

THE HEARING RESUMED AS FOLLOWS ON THE 10TH FEBRUARY,
1999.

MR. HEALY: Paul McHale please.

HAVING BEEN SWORN PAUL MCHALE WAS EXAMINED AS FOLLOWS BY

MR. HEALY:

Q. MR. HEALY: Thank you, Mr. McHale. You are an official of
the Bank of Ireland?

A. That's right.

Q. And what branch are you now attached to?

A. I head up a specialist property business unit in Hume
House.

Q. And have you always been in that branch?

A. No, I took up that position about a year ago. Up to that
I was involved in credit and within the organisation for
about 13 years.

Q. When you say you were involved in credit, do you mean that
you were in the position of something like a regional
credit office or something like that?

A. Yeah, there has been a lot of reorganization within the
bank. Going back I suppose to 1984 when I started, I
worked in the area of the credit department for Dublin and
subsequently merged with the East and became the unit for
the country, so

Q. In 1994, did you have occasion to contact one of the
solicitors in the bank's law department, Mr. Pat Monaghan?

A. That's right.

Q. And what was the purpose of your contact with Mr. Monaghan?

A. I wanted to establish that information was sought in relation to the three cheques that I think you are probably familiar with.

Q. Yes.

A. In relation to which account they would have been paid into, what my position I suppose I wanted to confirm my position in respect of information I could or could not give.

Q. Right. The three cheques you are talking about, the cheques we have been describing as the Dunnes/Carlisle cheques, that is to say three cheques drawn on the Dunnes Stores No. 6 Grocery Account; is that right?

A. That's right.

Q. Were you dealing with Dunnes in relation to a request for information concerning, as it were, the whereabouts of those cheques?

A. I was dealing, I suppose I was dealing with I was asked to coordinate the collection of a large number of cheques for Dunnes, and you know as a specific job I suppose at that time. Now, in relation to those three cheques, I believe I was making inquiry probably in anticipation of a request, but maybe I know that our solicitor, Pat Monaghan, has indicated that I, when I approached him I had indicated that I had been asked for information in respect of those cheques.

Q. And who had asked you for that information? Who was your contact?

A. My contact was Pat O'Donoghue.

Q. That's Mr. O'Donoghue the then financial controller of Dunnes Stores?

A. I believe he was, I mean he had left maybe at that stage to go, he was either retained or had been appointed.

Q. Right, he was either, as far as you were concerned, in Freaney's and working for Dunnes Stores or alternatively was in Dunnes Stores working directly for Dunnes Stores?

A. That's right.

Q. And you were, I think, aware that he was making contact with you in connection with an exercise being carried out to investigate a large number of cheques drawn on various Dunnes accounts?

A. That's right.

Q. And had there been some discussion between solicitors for the bank and the bank's law department with a view to setting up some liaison system with ascertaining that information if the bank could give it?

A. That's my understanding.

Q. You were, as it were, the link man who was going to deal with Dunnes Stores in connection with requests for information regarding cheques?

A. That's right.

Q. And this involved presumably a number of different branches of the bank, not just the branch with which you were

associated at that time?

A. As far as I'm aware, well it predominantly involved the Dunnes No. 6 account which was the College Green Branch.

Q. Yes.

A. There may have been others, but the volume or the great volume of cheques in relation to the Dunnes No. 6 account, which was based in College Green.

Q. Right. And these three cheques are at least known to you, we have seen them on the overhead projector, I think you are familiar with them, they amount in total to €180,000 and they are all drawn to cash?

A. That's right.

Q. And you were, you could tell from the sort code, which obviously is something that would make sense to you, and in any case is a public document, that these were cheques that perhaps I am anticipating something for a moment.

When you examined these cheques you could have, you were able to ascertain from the backs of the cheques that the sort code on the back indicated that they ended up in the Rotunda branch of the Bank of Ireland; is that right?

A. As far as I'm aware it was a Rotunda brand on them, you can check them. There was also an account number on them.

Q. Yes. And in order to get the information that Dunnes Stores wanted from you, you would have had to identify that account number?

A. Yes.

Q. Now, whether for the moment you were at liberty to give

them that information is a question we will put aside.

But in order to find out what information there was, you first of all had to identify the account to which that number applied?

A. That's right.

Q. And to do that you had to go to the Rotunda; is that right?

A. That's right.

Q. Was there any other way of getting that information at that time other than by going to the Rotunda branch or making contact with the Rotunda branch?

A. There probably was, you know in truth, but it was an awful lot easier to go to the Rotunda branch.

Q. Is that what you did in fact?

A. That's what I did, yes.

Q. And do you remember who you contacted in the branch to obtain information?

A. No.

Q. You know that Mr. Brendan Vaughan has given evidence that he was made aware of this query but he is not sure who informed him of the query?

A. I do.

Q. Is it possible that Mr. Brendan Vaughan is the person that you spoke to?

A. It is possible.

Q. And presumably when you were speaking to him, if you were speaking to him, or whoever you were speaking to, you would have informed them of the nature of the query?

A. I think I probably should distinguish here. If I was speaking with Brendan Vaughan who was a manager it is possible that I would have informed him of the nature of the query, and I think if I was speaking with others, quite unlikely.

Q. I see. So if you were speaking to somebody who wasn't the manager then you would have simply said "I want to know what account this is" and simply given the account number?

A. Yes, and I knew, I know or knew a lot of people that worked down there, yeah.

Q. But if you were speaking to Mr. Vaughan who was of managerial rank you would have explained to him "look, this is coming from Dunnes Stores in the context of this inquiry or investigation they are carrying out. There is litigation between them, between members of the family" and so on; you would explain that to him?

A. I might well have.

Q. Right.

A. I can't recall.

Q. Well, he certainly had the impression that that's how the query arose?

A. I am not so sure you are right there.

Q. I see. How do you know that?

A. Just in talking to Mr. Vaughan. My feeling is that he felt that the inquiry, the inquiry might have been generated from a letter from the solicitors, he is not sure.

Q. Right. This is the first, I think the inquiry, this is the first the Tribunal has heard of it is that correct, you think there was a letter. Did you write a letter?

A. No, no, sorry. I mean, I think I think that a letter to there was, as far as I can establish from talking to Brendan Vaughan he believes that a letter was received from Dunnes' solicitor, I think, or some firm of solicitors seeking information on that account, but he can not trace that letter.

Q. I see. When did Mr. Vaughan tell you that?

A. In the last few days.

Q. Is that since he gave evidence here?

A. Since which?

Q. Is that since he gave evidence to this Tribunal?

A. No I don't know.

Q. In any case, having spoken to whoever you spoke to, you got the information that you wanted, you were able to identify?

A. Yes, I was able to establish

Q. You were able to establish that the account was Mr. John Byrne's account. Did you know, in fact, it was the Carlisle Trust account? Did you know of Mr. John Byrne's association with the Carlisle Trust?

A. I would have, yes.

Q. Would you have known him as a valued client of the bank?

A. Yes.

Q. Were you aware would you have informed anybody more senior in the branch if you were if you initially got

this information from a more junior employee, would you have informed a more senior employee of the nature of the query, having regard to the fact that it involved a valued customer of the bank?

A. I believe I would have, I would have informed my superior.

Q. Your own superior?

A. Yeah.

Q. Who was your own superior?

A. My own superior was Eamonn Gallagher.

Q. Mr. Eamonn Gallagher?

A. Yeah, credit manager.

Q. Would he have informed somebody else in the bank of the nature of a query like this concerning the account of a valued customer?

A. I think he would have, yes.

Q. And would you be surprised if a query like this wasn't brought to the attention of a customer?

A. I think, I suppose to put my role in context; at that time, I really my main interest was to, I suppose to do the job I was asked to do, which was to deliver the cheques.

Q. Of course.

A. And certainly in terms of any communication I would have had, I do not believe I would have, first of all depending on who I would have spoken with, I wouldn't have suggested that they pass on that information.

Q. I am just asking you for your own view as a bank official of many years experience, whether you think a client would

expect to be informed of a somewhat serious query like this being raised in connection with his account?

A. I actually don't know that we would have, you know as a result of that cheque, that was a cheque payable to cash which was paid, properly passed through an account to a properly I wouldn't necessarily see it as being a reason to contact the customer.

Q. So you were aware that there were queries arising in Dunnes Stores concerning these cheques? You were aware that the matter had reached such a level of seriousness that there was a specific liaison set up between Dunnes Stores and the bank concerning the matter, and indeed you yourself took it upon yourself to carry out some preliminary work in anticipation of requests from Dunnes Stores to identify cheques that you might look at, and you don't think that that is something a bank would bring to the attention of a client?

A. I suppose I am looking at it from the perspective of purely what the bank was being asked to do at the time which was, you know to coordinate and to deliver these cheques and that cheque

Q. Do you think that a customer would thank the bank for not telling him that somebody was making serious inquiries connected with serious litigation about his account? Do you seriously think anybody would thank the bank for not telling him about that? Sure don't we know the bank told Mr. Vaughan? Don't we know the bank told Mr. Byrne, Mr.

Byrne himself gave evidence to that effect?

A. Yes, but my understanding is that that was as a result of a query from Dunnes to the bank in a formal sense.

Q. So, you think there may have been another query apart from your own query?

A. I do, yeah.

Q. Right. When did you form that impression?

A. From talking to Brendan Vaughan.

Q. Is that from talking to him in the last few days?

A. Yes.

Q. Because I don't have his evidence to hand at this moment, but he has made a statement to the bank, to the Tribunal sorry, in which he indicated that there was no written documentation generated in relation to the communication that he received.

A. My understanding is that he can not trace any formal documentation.

Q. Sorry, would you say that, I didn't quite pick up your answer there?

A. Sorry, my understanding is that he believes, he believes that it was as a result of the communication from the solicitors, but he can not trace any correspondence.

Q. What you told me a moment ago is that you understand that there was written correspondence, a letter. What I am suggesting to you is that Mr. Vaughan made a statement indicating that there was no written communication, and what I have to suggest to you, is that consistent with what

you have told the Tribunal, that you received a telephone call from Mr. O'Donoghue in the context of prior arrangements made between the solicitors and the bank and Dunnes Stores for getting this information? What I am suggesting to you is you must have communicated that information to somebody in the Rotunda branch, either to Mr. Vaughan or somebody else, and that that is how Mr. Vaughan learned of it, and that is how he came to tell Mr. Byrne about it?

A. Well,

Q. Is that likely, as likely as not to be the situation?

A. I don't know. I think first of all, I think you know, there is no guarantee that I did speak to Brendan Vaughan and I could have got that information anyway.

