work that was done for the purpose of the report. I realise it was done my Price Waterhouse. Of course the confidentiality in it is my clients. I don't want to preclude Mr. Gardiner from any proper form of inquiry but it's not at all clear to me what purpose there is in discussing the manner of composition of the report in a manner which must inevitably disclose to a greater or lesser degree information which appears to be beyond the remit of the Tribunal.

MR. HEALY: Sorry, Sir, I think I can be of some assistance. Mr. Gardiner kindly gave me notice of his questions and his question effectively or one of the matters he wishes to clarify, he will correct me if I am wrong, is that he wishes to know whether the report dealt with the Tripleplan cheque, the bearer cheques we discussed yesterday or the £210,000? Now, I quite understand Mr. Hardiman's point and the Tribunal will be anxious to ensure that documentation which came into existence in the context of litigation under privileged circumstances shouldn't be unnecessarily disclosed and what I suggest is for the moment, I can confirm that that is the position but that Mr. Gardiner may take the matter up with the Tribunal and

if he requires further assistance, it can ultimately be resolved by having more evidence given of a more refined nature if necessary so that the risk Mr. Hardiman apprehends will not occur.

CHAIRMAN: What do you propose as of now?

MR. HEALY: Just clarifying the €210,000, the Tripleplan and bearer cheques are not dealt with in the reports which I understand to be the case.

CHAIRMAN: Yes, but how much further, Mr. Gardiner, do you envisage going into the modus operandi into the report?

Because obviously I have to make appreciative allowance for Mr. Hardiman's understandable misgivings that they were highly confidential matters being investigated other than to the absolutely minimum steps necessary to proceed with the Tribunal's business.

MR. GARDINER: Well, I would be happy to reserve my position in relation to it and take up Mr. Healy's suggestion we take it up with the Tribunal.

CHAIRMAN: Yes. I think that may be preferable. I am conscious of the point you forcibly make and I think it's sensible there should be some discussions as to what further steps, if any, may be necessary for Mr. Gardiner's party, Mr. Haughey's legal team, to fulfil his remit.

MR. HARDIMAN: I am most obliged.

CHAIRMAN: No one else wishes to raise a matter with Mr.

Lacey? . Thank you very much.

THE WITNESS THEN WITHDREW.

MR. HEALY: Mr. Vaughan.

MR. BRENDAN VAUGHAN, HAVING BEEN SWORN, WAS EXAMINED AS
FOLLOWS BY MR. HEALY:

Q. MR. HEALY: Thank you, Mr. Vaughan. Mr. Vaughan, I think
that you were the senior manager with the Bank of Ireland
and that you were attached to the business banking section
of the Dublin north bank region; is that right?

A. That's correct.

Q. Now, your offices I see here is 6 Lower O'Connell Street;
is that right?

A. That's correct.

Q. Are you associated with the Rotunda branch, is it?

A. It's one of twenty-one branches we actually look after and
to answer your question, we did have offices over the
Rotunda branch up to last year.

Q. Up to last year. So you were, you dealt with the business
banking as opposed to ordinary, I suppose, and domestic or
retail banking, you dealt with the business banking of
clients of a number of branches?

A. Exactly.

Q. So that if somebody had an account in the Rotunda branch,
their business affairs would be dealt with by you or your

staff?

A. Exactly.

Q. And up until 199 up until last year, you said you were physically in the same place as the Rotunda branch?

A. Yes, we took the second and third floors.

Q. Right. Is there any significance in your being moved to a different location at the moment?

A. No, we had three central locations, seven branches in each and the last year

Q. Would you go a little more slowly?

A. There was three similar type of business centres relating to the north of Dublin and looking after an average of seven branches and for symmetry reasons, last year, the three went to 1 O'Connell Street and looked after the totality of the twenty-one branches.

Q. I understand. You have provided a certain amount of information to the Tribunal in connection with this matter with the authority of the bank and with the authority of your client, Mr. John Byrne, is that right, of Carlisle Trust?

