

THE TRIBUNAL RESUMED AS FOLLOWS ON TUESDAY, 22ND JUNE 1999

AT 10:30AM:

CHAIRMAN: Good morning.

MR. COUGHLAN: May it please you, Sir. I am now going to give a further outline statement at your direction, Sir.

The evidence with which the Tribunal would be dealing during these sittings concerns, in the first instance, Mr. Michael Lowry and Mr. Charles Haughey. With a number of short adjournments as circumstances may require from time to time, it is hoped that the Tribunal will sit until the end of July. For hearing purposes, various items will be grouped together. At appropriate intervals, a more definitive outline statement will precede the calling of evidence in relation to these grouped items.

The matters with which the Tribunal hopes to deal between now and the end of July are as follows:

A: The sources of funds in the various bank accounts kept by and the other accounts kept by Mr. Michael Lowry, together with the consequential issues raised in the context of Terms of Reference (e) and (f). I will, at a later point, outline in more comprehensive terms, the nature of the evidence to be called in relation to these matters.

B: The next item with which the Tribunal will be dealing

concerns Mr. Charles Haughey and specifically the accounts kept by Mr. Haughey in his own name in Guinness & Mahon between 1979 and 1987, the date when the accounts in his name at Guinness & Mahon ceased to be held. This evidence will be led with respect to Terms of Reference A and B of the Tribunal's Terms of Reference. The Tribunal will examine evidence concerning the sum in excess of €1.5 million lodged to these accounts over that period of time.

In addition, certain other accounts of Mr. Haughey and other sources of funds in his accounts will be examined including loan accounts of Mr. Haughey held both inside and outside the jurisdiction. The evidence will touch on other matters including, for instance, the Ansbacher accounts but only in a peripheral way at this stage.

D: A number of other matters, some substantial and again, some purely incidental, will be dealt with from time to time. In some cases consideration will have to be given to conducting part of these hearings otherwise than in public in view of the fact that information may have to be elicited from bank witnesses who by reason of their duties of confidentiality have not been available to furnish information to the Tribunal to date.

E: The Tribunal is still engaged in investigatory work concerning a number of other matters which it is hoped will be dealt with between now and the end of July. However,

because of the status of these investigations at this point, it would not be appropriate to identify the items until such time as such further investigatory work has been carried out.

Returning now to the material with which the Tribunal will be dealing over the next week or so, namely the evidence relating to Mr. Michael Lowry, the Terms of Reference concerned with Mr. Lowry are as follows:

It's Term of Reference (e) of the Tribunal's Terms of Reference and it reads:

"Whether any substantial payments were made directly or indirectly to Mr. Michael Lowry (whether or not used to discharge monies or debts due by Mr. Michael Lowry or due by any company with which he was associated or due by any connected person to Mr. Michael Lowry within the meaning of the Ethics in Public Office Act 1995 or discharged at his direction) during any period when he held public office in circumstances giving rise to a reasonable inference that the motive for making the payment was connected with any office held by him or had the potential to influence the discharge of such office."

Term of Reference (f) reads:

"The source of any money held in the Bank of Ireland, Thurles branch, Thurles, County Tipperary, the Allied Irish Bank in the Channel Islands, the Allied Irish Bank, Dame

Street Dublin and Bank of Ireland (IOM) Limited in the Isle of Man, the Irish Permanent Building Society, Patrick Street, Cork or Rea Brothers (Isle of Man) Limited, in accounts for the benefit or in the name of Mr. Lowry or any other person who holds or has held ministerial office or in any other bank accounts discovered by the Tribunal to be for the benefit or in the name of Mr. Lowry or for the benefit or in the name of a connected person within the meaning of the Ethics in Public Office Act 1995 or for the benefit or in the name of any company owned or controlled by Mr. Lowry."

A number of other subparagraphs of the Terms of Reference are also concerned with Mr. Lowry but the material to which reference will be made in the evidence at these sittings will not be specifically directed to those Terms of Reference. The other Terms of Reference are Terms of Reference subparagraphs (g), (h), (l), and (j).

In endeavouring to establish whether any substantial payments were made to Mr. Lowry within the meaning of Term of Reference (e) and in endeavouring to establish the source of funds held in Mr. Lowry's bank accounts within the meaning of Term of Reference (f), the Tribunal has sought to assemble all of the available financial information concerning Mr. Lowry's affairs. To this end, the Tribunal has sought and been given full access to all information regarding Mr. Lowry's accounts, both his

accounts within the State and accounts he held offshore.

The Tribunal has also been given access to the books and records of Garuda Limited, a company effectively controlled by Mr. Lowry. This company traded as Streamline Enterprises Limited, the business operated by Mr. Lowry during most of the time he has held public office as a TD and of which he continued to be a Director, though so far as the Tribunal can judge, no longer an Executive while he was a Minister. The manner in which Mr. Lowry conducted his business and specifically the relationship between that business and Dunnes Stores has already been canvassed in the report of the Tribunal of Inquiry (Dunnes payments) commonly known as the McCracken Report.

At this point, it may be useful to refer to the extent to which the Terms of Reference of the McCracken Tribunal and that of this Tribunal impinge on one another. Where Mr. Michael Lowry was concerned, the McCracken Tribunal examined payments in cash or in kind directly or indirectly, whether authorised or unauthorised within or without the State, made to or received by Mr. Lowry from Dunnes Stores related companies and/or Mr. Bernard Dunne between the 1st January 1986 and the 31st December 1996. The Terms of Reference of this Tribunal require the Tribunal to examine whether any substantial payments were made to Mr. Lowry during any period when he held public office and also to inquire into the source of any monies

held in various bank accounts for Mr. Lowry with the latter inquiry without limitation as to time.

Mr. Lowry has informed the Tribunal that with the exception of the items or class of items to which reference will be made in a moment, the only sources of income he had during the period covered by the McCracken Tribunal and up to the passing of the Resolution leading to the establishment of this Tribunal, were, in the main, income from his work as a public representative and the income and any other receipts from the work carried out by Streamline Enterprises Limited to include payments made to him directly by Dunnes Stores in connection with the Streamline work.

Mr. Lowry has informed the Tribunal that effectively and with one or two exceptions, Dunnes Stores was Streamline's only client. This is the conclusion of the McCracken Tribunal and indeed the Report of that Tribunal went further to suggest that, in effect, the work being carried out by Mr. Lowry and Streamline was so intimately connected with Dunnes Stores that Streamline and Mr. Lowry could together be regarded as merely a division of Dunnes Stores. On the basis therefore of what Mr. Lowry has informed the Tribunal, there is a significant overlap between the result of this Tribunal's investigations and the investigations of and inquiry carried out by the McCracken Tribunal in as much as the McCracken Tribunal reported on payments by Dunnes Stores to Mr. Lowry and this

Tribunal investigating payments to and sources of income to Mr. Lowry has been informed by Mr. Lowry that Dunnes Stores was the main source of those payments and of that income.

The Tribunal has examined Mr. Lowry's sources of income and the lodgments to his various bank accounts. The Tribunal has requested Mr. Lowry to identify the sources of the lodgments to his various bank accounts. Most of these lodgments appear to be identifiable with Mr. Lowry's income receipts from his business and other sources of income.

There are, however, a number of lodgments to which the attention of Mr. Lowry has been drawn by the Tribunal for his comments on the basis that they cannot be readily so identified with his known sources of income. This exercise has been carried out with the assistance of Mr. Lowry's accountants and has resulted in the isolation of a number of matters in respect of which the Tribunal has yet not obtained precise information. Much of this material has also been canvassed by the McCracken Tribunal. This Tribunal has re-examined these matters in that since that it commenced its work, one or two further pieces of information have come to hand and it is hoped on a further re-examination of payments from the point of view of Mr. Lowry's accounts as opposed to from the standpoint of the McCracken Tribunal, it might be possible to identify either the source of payments or the source of funds. This has resulted in the clarification of one additional sum paid by Dunnes Stores and it has drawn attention to another sum

mentioned and is part accounted for in the McCracken Report. The Dunnes payment consisted of €15,000 paid from the Ben Dunne, Marino Account, to Mr. Lowry. In the course of the proceedings of the McCracken Tribunal, this was thought to have originated elsewhere. Following the conclusion of the proceedings of the McCracken Tribunal, the more up-to-date information was communicated to Mr. Justice McCracken and also to this Tribunal. The other sum relates to a lodgement of sterling €100,000 to an offshore account and is mentioned in the McCracken Tribunal report at page 25.

The additional sources of income to which I referred to previously are as follows;

A: A payment of €25,000 cash from Mr. Bill Maher of Maher Meats, credited to Mr. Lowry's, AIB, Dame Street Current Account in or about the 23rd December 1992.

B: The sum of €10,000 lodged to Mr. Lowry's, Bank of Ireland, Thurles Account, on the 15th May 1992 and paid to him by Whelan Frozen Foods Limited of Inchicore, Dublin 8.

C: The sum of €35,000 cash paid by a Mr. Patrick Doherty to Mr. Lowry in May 1995.

D: The deposit of sterling €100,000 just mentioned. This sum was deposited by Mr. Lowry in a subsidiary branch of Allied Irish Banks in the Channel Islands on the 3rd



September 1991. This deposit is referred to at page 25 of the McCracken Report. It was a conclusion of the McCracken Tribunal that of that sterling €100,000, a sum of sterling €34,100 consisted of a payment from Dunnes Stores. Mr. Lowry has been asked to comment on and to account for the source of the balance of the funds in that account.

E: Lastly, Mr. Lowry received certain assistance from the late Mr. Michael Holly in connection with a purchase by him of premises at 43 Carysfort Avenue, Blackrock in the County of Dublin. The circumstances of this relationship with Mr. Holly will be referred to in a moment.

On examining the sources of funds in Mr. Lowry's account, the Tribunal learned that the sum of €25,000 was credited to Mr. Lowry's Allied Irish Bank, Dame Street, Current Account No. 41179269 on the 23rd December 1992. The source of this lodgement appeared to be a cash payment from Mr. Bill Maher of Maher Meat Packers. Mr. Michael Lowry has informed the Tribunal of this €25,000 payment and of the source of it and has also informed the Tribunal that the €25,000 was paid in respect of refrigeration consultancy work by him for Mr. Maher's companies. Mr. Maher has confirmed that he was the source of the €25,000. He has also confirmed that this sum was paid in cash and that it was in respect of certain works carried out by Mr. Lowry at Mr. Maher's request in relation to a number of projects between 1990 and 1992. Mr. Maher, who is resident outside

the jurisdiction has made a statement to the Tribunal but has so far refused to attend to give evidence. The Tribunal is not in a position to compel Mr. Maher's attendance in as much as a Witness Summons cannot be served on him as long as he is outside the jurisdiction.