Q. Of course.

A. So if that's the case it is quite unlikely that that information would have been communicated by Brendan Vaughan to Mr. Byrne.

Q. You think it is quite unlikely?

A. Sorry, if the query I raised at the time to anybody else in the Rotunda branch

Q. Yes.

A. if it wasn't Brendan Vaughan, if it was anybody else and I got an account number there, I mean, you know, Brendan Vaughan wouldn't have been aware of that.

Q. Precisely. I think that's his own evidence, if there was simply an internal inquiry, somebody asking for an account

number, he would never be told about it, but if he formed the impression he had been told there was an inquiry connected with the Dunnes Stores' litigation or an inquiry from solicitors, that that must have, this is something that would have been brought to his attention, if there was an inquiry other than an internal inquiry, that is the type of inquiry that would have been brought to his attention?

A. Yes, other than internal inquiry, yes, that certainly would have been brought to his attention, and I believe would have prompted a communication with Mr. Byrne.

Q. Of course.

A. Yes.

Q. And that type of inquiry either came directly from solicitors or only could come you from, one or the other?

A. Yes.

Q. And if it came from you either directly or through some other official of the bank to whom you may have explained the situation, it would have come in January of 1994; is that right?

A. That's right.

Q. And that was the only occasion that you contacted the branch in connection with this?

A. To the best of my knowledge.

Q. And it was something that you certainly regarded as a serious matter, because having got the information you approached the bank's law agent about disclosing it to Dunnes Stores?

A. Yes.

MR. HEALY: Thank you very much.

MR. QUINN: No questions.

CHAIRMAN: Anybody got any questions to ask Mr. McHale?

Mr. Shipsey?

THE WITNESS WAS EXAMINED BY MR. SHIPSEY AS FOLLOWS:

Q. MR. SHIPSEY: Mr. McHale, Bill Shipsey for John Byrne and the Carlisle Trust. You mentioned that you knew that John Byrne was connected with the Carlisle Trust; is that correct?

A. That's right.

Q. And am I correct in understanding that Mr. Vaughan who gave evidence already to the Tribunal was not located in the same office or bank branch as you were located?

A. That's right.

Q. And am I correct in also saying that you were appointed as a coordination person within the bank for all queries that were being directed from Dunnes Stores in connection with matters which they wished to have invested?

A. That's right.

Q. And would I be correct in assuming therefore that it wasn't just these three particular cheques that you were concerned with?

A. That's right.

Q. Would it also be correct, Mr. McHale, that in circumstances

where an inquiry was being made as to where certain cheques may have been deposited or into which account particular cheques were being deposited, that regardless of the identity of the account to which they were placed, the bank would be keen to preserve the confidentiality of their customer?

A. That's right.

Q. And in terms of your contact with the bank's internal solicitor, you may go to him to seek his advice but you would presumably know already at that time that the probability would be you wouldn't be at liberty to disclose the matter?

A. I would seek in confidence, yeah.

Q. But in going to the internal solicitor you weren't going, asking him something that you didn't have a fair idea about before going to him?

A. That's right, I suppose I wanted confirmation or re no, I was, I was aware of the position, I just wanted really to be copper fastened.

Q. And just to be clear as to what inquiries you were making about the three cheques which you have said were three cheques which were part of a large number of cheques being tracked or traced at this stage; the extent of the query at that stage was to where the cheques had gone to and into which account they had been placed; is that correct?

A. Yes.

Q. Would I be correct in saying there was no attempt at that

stage of the Dunnes inquiry to actually obtain documents from the bank other than Dunnes Stores own documents? They were looking for their own cheques; isn't that correct?

A. Yes, that's correct.

Q. There was no question of them looking for third party documents at that stage, they were looking for their cheques and as much information as you were able to offer them in relation to all the cheques that they were trying to trace?

A. That's right.

Q. And would I be correct also in saying from an examination of the cheques by you and looking at the back of cheques, that you could tell that they were deposited or they had some ultimate connection with the Rotunda branch?

A. That's right.

Q. And it wouldn't have taken a telephone call to the Rotunda branch to ascertain that information?

A. That's so.

Q. And insofar as there was an account number on the branch, the only reason for contacting the branch would be to presumably seek to ascertain that that was a Dunnes' account or not a Dunnes' account, that they had been deposited into?

A. I don't understand you there now. The account number, certainly I would never have believed that the account number would have been a Dunnes' account number.

Q. But the reason for contacting the branch would be merely to

ascertain for your own purposes the identity of the account into which it had been put?

A. Correct.

Q. And that's not a matter that you would have required to check with the branch manager in Rotunda?

A. That's right.

Q. And is it therefore not more likely than not that you didn't contact Mr. Vaughan in relation to this matter?

A. I really don't remember, but it is you know, there are a number of people down there who I would have known fairly well who I could have got information off, so I wouldn't, if I went to the business centre, you know, there is probably a slightly greater chance that I would have gone to Brendan Vaughan, but you are correct in saying, you know, that there is, you know, that there is every chance I went to other people.

Q. I think I put it on the basis more likely than not that it wasn't Mr. Vaughan, certainly Mr. Vaughan has no recollection of you having contacted him; isn't that correct, you were aware?

A. Yes, yeah, Mr. Vaughan doesn't recall me contacting him.

Q. Nor do you, yourself, recall contacting Mr. Vaughan?

A. No, no.

Q. So if we put those two pieces of information together, isn't it more likely than not that you didn't contact Mr. Vaughan?

A. It is likely, yeah.

Q. Now, Mr. Healy mentioned something to you about it being suggested in Mr. Vaughan's statement that there was no written communication; I had a copy of Mr. Vaughan's statement and memorandum of information available to him.

So far as his reference to no written documentation, I think the reference is at the bottom of the page, there was no written, not communication but there was no written documentation generated in relation to this communication, would that I appreciate you are not Mr. Vaughan, would that not refer to bank documentation being generated in relation to the communication?

A. I just don't fully understand you, I am sorry.

Q. Mr. Vaughan says there was no written documentation generated in relation to this communication. That would have

A. Are you referring to my communication?

Q. No, I am referring to his communication?

A. Yes, that's correct, as I understand it.

Q. But the written documentation being generated or being referred to would be bank generated and not documentation that arrived from a third party?

A. I don't know. My understanding is that from the contact that Mr. Vaughan would have had with John Byrne, would have been as a result of a query, not internal to the bank, an external query.

Q. And as far as your understanding of what Mr. Vaughan recalls, is it was as a result of communication from

somebody on behalf of Dunnes Stores with the Rotunda

branch; is that correct?

A. That's what I understand.

Q. And you certainly had no recollection of that?

A. No, I wouldn't have had any my role was really confined to, to the collection, coordination and delivery of cheques.

Q. And you can't place a date yourself on when you believe you contacted the Rotunda branch; isn't that correct?

A. The best I can say on that is I have seen Pat Monaghan's note and I think it is dated the 7th of January, so you know that has to be, I remember all this happening around Christmas 93 so, it is in or about that time.

Q. And insofar as your belief is concerned, it is no more than a belief, you don't have any clear recollection of contacting the Rotunda branch, but you believe it is what you would have done?

A. I believe, well I would have to say I probably have, you know I have a vague recollection but I believe definitely I would have contacted them.

MR. SHIPSEY: Thank you.

CHAIRMAN: Nothing in conclusion, Mr. Healy? Thank you.

THE WITNESS THEN WITHDREW

MR. COUGHLAN: Mr. Michael Murphy.

HAVING BEEN SWORN MICHAEL MURPHY WAS EXAMINED AS FOLLOWS BY

MR. COUGHLAN:

Q. MR. COUGHLAN: Mr. Murphy, thank you for coming to the Tribunal. I would intend, I think you furnished a memorandum of evidence that you propose giving to the Tribunal. In the first instance I will take you through that and then I will ask you some questions.

I think, Mr. Murphy, you informed the Tribunal that you are Michael Murphy, care of Ardfinnan House, 17 Trinity Street, Dublin 2, and you say that you are the Chief Executive Officer of Mike Murphy Insurance Services Limited of that address?

A. That's correct.

Q. I think you have informed the Tribunal in your memorandum that you received a letter dated the 2nd of February, of 1999, from the Tribunal raising certain queries concerning investment in Celtic Helicopters Limited?

A. That's correct.

Q. I think you have informed the Tribunal to assist the Tribunal in its investigations you believe you should briefly describe the background to the investment in which you assisted?

A. That's correct.

Q. I think you informed the Tribunal that you have acted as insurance broker to Celtic Helicopters since approximately 1989?

A. That's correct.

Q. Since that time you have built up a relationship with the company by providing insurance services?

A. That's correct.

Q. I think you informed the Tribunal that in late summer of 1992 you were contacted by John Barnacle, Managing Director of Celtic Helicopters Limited, who inquired as to whether you would be in a position to find investors for the company?

A. That's correct.

Q. And that you agreed to make some inquiries, and a business colleague of yours who you had been dealing with over a long period of time, a Mr. David Gresty of DB Agencies, SA Palace Des Moulins, MC 9800, Monaco, agreed to make an investment in the company in a sum of œ100,000?

A. Yes, that's correct.

Q. I think you informed the Tribunal that you indicated at that time that a payment of this sum would represent approximately 8 percent of the company?

A. That's right.

Q. Sorry, was that indicated to you or did you indicate that to Mr. Gresty?

A. That was actually indicated to me.

Q. I think you informed the Tribunal that you had a trading account with DB Agencies, and in or around the end of September or early October payment was made for the benefit of DB Agencies in the sum of œ116,624.62 by two separate cheques; is that correct?

A. That's right.

Q. One cheque was made payable to Credit Suisse London in the sum of €100,000, and the balance was made payable to DB Agencies; is that correct?

A. That's correct, yes.

Q. You informed the Tribunal that Paul Carthy, the accountant to Celtic Helicopters, had suggested the cheque for investment in the shares, in the share be made payable to Credit Suisse London; is that correct?

A. That's my recollection.

Q. You have informed the Tribunal that it is your memory that the cheque for €100,000 was transmitted by you to Paul Carthy?

A. I have since found some inquiry to change that view.

Q. All right. In fairness, you said you understood, you have informed the Tribunal you understand from recent discussions with Mr. Carthy that he does not share that recollection?

A. And he is correct.

Q. I think you have informed the Tribunal that Mr. Gresty required that the shares be held in your name in trust, and you understand that the shares have issued in your name which represents approximately 8 percent of the company; is that correct?

A. That's correct.

Q. And I think you have informed the Tribunal that you have not received share certificates nor were you informed that

the share nor were you informed that any shares were issued; is that correct?