A. That's correct.

Q. And do you have a copy of that, or do you want to have a copy in your hand?

A. I haven't.

Q. We will make a copy available. (Document handed witness). Leaf No. 9. Now I think that when the Tribunal contacted you, you were informed that the Tribunal

understood that you had made contact with Mr. John Byrne in 1994 or 1995, it now seems 1994 from the evidence of Mr. Byrne, in connection with a request from solicitors acting for Mrs. Margaret Heffernan in the High Court action between the Dunnes trustees and Mr. Bernard Dunne and that the inquiry from the solicitors concerned three cheques drawn on the Dunnes Stores Grocery Account and lodged to the Carlisle Trust Account which is the account that we have been talking about here today, 14793574, isn't that right?

A. I explained to you, I don't have a full recollection of where the original request emanated from.

Q. Right.

A. So I can't answer that definitely.

Q. Right. Well can you answer this much; did you contact Mr. Byrne?

A. I can recollect the phone call.

Q. You certainly contacted Mr. Byrne and he is under the impression you contacted him in 1994 and that, let's put the matter in general terms, that you contacted him in connection with a query raised by solicitors for Dunnes Stores?

A. Again

Q. Would that be fair?

A. I have a recollection, the outcome of the query, we couldn't actually find the original document so I am totally unsure as to where the request came from or why I

contacted him but I know it was in relation to that matter.

Q. Well, can I put it this way; did solicitors for Dunnes Stores contact you?

A. Not directly.

Q. Did anyone from Dunnes Stores contact you?

A. No.

Q. When you say not directly, were you aware did somebody else contact you in relation to a request?

A. Not that I am aware of.

Q. You must have got this information from somewhere, isn't that right, if you contacted Mr. Byrne about it?

A. As he explained to you, my recollection is that an outcome of some inquiry came across my desk and as a result of that I contacted John Byrne.

Q. I think what you said the information you made available to the Tribunal, your recollection is very vague?

A. Yes.

Q. But that you do seem to recollect one from the Bank of Ireland Rotunda branch which would have been underneath you at the time advising you of the outcome of a request from solicitors for Mrs. Margaret Heffernan and I think what you said is that transactions relating to the accounts of Carlisle Trust Limited were highlighted and the branch advised me of the same?

A. Yes, that's the best of my recollection.

Q. You went on to say, I think, or inform the Tribunal that as Carlisle Trust comprised part of the portfolio of accounts

which you managed at that time, as a matter of course you would have contacted Mr. Byrne by telephone and advised him of the developments?

A. Correct.

Q. You say that you cannot recollect any further communication on this matter as you believe the case was subsequently settled?

A. Yes, I don't remember any further phone calls or discussions.

Q. I think you are anxious to put this matter in context and you have explained, as you stated here in evidence, that you operate, that you operated a business centre, that Rotunda was one of your branches and that any queries of a transactional nature were always related to the relevant branch?

A. Right.

Q. When you say a query of a transactional nature, what do you mean precisely?

A. Well, any query that would relate to having to get out copy statements, get out copy cheques, you know, we would only handle business, banking business queries and

Q. Would you go a little more slowly. Let's take it back to the point where you say that any query that would relate to having to get out copy statements, get out cheques, we would only handle business banking queries.

A. Exactly.

Q. So that if you were asked a query about a cheque, for

instance, you wouldn't have the material to provide the

answer?

A. No.

Q. That material would be in the branch?

A. Correct.

Q. But nevertheless, I think you were saying that you wouldn't

be aware of the query at the time that it was raised but

you must or you could be advised of it at a later point; is

that right?

A. That's correct.

Q. You have no written record of the original communication as

you described it from Mrs. Heffernan's solicitors and to

the best of your recollection, the only person you

contacted was Mr. Byrne?

A. That's correct.

Q. Now, I think you said a moment ago that as Carlisle Trust

comprised part of the portfolio of accounts which you

managed, as a matter of course you would have contacted Mr.

Byrne by telephone and advised him of this development.

The development as you understood it being the fact that an

inquiry had been made in connection with his account; is

that right?

A. I can't exactly remember the circumstances. It could have

been that. It could have been a photocopy of the cheques

but I can't remember what triggered the phone call.

Q. The point I am making is that it would be a normal part of

your relationship with a customer and certainly with an

important customer, perhaps any customer that where a query like this was raised or where a development like this occurred as you put it, as a matter of course you would bring that to the attention of the client?