Mr. Lowry has also informed the Tribunal that from the late 1980s, he regularly advised Mr. Maher on various queries concerning the refrigeration of meat processing plants although these devices did not relate to any specific location. He said however that in 1990 he did his first specific project for Mr. Maher at Buckingham Road Industrial Estate at Brackley, Northampton, that he worked on two further projects for Mr. Maher, one in relation to the same location but connected with a larger and different unit and the third involved advice on existing refrigeration equipment which Mr. Maher had at Central Smithfield Market in London.

In response to correspondence from the Tribunal, Mr. Lowry has informed the Tribunal that there was no agreement between him and Mr. Maher as to the method of payment nor was any rate agreed. In fact, the actual amount paid was not the subject of negotiation but was determined solely by Mr. Maher who paid Mr. Lowry, unilaterally, after the event. Mr. Maher, in a letter to the Tribunal, has informed the Tribunal that his dealings with Mr. Lowry have been strictly business related and that he paid him for

work in connection with the matters mentioned above and a number of other matters. In addition, Mr. Maher has informed the Tribunal that he believed that an understanding existed that part of the payment would constitute a retaining of advice if required at any time in the future. Further, he believed that the €25,000 was very good value for the work done and that it accurately reflected Mr. Lowry's input. While the payment was made in cash, it should be borne in mind that the sum of money in question was placed in a bank account by Mr. Lowry in an account in his own name.

The documentation made available to the Tribunal by Mr. Lowry concerning the work is somewhat limited and the question which arises for consideration at the Tribunal's public sittings is whether the source of the sum of €25,000 was a contract with Mr. Maher or some other arrangement; whether or not, in other words, the payment of €25,000 was in fact remuneration for the work done having regard to the practice in the industry, where the only available documentary material does not appear to reflect the extent of the work done though it should be borne in mind and the Tribunal will hear evidence that other documentation came into existence but has not been retained.

Turning now to Mr. Patrick Doherty.

From the documents produced to the Tribunal in connection with Mr. Lowry's, AIB, Dame Street Account No.

1/L/11741/025, it appears that there was a lodgement of €32,950.20 on the 19th May 1995. From information made available by Mr. Lowry, this lodgement appears to comprise the bulk of the sum of €35,000 paid to Mr. Lowry by Mr. Patrick Doherty in 1995 for the sale of certain antiques by Mr. Lowry to Mr. Doherty. At the time of the transaction, Mr. Doherty had been known to Mr. Lowry socially and through horse racing circles for a number of years. Also Mr. Doherty had an apartment in the apartment building Finsbury House where Mr. Lowry also had an apartment from November 1995.

In the course of social encounter, the conversation turned to antiques and Mr. Lowry indicated that he was interested in selling some antiques which he described to Mr. Doherty. Mr. Doherty agreed to inspect the items and at the inspection, requested Mr. Lowry to obtain an independent valuation. This was done, although it does not appear that the valuation was prepared for the purpose of sale. In any case, the valuation, provided by a local firm of antique dealers, appraised the items which Mr. Lowry was prepared to sell at in or around €39,000. Mr. Doherty agreed to pay €35,000 and Mr. Lowry requested that the payment be in cash. Mr. Lowry has informed the Tribunal that by this request, he intended to convey his requirement that the articles in question should be paid for otherwise than by cheque and that the sale should not be on credit

terms, that is the goods should be paid for as delivery was taken. Mr. Doherty took Mr. Lowry at his word and made the payment in cash in a large A4 envelope.

As with the work done for Mr. Maher, the question is whether this transaction occurring as it did, was value for money and both Mr. Lowry and Mr. Doherty will give evidence to the effect that it was.

Dealing with Whelan Frozen Foods Limited, the aspect of this transaction which requires scrutiny is the fact that, once again, as with the Maher Meat Packers transaction, there was no predetermined rate agreed between the parties for the work; nor any rate per hour agreed or any rate agreed by reference to the value of the work being done and the fact that the amount was subsequently determined not by negotiation but unilaterally by the person receiving the service.

The Dunnes Stores payment of €15,000 on the 23rd November 1992:

This was a payment which it was thought in the course of the proceedings of the McCracken Tribunal had originated in Allied Irish Bank, Donnybrook. It now appears that the transaction in question involved a bank giro from AIB Donnybrook, funded by a debit from the Marino branch, Bank of Ireland account of Bernard Dunne t/a Dunnes Stores. Mr. Lowry has informed the Tribunal that on that date he is of

the view that this was in the nature of a bonus payment by Ben Dunne coming within the class of payments by Ben Dunne to him as opposed to Streamline Enterprises as described in the McCracken Report.

Under the heading deposit of sterling €100,000 in Allied Irish Banks Channel Islands:

The deposit of sterling €100,000 in Allied Irish Banks Channel Islands is referred to at page 25 of the Report of the McCracken Tribunal. The Report concluded that sterling €34,100 of that deposit represented the proceeds of a sterling payment of that amount from Dunnes Stores to Streamline Enterprises and referred to at 8 in the Tenth Schedule to the Report.

In documents and information provided to the Tribunal by Mr. Lowry and by Allied Irish Banks, Channel Islands (on the authority of Mr. Lowry), it appears that an account was first opened by Mr. Lowry in January 1991. The account appears to have been opened on behalf of Mr. Lowry on the instructions of Allied Irish Bank, O'Connell Street, Dublin. A sum of sterling €55,000 was deposited to the account on the 17th January 1991, being the proceeds of a sterling draft drawn on Allied Irish Bank, O'Connell Street and payable to Allied Irish Bank, Channel Islands. Mr. Lowry has been unable to identify the source or sources of the monies which funded the draft but believes that the money may have been the proceeds of sterling cheque payment

by Dunnes Stores to Streamline Enterprises and listed in the Tenth Schedule to the Report of the McCracken Tribunal.

The deposit matured on the 17th July 1991 and instructions were again given through Allied Irish Bank, O'Connell Street, to forward the funds to that branch. It appears that the proceeds of the deposit being sterling œ58,337.28 together with the Dunnes payment of œ34,100 (identified in the Report of the McCracken Tribunal) and a further sterling draft of œ7,562.72 dated the 30th August 1991 and drawn on Allied Irish Bank, Dame Street, Dublin 2, amounting in total to sterling œ100,000 was redeposited on the 3rd September 1991. Mr. Lowry is unable to source the sources of the monies which fund the draft for sterling œ7,562.72.

In the course of its public sittings, the Tribunal will inquire into the sources of the monies which funded these two drafts for œ55,000 sterling, dated the 14th January 1991 and drawn on Allied Irish Bank, O'Connell Street and for sterling œ7,562.72, dated the 30th August 1991 and drawn on Allied Irish Bank, Dame Street. The Tribunal will also inquire into the circumstances in which an offshore foreign currency account, which would have required the grant of exchange control approval, was opened through Allied Irish Bank, O'Connell Street without any apparent application to the Central Bank.

In endeavouring to ascertain whether or not the source of the monies which funded these two drafts was the sterling cheque payment by Dunnes Stores to Streamline Enterprises, the Tribunal has addressed certain queries to Allied Irish Banks. To date, the Tribunal has not succeeded in obtaining a comprehensive response to these queries although witnesses from Allied Irish Banks will be called to give evidence concerning their knowledge of the potential source of the monies which funded these drafts. Specifically, the Tribunal has been endeavouring to establish whether Allied Irish Banks have retained any records concerning these transactions, bearing in mind that they occurred no earlier than 1991.

And the final matter which the Tribunal will inquire into in relation to Mr. Lowry at these public sittings will be the circumstances surrounding the assistance given by Mr. Holly to the purchase by Mr. Lowry of premise at Carysfort Avenue, Blackrock in the County of Dublin. That will be dealt with in the course of Mr. Lowry's evidence and evidence from one or two professional witnesses. I do not think that it would be appropriate to go into it in great detail at this stage, Sir.

CHAIRMAN: Very good, Mr. Coughlan, before we proceed to evidence relating to this portion of the inquiry hearings, are there any preliminary matters by way of representation or otherwise?



MR. O'DONNELL: No, Sir, other than to say that I appear with Mr. David Barniville, instructed by Kelly Noone & Company on behalf of Mr. Lowry.

MR. NESBITT: I appear for Dunnes Stores, Chairman, with Mr. Adrian Hardiman instructed by William Fry.

CHAIRMAN: Thank you, Mr. Nesbitt.

CHAIRMAN: Very good, we will proceed to evidence now.

MR. HEALY: Mr. Dennis O'Connor, fold number 2, Sir.

DENNIS O'CONNOR, HAVING BEEN SWORN, WAS EXAMINED AS FOLLOWS  
BY MR. HEALY:

Q. MR. HEALY: Mr. O'Connor, you are a partner in the firm of Brophy Butler Thornton, chartered accountants.

A. That's correct.

Q. And you have been assisting Mr. Lowry as his accountant both in dealing with his own business and personal financial affairs and in dealing with responses to this Tribunal, isn't that right?

A. That's correct.

Q. And I think that you have a significant understanding of the workings of Tribunals having assisted Mr. Lowry in dealing with responses to queries from the McCracken Tribunal in the course of the proceedings of that Tribunal; is that right?

A. That's correct.

Q. And your initial involvement with Mr. Lowry was from December of 1996, which was around the time that controversies developed which ultimately led to that Tribunal?

A. That's correct.

Q. You had no involvement with Mr. Lowry apart from the fact you may have known him personally which I will come to in a moment, prior to 1996, no involvement as an accountant?

A. No, that's correct.

Q. And your involvement or your relationship with Mr. Lowry prior to 1996 was a purely personal or social one arising from your shared interest in Gaelic football.

A. Not, Gaelic football, hurling.

Q. I see. You are from Tipperary as well?

A. That's correct.

Q. Now, you have prepared a memorandum of evidence for the assistance of the Tribunal and perhaps before we go through it, I should indicate the circumstances in which it came to be prepared. Do you have a copy of it?

A. I have it with me.

Q. Now, you are aware that the Tribunal, that this Tribunal and also the McCracken Tribunal addressed a considerable number of queries to Mr. Lowry with a view to establish the extent of his income and the manner in which his income was disposed of, whether by lodging it to bank accounts and so forth over the period of time under investigation by this

Tribunal having regard to its Terms of Reference, isn't that right?

A. That's correct.

Q. And that has involved your dealing with banks, dealing with some of Mr. Lowry's previous advisers and endeavouring to track down the source of monies in Mr. Lowry's bank accounts to answer queries from the Tribunal?