A. That's correct.

Q. I think you have informed the Tribunal that you have a continuing business relationship with both Celtic Helicopters as with Mr. Gresty?

A. That's correct.

Q. You have informed the Tribunal that you have no knowledge that the payment for the shares apparently came from the Carlisle Trust Company?

A. No, none whatsoever.

Q. You never had any direct dealings of any description with Carlisle Trust Limited or with the late Mr. Des Traynor?

A. No.

Q. In the first instance I wonder could we put up on the there is a monitor there beside you, Mr. Murphy if we could put up the cheque for €100,000, which is a cheque from Mike Murphy Insurance Broker Limited, and it is made payable to Credit Suisse London,; isn't that correct?

A. That's correct.

Q. That's in the sum of €100,000?

A. That's correct.

Q. And it is stamped "approved for external" sorry, it received exchange control approval?

A. That's correct.

Q. The cheque is dated the 28th of September; isn't that correct?

A. Yes, that's correct, yes.

Q. And then if we can put the and I think is it signed by you?

A. That's correct.

Q. Now, the second cheque that, if we may put it up. That's made payable to DB Agencies, and it is dated again September; is that correct?

A. That's correct yes.

Q. Of 1992?

A. That's correct.

Q. And again it it obtained exchange control approval?

A. That's correct.

Q. Now, I think if we could just move that up the monitor please, there is a handwritten note at the bottom of that, is that in your writing?

A. That's my handwriting, yes. I handed the cheque to David Gresty in Paris on the 30th of September.

Q. You handed it to D Gresty in Paris on 30th of September, of 1992?

A. That's correct, yes.

Q. Is that both cheques?

A. No, that's the actual, that's the œ16,000 cheque.

Q. Now, I think you have this morning furnished us with a letter or a copy of a letter sent from your firm to the manager of the Credit Suisse Bank (London); isn't that correct?

A. That's correct.

Q. It is dated the 4th of November, of 1992; isn't that correct?

A. That's correct.

Q. It reads; "Dear sirs, I enclose herewith cheque in the sum of œ100,000 which perhaps you would please lodge and credit the account of Credit Suisse Bank (Zurich) to the account of Ansbacher Bank, account number 0835/945734/64. Perhaps you would please confirm that this transaction has been completed. Yours faithfully". And is it signed by you?

A. That's correct.

Q. And I think then there is on the top right-hand corner there is handwriting, "DB Agencies file"?

A. That's my handwriting.

Q. That your handwriting, would that mean it went into the DB Agencies' file?

A. That's correct.

Q. If we move it along the monitor please, there is handwriting "Please acknowledge receipt of cheque"?

A. That's correct.

Q. Is that your handwriting?

A. That's my handwriting, yes.

Q. Was that added to the letter before it went to Credit Suisse in London?

A. I presume so, I can't remember, but I presume it was.

Q. Well, it would seem that that would be

A. That's correct, yes.

Q. that would be logical. Did you receive an

acknowledgment for the cheque?

A. Not that I found, no.

Q. Now, I think you say that when you were contacted by Mr. Barnacle to see if you could be in a position to find investors for the company

A. That's correct.

Q. apart from Mr. Gresty's name, I don't want you to mention any name at the moment, but did you make inquiries of people to see if they would invest in the company?

A. I did, two other people, who didn't invest by the way.

Q. Yes, yes, and apart from those two people, did you approach anyone else?

A. No, just Gresty.

Q. Now, you have informed the Tribunal that you had a trading account with DB Agencies, and that in or around September or October that you would have owed on that account €116,624.62; is that correct?

A. Yes, that's correct.

Q. And that would be an indebtedness on the part of Mike Murphy Insurances to DB Agencies?

A. It would have been, yes.

Q. And what Mr. Gresty was accepting in these circumstances was effectively a substitution of this debt for an investment in Celtic Helicopters; isn't that right?

A. Of €100,000.

Q. And he was getting the balance in money; is that right?

A. That's correct.

Q. That was a normal trading account between you and DB Agencies?

A. Yes, it was, yes.

Q. And what type of business did you conduct with DB Agencies?

A. Major, the majority of the business was marine business.

Q. The majority of the business was marine business?

A. Yes.

Q. What do you mean by "marine business"?

A. Well, marine insurance really.

Q. Marine insurance?

A. Cargo and hull, for ships and for cargo.

Q. So, can you give us some inclination of how this balance, outstanding balance arose between you and Mr. Gresty?

A. That balance was going back over a number of years from about 1988 or 87, or something like that, on an old account, that actually came from.

Q. But it was a Mike Murphy Limited indebtedness to Gresty, no doubt about that?

A. No.

Q. It wasn't a client's indebtedness to Gresty?

A. I don't think so.

Q. Well, I take it I take it you would keep company, a company bank account where normal trading relationships might be conducted; isn't that correct?

A. Of course.

Q. And you keep a client account; is that correct?

A. That's correct.

Q. Where client's money would go in?

A. That's correct, yeah.

Q. Well, perhaps you could just assist the Tribunal yes, if we could put one of the cheques up again, and you do appreciate that this documentation has only come to us in recent times, so I am really looking for your assistance, if you can explain to us at the moment do you see that it is indicated as for Mike Murphy Insurance Brokers Limited, Section 48, non-life insurance client's current account, what's that?

A. Well, that means it is a general insurance account.

Q. Client's account?

A. Rather than a life account, there are two sections, as you know, in business, life insurance and general insurance.

Q. So the distinction is that it is on the general insurance side rather than for life or pensions or matters of that nature?

A. That's correct.

Q. It is a client's account; isn't it?

A. That's correct, that's what it says, yes.

Q. Yes. Does that mean that that is an account which contains client's money?

A. It would be yes, that's correct.

Q. And this cheque was drawn on the client account?

A. That's correct, yes.

Q. Which would represent money which wasn't Mike Murphy Insurance Brokers Limited Account; isn't that correct, or

am I incorrect, I am just trying to

A. I am not sure myself really, that should be, it should be for client's funds.

Q. Yes.

A. It would be collected by Mike Murphy Insurance Brokers on behalf of clients.

Q. For disbursement for clients, or you might receive payments from insurance companies in respect of claims or settling claims for clients, and the money would come from the insurance company, you put it into the client account and you would draw a cheque from that account in favour of the client; isn't that correct?

A. That's correct.

Q. Would that seem to indicate that the payment of œ100,000 so was client's money?

A. It certainly would indicate it came from the client's account, I wouldn't say we would have it separate. So far as we were running an account with Mr. Gresty and he says we owe him that amount of money, that would be the situation. As regards whether it is commission or, I can't tell you, I wouldn't know that.

Q. Yes. What I am trying to ascertain at the moment, Mr. Murphy, is that if it came from a client account, it couldn't have been an indebtedness of Mike Murphy Insurance Limited; isn't that correct, to Gresty?

A. I didn't quite catch what you meant by that. As I see it my account or the account of Mike Murphy Insurance Brokers

to deal with, dealing with DB Agencies, and therefore that's how I see that. I know what you are saying to me now, I understand.

Q. You understand. All I am trying to do is tease out and ascertain what the situation is. Like solicitors, accountants, insurance brokers, auctioneers, stockbrokers, there would be a company account, isn't that where the normal trading of the company would take place? And then there would be a thing called a "client account" where only clients money goes?

A. That's correct, yeah.

Q. And that is safeguarded?

A. By Section 48.

Q. But it is safeguarded by the person operating the client account with great zeal; isn't it?

A. It is of course, yes.

Q. And to draw a cheque on the client account means that there is a disbursement of client's money?

A. That's correct.

Q. And at some stage within the again let us just be clear about this, the client account is represented in the bank as one large sum of money; isn't that correct?

A. That's correct.

Q. But within the office of the holder of the client account that large sum of money would be broken up and represented in accounts or in a record as being belonging to individual clients; isn't that correct?

A. That's correct, yeah.

Q. And after money is drawn out of the client account there would be a reconciliation within the office indicating out of which client's sorry I will repeat the question.

That after a sum of money is drawn out of a client account in the bank there would be a reconciliation within the office as to which specific client that should represent a debit to; isn't that correct?

A. For a small business yes, but for big business like this it would be running statement, running account, and as I understand it, this particular thing here, there was an old statement for old items that had not been fully agreed and hadn't been really agreed for payment, and this is where this came from, and there is a note of it on the file there, but there were several clients involved.

Q. But, Mr. Murphy, you told us earlier and I think we will have to come back to this, sir, because this matter is a matter that we are continuing to investigate. But you told us already that as far as you were concerned this morning, it was an indebtedness of Mike Murphy Insurance Brokers to DB Agencies?

A. My understanding of that was different to the way I answered it. I see it as an, as indebtedness of Mike Murphy reduces as a client indebtedness.

Q. I don't see it anyway at all, I am just trying to establish the facts.

A. That's the way I am catching it from you.

Q. All I am trying to do is catch the facts. There was an indebtedness from Mike Murphy Insurance Brokers to DB Agencies?

A. That's correct.

Q. In satisfaction of that indebtedness there is a cheque drawn in favour of Credit Suisse in the sum of œ100,000 to represent an investment in Celtic Helicopters; isn't that correct?

A. That's correct.

Q. And the balance is made payable to DB Agencies?

A. That's correct.

Q. And the fact is that both of those cheques were drawn on a non-life insurance client account?

A. That's correct.

Q. Which must mean that it, if it was drawn that it must represent client money and not Mike Murphy money?

A. That's correct, the indebtedness from DB Agencies would be for clients, yes.

Q. Well, are you saying that DB Agencies are represented in the client account so; is that correct?

A. No, what I am saying to you is, and I am not making it very clear, I am sorry about this. What I am saying to you is that DB Agencies would have a running account with us, this was going back over a number of years, they were old items that hadn't been cleared off. I don't know how DB Agencies shown them in their books, but they actually agreed this settlement against the account.

Q. Sorry, let's take this slowly. DB Agencies were not a client, they were a person with whom you did business?

A. It would be like an insurance company, in this instance they would operate it would be like an insurance company account in our office.

Q. Sorry, I am not following you. The business you would do with DB Agencies would be what, placing insurance?

A. Marine insurance business.

Q. Placing marine insurance?

A. Precisely.

Q. With them?

A. With them, and they would act really in this instance like an insurance company, creditor or debtor, I am not sure of the terminology. In our book it is, would be shown as, an insurance company as a creditor.