A. Yes, that's correct.

Q. And would I be correct in thinking that that is the way any banker would behave on receipt of a query like this?

A. I would imagine so, yes.

Q. In this particular case, I think would I be right in thinking that the branch, if they received a query like this, would expect you to deal with it where Mr. Byrne was concerned rather than getting on to Mr. Byrne themselves?

A. It would depend on the source of the query. If the query was internal branch to branch, I don't expect to deal with it but certainly if there was any type of questions to be asked and I was available, they would certainly ask me to make the phone call.

Q. What kind of questions to be asked or what do you mean by the expression any kind of questions to be asked?

A. Well, if the information was available at source in the branch, if anybody needs to ring a client and ask them for any kind of information and were not used to dealing with the client, they would ask the relationship, the person to actually ring that client which would be me in that case.

Q. I am not quite sure that I follow you. If there were an inquiry to the branch concerning a client's account, are you suggesting that you would be contacted by the branch to

take that matter up with the client?

A. No. What I am saying is if the request to the branch was one of a transactional nature, the branch would actually deal with it. They would deal with it themselves but only if there was a follow-up where there might be some more information required, they might themselves ring up or might ask me to speak to the person, closest to the customer, to actually make the phone call.

Q. This query seemed to be a query that came to the bank from solicitors; isn't that right?

A. Again, I cannot recollect where the query came from as I said in my statement, it was so long ago, I don't remember the origin of this query.

Q. I didn't catch quite what you said.

A. I cannot remember the origin of the query.

Q. Do you remember that it involved solicitors?

A. I got the impression it did but again I am not a hundred percent sure.

Q. When you contacted Mr. Byrne, he was under the impression that the information you gave to him was to the effect that solicitors were involved in the query?

A. I understood that's what he said but I can't remember that conversation. I can remember the phone call but I cannot remember exactly what was said.

Q. If it were a development which you thought was of no consequence, merely an internal inquiry, is it one you would have brought to the attention of Mr. Byrne?

A. I would have brought it to the attention of Mr. Byrne about an inquiry on accounts.

Q. Including internal inquiry?

A. I think he would have a right to know.

Q. If somebody internally within the bank had simply said whose account number is that, I want to find out where that cheque was lodged and they were told oh, that's Carlisle Trust's account and if that inquiry would be an internal inquiry

A. If that was an internal inquiry, I wouldn't have been involved in it.

Q. You would never have found out about it?

A. I would never have known.

Q. There could be hundreds of such inquiries?

A. Exactly.

Q. For you to be informed about this, it can only have been because the inquiry went above and beyond internal inquiry; is that right?

A. I presume so.

Q. And therefore isn't it likely Mr. Byrne is correct when he says that when you contacted him, you mentioned solicitors because that would have put the inquiry into the category of something more than a mere internal inquiry?

A. I can't confirm that, I imagine if Mr. Byrne has said that, I can't deny it but I just remember what was said in the conversation.

Q. Wouldn't I be right in suggesting you would have no other

reason to contact him?

A. I would contact Mr. Byrne on a regular basis.

Q. I presume on a regular basis, you wouldn't be telling Mr.

Byrne somebody asked the question yesterday, an inquiry on your bank account, hardly of any significance?

A. No.

Q. Nor would you be ringing him up every day and telling him that solicitors were making inquiries about his account?

A. Oh, that would certainly be a reason to

Q. And wouldn't I also be right in thinking if there were an inquiry from solicitors and an inquiry or even any inquiry

other than merely an internal inquiry, it is something

which you, as a responsible banker, would bring to the

notice of your client as soon as possible?

A. As soon as I was made aware of it, certainly, yes.

Q. It's certainly not something that you let lie around there for months?

A. Oh no, certainly not.

Q. And wouldn't I be right in thinking that if any other member of the bank staff was privy to an inquiry like that

and was bringing it to your attention, that that bank staff

member would also act with due expedition and bring the

matter to your attention soon after he or she had become

aware of it?

A. With the possible exception they may have awaited my return from vacation.

Q. I fully accept that of course. In the ordinary way you

expect this to happen fairly regularly, promptly maybe within a day or so but if somebody goes on vacation they may have been unable to get you before you went away and it would be a question of contacting you when you came back and so on. But we are talking about days, possibly weeks, that's all; isn't that right?

A. I would imagine so, yes.

Q. And certainly an inquiry such as this is not one which would be allowed to rest on any one's desk for any significant period of time whether you were available or not?