A. That's correct, yes.

Q. Now, Mr. Lowry himself will be giving evidence in a moment concerning some of the material that you have examined and he will also be giving evidence on the results of your examination of that material and of the results of your responses to the Tribunal's queries concerning that information, isn't that right, of that material?

A. That's correct.

Q. Because your examination of a lot of the documentary material concerning Mr. Lowry's financial affairs has left certain questions unanswered and you will be dealing with how those questions came to be unanswered, isn't that right?

A. That's correct.

Q. You will be indicating to what extent and the documentation available has managed to throw some light on the sources of Mr. Lowry's finances and to what extent matters still remain outstanding without a full or comprehensive explanation, isn't that correct?

A. That's correct.

Q. Now, if I could just I think firstly take you through the initial part of your statement and we may come back to one or two queries concerning that part of your statement later on and we will go through the more detailed parts of your statement on a once only basis. Are you happy to proceed that way?

A. Absolutely.

Q. You say in 1996 you were retained by Mr. Lowry to carry out a full review of his financial affairs and to reconstruct and prepare a record of his finances. Mr. Lowry accepts that prior to that time, his financial affairs were conducted in a haphazard manner and that has already been the subject of comment or in the course of the evidence to the McCracken Tribunal, isn't that right?

A. That's correct.

Q. In carrying out your works you were given full access to all information regarding Mr. Lowry's finances including all accounts held by him in banks within the state and offshore. You were also given free access to the books and records of Garuda Limited and the personnel who kept both the books of the company and details of Mr. Lowry's own affairs. You say you were also given access to the banks and financial institutions in which Mr. Lowry kept accounts. Now, all of those documents have also been made available to the Tribunal.

A. That's correct.

Q. All Mr. Lowry's personal banking information so far as it

has been possible to reconstruct it after the passage of time and in addition all of the Garuda books and records.

A. That's correct.

Q. And it's in relation to those documentation that you have been asked to assist in providing responses to queries.

A. Correct.

Q. You say you have been assisting Mr. Lowry with responses to queries from the Tribunal and Mr. Lowry informed you you believe his income receipts from 1987 to 1996 were made up of the following: TD salary and ministerial expenses; TD's expenses sorry, I think I should go over what I said there a moment ago, I may have mentioned ministerial expenses when I should have mentioned ministerial salary so just to recap. Firstly, TD salary and ministerial salary.

Then TD's expenses, ministerial expenses, councillor's expenses, that's as a member of the County Council and Health Board expenses, that's as a member of the relevant health board?

A. Correct.

Q. Salary and commissions from Butlers Engineering Limited, that is the company by which Mr. Lowry was employed prior to and for some short time after he became a member of the Dail sometime around 1987; is that right?

A. He was employed by them before he became a member of the Dail and

Q. And continued to be employed for sometime afterwards before he started his own company Streamline with the assistance

of Dunnes Stores?

A. That's correct.

Q. The next item is salary from Streamline the next item is bonus payments from Dunnes Stores, the expression bonus payments from Dunnes Stores is used to describe the money that he was paid by Mr. Ben Dunne for work done for Dunnes Stores independently of the money that was paid to Streamline?

A. That's correct.

Q. And all of that has already been ventilated in the course of the McCracken Tribunal.

A. That's correct.

Q. Payments in connection with refrigeration consultancy services provided by Mr. Lowry. These are payments from sources other than Dunnes Stores.

A. Correct.

Q. Proceeds from the sale of assets including furnishings, rental income.

A. Correct.

Q. This is rental income from I think a private dwelling house and some lands that Mr. Lowry does not use but are let out to local farmers?

A. That's correct, yes.

Q. You go on to say the Tribunal has asked Mr. Lowry to identify the sources of the lodgments to his various accounts and you have been assisting Mr. Lowry in identifying for the Tribunal the sources of these

lodgments. Most of these appear to be identifiable with Mr. Lowry's income receipts from his business and other sources of income. There are a number of lodgments to which the attention of Mr. Lowry has been drawn by the Tribunal for his comments on the basis that they cannot be readily so identified with his known sources of income.

These will also be referred to by Mr. Lowry in his evidence. I have already said that. Your function has been limited to connecting lodgments readily identifiable as attributed to Mr. Lowry's business dealings and his income from public sources and from the sale of certain assets.

A. That's correct.

CHAIRMAN: Just one small point, Mr. Healy, I think there is a juxtaposition of the usage of Streamline and Garuda where they are one and the same thing. It's probably desirable we plump for a general name and I suppose Streamline is the more logical.

Q. MR. HEALY: That's correct, Streamline is the company under Garuda Limited.

A. The incorporated company is Garuda Limited.

Q. And any income of Streamline is the income of Garuda?

A. That's correct.

Q. And I think perhaps it makes more sense if we talk about the business being carried on, it was the business of Streamline that generated all the income that went into

Garuda?

A. That's correct.

Q. So for ease, I think we will refer to it, as the Sole Member has said, as Streamline throughout.

A. Correct, fine.

Q. You say that you understand that Mr. Lowry has made available to the Tribunal details of his various bank accounts. The details of these bank accounts have also been provided to you by Mr. Lowry and from that information you have drawn up a list of those bank accounts and we have these 19 bank accounts mentioned here together with the dates of opening of each of the bank accounts. Now at this point, I am simply going to go through the name of the bank, the branch, the type of account and the date of opening.

The first bank account is Bank of Ireland, Thurles. It's a current account and it was opened prior to January of 1987. The next account is Bank of Ireland, Thurles branch, current account again opened on the 14th November of 1988 but this was an account opened in the name of Michael Lowry trading as Streamline Enterprises.

A. That's correct.

Q. The next account was an Irish Permanent Building Society account opened in Cork called a Supergro Account which I take it is a form of deposit account.

A. Correct.

Q. Opened on the 14th May 1992.



A. Correct.

Q. The next account is also an Irish Permanent Building Society account called a Cashier Extra Account opened on the 18th May 1992 and again opened in Cork. The next account also an Irish Permanent Building Society account opened in Patrick Street Cork described as a Joint Loan Account with Mrs. Catherine Lowry and opened on the 29th May of 1992.

A. Correct.

Q. There was also an Irish Permanent Building Society, Thurles account, a Normal Share Account which had been opened prior to the 1st January 1987 and that was in Thurles.

A. Correct.

Q. And then passing to Allied Irish Bank, Mr. Lowry opened an Allied Irish Bank Deposit Account at the Dame Street branch on the 12th July of 1989. He opened an Allied Irish Bank, Dame Street, Current Account on the 9th May of 1991 and an Allied Irish Bank Finance and Leasing Sterling Deposit Account opened on the 29th October of 1992, an Allied Irish Banks, Dame Street Deposit Account opened on the 15th March of 1993, an Allied Irish Bank Deposit Account opened again at Dame Street on the 5th January 1995. Another Dame Street Deposit Account opened on the 19th May 1995. Another Dame Street Deposit Account opened on the 10th October 1996. An Allied Irish Bank, Thurles, Current Account opened on the 19th January 1992, and an Allied Irish Bank Finance and Leasing Deposit Account as distinct

from the Sterling Deposit Account mentioned above opened on the 10th January of 1992. An AIB Home Loan Account opened on the 17th January of 1992 and I am not sure what branch that was opened at, if necessary we can get the information later unless you remember?

A. I think there was a home loan section, it was opened through the Thurles branch.

Q. I see. Irish Nationwide Building Society account opened on the, opened in September of 1996. Do you know what branch that account was opened in?

A. I don't actually. That's a mortgage account so it could have been handled from Head Office.

Q. I see. I think in fact that may have been handled from Irish Nationwide Building Society's Head Office?

A. I think

Q. Am I right that account was opened in connection with the purchase of Carysfort?

A. It's the mortgage account, yes, that's right.

Q. Allied Irish Bank, Channel Islands Limited Sterling Deposit Account opened on the 17th January 1991 and there was a redeposit which apparently appears to be some sort of reopening of the account on the 3rd September 1991 when money is taken off deposit and put back on deposit again?

A. That's correct.

Q. A Bank of Ireland Isle of Man Limited Sterling Deposit Account opened on the 9th October of 1990. Now, each of those, each of the last two accounts I mentioned those

offshore accounts were opened during the exchange control era, isn't that right?

A. That's correct.

Q. Now, moving on to paragraph 6, I think that the exchange control era finished at the end of 1992, so that the Allied Irish Bank Sterling Deposit Account was also opened during the exchange control era.

A. I am not sure of the date but I think you are right, the end of 1992.

Q. Yes. I think that was the date but the Allied Irish Finance and Leasing was an account opened in this jurisdiction, it's No. 9 on the list of bank accounts. Am I right that that was opened within the jurisdiction?

A. That one is within the jurisdiction.

Q. Even though it's a sterling deposit account?

A. Yes, there were sterling accounts.

Q. Yes. Now, I am now going to ask you to deal with a series of lodgments drawn to Mr. Lowry's attention and to your attention by the Tribunal divided up on a year by year basis between 1987 and 1996, isn't that right?

A. That's correct.

Q. I will just deal with what you say in your statement concerning one of these years and we will go back over it to indicate what steps you took to arrive at the information which has enabled you to say what you are saying. You say that for the year 1987, the lodgments to Mr. Lowry's accounts, the sources of which you have not

been able to identify, amount to €24,084.31. The income receipts of Mr. Lowry which you have not been able to match to specific lodgments amount to €16,097.47. Accordingly you say the difference between unidentified lodgments and income not matched to specific lodgments is €8,986.84.

Now, that statement is the result of investigations carried out by you in response to queries from the Tribunal concerning the sources of lodgments to Mr. Lowry's bank accounts, isn't that right?

A. That's correct.

Q. And just to take the first statement you make which is that the lodgments, that you have been able to identify the sources of lodgments other than with respect to €24,084.31. In other words, examining Mr. Lowry's bank accounts for that year, you have been able to say that his business receipts or his TD salary or expenses or whatever, account for all of his lodgments bar €25,000, isn't that right?

A. What I am saying is that in that year...

Q. Yes?

A. I have been able to match the sources of all of his lodgments which are greater than the 25,084 except for that amount so this amount at this moment in time, I am not able to identify the source of the lodgments.

Q. Yes, there's €24,084.31 in his bank accounts for that year and you don't know where it came from?

A. Don't know the source, that's correct.

Q. Again just staying with that statement for a moment and I know that the next statement and the relationship between the two statements may have to be touched on but just staying with that statement, can you tell the Tribunal now what steps were taken by you in response to queries from the Tribunal to identify sources of lodgments?