Q. Yes, so they are an insurance company?

A. As such, yes.

Q. And let's take it as simply as we can so. You would on behalf of clients be placing business with DB Agencies?

A. That's correct.

Q. Isn't that correct? And in placing business you would pay, I presume, a premium on behalf of clients to DB Agencies; is that correct?

A. That's correct, yes.

Q. In order to pay DB Agencies, can we take it that the client would in the first instance first of all you probably obtain a quote or something in the normal course?

A. Yes, we place the business.

Q. Your client would accept that quote and instruct you to proceed with the business?

A. That's correct.

Q. You would place the business with DB Agencies?

A. Correct.

Q. DB Agencies would be receiving premiums from you, would that be

A. That's correct.

Q. And when the client would instruct you to place the business, the client would either then or in due course make a cheque payable to your company?

A. That's correct.

Q. For that purpose?

A. That's correct.

Q. And that client's cheque would go into your client account?

A. That's correct.

Q. You would then deal with DB Agencies on the basis that you would draw a Mike Murphy Insurance Broker Company account cheque and you would transfer the money from the client account to the Mike Murphy Insurance Company account; would that be the normal course of business?

A. It would be a cheque like, yes.

Q. No, I want to take it very, very slowly, Mr. Murphy.

Wouldn't the normal course of business, that you acting on behalf of clients would either have an indebtedness, Mike Murphy would have an account where they run up a debt with

an insurance company over a period of time, that would be a normal business?

A. That's correct.

Q. And you would in due course settle your account with the various insurance companies you would be dealing with, whether it be monthly, quarterly or whatever arrangement?

A. That's correct, yes.

Q. And that would be drawn on Mike Murphy Insurance Company, company account; isn't that correct?

A. I am not quite sure of that.

Q. I see.

A. It would be drawn I think, the payments would be on a cheque like that, on a client account cheque, I think, I am not sure.

Q. Right. But in any event DB Agencies is always the recipient of premiums; isn't that correct?

A. That's correct.

Q. And if a claim were made that DB Agencies were paying out on they would send a cheque for that sum of money, whatever it may be, if if you were to make a claim on behalf of a client?

A. Not necessarily. An account like this, it could actually be offset against the client on a running

Q. Yes

A. It was the same kind of thing.

Q. I can understand that. But let's take it in its simplest form. If you make a claim on behalf of a client to DB

Agencies?

A. Yes.

Q. And DB Agencies are paying out on the claim?

A. Yes, correct.

Q. They would send a cheque payable to Mike Murphy Insurance Brokers Limited; isn't that correct?

A. It could be or it could be to the client. It could be either way, yes.

Q. But if it came payable to Mike Murphy Insurance Brokers Limited, that would go into your client account and you would then draw a cheque in favour of the client from the client account?

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

Q. DB Agencies are not a client?

A. No, not an insurance, no they are not, no.

Q. Now, I readily accept and understand that there can be reconciliation between the broker and insurance company in respect of premiums due and paying out of the claim?

A. Yes.

Q. And in those circumstances you, yourself, then, if such a reconciliation took place would pay the client; isn't that correct?

A. Pay yes pay, yes.

Q. Pay the client. But the only money that's ever in the client account is client's money?

A. That's correct, yes.

Q. And never Mike Murphy Insurance Brokers Limited money?

A. No, it wouldn't be.

Q. Never?

A. No, it wouldn't be.

Q. So if money is drawn on a client account it has to represent client's money?

A. That was collected by Mike Murphy Insurance Brokers.

Q. Yes.

A. Yes.

Q. And there can be no other explanation; isn't that right?

A. No.

Q. Well, do your records show which clients are represented by this 100 œ116,000 odd?

A. From what we can find it is an old, it is an old balance going back over a number of years, and I don't know if it's commission or what it is, Mr. Gresty or DB Agencies may have paid the money already out at that stage to the insurance companies and demanding from us, I am not sure about that.

Q. Sorry, I don't understand, and it is it is no fault of yours, it is just I don't understand. The only money in the client account is client's money?

A. That's correct.

Q. How can it represent anything other than, how can the sum be referable to anything other than clients?

A. Well, an insurance broker has to make a living.

Q. I know that.

A. So the monies collected is the gross amount of money.

Q. Yes.

A. And there is commission obviously included in that amount of money.

Q. Yes.

A. So it is the net amount that should be paid out rather than gross amount.

Q. Yes.

A. So the same would apply possibly from the far side in DB Agencies, I don't know what the setup would be, if it would be a similar situation to here.

Q. I understand that, Mr. Murphy, of course you have to make a living, and the way that's done is by commission?

A. Yes.

Q. But if a client pays you a cheque, we'll say for a hundred pounds or something of that nature, and let's say five pounds of it represents the commission?

A. Yes.

Q. The hundred pounds is made payable to Mike Murphy Insurance Brokers Limited by the client?

A. Yes.

Q. That goes into the client account?

A. That's correct.

Q. With the client's permission, because he understands that there is commission. There would then be deducted from the client account into the Mike Murphy Insurance Brokers Company account five pounds representing the commission; isn't that right?

A. At some future date.

Q. And that would represent then that the balance of œ95 is for the specific purpose of the premium?

A. That's correct.

Q. That's the way it works?

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

Q. But whether it be commission or whether it be, the premium, it is preferable to a client?

A. Of course.

Q. And whether it be commission or premium, or in fact a payment on behalf of a client from an insurance company, that must also be always referable to a client in the records of Mike Murphy?

A. That's correct.

Q. So it is always the client's?

A. I beg your pardon?

Q. It is always referable to clients?

A. Always referable to clients, yes.

Q. And this sum of money must be referable to clients?

A. I imagine so.

Q. Not to Mike Murphy Insurance Brokers Limited?

A. No, no.

Q. Now, in any event we will come back to that in due course when you have a greater opportunity of checking records and matters of that nature but I just want to ask you a question before you leave at this stage. I wonder could we put the letter up which is the letter

sending the hundred thousand pounds cheque to Credit Suisse? I think that's the letter and you sent it to the credit of the account of Suisse Bank Zurich, to the account of Ansbacher Bank and then the account number; isn't that correct?

A. That's correct, yes.

Q. I wonder could we just take it out please. The letter is dated the 4th of November, of 1992; isn't that correct?

A. That's correct, yes.

Q. So can we take it that it must have been in or around that time that the cheque was sent to Credit Suisse in London?

A. Yes.

Q. And can you tell us who told you to send the cheque to Credit Suisse London and gave you the account number of the Ansbacher bank account in Zurich?

A. My recollection is that it was Paul Carthy.

Q. Now, I wonder you also furnished the Tribunal with an acknowledgment from DB Agencies in Monaco; is that correct?

A. That's correct, yes.

Q. I wonder could we put that up and I think it is addressed to Mike Murphy Insurance Group, 17 Trinity Street, Dublin 2, Ireland. It is dated Monaco the 5th of October, of 1992. For the attention of Mr. Mike Murphy.

"Dear Mike, I have received the amount of IEP €116,624.62 as agreed, which I have deducted from the account. This reduced the amount outstanding on the old shipments AGSI as

per attached. I have forwarded the cheque as agreed for the investment in Celtic Helicopters. I note you will hold the shares for me in a nominee account and I will instruct you later when I decide further"

CHAIRMAN: I think "the nominee account for the moment".

Q. MR. COUGHLAN: "In the nominee account for the moment, and I will instruct you later when I decide further". And it is signed "David Gresty"; isn't that correct?

A. That's correct.

Q. That's dated the 5th of October, of 1992?

A. That's correct, yes.

Q. Now, the money wasn't sent to Credit Suisse for over a month later?

A. That's correct.

Q. Do you have any comment to make on how you receive an acknowledgment for this sum and your indebtedness is adjusted with DB Agencies when the money hasn't gone at that stage?

A. Well, the cheque had been written on some date in September, so it is quite possible, it is quite possible that we had a discussion, I can't remember.

Q. It is quite possible you what?

A. We had a discussion in the meantime about the cheque. I don't know why the cheque didn't go until the date in November, I don't know.

Q. Well, you met Mr. Gresty in Paris on the 30th of September,

of 1992?

A. That's correct.

Q. Now, you have told us that in Paris you handed Mr. Gresty the cheque for 16 and a half thousand pounds odd?

A. That's the note at the bottom of the cheque, yes.

Q. Is that what you remember?

A. Well, that's what the note says. I honestly don't remember actually, I am relying on the note on the cheque.

Q. And is it your recollection that you retained the other cheque for a hundred thousand pounds made payable to Credit Suisse?

A. It is quite possible I showed him the cheque or a copy of it at that meeting, I don't know.

Q. A copy of it?

A. Yes, I mean if he acknowledged it.

Q. Well, why would you show him a copy of it? Because he is saying in this acknowledgment; "I have forwarded cheque as agreed for the investment in Celtic Helicopters"?

A. That's Mr. Gresty's evidence.

Q. Yes. Do you have any comment to make on it?

A. I can't recall. I am just trying to fit things in for you, I can't recall.

Q. What does "AGSI shipments" mean, old AGSI shipment?

A. As I explained earlier that was a number of accounts going back over a number of years that had to be finalised, that's what that was in connection with. There was a current account running as well which we actually in

addition to that, other monies coming through.

Q. Well, do you accept that it seems unusual that you would receive an acknowledgment dated the 5th of October, of 1992, for a transaction or part of a transaction which seemed to occur in November of 1992?

A. Well, the cheque was written in September.

Q. Yes.

A. But it actually wasn't sent until November, and I don't know why that is but I presume that's what

Q. And there is a letter on your files from your company to Credit Suisse in London sending the cheque, and on this acknowledgment, if we could put it back up please if we put the acknowledgment back up please Mr. Gresty is clearly saying that he has forwarded the cheque as agreed for Celtic Helicopters?

A. That's Mr. Gresty's evidence.

Q. Perhaps we will take the matter up in due course. We will need Mr. Murphy and he is assisting the Tribunal in relation to documentation in due course, sir, so he will be coming back.

MR. O'MOORE: I wonder if I might reexamine Mr. Murphy at this stage on behalf of Mr. Murphy? I don't think there is any other questions from other parties.

MR. QUINN: Mr. Chairman, I did want to ask one or two questions on behalf of the Revenue, with your permission?

CHAIRMAN: Well, we will be hearing from Mr. Murphy again,

Mr. Quinn, and that's, perhaps it is desirable that you hear the totality of his evidence before addressing any questions and I will limit that to you, Mr. O'Moore, at this juncture.

THE WITNESS WAS THEN EXAMINED BY MR. O'MOORE AS FOLLOWS:

Q. MR. O'MOORE: Mr. Murphy, I think the first you heard about your involvement was a letter you received from the Tribunal solicitor on Tuesday of last week?