A. If that was the case, I don't think it would be left lying.

Q. And I think, Mr. Byrne in fairness to him this morning in evidence himself said he himself would expect to be informed by the bank of inquiries like this; isn't that right?

A. True.

Q. And any customer would be entitled to be informed within a reasonably expeditious time after the inquiry is raised?

A. True.

Q. Now, Mr. Byrne was under the impression that the information concerning the identity of this account holder, that is to say Carlisle Trust, had been given to Dunnes Stores. Could you have given him that impression?

A. I doubt it.

Q. Would I be right in thinking that you certainly wouldn't

give that information to anyone without Mr. Byrne's permission?

A. Certainly not, no.

Q. Thanks very much.

MR. CONNOLLY: I have no questions.

THE WITNESS WAS EXAMINED AS FOLLOWS BY MR. HARDIMAN:

Q. MR. HARDIMAN: Briefly, Sir, perhaps I should put to you for clarity, my clients' view of this which was that it was perhaps a Mr. McHale in the Bank of Ireland who contacted you?

A. I don't recollect a phone call from him.

Q. You don't remember it at all, talking about the solicitors and the information available to us suggesting it was perhaps Mr. O'Donoghue in Dunnes Stores it was who made the contact with Mr. McHale in January 1994?

A. I have no information about that.

CHAIRMAN: Anyone else? Very good. Thank you for your attendance.

THE WITNESS THEN WITHDREW.

MR. COUGHLAN: Mr. Monaghan please.

MR. PAT MONAGHAN, HAVING BEEN SWORN, WAS EXAMINED AS FOLLOWS BY MR. COUGHLAN:

Q. MR. COUGHLAN: Mr. Monaghan, I think you are a solicitor;

isn't that correct?

A. That's correct.

Q. And I think you work with the Bank of Ireland, isn't that correct, in the legal department in the Bank of Ireland?

A. That's correct.

Q. And I think were you contacted in January of 1994 by Mr. McHale, an official of the Bank of Ireland in College Green branch of the bank?

A. I was.

Q. And I think Mr. McHale wished to know the information he could give to a Mr. O' Donaghue, an accountant of Dunnes Stores; is that correct?

A. That's correct.

Q. And I think the inquiry was in relation to the identity of an account to which certain Dunnes Stores No. 6 Grocery Account cheques had been lodged; is that correct?

A. That's correct.

Q. And I think at the time that the inquiry was made of you, Mr. McHale was able to let you know that he knew that the cheques had been lodged to a Carlisle Trust account but wished to know whether the bank was at liberty to disclose this fact; is that correct?

A. That's correct.

Q. He was ringing so he was looking for legal advice from you at that stage; isn't that correct?

A. That was the purpose of the call, yes.

Q. And I think you gave him the advice which you would give in

any circumstances?

A. I did.

Q. But he was not at liberty to disclose the facts without the consent of the customer involved?

A. That's correct.

Q. Or perhaps a court order or something?

A. Precisely.

Q. Now, I think you have, you made a handwritten note attendance of that conversation you had with Mr. McHale; isn't that correct?

A. I did, yes.

Q. And I think you have furnished it to the Tribunal?

A. I did, yes.

Q. I am just having copies made of it now and I will put it up on the screen in a moment. Sorry for this delay, Sir.

Mr. Davis is having copies made of it at the moment.

Sorry, I should indicate so that the public can understand, this is a confidential document and we have only been given liberty to use it some short time ago. I think you have the original yourself there, Mr. Monaghan?

A. I have, yes.

Q. And is the document on the screen a photocopy of that attendance?

A. It is, yes.

Q. That's your handwriting, is it?

A. It is, yes.

Q. You can identify that as the attendance of a conversation

you had on the 7th January, 1994 with Mr. Paul McHale; is

that correct?

A. That's correct.

Q. Perhaps you would read through your attendance, Mr.

Monaghan?

A. "Paul McHale, 7th January, 1994. O'Donoghue accountant

wants info," which is maybe an abbreviation for

information, "re three cheques payable to cash. Ended up

in account Carlisle Trust (John Byrne property man). CT

for credit transfer? Maybe it's Thomas Street to Rotunda,

Bank of Ireland. Do not give information who paid it

etc., no more."