A. Well, the first step was to obviously get all his bank statements for the period and then to take every credit, every lodgement, in effect, and start trying to identify the source of that lodgement. To do that there were various ways of doing it. First of all you try to link payments from his company and salary to lodgments in his personal account. Then you try to link public representative payments to lodgments, and then the final way was you went to the banks with what was left and you tried to, you got, you sought their assistance in producing any documentation they may have which would in fact help to explain it. It was of course successful in latter years

Q. Because of the availability of documentation?

A. Correct.

Q. But the documentation you were looking to from the banks which enabled you to fill the gaps that you had identified as a result of the first step in this exercise were and can you describe them for me, would they be the kind of documents you see mentioned in other aspects of the proceedings of this Tribunal, photocopies of cheques and

lodgement documents and so forth?

A. Correct.

Q. Is that what you went through?

A. That's what I went through, yes.

Q. Now you say that the income receipts of Mr. Lowry which you have not been able to match to specific lodgments amounts to €16,097.47. Can you explain what you mean by that statement?

A. For each year I would draw up a list of all these various known sources of income, i.e., public representative, salary from Streamline, rental income, County Council expenses and then say right, can we find these specifically lodged within the lodgments for that year? And what we failed to find lodged adds up to the figure of €16,097. That's not to say it's not lodged but we can't identify in a specific lodgement.

Q. Are you saying that it could in fact be part of the 25,000?

A. Correct.

Q. Yes. You can only say that of course if the evidence is that Mr. Lowry lodged all of his income to his bank accounts, isn't that right?

A. That's correct.

Q. And assuming that Mr. Lowry can say that and I understand that that is his evidence, then that 16,000 must be part of the 25,000 but there's still 8,986 for which you have no, on which you have no information at all, isn't that right?

A. Correct. Except that it just may possibly be Butler

Refrigeration might be part of it.

Q. When you mention Butler Refrigeration, you are referring to the company Mr. Lowry left before going to set up his new company Streamline with Dunnes Stores?

A. Right.

Q. You believe there may have been income paid to Mr., in the form of commission I take it, paid to Mr. Lowry from Butler Engineering to the account for some of that?

A. I think there may have been some salary that year.

Q. I think some steps were taken in trying to further identify that balance?

A. That's correct.

Q. Now, for the I will pass on to 1988 and in relation to each year, apart from one or two queries I mention from time to time, it is the same exercise. You looked at the bank statements, you looked at what hard information you had on the income. Where you couldn't tidy them up, you then went to the banks and tried to get what I think has been described in this Tribunal as backing documentation?

A. Correct.

Q. Documentation the banks had of the history of transactions.

A. That's correct.

Q. For the year 1988, the lodgments you have not been able to identify amount to €16,300. You say that all of the unidentified lodgments were to Mr. Lowry's current account. The income which you have not been able to match

to specific lodgments amounts to €12,585.57. And the difference between the sources, between the lodgments, sorry, the difference between the sources which you have not been able to identify and the income which you have not been able to match to specific lodgments is €3,714.15.

A. Correct.

Q. You say the unidentified lodgments were to Mr. Lowry's current account to the Bank of Ireland in Thurles and specific queries have been raised in relation to two of these, mainly because I suppose of the size of the lodgments and the fact that they are in round sums.

A. Correct.

Q. 2,000, 500 and 4,500?

A. Correct.

Q. And you have no further light to throw on those two lodgments?

A. No. The bank have not got the records at this stage.

Q. And I think Mr. Lowry may be asked about those in due course?

A. Correct.

Q. When you say that all of the unidentified lodgments were to Mr. Lowry's current account in the second sentence of your statement, are you referring to the current account in Thurles?

A. Bank of Ireland, Thurles, yes.

Q. In 1989, the lodgments which I have not been able to identify amount to €21,057.36. The income which I have not



been able to match to specific lodgments is €17,558.62.

Accordingly, the difference between the lodgments, the sources which are unidentified in the income which has not been matched to specific lodgments is €3,498.74. Queries have been raised in relation to two of those, one being a lodgement to a Dame Street deposit account on the 12th July and the other being a deposit to the Irish Permanent Building Society in Thurles on the 29th June of 1989?

A. Correct.

Q. I think on the overhead projector we have taken off all of the relevant information a lodgement of €10,650?

A. Yes.

Q. In terms of the size of lodgments, I am not sure if your memory will enable you to answer this question but am I right in thinking that's a relatively substantial lodgement, the €10,000 one?

A. Yes, correct.

Q. Relative to the other lodgments to that deposit account. Now in 1990, the sources, the lodgments, the sources of which you have not been able to identify amount to 31,000, the bulk of the unidentified lodgments were to Mr. Lowry's deposit account with AIB, Dame Street. The income which you have not been able to match to specific lodgments is €14,000 and therefore the difference between the unidentified lodgments and income not matched to lodgments is €16,836.73 and queries have again been raised in relation to a number of specific lodgments all to the AIB

deposit account in Dame Street. Two of those lodgments are round sum lodgments of which that's one, €2,500 on the 21st on the 1st February. On the 21st February of 1990. I think there may be an error in the statement.

A. Yes, 21st, yes.

Q. The next lodgement is for €16,976.61 on the 22nd February of 1990. So that within two days, nearly €19,000 was lodged to that account by Mr. Lowry and although the second lodgement is not a round sum lodgement, it's nevertheless a fairly substantial lodgement, I know for the two days an awful lot of money went into the account.

A. That's correct.

Q. I am not asking you to explain why a large sum of money, something you can't remember, I am simply asking you to confirm, relative to the movements on the account, this is a large deposit over two days?

A. Correct.

Q. On the 30th May there was a deposit of €2,197.94, it's again up on the monitor and the last lodgement, again a substantial round sum lodgement of the 21st September of 1990, €7,000.

A. I think we might have, I am not sure, identified a second last one of 2197 since you raised, since the Tribunal raised that query, I believe we identified that.

Q. If you wish, Mr. O'Connor, you can either deal with it now or you can check your notes and deal with it either after you have given evidence or after you have

A. Actually if I see the statement I will know in two seconds.

MR. O'DONNELL: The travel expense cheque.

MR. HEALY: I am happy if Mr. O'Donnell can clarify it and Mr. O'Connor can comment on his evidence.

MR. O'DONNELL: I think its a TD's travel expenses cheque No. 80536 of the 27th April?

A. That's correct.

MR. O'DONNELL: It's on page 15 of Mr. Lowry's statement if that's of assistance.

MR. HEALY: I think I can assist both Mr. O'Connor and Mr. O'Donnell, I can put up the TD's travel expenses and show the amount. Do you see the item œ2,197.94.

A. Yes.

Q. Well, that can be deleted from the list of queries?

A. In fact, in fairness to the Tribunal, they picked a random selection or picked ones that were of concern and we made another search with banks and this one actually came up as being identified.

Q. I see. So that reduces your unidentified balance for that year as well, isn't that right, by approximately, well by in fact œ2,000; is that right?

A. That is

Q. Maybe that's not the correct accountancy approach.

A. Hold on a minute.

Q. The lodgments, the source of which you have been able to identify, that's a lodgement which you can now identify, is that correct?

A. Correct, but it was in the income that I wasn't able to

Q. It was in the income?

A. Yes, because it's TD expenses.

Q. Right.

MR. O'DONNELL: I don't know if it's of assistance that Mr. Healy, the point Mr. O'Connor is making, it doesn't affect the substance because he has taken into account the amount available in terms of expenses and what he has done here is simply identify a particular lodgement.

MR. HEALY: Yes. You have already taken total expenses into income in other words and this is simply, this is part of the total of expenses?

A. That's correct, yes.

Q. For the year 1991, the value of lodgments the sources of which you have not been able to identify is €26,362.91 income you have not been able to match to specific lodgments that year is €15,097.29 and the difference therefore between the unidentified lodgments and the income not identified to these lodgments is €11,265.62. And again, a number of specific lodgments, many of them round sum lodgments again have been drawn to your attention and to Mr. Lowry's attention for comment and I will just go through them, there are five in all. The

first is the 8th May of 1991, €5,000 lodged to Allied Irish Bank, Dame Street, Account 41179269. I think it's shown on the monitor.

A. Yes, that's correct.

Q. The designation of that account has just been drawn to my attention and we will just clarify one aspect of it. It's a current account; is that right? Well, my reading on the overhead projector, that's a current account and it's described as a current account.

CHAIRMAN: You can see it on the monitor there.

A. Correct, that's current account, yes.

Q. MR. HEALY: The next account or the next deposit was to a lodgement of €11,200 to the AIB, Dame Street branch and the same account number, €11,200. And have you you have been able to obtain or to obtain no information concerning this lodgement, is that correct?

A. I believe I have identified the 11,200.

Q. All of it or some of it?

A. All of it is my understanding again.

Q. I am aware of what Mr. Lowry has said in his statement and perhaps I can deal with some of that and if necessary he can comment further on it.

A. Okay.

Q. He has said in his statement that this lodgement comprises in part a cheque for €6,500 dated 10th July 1991 drawn on the Dunnes Stores account Bank of Ireland Marino branch and

payable to him.

A. Yes, that's correct.

Q. Have you seen that cheque or a photocopy of that cheque?

A. That was the cheque that came up in I don't believe I have seen that photocopy of that's the cheque that came up in the McCracken Tribunal inquiry to do with the deposit on the land. That's my recollection.

Q. Mr. Lowry can be asked about it. It's simply the fact he describes it as a cheque payable to him which prompted me to ask you have you seen the cheque.

A. I think, I am not I think it actually came up in evidence in the McCracken Tribunal of Inquiry and that's why I would be aware of it as that.

Q. Mr. Lowry, in his statement, says that the balance is made up of an account transfer of €4,700 from Account No. 41179186, AIB, Dame Street?

A. Correct.

Q. Was it you were able to arrive at that?

A. I arrived at that conclusion, yes.

Q. What documents enabled you to conclude that there was an account transfer?

A. By putting both bank statements side by side and matching the transfer from one account to another all happening on the same date with the same reference.

Q. I see. The next lodgement is the 2nd September 1991, €5,620 to AIB, Dame Street account, the same Account No. 41179269.

A. I have not been able to identify the source of that.

Q. And the same goes, I think, for the next lodgement of €2,000 and the next lodgement of €6,500, all of them again to the Dame Street branch of Allied Irish Bank and all to the same account, isn't that right?

A. That's correct.

Q. But again, there's a substantial sum of money deposited to that account in the first place in that year and secondly in the latter part of the year, isn't that right?