A. That's correct.

Q. I think since then no formal order for Discovery or order compelling you to produce document has been made?

A. No.

Q. I think you provided the Tribunal with documents, including the documents Mr. Coughlan put to you this morning; is that so?

A. That's correct.

Q. Have you done so on an voluntary basis? I think it is clear that there is inconsistencies of a striking nature between the letter of October of 92 and the November of 92; is that right?

A. That's correct.

Q. And notwithstanding that you made those documents available at short notice to the Tribunal?

A. Yes, of course.

Q. Could I ask you in relation to the question of the payment out of the client account, I think that you were asked by

Mr. Coughlan about the deduction of commission from that account, you said that would be deducted at some future date; is that right?

A. That's correct.

Q. I am taking it from the answer that the commission didn't always come out of the client account with lightening speed?

A. Not at all.

Q. Am I right in understanding that the client on this particular client account, that's the non-life assurance client account would at almost any time have commission payable to you and to your company resting in that account?

A. Of course, yes.

MR. O'MOORE: Thank you very much, Mr. Murphy.

CHAIRMAN: And it is the case, Mr. Murphy, that your business under your practicing name that you have told us of, it is continuing to trade at your address in 17 Trinity Street up to and including the present time?

A. That's correct.

CHAIRMAN: Thank you very much.

THE WITNESS THEN WITHDREW

MR. HEALY: Mr. Ciaran Haughey.

HAVING BEEN SWORN CIARAN HAUGHEY WAS EXAMINED AS FOLLOWS BY

MR. HEALY:

Q. MR. HEALY: Thank you, Mr. Haughey.

Mr. Chairman, sir, I should say one thing before Mr.

Haughey gives his evidence, and this will be of as much interest to him as to you sir, because Mr. Haughey may be giving evidence in connection both with Celtic Helicopters and in another capacity. I am proposing to deal only with some of Mr. Ciaran Haughey's evidence at this juncture, mainly the Celtic Helicopters evidence, and perhaps not even all of that, if that's acceptable to you, sir?

Mr. Haughey, am I right in saying that in fact you may be required to give evidence and you will be aware from discussions between the Tribunal solicitor and solicitors acting for some of the members of your family, your brothers and sisters, that you may be involved in another aspect of the Tribunal business; isn't that right?

A. Yes, I understand this, yes.

Q. Therefore I am going to try to, if possible deal with matters in, if possible a non-contentious or non-controversial way at this point, and we can come back to them at a later point in connection with the other evidence you may have to give. Okay?

You weren't here yesterday, but are you aware of the evidence given by your co-director in Celtic Helicopters, Mr. John Barnacle?

A. I'm aware of some of the evidence, yes.

Q. Like Mr. Barnacle you are a helicopter pilot, and he and you set out in 1985 to start up the helicopter business known as Celtic Helicopters?

A. That's correct.

Q. Now, you have through your solicitors made available to the Tribunal a memorandum of the evidence you hope to give to the Tribunal. Do you have a copy of that?

A. I have it here, yes.

Q. And I will just take you through it briefly.

CHAIRMAN: Which tab is it, Mr. Healy?

Q. MR. HEALY: I am not sure it is in a tab, sir, because it only arrived recently, but I will have a copy made available to you. It should go into tab or Leaf 12, sir.

I think in your memorandum you say that you are a shareholder and a Director of Celtic Helicopters and one of its two principal pilots. I take it the other pilot is, as Mr. Barnacle told us, is an employee pilot?

A. That's correct.

Q. As a Director of the company your responsibilities were predominantly on the operation side of its affair, and your fellow Director and minority shareholder, Mr. John Barnacle, attended to the financial aspects of the business?

A. Yes, my title as regards the Irish Aviation Authority would be Flight Operations Manager.

Q. Flight Operations Manager.

MS. COSTELLO: I beg your pardon, it appears My Friend could have the original draft with typographical errors.

If I could hand in the version that doesn't have the typographical errors.

CHAIRMAN: Certainly, Miss Costello.

Q. MR. HEALY: Well, I will just go over what I read out to you a minute ago, because clearly the word "minority" doesn't appear in the document I now have. The document that you have now, that's now handed to you, sir, is described as "Draft memorandum of evidence to be given by Ciaran Haughey". And I take it that this is, in fact, not the draft but the final memorandum; is that your understanding?

A. That's my understanding, yeah.

Q. I think again you were saying that as a Director of the company your responsibility was predominantly on the operations side of its affairs, and your fellow Director and shareholder, Mr. John Barnacle, attended to the financial aspect of the business. The word "minority" should not have been included in the earlier statement; is that right?

A. That's correct.

Q. And I take it that that is therefore just a typographical error, it has no significance?

A. I believe so, yeah.

Q. Now, you then divided the statement up into a number of headings, I will take you through those. Under the heading:

"Dr. John O'Connell - I never directly or indirectly sought an investment by Dr. O'Connell in the company, either by way of shares or by way of loan or any other form of investment. I was unaware that he had made any purported investment in the company, whether in 1985 or at any other time, whether as a shareholder or otherwise".

You go on to say that you were aware that one of the shareholders who invested in the Celtic Helicopters was Mars Nominees. You say that you were aware that this was a company which held shares in trust for various parties, but at no time were you aware of the identity of the parties interested in Mars Nominees, and they were not disclosed to you either by Mr. Traynor or by Mr. John O'Connell or any other person?

A. That's correct, yes.

Q. Could I just clarify something there. You say that you were not aware of the parties interested in Mars Nominees Limited, you say that they were not disclosed to you by Mr. Desmond Traynor. Mr. Desmond Traynor was the person who assisted you in setting up the company; is that correct?

A. Yes, he would have been one of the persons who assisted us. Also our accountants, which were Haughey Boland at the time, and now Deloitte and Touche.

Q. Right. But Mr. Desmond Traynor would have assisted you, I take it, by getting investors to invest in the company in the start-up stage?

A. I believe so, yeah.

Q. When you say you believe so, do you know that?

A. Yeah, yeah. I believe that Mr. Traynor

Q. Did you ever discuss it with him or talk to him about it?

A. I didn't, no.

Q. Somebody else would have done that on your behalf?

A. I am not aware of any discussions with Mr. Traynor.

Q. I will come back to that in a moment, just go onto the next part of your statement. You say; "The identities of the parties interested in Mars Nominees were not disclosed to me either by Mr. Desmond Traynor or Dr. John O'Connell". I am wondering is this an error, I don't want to seem to trap you out, but do you understand that statement?

A. First, the first I knew about John O'Connell's alleged investment was when we received the letter in 92.

Q. And before that you had no knowledge of him at all, you never met him at all in connection with an investment in Celtic Helicopters?

A. That's correct.

Q. When you went to start up the company you approached Haughey Boland, chartered accountants, to assist you; is that correct?

A. That's correct, yeah.

Q. And why did you choose that firm? Had you been in business

before?

A. They dealt with any personal accounts that I would have had, and the firm was known to us.

Q. It was known to your family obviously?

A. Yeah.

Q. And who did you deal with in Haughey Boland at the start-up stage?

A. At the start-up stage I believe it would have been Paul Carthy and maybe other individuals, I don't recall at this time.

Q. So it was to Mr. Carthy you went to put forward this proposal you had or to get him to assist you in putting forward a proposal to banks to get money to start up your business?

A. I believe that was the, the way it went and actually Mr. Carthy became a Director of the company.

Q. When you say you believe that was the way it went, I don't quite understand it?

A. It is a while back so, to the best of my knowledge that's it was Mr. Carthy that would have been involved in the setting up of the company.

Q. And you didn't have any dealings with Mr. Desmond Traynor at the time anyway, that's clear in your mind?

A. Yes, that's clear.

Q. Whoever had dealings with Mr. Desmond Traynor it was somebody else, but you knew that Mr. Desmond Traynor was acting on your behalf in getting investors?

A. That's correct.

Q. And that was as a result of what somebody else told you?

A. Yeah, at the time I believe that Mr. Traynor was involved in getting some investment.

Q. I know, you have told us that, I just want to know how did you form that belief or how did you come to hold that

belief, that Mr. Desmond Traynor was doing this for you?

Did somebody tell you? Somebody must have said "Mr. Des Traynor is going to sort this out for you"?

A. I don't recall.

Q. You don't recall?

A. No, the circumstances.

Q. When did you first learn then, it was a later point you learned of Mr. Traynor's involvement?

A. I am not sure exactly when, it might have been at that time, at the setting up stage when the initial loan, that the company obtained was from Guinness and Mahon bankers, so I believe Mr. Traynor had some involvement with them.

Q. You go on to say that the first time you heard Dr. John O'Connell claimed to have made an investment in Celtic Helicopters Limited was "when I as company Secretary received a letter from Beauchamps solicitors, date 5th of March, of 1992". Is that the letter that you see on the monitor, it should be in front of you, you wouldn't have to crane your neck out?

A. Yeah, that's the one.

Q. Dated the 5th of March, addressed to you at Celtic

Helicopters Limited, Dublin Airport?

A. Correct.

Q. You say that that was the first time you heard of it, when as company Secretary you received that letter? Were you the company Secretary at the time?

A. Yes, I believe so.

Q. Is that an expression you used, you believe so? Did you know whether you were company Secretary or not?

A. Yes, I am the company Secretary.

Q. You still are the company Secretary?

A. Yes.

Q. Well, do you know that or don't you know?

A. Well, I presume I am.

Q. Well, I am not trying to trivialise the matter, but, and I can well understand some people concern themselves with business and leave other people to concern themselves with financial mechanics of the company; do you actually know whether you hold the position of company Secretary or not?

I can well understand it if you don't, but do you know one way or the other whether you do or whether you don't?

A. I believe I am the company Secretary.

Q. Who has told you that you are the company Secretary?

A. Well, in various documentations that were drawn up.

Q. Did anyone ever ask you to become company Secretary?

A. I am sure at the setting up.

Q. Somebody would have said "we will make you the company Secretary"?

A. That's correct.

Q. That letter isn't addressed to you as company Secretary?

A. Okay.

Q. I am just wondering why in your statement you got a letter as company Secretary?

A. I presumed it would have been addressed to the company Secretary coming from a firm of solicitors in such a fashion.

Q. You say that you decided to discuss the matter with your father as Dr. O'Connell was known to him; could you mean that you knew Dr. O'Connell was known to your father because Dr. O'Connell was a TD?

A. That's correct.

Q. "I was not aware of any discussions which Dr. O'Connell alleges took place between himself and my father in relation to his alleged shareholding in the company. My father said he would look into the matter and I left it at that"?