Q. Yes.

A. On the left-hand side it reads on the face of it, according

to the ledger of Dunnes Stores No. 6 Account, payees were

Tender Meats and Neville's.

Q. So the final two lines is the, is a brief notation of the

advice that you were given to Mr. McHale; is that correct?

A. That's correct.

Q. All the other information in the note, where would that

have come from?

A. It must have come from Paul McHale.

Q. This was what you were being told and your advice was being

sought, is that correct, as a lawyer in the bank?

A. That's correct.

Q. And that was on the 7th January, 1994; is that right?

A. Yes.

CHAIRMAN: Very good, thank you for your attendance, Mr. Monaghan.

THE WITNESS THEN WITHDREW.

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

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

MR. COUGHLAN:

Q. MR. COUGHLAN: Thank you Mr. O' Donoghue. I think you have heard the last witness, Mr. Monaghan, read out his attendance?

A. I have and I have been given a copy of it.

Q. You have been given a copy. Did you raise any queries with Mr. Paul McHale in or around January of 1994 about these cheques?

A. I certainly recall raising the queries about these cheques. I can't remember if it was Mr. McHale although that name certainly

Q. Rings a bell?

A. Rings a bell.

Q. Yes, and it would have been in or around that time period?

A. Yes, from memory I recollect it was very late in December 1993 or early January, 1994 so that type of period will tell you exactly.

Q. And can I take it that, or the information which was available to you at that time was that they were drawn on

the Dunnes Stores No. 6 Account; is that right?

A. Correct.

Q. And they ended up in the Rotunda branch?

A. Correct.

Q. At that time, you did not know anything about Carlisle Trust or Mr. John Byrne?

A. We had no knowledge whatsoever of the ultimate beneficiaries.

Q. And can I take it you would have informed Mr. McHale or whoever you spoke to how they had been entered in the ledger of Dunnes Stores, that is that they were journalised in Neville's and Tender Meats?

A. Yes, we requested from Bank of Ireland who the ultimate recipient was. I believe we had a numbered account where they ended up.

Q. You had the numbered account?

A. I believe we had.

Q. But can I take it you imparted the information in your journal, they were journalised to Neville's and Tender Meats?

A. I can't say for sure but it's probable.

Q. Yes. Do you know whether at this time you had a specific contact in Bank of Ireland to whom you could relay your queries?

A. Yes, I was relaying all the queries to Bank of Ireland College Green which was our main contact in that branch, the Grocery No. 6 Account was maintained so therefore that

would be the correct starting point in any inquiry.

Q. And can I ask you had there been previous meetings between Dunnes Stores solicitors and the banks to arrange some sort of facility for channeling particular information?

A. Well at that point in time we were getting quite an amount of information from Bank of Ireland and we did set up direct links through Bank of Ireland College Green to get internal checks on various issues.

Q. And can I take it that it was obvious to the bank that this was in the context of information for the litigation that you were involved in?

A. I believe it would have been very obvious, yes.

Q. Yes. Thank you.

MR. CONNOLLY: No questions, Sir.

CHAIRMAN: Anything arise in relation to Mr. O' Donaghue's testimony? Thank you again for your further attendance, Mr. O' Donaghue.

THE WITNESS THEN WITHDREW.

MR. COUGHLAN: The next witness is Mr. Bernard Dunne, Sir. Shall I proceed?

CHAIRMAN: It's going to take how long will you be in your examination?

MR. COUGHLAN: It could be a little time with him so I think that by the time it's completed, it would be I am

uncertain because I don't know, obviously, how long I would be with him myself even because of the asking questions sometimes seems to lead on to different matters in the course of an inquiry so I can't be absolutely certain but I will certainly be with him for at least a half an hour and then I don't know if anyone else will need to ask

CHAIRMAN: It's probably more satisfactory, at least having regard to the fact that Mr. Dunne has had a number of visits to the witness-box already, that we take the matter up first thing on Tuesday morning. We have made good progress today even though we are finishing marginally less than fifteen minutes ahead of time, I think the progress has been satisfactory even though some areas may be required to be revisited to a degree. Very good ladies and gentlemen, 10:30 on Tuesday morning.

THE TRIBUNAL THEN ADJOURNED UNTIL TUESDAY, 9TH FEBRUARY 1999 AT 10:30AM.