A. That's correct.

Q. You say that apart from these lodgments, the Tribunal has also raised queries in relation to the source of the funds for a sterling draft of €55,000 drawn on Allied Irish Bank, O'Connell Street, the proceeds of which were lodged to an account in Allied Irish Bank in the Channel Islands. Now that was a transaction that occurred also in 1991, isn't that right?

A. That's correct.

Q. And can you tell me what queries or what steps you have been able to take in order to enable you to give any answer to the Tribunal in relation to that €55,000 sterling draft?

A. Well, in the first instance I actually managed to get a copy of the draft from the AIB, Channel Islands and that showed it to be a draft drawn on AIB, O'Connell Street.

Q. Yes.

A. And after that I had no success and in

Q. You knew that Mr. Lowry did not have an account at AIB

O'Connell Street?

A. That's correct, yes.

Q. And are you aware that the Tribunal has established that and I think some of the Tribunals, the result of the Tribunals of Inquiries have been drawn to your attention to the effect that that Mr. Lowry was sent to O'Connell Street by another branch of Allied Irish Bank?

A. That's correct.

Q. Have you made any queries with that branch with a view to establishing the source of those funds?

A. In the branch that sent Mr. Lowry to O'Connell Street?

Q. Which is Dame Street; is that right?

A. That's correct, yes. No, they have they I have had a lot of face-to-face meetings in that bank and they have stated they have no idea of the source of it. In my opinion, it's related some way or another to the income as discovered to the McCracken Tribunal and reported on as I think in Schedule 10, where there are nine north of Ireland lodgments of which only three have been specifically identified to specific lodgments.

Q. I think you are referring to page 109 of the McCracken Tribunal report?

A. Yes.

Q. I will get you a copy.

A. Is it the tenth schedule?

Q. Yes.

A. Yes, that's it. (Document handed to witness.)



Q. I think what you are suggesting and this is speculation, I hasten to add informed speculation on your part, that some of these payments may have gone to make up the funds used to purchase this draft for œ55,000 sterling?

A. Correct.

Q. How do you arrive at that conclusion?

A. Well, in the schedule there are nine payments and if I can call them by their number as in the schedule, payment number 1 if I recollect we identified it to a specific lodgement and certainly we have identified payment numbers 8 and 9 to specific lodgments but inclusively payments number 2 to 7 which are substantial enough have not been identified to any specific lodgement.

Q. And where did these sterling payments originate?

A. They were paid by Dunnes Stores Northern Ireland.

Q. And the aggregate of the payments 2 to 7 comes to something in excess of œ55,000 sterling, isn't that right?

A. Yes, around 60,000 sterling.

Q. Or maybe even more than 60,000 sterling, I will bow to your calculation of the figures.

A. Yes, around 65,000 sterling, yes.

Q. In order for you to arrive at the conclusion and I accept that you are simply expressing an opinion, you haven't anything hard and fast. You have to have some way of accounting for the balance of 10,000 sterling, isn't that right?

A. Correct, yes, which could be, which we will come to in a

minute, payment number 1 in 1992, it could be but it's all

you are trying to form opinions at this stage and you

are you can't say in a definitive manner what they are.

Q. You said payment number 161992, you are talking about a payment in 1992 which was lodged and for which you can find no source; is that right?

A. Correct.

Q. You think that therefore after the €65,000 sterling was used or part of it was used to purchase a draft for 55,000, the balance was held over until the following year?

A. Yes, or within six months but that's not definite.

Q. I accept that. It's just your opinion.

A. Yes.

Q. In paragraph 12 of your statement, you deal with the year 1992 and first I just want to mention, it seems to be a typographical error, there are two specific items mentioned at roman numeral one and two and the first one refers to an item on the 10th January 1991 and I think that should be the 10th January of 1992.

A. That's correct, yes.

Q. Now you say that for the year 1992, the lodgments, the sources of which you have not been able to identify, amount to the lodgments, the sources of which I have not been able to identify, amount to €22,675.47.

A. Correct.

Q. The income which you have not been able to match to specific lodgement is €14,235.51?

A. Correct.

Q. And the difference between the value of unidentified lodgments and the income not matched to specific lodgments is €8,439.49.

A. Right.

Q. And the Tribunal has raised queries in relation to two lodgments, one for €10,621.35 lodged to AIB Finance and Leasing Account on the 10th January 1992 and the other of €11,900 lodged to the Bank of Ireland Thurles account on the 15th May of 1992. Now, have you been able to give any assistance to the Tribunal in relation to the first payment of the 10th January of 1992 and the first lodgement?

A. Well again through the assistance of the banks and research in the banks, we have established that the €10,621.35 is in fact a sterling draft for €10,000 sterling purchased in AIB, Dame Street the previous August, that's August of 1991, and then lodged on the 10th January 1992, it would convert into €10,621.35 Irish. So it doesn't tell us the source but

Q. Could I just draw one document to your attention which may be related to this but which has one but about which I have one query. Do you see the bank chit on the overhead projector?

A. I do, yes.

Q. It records a foreign exchange transaction.

A. Correct.

Q. A purchase of sterling, I think?

A. Correct.

Q. A purchase of Irish, I beg your pardon.

A. Yes.

Q. And the amount is €10,621.35, the amount that was lodged to Allied Irish Bank Finance?

A. Correct.

Q. But I understood you to refer to a transaction occurring in Dame Street. Could that be an error of recollection on your part?

A. No.

Q. Why is this, why is Thurles mentioned here?

A. Because it was the draft was purchased in AIB, Dame Street for 10,000 sterling but it was lodged as Irish through Thurles on the 10th January 1992 as 10

Q. So it's your inquiries in Dame Street, it's from your inquiries in Dame Street that you have learned that a draft for 10,000 was purchased?

A. Not exactly. Dame Street sent me back to Thurles and said make inquiries there and it's there that we got that chit and a copy of the draft, that's my recollection. That's my recollection now.

Q. The Allied Irish Bank draft for 10,000, the one on the overhead projector, is dated the 30th August of 1991, isn't that right, the top left-hand corner?

A. That's correct.

Q. Payable to Michael Lowry, €10,000?

A. Correct.

Q. Now, I think you are aware that another draft was purchased at Allied Irish Bank, Dame Street on the same date, again, a sterling draft, isn't that right?

A. That's right.

Q. For €7,562?

A. That's right.

Q. And that draft for 7,000 odd went to the Channel Islands.

A. That's correct.

Q. And have you been able to obtain any information concerning the source of the funds used to purchase that draft which was purchased on the same date as the 10,000 draft?

A. No, not the source. But a few minutes ago we spoke about the 55,000 and we said there seemed to be more money. It's easy to surmise that it's related to these transactions.

Q. You think that additional €10,000 could have been related to this purchase here?

A. Correct.

Q. But those sterling payments that you mentioned originated in Northern Ireland, isn't that right?

A. Correct.

Q. One of them would have to be used therefore to purchase a €10,000 draft down south?

A. Correct.

Q. Which would seem to be an unusual thing to do if the purpose of the draft was simply to send it offshore?

A. I agree.

Q. Well, it's something that will have to be taken up with Mr.

Lowry and the unusual nature of the transaction, you can't offer any further assistance?

A. No, that's as far as I can go.

Q. Now the next item that you have been asked about is the sum of 11,900 lodged to the Bank of Ireland Thurles on the 15th May 1992. I think it's only recently you have been able to obtain further information in relation to this which is not in your statement?

A. That's correct.

Q. What's that information?

A. I actually forget. It's in the other statement.

Q. I think you are aware that part of that seems to be related to a payment from Frost Impex?

A. Sorry, I have it now, yes. It's substantially a cheque from Frost Impex for €10,000 and I think the balance was public representative pay.

MR. O'DONNELL: Sorry to interrupt but could I suggest, Sir, it might be easier if Mr. Lowry's statement was prepared in conjunction with Mr. O'Connor and the information, the duplication, the explanation in relation to these

MR. HEALY: I am trying to follow both at the same time.

MR. O'DONNELL: Perhaps if Mr. O'Connor had the statement, it would allow him to do the same exercise.

CHAIRMAN: Yes, that would seem sensible.

MR. HEALY: If you go to page 16 of the statement please, Mr. O'Connor, the third last item on that page refers to the 15th May 1992 lodgement of 11,900 to the Bank of Ireland, Thurles.

A. I recollect it now, there was a cheque for 10,000 from Frost Impex plus another cheque from the Department of Finance for public representative less a small cash withdrawal.

Q. I think there's a lodgement slip?

A. Yes, the bank lodgement slip shows the

Q. The bank lodgement slip shows a total of €12,066.95 paid in?

A. Correct.

Q. Which is made up of the cheque for 10,000 which was on the overhead projector a moment ago, we don't need to see it at the moment.

A. Correct.

Q. And a cheque for €2,066.95 drawn on the Department of Finance?

A. Correct.

Q. And then which is now on the overhead projector.

A. Correct.

Q. If you go back to the lodgement slip together with a note on the lodgement slip recording that €166.95 was taken out in cash?

A. Correct.

Q. Moving on to the year 1993, the lodgement, the source of which you have not been able to identify, amount to €13,194.32. The income for the year you have not been able to match to specific lodgments amounts to €11,319.50. And the difference therefore is €1,785.42.

A. Correct.

Q. And your attention and Mr. Lowry's attention has been drawn to the source of a deposit of €29,702.97 to Mr. Lowry's deposit account at AIB, Dame Street, 4179186 on the 24th March of 1993.

A. Yes, that's correct and that has been identified as an account transfer within the bank.

Q. And how did you identify that?

A. By effectively placing two bank statements.

Q. Next to one another?

A. And checking the movements happened on the same day and they cross referenced.

Q. Have you any reason have you any information as to the reason for the account transfer?

A. No.

Q. The account to which these funds were transferred was a deposit account, isn't that right?

A. That's my recollection.

Q. And what was the account from which, what class of account were the funds transferred from?

A. It may

Q. I think it may have



A. It may have been a sterling account, I am not sure, it was a deposit account.

Q. From a deposit account?

A. Yes.

Q. Well, have you any reason or can you offer any opinion to the Tribunal as to why funds have been transferred between two deposit accounts in the same branch?

A. Well, looking at the different accounts in Dame Street, it's possible that they were on fixed term deposit, that's what it would appear like to me anyway.

Q. For the year 1994, the lodgments, the sources of which you have not been able to identify, amount to 17,000 and in fact before I deal with that, I just should go back to say that of course in respect of each and every lodgement unidentified and mentioned in your statement and in respect of which, you have now been able to give further evidence, your totals would have to be adjusted, isn't that right?