A. That's correct.

Q. When your father said he would look into the matter, did you expect him to come back to you with an answer having looked into the matter?

A. I believe he would have followed up on it.

Q. Does it mean that your father said "I will take care of the matter" or that "I will look into it", which is it?

A. I believe it was "I will look into the matter".

Q. But he never came back to you having looked into it?

A. No, he didn't, no.

Q. You say that you heard nothing more about the matter raised in Messrs. Beauchamp's letter, and "no further correspondence was received either from Messrs. Beauchamp or Dr. O'Connell himself. My father did not tell me what passed between himself and Dr. O'Connell, and I made no further inquiries in relation to the matter"?

A. That's correct.

Q. So to this day you don't know whether Dr. O'Connell was or was not a member of the company?

A. That's correct, yeah.

Q. Even though you are company Secretary?

A. That's correct.

Q. "Around this time to the best of my knowledge Mars Nominees Limited was in the process of transferring its shareholding in the company to MS Nominees Limited. I believed that the claim made by Messrs. Beauchamp, solicitors, on behalf of Dr. O'Connell was settled as part of the restructuring of the transfer of the shares from Mars Nominees Limited to MS Nominees. As I heard nothing further in relation to the matter I concluded that it was resolved satisfactorily from the point of view of Dr. O'Connell". What you mean is you assumed it was concluded presumably?

A. Yes, that restructuring.

Q. But nobody spoke to you about it, your father didn't speak to you, Dr. O'Connell didn't speak to you, nobody spoke to you, you gave a letter to your father and that was the last

you heard of it?

A. That's correct.

Q. So you could only assume this?

A. Yes, that's what I assumed, yes.

Q. Did anybody in Deloitte Touche or Haughey Boland, whatever name they went by at the time of this restructuring, tell you this?

A. No.

Q. What made you think it was the restructuring that caused the matter to be concluded?

A. Just well, I presume that that's what is the, in that restructuring that the matter was dealt with.

Q. Is there any single fact that you can tell the Tribunal about that caused you to reach that conclusion?

A. I don't understand.

Q. Can you tell the Tribunal why you could have reached that conclusion, because I can't think of anything you knew that could have reached, that could have caused you to reach that conclusion?

A. That

Q. That the restructuring in some way was connected with Dr. O'Connell?

A. It was more than just Dr. O'Connell's shares that were changed.

Q. Right. Who else's shares were changed?

A. The Mars Nominees.

Q. But how did you know Dr. O'Connell was Mars Nominees?

A. I didn't know he was a Mars Nominees.

Q. I think you may come back to it in the context of the other matters the Tribunal will wish to take up with you, so I wouldn't trouble you too much at this point.

Under the heading "Dunnes/Carlisle Cheques" you then say;

"I have read the memorandum of evidence to be given by Mr. John Barnacle in relation to this matter and I confirm his statements of events. I confirm that I and Mr. Barnacle requested the late Mr. Des Traynor to help us in relation to raising capital, and that Mr. Traynor undertook to assist the company in this regard. I further confirm that Mr. Traynor raised the sum totaling €290,329 for the company, and that he informed us that this represented the investment of Mr. Michael Murphy, Mr. John Byrne, Mr. Xavier McAuliffe, Mr. Pat Butler and Mr. Snowden", and you refer to Mr. Barnacle's statement.

"I confirm that Mr. Traynor told me Mr. Michael Murphy's investment was in the sum of €100,000, and I understood that this was represented by the cheque drawn on the account of Carlisle Trust Limited in the sum of €100,000".

Now, you say that you and Mr. Barnacle requested the late Mr. Des Traynor to help you in relation to raising capital, so at this point you were certainly talking to Mr. Traynor and asking him to actively assist you in raising capital?

A. Yes, John Barnacle met mostly with Mr. Traynor, I didn't

have too much dealings with Mr. Traynor.

Q. You had some dealings with him?

A. Yes, and I was aware of what discussions were going on.

Q. You must have met him a few times?

A. He is a friend of the family, I met him a lot of times.

Q. Of course, right. You must have met him to discuss this once or twice then?

A. I don't recall, no.

Q. Was it Mr. Barnacle who did most of the business dealings with him?

A. Yeah.

Q. You know Mr. Michael Murphy?

A. I do.

Q. Did you discuss the investment with Mr. Michael Murphy?

A. I didn't personally ask Mr. Murphy for investment, but we would have discussed the company's ongoing situation from time to time, we had an ongoing working relationship with Mr. Murphy.

Q. You never discussed getting investment from him?

A. John Barnacle would have informed me at the time that Mr. Murphy would possibly be looking for investment, but

Q. Can we just get this clear, I don't want to pressurise you into saying something that you may not quite understand.

What I am asking you is this; first of all did you ask Mr. Michael Murphy for an investment?

A. No.

Q. You didn't. Did you ever discuss with Mr. Murphy getting

an investment from anybody else?

A. I probably would have made Mr. Murphy aware that we were seeking investment.

Q. That you were looking for investors?

A. Investors, yes.

Q. Mr. Murphy was your insurance broker?

A. That's correct.

Q. How did you come into contact with Mr. Murphy first day, how did he come to be your insurance broker?

A. I believe he said that here, that it was around 1989.

Q. Yes,?

A. We, we had a previous insurance broker at the time, we became aware that Mr. Murphy was doing aviation insurance and we approached him with a view to seeking you know, better quotes and so on.

Q. Was it only insurance broking advice you got from him or other financial advice?

A. Insurance broking advice at that time.

Q. Why would you have asked your insurance broker to look for investors for you, not just to invest himself, but to look for investors?

A. Well, over the years we have conducted a good working relationship with Mr. Murphy, and we know each other socially. He was always very helpful to the company in seeking quotes and so on, and we were aware he was in the investment business.

Q. You were aware that he was in the investment business?

A. By the time this by the time, I belief it was 92.

Q. Did you know Mr. Snowden?

A. No.

Q. Mr. Butler?

A. Yes.

Q. How did you know Mr. Butler?

A. Mr. Butler is, was, owned Butler Engineering in Portarlinton and he actually provided the steel for the hangers that we built.

Q. This was the hanger that was costing you a lot of money, is it?

A. Correct.

Q. There had been an overrun on the hanger?

A. That's correct.

Q. And in fact isn't it the cost of this hanger that was pressing down on your company to the point where you were in serious need of money?

A. The hanger was, the building costs had overrun all right.

Q. It is a bit more than an overrun, you had to get money, you were in enormous trouble; weren't you?

A. We needed investment, that's correct.

Q. You couldn't get loans for a start, you had to get people to put money in to deal with the debts you had?

A. That's correct, yeah.

Q. And Mr. Butler had the contract for the steel but he was also putting in money into your company to keep it going?

A. But that was by pure coincidence, Mr. Butler was doing, I

believe, the team hanger and several projects around the airport at the time.

Q. Mr. McAuliffe, did you know him?

A. Yes.

Q. How did you know him?

A. I know him from his involvement in hotels in Kerry. He has always been a keen helicopter person, I knew him as a helicopter owner.

Q. Did you discuss this investment with, or did you discuss your need for investment with any of these people?

A. No.

Q. Did you tell Mr. Traynor that he might approach these people?

A. No.

Q. So Mr. Traynor approached Mr. Butler and Mr. McAuliffe without knowing in advance that they might have some interest in investing in your company?

A. Yeah, correct.

Q. Completely out of the blue?

A. I believe so, yeah.

Q. Mr. John Byrne; did you know Mr. John Byrne?

A. Yes.

Q. And how did you know Mr. Byrne?

A. A friend of the family.

Q. And was it as a friend of the family that you think he became involved?

A. No, he is also a keen aviation person himself and

interested in the helicopter side of things.

Q. So Mr. McAuliffe and Mr. Byrne had some aviation enthusiasms. Did Mr. Butler have any aviation enthusiasm as far as you are aware?

A. Not that I'm aware.

Q. He simply had an involvement in building the hanger?

A. Yeah, that was by coincidence, yeah.

Q. Mr. Michael Murphy was your insurance broker?

A. That's correct.

Q. Mr. Traynor was the person who approached all of these people?

A. That's my understanding, yes.

Q. You approached Mr. Murphy, but Mr. Traynor ultimately dealt with him, I think; is that right?

A. No

Q. How did Mr. Snowden come into the picture?

A. I have no idea.

Q. Purely through Mr. Desmond Traynor you were informed that Mr. Snowden had invested in your company?

A. That's correct.

Q. You go on to say that you confirm that Mr. Traynor told you that Mr. Michael Murphy's investment was in the sum of 100,000, and you understood that this was represented by the cheque drawn on the account of Carlisle Trust Limited in the sum of £100,000.

Now, I just want you to read that sentence for a minute

yourself, because I want to ask you a question about it.

A. Okay.

Q. Mr. Traynor told you that Mr. Michael Murphy's investment, so he told you it was Mr. Michael Murphy's investment, not anyone else's investment, that's what he told you?

A. That particular cheque?

Q. As far as you were concerned it was Mr. Michael Murphy who was investing, not anybody else?

A. Yes, yes.

Q. And you say that you understood that this was represented by the cheque drawn on the account of Carlisle Trust Limited in the sum of £100,000. You go on to say; "I have no knowledge of the company Carlisle Trust Limited, and I assume that Mr. Murphy was in some way connected with this company".

Right, so I take it that

A. I don't even recall at the time that it was a Carlisle cheque. We received the cheque and it was lodged to our account on the 27th of November, 1992.

Q. But you certainly, your statement suggests that you were aware at some point that it was Carlisle Trust who had given you this cheque?

A. Only since the Tribunal came up, it came up at the Tribunal, at this Tribunal.

Q. At this Tribunal?

A. Yeah.

Q. You have never heard the term

A. Sorry, maybe the McCracken one as well.

Q. Maybe the McCracken Tribunal. You never heard of the name "Carlisle Trust" before that?

A. No.

Q. Are you saying that when you first heard the name "Carlisle Trust" and you understood that it was connected with a hundred thousand pounds investment, that at that time you thought it was Mr. Michael Murphy's investment?

A. In 92

Q. But in 92 were you aware of the Carlisle Trust cheque, did you know this is a cheque from Carlisle Trust at that time?

A. I don't recall actually receiving the cheque, so it wouldn't have meant anything to me. There was a hundred thousand pound which we were told was the investment by Mr. Michael Murphy.

Q. I am simply asking you to explain the sentence at paragraph 3 (2) of your statement. "I had no knowledge of the company, Carlisle Trust Limited, and I assume Mr. Murphy was in some way connected with this company".

I just want to know when you made that assumption?

A. I presume, I'm assuming now I suppose, or at this time that if I saw Carlisle Trust on a cheque, well then it could have been Michael Murphy, it would have meant nothing to me. It was it was received from Des Traynor and it would be put down as shares on behalf of Michael Murphy.

Q. Was it you who received it from Des Traynor or one of the

staff in your office?

A. I don't recall. I don't recall.

Q. You go on to say that you confirm the matters set out in paragraphs 3 (4) to 3 (10) of Mr. Barnacle's statement regarding the treatment of the sum of 290,000 raised by Mr. Traynor in the company books and records. "I confirm that I wrote to the company accountant, Deloitte and Touche, by letter 15th of February, 1996, instructing them to convert the money into non-preference shares following the statement by Smurfit Finance Bank that it would only advance monies to the company once the company had issued shares represented by the loan capital in its accounts".

This refers to an occasion in or around 1996 when, I take it, you were looking for further finance, and in order to do so you had to convince the bank that you didn't have a loan of €290,000 but in fact that money represented shares?

A. Correct, yeah.

Q. You referred to a letter do you have a copy of that letter yourself? I wonder does Ms. Costello have a copy?

The Tribunal solicitor I don't think the Tribunal solicitor has it, sir, because we only received this statement yesterday.

I am just going to put the letter up on the monitor so that you can see it.

MS. COSTELLO: I think in fairness to My Friend that's the enclosure in the letter.

Q. MR. HEALY: Right. This is a letter from Celtic Helicopters, I think that's your logo, part of which you can see in the top left-hand side corner of the photograph, of the overhead projection. Do you see that?

A. Yeah.

Q. Do you recognise the letter?

A. I do.

Q. "Dear sirs, please prepare the documentation necessary to convert an existing loan in the amount of €290,239 into non-cumulative preference shares of one pound each.

I enclose a letter received from Larchfield Securities in relation to this matter".

Now, I just want to take you through one or two parts of that letter. It says "please prepare the documentation necessary to convert an existing loan".

Did you understand that the company had a loan of €290,000 from the people we mentioned a moment ago? You must understand this was part of a lot of documentation which would have been required to be prepared, the company was in discussions with a bank vis-a-vis a loan, and they wished this to be, to be regularised or this to be converted into preference shares, so the documentation was all prepared by Deloitte and Touche, and it was only a question of signing various documents and they were prepared by Deloitte and Touche.

So you had a requirement at the time to get more finance.

The bank would only give you the finance if what they thought was a loan in the company's books was shown as equity or at least no longer shown as a loan, is that right, the bank wouldn't deal with you unless this loan was taken out of the accounts?

A. Yes.

Q. Understandably they wouldn't want to have, they didn't want to loan you money if you also owed other people money?

A. I gather, yeah.

Q. And in order to do that you had to take certain steps in relation to the configuration of the shareholding and the, well the share capital and loan capital of the company, and are you telling the Tribunal that what you did was you went to your accountants and you more or less did what you were told?

A. That they prepared the documentation necessary to complete that transaction, yeah.

Q. You signed where you were told, "you have to sign this, and that, and this resolution must be passed", and so on so, anything you did at that time you did on advice?

A. That's correct.

Q. On the advice of your own people? But I take it you accept, as was stated by Mr. Barnacle yesterday, there never was a loan of 290,000 odd pounds?

A. No, it was always to be considered share capital.

Q. It was always to be an investment?

A. Yeah.

Q. When you signed that document did you read it carefully?

A. Probably not.

Q. It is not correct to say there was a loan, isn't that right, we know that now?

A. Looking at it now, but I would imagine documentation prepared by my own accountants, I would have no reason to suspect any

Q. But you are writing to your accountants there; was that documentation therefore prepared by your accountants so that you could sign it to instruct them to do that?

A. That's correct, yeah.

Q. It is all a little be careless at least, isn't it, on your part?

A. That's a matter of opinion.

Q. Well, you didn't have any

A. Pardon?

Q. you didn't have any loan, there was no existing loan?

A. No.

Q. Or maybe there was?

A. I don't believe so.

Q. When you say you don't believe so, are you prepared to say for certain or that you are not sure?

A. I don't know what you are trying to imply here.

Q. I am simply trying to find out I am just a little confused sometimes, Mr. Haughey, by the use of the

expression "I believe" , I want to know what you know. If you use the expression "I believe" when you mean I know or this is my position, I just want to be clear about it. I am asking you do you know if there was a loan, do you know if in fact there was an injection of share capital into the company in 1992, or are you saying that somebody told you there was an injection of share capital which you believed to be true but you are not sure?

A. There was an injection of share capital in 92, up to March 93, and again I come back, the documentation was prepared by our own accountants so I have I have no reason to question their, they are the professionals in this matter.

Q. Presumably they can only make their mind up based on the facts as disclosed to them by you, somebody had to tell them there is a loan, this is the letter on your note paper, but you say it was prepared by the accountants?

A. Yes.

Q. Now, somebody had to tell the accountants there was a loan, who told them that?

A. They would have been aware of it back in 92.

Q. Who would have told them that in 1992?

A. They are the company accountants so they would, if share capital investment comes into the company surely they would have been

Q. They would have known it wasn't a loan, if it was a share capital investment surely they would have known it wasn't a loan?

A. I think you would have to ask them that.

Q. With that letter there was an enclosure from Larchfield Securities, I don't intend to go into the enclosure in detail today, but I do want to draw it to your attention.

Do you see that document? It is a letter headed "Larchfield Securities, Kinsealy, County Dublin"?

A. Yes.

Q. It is addressed to the Directors, Celtic Helicopters, 29 Earlsfort Terrace, Dublin 2. Is that the address of the company's accountants?

A. Sorry, what was the address there?

Q. 29 Earlsfort Terrace, Dublin 2?

A. Yes, correct, the registered office at the time.

Q. And was the registered office of your company?

A. Yes.

Q. It says; "Dear sirs, we refer to a loan in the amount of €290,000 which we advanced to the company in 1991. We now give irrevocable instruction that the loan be converted into preference share capital as soon as possible".

Now, as I said the Tribunal may have to come back to this letter at a later point, but what it refers to is a loan in the amount of 290,000, advanced to the company in 1991, perhaps the 1991 is a bit casual because we know that money came in in 1992, 1993; isn't that right?

A. That's right, yeah.

Q. But the money there is clearly the money that came in from

the investors we mentioned a moment ago; isn't that right?

A. That's correct.

Q. The five investors. But it says "We refer to a loan which we advanced". There was no loan from Larchfield Securities in 1991?

A. That's correct, yeah.

Q. You are absolutely sure of that?

A. Yes.

Q. There was no question of a loan from Larchfield Securities in 1991?

A. That's right.

Q. And at all times you would have been well aware of that yourself?

A. Yes.

Q. So what is stated in that letter is inaccurate at least?

A. Looking at it now yes, but again it was a document prepared by the accountants.

Q. Well, I wouldn't use the word I used earlier, but it is all a little bit casual; isn't it?

A. You are saying that to me.

Q. You are the company Secretary of Celtic Helicopters?

A. Looking at it now it is not actually correct, I confirm that.

Q. I don't want to press you too much on it, Mr. Haughey, because we will be coming back to it and you may need to take further advice?

A. Okay.

Q. You say at paragraph 3 (4); "I confirm on the 29th of March, of 1996, the company issued a total of 290,239, 7 percent non-cumulative to MIS Limited of which 100,000 are beneficially owned by Mr. Murphy". Now, I just want to stop you there again. That is your clear understanding, that 100,000 of these shares are owned by Mr. Murphy?

A. That's correct.

Q. Not by anybody else?

A. Not by anyone else.

Q. Now, Mr. Murphy was asked could he get investors, but as far as you were concerned what happened was Mr. Murphy owned the shares himself?

A. Yes, Mr. Murphy, yes.

Q. "MS Nominees Limited hold the shares in trust for Larchfield Securities Limited, and Larchfield Securities Limited in turn holds the shares in trust for Mr. Murphy and the other investors referred to above. Mr. Murphy has been issued with a share certificate from Larchfield Securities limited in respect of this shareholding".

Again that is something I will come back to later, I don't want to press you on it for a moment.

A. Yeah, okay, can we come back to it?

Q. If you want to correct that later feel free to do so?

A. I think it needs to be corrected.

Q. I go on to paragraph 4 (1) under the heading "Mr. John Byrne". You say; "When Mr. Traynor told me of the five investors he told me Mr. John Byrne of Simmonscourt Lodge,

Dublin 4, was one of them, and that he was investing the sum of €47,533 of the total sum then raised by Mr.

Traynor. I can not recall exactly how Mr. Byrne paid the sum to the company, but it was part of a deposit totaling €122,533 made to the company at Bank of Ireland, Dublin Airport branch on the 5th of November, 1992, that's all correct I take it?

A. Yeah.

Q. "Mr. Traynor told me that Mr. Murphy's investment was represented by the cheque of the 24th of November, of 1992, drawn on the account of Carlisle Trust Limited, not that of Mr. Byrne, and this I believe to be the case. As I have already stated I had no knowledge of any connection between Mr. Byrne and Carlisle Trust".

Now, this brings me back to the point I mentioned earlier again, if you want to correct your statement feel free to do so, but before you do can I just ask you this question; would you agree with me that that tends to suggest that Mr. Traynor said to you in 1992 that there is a cheque for a hundred thousand pounds from Carlisle Trust and it came from Mr., for Mr. Byrne's investment? He may not have said that it came for Mr. Murphy's investment?

A. Yeah.

Q. That that's what I think the sentence means, is that what you understand it to mean?

A. Yeah, that Mr. Murphy told us that particular 100,000,

sorry Mr. Traynor told us that particular 100,000

investment was for the benefit of Mike Murphy.

Q. Yes, but he, what you say is

A. But by just referring to it as the Carlisle Trust cheque is just to clarify.

Q. I see, you were simply identifying it, Mr. Traynor didn't mention Carlisle Trust to you at the time?

A. No.

Q. I understand. Now, the next matter under Irish Intercontinental Bank, again I don't want to deal with at this moment and we will come back to that.

CHAIRMAN: It is just half past, so I will leave you to deal with any further matters to take up with Mr. Haughey after lunch at quarter to two. Is that convenient to you, Mr. Haughey? Thank you very much.

THE HEARING THEN ADJOURNED FOR LUNCH.