A. Em...

Q. No, your totals of unidentified lodgments, I am not talking about your balances.

A. The ones that, sorry, I just want to get this clear.

Q. Let me give you a simple example; the Frost lodgement we saw a moment ago.

A. That affects calculation because it now become an unidentified.

Q. There were one or two other cases where lodgments have become identified in the recent past since your statement

was prepared and therefore the lodgement totals would have to be adjusted?

A. Correct, that's right.

MR. O'DONNELL: Again I hope I am not interrupting too much but I think in respect of the Frost lodgement, that does alter the total.

MR. HEALY: I appreciate that but what I am going to suggest to the witness is that perhaps at the end of his evidence and maybe while the next witness is giving evidence, he might do a recalculation to show where totals have altered or where balances have altered in the light of new information.

A. Okay.

MR. O'DONNELL: It's just in relation to 1992, the evidence already given was that the balance was €8,000, lodgments unidentified over income unidentified. In fact, because of that cheque which has just been dealt with, it is the reverse, there's €2,000 more income than lodgments

MR. HEALY: Yes, I appreciate that but I don't want to ask Mr. O'Connor to do it while in the box.

CHAIRMAN: We can revert to that at a later stage. Yes.

MR. HEALY: For 1994, Mr. O'Connor, the lodgments, the sources of which you have not been able to identify amount to €17,872.08. The income for the year you have not been

able to match to specific lodgments is €24,331.41 and there's an excess therefore of income over unidentified lodgments of €6,459.33.

A. Correct.

Q. Which by comparison with some of the other years we have mentioned on the basis of figures in this statement, is the opposite in that it's excess of income over lodgement as opposed to lodgments over income?

A. Correct.

Q. In other words, you have identified in this case, you have a significant amount of income which you have not been able to tally up with lodgments to the extent of €6,459.51?

A. Correct.

Q. Now, to date we have been proceeding on the assumption that Mr. Lowry's income and receipts from all sources was lodged to some bank account.

A. Correct.

Q. Is that assumption still justified in the context of 1994?

A. It may not be. It may not be justified on the basis that there are, that the lodgments are less than the identifiable sources of income.

Q. Yes. That some of the income did not go into a bank account or did not go into one of the bank accounts we have been able to identify?

A. Correct.

Q. And you believe there are no other bank accounts?

A. I believe there are no others.

Q. Now, two specific lodgments have been drawn to your attention, one of the 14th April 1994 to Bank of Ireland, Thurles for €17,419.64 - it's on the overhead projector - to Mr. Lowry's current account, Bank of Ireland, Thurles.

A. Yes.

CHAIRMAN: Just before you get to the specifics, sorry for interrupting you, I am just trying to deal with that 3,400 excess. May I take it you have excluded the scenario that you referred to for the previous year where Mr. Lowry effectively and perfectly normally took the €190 in cash as part of a larger lodgment, be it figures from the various banks you have been able to see, have they enabled you to exclude that the hypothesis the 3,000 shortfall may have been made up of cash payments out of larger lodgments?

A. Certainly on some lodgments, we have found small cash withdrawals at the point of lodgement so that would be a partial explanation. There is certainly a small pattern of it.

CHAIRMAN: Yes.

A. Throughout the period in which we were able to get bank records.

CHAIRMAN: Yes. Perhaps not suggesting as much as 3,400 in any one year?

A. Not necessarily. Not necessarily.

CHAIRMAN: Sorry to interrupt you.

Q. MR. HEALY: I think, Sir, you referred to in excess of 3,000. Is it the 6,000 excess in 1994 you are referring to?

A. Yes.

Q. Right. On the assumption that that income excess is not reflected in the bank account, the cash would have to have been obtained without the money going into a bank account; is that right?

A. Yes, in other words, cashed at

Q. Pure cash, in other words, an instrument would have to be endorsed or negotiated to a bank in return for cash or to somebody else?

A. Or to somebody else.

Q. Yes. Now this lodgement of £17,419.64 unidentified at the time of your statement has now, I think, been identified?

A. That's correct.

Q. And I think with your assistance, it's mentioned by Mr. Lowry in his statement at page 17. You see the lodgement document for that date, 14th April 1994?

A. Yes.

Q. It refers to cheques only and I am not sure that we can put up the cheques but I am not sure if they, if anybody will learn anything from looking at them on the overhead projector. I think closer scrutiny of the photocopies shows that this consists of a cheque from Streamline in respect of salary in the amount of £1,556.25 and a Department of Finance cheque in the amount of £5,863.39

which you believe to be public service salary.

A. And allowances, correct.

Q. The next item is a lodgement of €6,300, unidentified at the time of your statement but which I think has now been identified?

A. Correct.

Q. As having been made up of €4,143.72 in respect of TD allowances and other cheques drawn on Bank of Ireland, College Green which you believe to be for TD allowances and salaries in the sum of 1,580.31, 893.47 less cash of €317.50 and if we go back to the lodgement slip, the cash withdrawal is shown there at 317.50.

A. Right.

Q. Leaving a balance of 6,300

A. 6,300 lodged, yes.

Q. Again if this affects either your total or your balances, you will be able to produce a new set of figures?

A. Yes.

Q. For the year 1995, the lodgement, the sources of which you have not been able to identify, amount to €24,673.39. And the income you have not been able to match to specific lodgments amounts to €28,093.93. And therefore the excess of income to unidentified lodgments is 3,420.54?

A. Correct.

CHAIRMAN: Sorry, that was the sum I mistakenly confused with the previous one.

MR. HEALY: Yes, Sir, I see. And the Tribunal has drawn two lodgments to your attention, the first is on the 8th May of 1995, the œ6,985.81. And you have, since your statement was made, managed to identify these lodgments, isn't that right?

A. That's correct.

Q. The first document on the overhead projector is the lodgement slip and I can push up the number of instrument but I am not sure that they are very readable. But you have in any case seen photocopies of various instruments showing the make-up of this lodgement, isn't that right?

A. That's correct.

Q. And as comprising Department of Transport Energy and Communication cheques for œ642.31, three cheques.

A. Correct.

Q. œ642.31, four cheques and œ489.67, one cheque. Together also with a TSB bank draft in the sum of œ2,000?

A. Correct.

Q. I'll come back to that in a moment. Are the cheques presumably for expenses?

A. Allowances, basically, as a minister.

Q. As a minister. What do you know of the Trustee Savings Bank draft in the sum of œ2,000?

A. I haven't been able to establish anything about that.

Q. And you are not aware of Mr. Lowry having an account in that bank?

A. No.

Q. It's from the Main Street, Bray, County Wicklow branch of the bank, the TSB draft. Is it made out to Michael Lowry?

I can't say either from the photocopy which I have or from the overhead projector, have you any information

A. I can't recollect but if I look at what's on my files which I can do over the break, I might be able to identify it.

Q. Very good. The next item has one point now identified is a lodgement in the amount of €5,231.23, Bank of Ireland, Thurles.

A. Correct.

Q. And since you made your statement, you have managed to establish that this sum was lodged to the bank and that it comprises a number of items, I think all of them either salary cheques from Streamline or remittances of some kind from Government agencies; is that right?

A. Yes, but the salary cheque is payable to Mrs. Lowry.

Q. And this is a salary cheque from Streamline?

A. Yes.

Q. Payable to her as an executive director of Streamline?

A. Correct.

Q. For the year 1996, the unidentified lodgments amount to €24,480.25. And the income unmatched to specific lodgments is €27,997.69 and there is therefore an excess of unmatched income to lodgments of €3,517.44.

A. Correct.

Q. Now, there's one or two matter matters I am not sure if information has come to hand since you took the witness



stand but I gather that you have also, at the request of the Tribunal, carried out some inquiries into the type of work now being carried out by Mr. Lowry under the aegis of a consultancy company that he has set up and work carried out by him in the 1980s and 1990s of a similar kind but not under the aegis of a consultancy company; is that right?

A. Yes. There is a company incorporated at the moment called Abbeygreen Consulting.

Q. Perhaps I'll put this in context before you give evidence, if you can give evidence in relation to it. You will have heard in the opening statement how Mr. Coughlan mentioned that Mr. Lowry was in receipt of some €25,000 from a Mr. Maher of Maher Meat Packers in 1991, I think it was for consultancy services similar to the €10,000 Frost Impex cheque that was mentioned in both your evidence and in Mr. Coughlan's opening?

A. Correct.

Q. Now, the Tribunal has been informed that that sum of €25,000 and a sum of €10,000 were paid in respect of refrigeration consultancy services as opposed to the supply, installation, maintenance or whatever hands-on type refrigeration work?

A. Correct.

Q. And you will be aware that the Tribunal is anxious to establish whether the sum paid by Mr. Maher was in the order of the type of sums that would be paid for that type of work at that time and you have been asked to make

inquiries or to provide the Tribunal with any information you have concerning the rate at which or the manner in which Mr. Lowry's new consultancy company is now paying for what I understand is similar work, isn't that right?

A. That's correct.

Q. Now, I think you have arranged to have some documents sent to the Tribunal and I don't think in fact they have arrived. Can you be of any assistance without those documents?

A. Well, roughly as I understand it, it's not incorporated that long, I don't deal with it myself so I asked a partner in the practice who deals with it to get me out an addresser letter to you saying when it was incorporated, who the directors, shareholders are and to identify what income it has earned since it was incorporated and to name who it was but I don't believe it to be substantial. I am surprised you haven't got the facts but I will check it, right.

Q. I am not for one moment blaming you for not having this document here and if necessary, we can deal with it in the afternoon. Would you prefer to have the documents before you respond?

A. I would, yes.

Q. Fair enough. Subject to your own view, Sir, I would suggest it might make more sense to take Mr. Lowry's evidence in one

CHAIRMAN: Mr. Nesbitt, would it facilitate you I am not sure if you intend to ask any questions but if I gave you an opportunity to address any matters now in the short few minutes remaining.

MR. NESBITT: I don't intend to ask any questions at this point in time.

MR. CONNOLLY: I have no questions, Chairman.

CHAIRMAN: Would you like to start now, Mr. O'Donnell, subject to these further matters being taken up after lunch?

MR. O'DONNELL: Thank you, Sir.

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

Q. MR. O'DONNELL: Mr. O'Connor, I think that the exercise that you carried out, have been carrying out on Mr. Lowry's behalf, you have been doing so since the end of 1996?

A. Yes.

Q. It's an accountancy exercise and one which you are regrettably familiar with the affairs of other clients, is the reconstruction of the accounts and financial information in relation to those persons?

A. That's correct.

Q. And I think it's not unusual to have the situation where you have to go through this painstaking exercise and where the affairs, where the records are incomplete I think is

the

A. Yes, incomplete records would be a common term.

Q. And the exercise you carried out is, as I say, a fairly painstaking one of going back and getting all the bank accounts and then seeking to identify all the inputs and all the monies going out, isn't that right?