THE HEARING RESUMED AFTER LUNCH AS FOLLOWS:

MR. CIARAN HAUGHEY RETURNS TO THE WITNESS-BOX AND CONTINUES TO BE EXAMINED BY MR. HEALY AS FOLLOWS:

CHAIRMAN: Thanks Mr. Haughey.

Q. MR. HEALY: I have finished with Mr. Haughey for the moment sir, and as I have explained to his counsel there are a number of other matters which will be taken up at a later point in relation to Larchfield.

CHAIRMAN: Yes very good.

MR. QUINN: Mr. Chairman, having regard to what Mr. Healy has said in relation to Mr. Haughey coming back on other matters, I wonder could I reserve my position?

CHAIRMAN: It certainly seems, Mr. Quinn, particularly from your vantage point, that since Mr. Haughey has understandably said that he is anxious to take some further advice and investigate some further matters before finalising his testimony, it would be preferable and fairer, as you infer, that your examination is deferred to then. Is there anyone that wishes to ask Mr. Haughey any questions at this juncture?

MR. MOORE: I just have some questions arising on behalf of Mr. Murphy's position. Perhaps they could be left until Mr. Haughey comes back?

CHAIRMAN: Probably preferable, yes Mr. O'Donnell?

MR. O'DONNELL: If I may ask just a few questions of Mr. Haughey for whom I act, of course, in his personal capacity.

CHAIRMAN: Yes.

THE WITNESS WAS EXAMINED AS FOLLOWS BY MR. O'DONNELL:

Q. MR. O'DONNELL: I think the firm of Celtic Helicopters which you have been dealing with, Mr. Haughey, in your

evidence, that is a firm which provides helicopter services; isn't that correct?

A. Yes, we are referred to as an ad hoc charter company.

Q. When you refer to it is an ad hoc charter company, does that mean that you take commissions in respect of various requests and that you are not engaged in regular travel?

A. It is as distinct from a scheduled as you would have with an airline. We take it encompasses various, what we call charter flights would be maybe VIP flights, business flights.

Q. And that sort of thing?

A. And it also includes photography aerial work, power lines, fire fighting a variety of things.

Q. And do you pilot the helicopter?

A. I do.

Q. And when did you qualify as a pilot?

A. It would have been 1982.

Q. Yes, before that what had you done?

A. After leaving school I did an apprenticeship for plumbing which lasted over five years.

Q. And was it after that that you ?

A. That I went.

Q. That you proceeded to study?

A. Yes, I went to Canada to - it was approximately about three months of a course.

Q. Yes. And did you come back then with a pilot qualification of some sort?

A. Yeah. Pilot's qualifications with a Canadian pilot license a, commercial pilot's license. But to obtain an Irish commercial pilot's license I had to do the exams for the Irish, for the Irish license.

Q. And did you do that?

A. I did, yes.

Q. And successfully so?

A. Yes.

Q. And now, in the normal course of your work you are engaged in actually piloting the helicopter to and from the various locations?

A. Yes, more or less on a daily basis, yes.

Q. Thanks very much.

CHAIRMAN: Thank you very much Mr. Haughey for your evidence to date.

MS. COSTELLO: Perhaps Chairman I might ask a few questions on behalf of Celtic Helicopters?

CHAIRMAN: Yes of course Miss Costello, yes.

THE WITNESS WAS EXAMINED AS FOLLOWS BY MS. COSTELLO:

Q. MS. COSTELLO: Mr. Haughey, Mr. Healy started this morning in the context of Dr. O'Connell's letter to you and the question of Dr. O'Connell's investment in the company. I think in 1985 the only shareholders in the company were yourself, Mr. John Barnacle and Mars Nominees limited; is that correct, to your recollection?

A. That's correct. But I believe Larchfield Securities may have some shareholding in the company.

Q. As well?

A. Yes.

Q. And were you aware of the identity of the shareholders behind Mars Nominees Limited at that time in 1985?

A. No, I was not. No.

Q. And I think you were explaining to Mr. Healy that when Dr. O'Connell's letter of 1992 arrived, that you thought that possibly he might be behind Mars Nominees; is that correct?

A. That is correct, yes.

Q. But you didn't know because you didn't know the identity of the persons in Mars Nominees?

A. Correct.

Q. And I think you said that around that time there was a restructuring and that the share holdings in Mars Nominees was transferred to MS Nominees Limited?

A. That is correct, yes.

Q. And I think you said that because you hadn't heard anything further that you believed the matter had been satisfactorily resolved; is that correct?

A. Correct, yes.

Q. And I think yesterday you weren't here, but Mr. Barnacle gave evidence to the effect that one of the amounts in the Mars Nominees investments was œ5,000 although the identity of that individual wasn't known; would you agree with that?

A. I would, yes.

Q. Yes; and so were you surmising that possibly Dr. O'Connell's €5,000 that he claimed he had put into the company might be represented by that €5,000 in the Mars Nominees?

A. We were, yes.

Q. I think then, just to briefly clarify one point; Mr. Healy asked you when you first became aware of the Carlisle cheque for €100,000, and you said that it had come up earlier than this Tribunal; and I think you mentioned the McCracken Tribunal. Now, I think in fairness to you, this cheque didn't arise in the McCracken Tribunal. Do you think you might have meant Inspector Ryan's inspection in regard to the company?

A. I believe it was in the authorised Officer's inspection, yes.

Q. Rather than the McCracken Tribunal?

A. Yes, rather than the McCracken Tribunal.

Q. And then reference was made to Mr. Pat Butler's investment in the company, and you stated that Butler Engineering Ltd. had been supplying steel to the company as part of the construction of the company's hanger at Dublin Airport; is that correct?

A. It was by a matter of coincidence the actual contract for the steel was done through the builders, it wasn't directly involved with the company.

Q. I understand. And as far as you are aware were Butler Engineering Ltd. paid in full for their services?

A. As far as I am aware, yes.

Q. Then just briefly if I might, there was one further point that was brought up by Mr. John Byrne, and again you weren't present before the Tribunal when he gave that evidence. To summarise his evidence, he said that in 1994 he became aware of the fact that Dunnes Stores cheques had been lodged to the Carlisle Trust Limited company, and then a cheque in the sum of €100,000 had been drawn on the Carlisle Trust Limited account and made payable to Celtic Helicopters Limited, but Mr. Byrne said in evidence to this Tribunal, in 1994 he had caused investigations to be made of Celtic Helicopters to ascertain whether Celtic Helicopters received this money. Do you recall whether Mr. Byrne or anyone on his behalf contacted you or Celtic Helicopters in relation to this?

A. I do not, no. No.

Q. And you would not have any letter in relation to that?

A. No.

Q. And then briefly if I might recap on some evidence that Mr. Barnacle gave the Tribunal in relation to Mr. Charles Haughey's involvement in the company. Mr. Charles Haughey I understand is a client of the company; is that correct?

A. That is correct, yes, from time to time.

Q. And his flights have all been paid for; is that correct?

A. That's correct.

Q. And he is not a shareholder in the company or a director?

A. No, he is not.

Q. And he hasn't ever been?

A. No, never.

Q. And he hadn't been involved in the management of the company?

A. No.

Q. Thank you Mr. Haughey.

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

Q. MR. HEALY: I have a number of, just one or two new matters arising from this evidence, sir, that I have got to take up with Mr. Haughey. Just to clarify one matter Mr. Haughey. If I could just have the letter that the company received from Mr. John O'Connell's solicitors in, I think it was in 1992?

I think in answer to Miss Costello a moment ago you just said that when you got that letter you surmised that a €5,000 investment by Mars Nominees corresponded to the €5,000 mentioned in Dr. O'Connell's letter; is that right?

A. Both John Barnacle and myself surmised that.

Q. Both John Barnacle?

A. Sorry?

Q. And yourself? Could I just take you slowly through this now.

A moment ago you told Miss Costello that you thought that this €5,000 might correspond with a €5,000 investment held by Mars Nominees. You say that both yourself and John

Barnacle thought that when you got this letter?

A. Well, we weren't aware that Mr. O'Connell was a shareholder, but the figure of 5,000 might correspond to that particular Mars Nominees of 5,000.

Q. Yes. I understood from your evidence this morning that when you got this letter you didn't know what it was about, but because John O'Connell was known to your father you asked your father to look into it?

A. I am talking about - we surmised this when this Tribunal came about.

Q. I see.

A. Not at the time when we received the letter.

Q. Of course, it was only later that you were thinking back on it you surmised this?

A. Since this Tribunal has investigated it.

Q. I quite understand. At the time you didn't know what it was about but you thought your father might be able to deal with it?

A. Well, yes. Yes.

Q. Just one other matter. When you made your application to Smurfit Finance for a loan in 1996, who did you deal with?

A. In Smurfits.

Q. Yes?

A. I cannot be certain but I believe it was Conrad Lyons.

Q. Did you deal with anybody else?

A. We have had, we have dealt with that company on several occasions, so the individuals could have changed but Conrad

Lyons is a name that comes to mind.

Q. Well, I think we will have to come back to it on a later occasion Mr. Haughey. Thank you very much.

CHAIRMAN: Thank you.

A. Thank you.

THE WITNESS THEN WITHDREW.

MR. COUGHLAN: Sir, at this stage I must apply to you to adjourn the rest of today's sittings and I should explain so the public understand why I am making this application.

I indicated on the first day when I made my outlying statement that the investigation of the Tribunal would continue during the course of the public hearings and that investigation has been continuing. And as a result it would be necessary for the Tribunal to consult with lawyers and for those lawyers to consult with their clients, and to obtain statements and to furnish those statements to people on whom they may have an impact to allow oral evidence to continue.

So for that reason sir, I would ask you at this stage to adjourn the rest of today's oral sittings so that the Tribunal can continue dealing with those investigative matters to enable further oral evidence to be given to the Tribunal.

CHAIRMAN: There aren't any short witnesses Mr. Coughlan

that would be facilitated today?

MR. COUGHLAN: There are no short witnesses for that purpose today.

CHAIRMAN: I appreciate that at, in one sense it is regrettable that we are missing most of the afternoon hearing, but I am similarly conscious that the investigative work is essential, that matters have developed very fast on a daily basis, particularly in the course of this week, and that the requirements of fairness of seeing that persons who may have an interest, or are not taken by surprise or ambushed in anyway, necessitates that a particular care and caution is given at this stage.

Accordingly, I accede to the application to adjourn for the rest of today. We may try and make up a little bit of lost time in some succeeding days, but for the time being, to half past ten in the morning. Thank you very much.

THE HEARING THEN ADJOURNED TO THE 11TH OF FEBRUARY 1999 AT 10.30 AM.