A. That's correct.

Q. And in this case, you have done it over a ten year period?

A. Correct.

Q. And correct me if I am wrong but I think it's a common enough feature as you go backwards in time, the information becomes more difficult to obtain because of the absence of bank records and loss of memory and things like that?

A. Yes. In this case, it was reasonably easy with the financial institutions post the beginning of 1992 and pretty more difficult prior to that period.

Q. And if we just deal with a couple of things firstly. First only one small item of clarification. In respect of Mr. Lowry's relationship to Streamline, I think he resigned as a director during the period he was a Government minister, January 1995 until December 1996?

A. That's correct.

Q. And if I can deal with one of the issues that was raised and that's the €15,000 which was identified, has now been identified as a payment from Mr. Ben Dunne from the Marino account which was identified I think in late 1997 by, as part of your researches with a view to preparing for this

Tribunal?

A. Yes, well, in effect, the McCracken Tribunal of Inquiry, (the Dunnes Payments) and this Tribunal of inquiry was established, it was a question of going back again and identifying the source of all income so one of my I think if I recollect, my first visit to AIB, Dame Street, we went through a lot of lodgments at a meeting and they actually communicated, they acknowledged first the meeting and then they communicated kind of a month later, this is the first time it surfaced within the bank

Q. Yes?

A. The details of that particular lodgement you are on about.

Q. I think the sequence was that the lodgement, when you were investigating this at the time of the McCracken Tribunal, this lodgement was identified as emanating from AIB Donnybrook and that was the only information available for it.

A. That's correct.

Q. Subsequently it emerged it had gone through Donnybrook but it had originated in the Marino branch?

A. That's correct.

Q. And I think that information was immediately brought to the attention of the McCracken Tribunal and this Tribunal?

A. Yes, Justice McCracken, because he had completed his report at that stage.

Q. Looking at the exercise you have done and if we go back looking into it, I think that of necessity, there are, it's

an imperfect task to attempt to reconcile all the income you might have and all the lodgments made in any bank account. When we look at some of the excised bank accounts, we see large number of transactions on the account and one matter being highlighted?

A. Yes.

Q. And part of that is because of the difficulty of identifying documents and partly because of a feature the Chairman has identified is that on occasions, Mr. Lowry, like many other people, will take small amounts of cash on a lodgement which would have two results, it would make the particular lodgement more difficult to identify with the particular cheque when you are doing your exercise and the remaining amount would be a round figure normally?

A. Yes, the two difficulties were that, if you didn't have the lodgement document and there had been a small cash withdrawal, practically it made it impossible because the cash withdrawal meant that the lodgement did not reconcile or potentially tie in with anything and the other problem, if you are lodging a number of cheques together, that makes it difficult as well and that's the feature of some of the ones that have come up here.

Q. That you have been able to track down eventually by your investigations. And one other there are other matters which made it from time to time more difficult to identify particular lodgments as you go along?

A. Well

Q. One of the features, for example, is you are trying to track cheques that have been received with lodgments subsequently made and there are occasions as we have seen, delays between the cheque received and the receipt and the lodgement made?

A. Correct.

Q. Even the exercise you carried out is not totally perfect because you are looking at a calendar year and payment maybe received one year and not lodged into the year?

A. Yes.

Q. All these types of exercise, accountants apply a we don't expect to be ... any investigation to tie down to the last details transactions occurring in 1997, 1987, or 1988?

A. It might be improper but it becomes a material issue then.

Q. It's an application in standard criteria whether there is any significance attaching to what remains to be identified?

A. Right.

Q. If we can look at that exercise that you carried out in reverse because the Terms of Reference of the Tribunal distinguish between different periods and during the years 1995 and 1996, almost for the total of those calendar years, Mr. Lowry is a Cabinet minister.

A. Correct.

Q. And I think the Terms of Reference separately identify that period?

A. Correct.

Q. Now, in relation to that period, carrying out the exercise you have carried out, while you haven't been able to identify precisely particular lodgments, there is in fact a slight excess of income identifiable over lodgments unidentifiable?

A. Correct.

Q. But in broad terms, would it be fair to say that there's a balancing in accountancy terms, there's a balancing of those figures?

A. Certainly, yes.

Q. And in respect of those two years, I think the Tribunal have drawn your attention to specific lodgments which they wanted to query because of either the amount or date or time or any other significance for whatever reason?

A. Yes.

Q. Because it was not at a particular time it was not possible to identify the lodgments?

A. Yes.

Q. In respect of those two years, I think you have been able to track down and give to Mr. Healy an answer in evidence, to identify the make-up of the particular lodgments to which the Tribunal have drawn particular attention?

A. That's correct.

Q. And I think then moving back from so in the two years during which Mr. Lowry was a minister, there is no large unidentified lodgement which you cannot identify its make-up?



A. That's correct.

Q. And just pausing there, as Mr. Healy correctly raised with you, the question to the extent to which funds were lodged in bank accounts, one of the features of Mr. Lowry's business which you are now so painfully familiar is that very large amounts were lodged into accounts, large amounts of cash, for example, have been discussed were lodged into bank accounts.

A. Yes.

Q. The bank accounts have been the source of all the information and lodgments which we are now looking at?

A. Have been substantially a source.

Q. And looking at the immediate preceding year 1994, that was also a year in which there was an excess of income over lodgments?

A. Correct, yes.

Q. In other words, you can't just put a home on all the income he has but it exceeds any of the lodgments you can't identify with precision?

A. Yes.

Q. And again in that year in respect of the two specific lodgments drawn to your attention and queried in particular, that's œ7,419 you have been able to pin those down and identify that as combination of TD salary allowances and Streamline salary cheques?

A. Correct.

Q. And that, then going back to 1993 as we are going

backwards, we are getting into territory where the documents start to become more difficult to obtain but in 1993, I think in that case, there's a slight difference in lodgments and income of some €1,785?

A. That's correct.

Q. But again in relation to that, there was one specific lodgement that the Tribunal drew your attention to in March 1993, €29,702 and in that case you were able, that lodgement was deposit account in AIB Dame Street, you were able to identify and discuss with Mr. Healy it appears to be another transfer from another AIB transfer account?

A. Correct.

Q. In fact, it is a transfer

A. Correct.

Q. 1992 is a year where there was some discussion and I think, I don't want to make you do the addition in the box any more than Mr. Healy does but I think the correct figure is there's a split surplus of unidentified income over unidentified lodgments of about €1,560?

A. Correct.

Q. And that again, two specific items were drawn to your attention and in respect of the 15th May 1992, you were able to identify the source of that lodgement?

A. Right.

Q. Now I think the first time that you had any difficulty in identifying the source of a specific lodgement is the 10th January 1992?

A. Correct.

Q. Moving backwards from 1992 and moving backwards from 1996 and that's the first time we have difficulty.

A. Correct.

Q. That I think relates I think it would be fair to say, Mr. O'Connor, you have taken, as an accountant, a cautious and correct approach to this, where you have identified lodgments, where you say you can identify the source of the lodgement is, you can put your hand on and staple together all the documents that go to make that lodgement?

A. Correct.

Q. The remains of the balance we are now concerned with, in relation to that you can offer some views because of your knowledge of the financial affairs, the other incomes, the other inputs Mr. Lowry had and the dates and times?

A. Correct.

Q. And that brings us, I think, to the entire area surrounding the œ55,000 cheque.

A. Correct.

Q. I think you have, you are you have offered the view and I don't know how strongly you put this, that that is a product of cheques to the seventh and tenth schedule to the McCracken Report, that's cheques emanating from Dunnes Stores Northern Ireland being sterling cheques?

A. Yes, my view is that they somehow are the original source of the transaction you are talking about.

Q. Part of that is because they haven't been identified

anywhere else?

A. That's part of the reason.

Q. But also they are sterling amounts and this is a sterling draft in or around the same time?

A. Yes, could be that.

Q. But furthermore, don't they go to the same home as one of the three payments in that tenth schedule that you have been able to identify as the payments on the 3rd September 1991, the 34,100 sterling?

A. That's correct.

Q. The £55,000, I know this is confusing, goes together with the £34,000 you have and I believe to identify as emanating from that source to make up part of the £100,000 lodgement to the Channel Islands in the account naming Mr. Lowry and his children?

A. Correct.

Q. But it ends up in the same place, as it were?

A. That's correct.

Q. And one other feature, as you say, that balancing amount that makes up that £100,000 lodgement, the round figure is some £7,000 sterling?

A. Correct.

Q. Which is a sterling draft drawn on the same day as this sterling draft which is then subsequently lodged on the 10th January 1992?

A. That's correct.

Q. And so it appears in a way if they were drawn on the same

day in August 1991, they were from the same source, that may be the case, certainly the transaction is at the same time, €7,000?

A. Correct, all the same day.

Q. Goes off to the Channel Islands, €10,000 is subsequently lodged here on the 10th January 1992.

A. Correct.

Q. And so from a feature of all those factors that you have put together, you will say that it's your opinion, is it, that that appears to be the source?

A. It appears to be the source, yes.

Q. And it's, I think, going back from there, you have been able to identify even still in 1991, you have been able to identify one of the lodgments brought to your attention by the Tribunal of the 25th July 1991 and you have identified that as being in part the €6,500 transferred, repayment of the initial deposit on the factory site in Thurles?

A. That's correct.

Q. And I think in the McCracken Report, indeed Mr. Healy asked you about this, I think in the McCracken Report, that was identified as being €6,500 paid into the personal account of Mr. Michael Lowry at the Dame Street branch?

A. Correct.

Q. That's at page 24 of the report. And it's fair to say that from 1991 onwards, 1991 backwards, while you have identified the vast majority of the inputs into Mr. Lowry's accounts, there have been some that have remained

unidentified?

A. Correct.

Q. And that's in a period of six, seven, eight years remove from the period you have started to inquire into?

A. That's correct.

Q. And then your experience of carrying out this investigation on behalf of, or exercise on behalf of other clients, is that that is a consistent pattern, relatively consistent pattern of being able to identify with a fair degree of precision, lodgments over recent years back to 1992 and in this case, and as you go back further, it becomes more difficult?

A. To put it as you just said, as you go back further it becomes more difficult.

Q. Yes. I don't know if you have done this exercise in the light of some of the changing figures but I think when you total the years 1987 to 1996 and carry out the exercise of lodgments for which a source hasn't been found and set against income for which a particular lodgement hasn't been identified, there's a total of something in the region of œ31,000 of lodgments that haven't been identified and can't be attributed to that income?

A. I agree, subject to doing the check that Mr. Healy asked me to do.

Q. Nobody is tying you to the figures but taking that figure as a total figure over the

A. That's correct.

Q. The ten years and the bulk of that figure being attributable to the first five years rather than the second five years

A. That's correct.

Q. In your opinion, how does that sit with the concept of materiality in the light of all the other transactions and on the account and the other amounts of money that were going through

A. Well, in effect, you are saying that over a ten year period during which he got the various public representative payments, salary and the consultancy payments as they are called, I'd regard it as immaterial at this stage as you go up from the ten years.

Q. I think at the same time, as when we are looking at largely Mr. Lowry's personal accounts, at the same time, his business I think as the McCracken Tribunal has found, had received payments in a lesser periods over €12 million from Dunnes Stores?

A. In a lesser period, that's my recollection, yes, that's first incorporated, yes.

Q. '89 to '96?

A. That's correct.

Q. If I can ask you to do one other thing in your mind, as it were, if you were to plot the graph of unidentified lodgments that you hadn't been able to pin down, the numbers with both the amount and number, I think that decreases quite sharply from the earliest period when you

are investigating to the last five, six years?

A. The graph between identified and unidentified, yes, that's correct.

Q. I mean it goes to zero, in effect, from 1992 onwards, the 1st January 1992 or 10th January 1992?

A. From the 10th January 1992, yes.

Q. And if you plot that graph against Mr. Lowry's political career, I think his political career was going in the opposite direction in a sense, he became a minister in 1994, he became chairman of the parliamentary party in 1992.

A. Well, I don't know when he became Chairman of the party but if it was 1992, they go in opposite directions.

Q. Yes. And one other thing, Mr. O'Connor, I think you have been engaged in a constant process on Mr. Lowry's behalf and express instructions in gathering this information for the Tribunal and cooperating with the Tribunal to provide, to bring the inquiry this far as it were?

A. Correct.

Q. I think that you know, is it fair to say that you have been in contact with the Tribunal on Mr. Lowry's behalf since initially late 1997 and that your task has been firstly to identify all the figures and subsequently to narrow down as you have been able to narrow down to date any remaining outstanding questions?

A. That's correct.

Q. Thank you, Mr. O'Connor.



CHAIRMAN: It's just twenty to one now so, Mr. Connolly, I will leave any possible matters you may wish to deal with until after lunch. Do you propose to examine Mr. O'Connor?

MR. CONNOLLY: No, I am not going to do so. I understand this morning from the Tribunal that any matters which are of concern to the Revenue will be dealt with at a later stage and on that basis I will reserve my position on cross-examination and certainly in relation to Mr. Lowry, perhaps Mr. O'Connor it might be more useful to deal with at a later time.

CHAIRMAN: Of course you will have regard to the discussions we had at earlier sittings. Very good, well we will take up the very short balance of Mr. O'Connor, I think the revised any other outstanding aspects, unless you still don't want to raise anything, Mr. Nesbitt.

MR. NESBITT: No.

CHAIRMAN: It's now 12:40. Five to two. One matter, Mr. O'Connor, not having you have some of the revenue audits and that's where you are, your form of expertise in this form comes from.

A. I wouldn't say that, but I have been involved in revenue audits, yes.

CHAIRMAN: But the concept of materiality, whilst you might

have your differences with accountants and other professional people on the revenue side, the same professional discipline would apply with regard to materiality?

A. Correct.

CHAIRMAN: Very good.

A. My Lord, I will have to go to the room where all my records are, is that a problem during lunch?

CHAIRMAN: Not at all.

CHAIRMAN: If you need a little extra time, we will make it two o'clock.

A. No.

THE TRIBUNAL THEN ADJOURNED FOR LUNCH.

THE TRIBUNAL RESUMED AS FOLLOWS AT 2PM:

THE WITNESS WAS RE-EXAMINED AS FOLLOWS BY MR. HEALY:

MR. HEALY: Mr. O' Connor, you were to do two things over lunch time. Did you get an opportunity of going through the calculations that you made in your original statement and adjusting them in the light of the other information we discussed this morning?

A. I did, yeah.

Q. I think the best way to deal with this would be to go through them in the evidence, but perhaps if you'd also hand to the Registrar afterwards your copy with, hopefully,

the manuscript changes made on it, is that possible?

A. The only thing I haven't changed was the well sorry, I didn't have the totals in the first time, so that's fine, yeah.

Q. In relation to the year 1987, I don't think there is any change, is there?

A. No, that's correct.

Q. 1988?

A. 1988, in Mr. Lowry's statement, he refers to the fact that lodgement number 1, two and a half thousand, is he believes a public representative cheque less a cash withdrawal so for the purpose of exercise at lunch hour, I assumed that which has the impact of reducing both sides so in effect the lodgments which I had not been able to identify now change from €16,300 to €13,800.

Q. Yes.

A. And the income as against lodgments changes from €12,585.57 to €10,085.57 and the net result of that is that the overall difference of €3,714.43 remains the same. Okay?

Q. 1989?

A. In 1989, there is no change.

Q. 1990?

A. In 1990, there is a change by lodgement number 3, as indexed in my statement, which is the one on the 30th May 1990. That has been identified. That is the impact of changing the original lodgement source of €31,178.27 to €29,180.33 and it also has the impact of changing the

income sources unidentified of €14,342.54 to €12,143.60 and it doesn't actually change the overall figure of 16,000 approximately.

Q. 1990, there should be some changes 1991, I beg your pardon.

A. No change.

Q. 1992?

A. There is a change in 1992. In 1992 we have effectively identified a total lodgement of 12, sorry, I will just get the amount in front of me it was actually a lodgement of €12,066.95 so that had the effect that didn't have an equal effect because of the €10,000 cheque so therefore the lodgement source, €22,675.47 reduces to €10,775.47 and the income source reduces to 14 sorry, €12,168.56 and then the overall impact changes substantially because the 10

Q. It changes the other way round?

A. It changes the other way round to €1,393 and 9 pence.

Q. Just repeat that figure?

A. Sorry it changes to €1,393.09. I hope my calculations are correct because they were done without the aid of the calculator.

Q. 1994 1993.

A. No change.

Q. 1994?

A. There was a change because we have identified the two lodgments except the actual income source of the TSB draft

that you referred to this morning. So therefore I think in that case that the lodgement source of €17,872.08 reduces to €4,152.44 and the income stream unidentified reduces from €24,331.41 to €10,611.77 and I think in that case yes, the difference, the excess doesn't change.

Okay? Or does it? No.

Q. It should be slightly different, but not more than

A. That year is right, sorry.

Q. 1995 then?

A. Yeah, there is a change, because we have identified your lodgement number 1, and we have identified substantially the second one so in that year, the first figure, which was the lodgement sources which we couldn't identify that is decreased from €24,673.39 to €12,456.39 and the income unidentified has reduced from €28,093.93 to €15,774.39 and I think in that year, it has changed the variants, but I am actually not sure, that's something we can check later.

And there is no change in 1996.

Q. Thank you very much. You referred in your evidence earlier, and also I think in cross-examination when you were yes, in when you were being examined by

Mr. O'Donnell

A. Yeah.

Q. And Mr. O'Donnell mentioned to you this principle of materiality that you felt might be appropriately applied to the exercise you were carrying out and needless to say, the extent to which figures cannot be attributed to either

lodgments, identifiable lodgments or identifiable sources of income, that figure has now been reduced even more since this exercise began here today but Mr. O'Donnell also drew your attention to the fact that the Tribunal was interested in specific, or in many cases, in specific lodgments and there is just one of the those lodgments I just want to clarify one aspect of it. It's the source of the funds used to purchase the sterling draft of £55,000. That was purchased in 1991 and you may recall that you mentioned that you thought it could have been made up of part of the unidentified I think six or seven payments made to Streamline Enterprises on sterling accounts of Dunnes Stores or connected with Dunnes Stores in Northern Ireland. Now, if just to clarify one matter, if that was so, it would mean that these sterling drafts used to purchase that sterling would have been in some cases, well over a year old, maybe more than a year old, would that be right?

A. That's correct.

Q. So that if Mr. Lowry was using those drafts to purchase that £55,000 sterling draft, he would have been carrying that money around with him physically in the form of sterling cheques for some considerable period of time, perhaps in the case of one of these payments, the 2/2/1989 until approximately January of 1991, that's almost two years?

A. Correct. Could I just point out, I actually thought about

that at the time and he could have actually purchased drafts with the original cheques which would have kept him within a time frame.

Q. If he had purchased drafts with the original cheques, he could have either carried that draft around with him or carried the original cheques around with him for the period, for whatever period of time?

A. Right.

Q. But of course if you did that, it's unlikely you'd forget it, isn't it?

A. I wouldn't.

Q. It's not a matter for you to answer that question perhaps. You very helpfully arranged this morning for your firm or for the partner in your firm dealing with Mr. Lowry's consulting company to furnish some information to the Tribunal concerning the activities of that company since it was incorporated. The company is entitled or is called Abbeygreen Consulting Limited, isn't that right?

A. That's correct, yeah.

Q. And it was incorporated from the information you made available to the Tribunal on the 16th December of 1998?

A. That's correct.

Q. Its registered offices are at your firm's as offices, its directors are Mr. Michael Lowry and Mr. Patrick Lowry?

A. That's correct.

Q. Is Mr. Patrick Lowry a brother of Mr. Michael Lowry?

A. That's correct.

Q. And the secretary is Ms. Lorraine Lowry?

A. Who would be a daughter of Mr. Michael Lowry.

Q. And the majority shareholders are Mr. Michael Lowry with 95 of the 100 €1 shares?

A. Correct.

Q. You have also furnished the Tribunal with information concerning lodgments to the company's sole bank account.

It has only one bank account as far as you are aware, that's at the Bank of Ireland, Thurles?

A. That's correct.

Q. And those lodgments of which only two perhaps need concern us at this stage, are one for €40,000 on the 6th October, 1998 and one for €15,750 on the 26th February of 1999.

A. Correct.

Q. The others are for small amounts of money connected with VAT rather and there is one bank error.

A. Okay. That's correct.

Q. Now you produced further documents to the Tribunal indicating that the €40,000 was made to the company by Mr. Lowry and is effectively working capital I take it, is that right?

A. Correct.

Q. The other sum of €15,750 you have informed the Tribunal is from Whelan's Frozen Foods?

A. Correct.

Q. As a sales receipt. Now, that sales receipt was in respect of an invoice from Abbeygreen Consulting Limited to



Whelan's Frozen Food on the 23rd February, 1999 and you have furnished the Tribunal with a copy of the invoice?

A. Correct.

Q. It's on the overhead projector and it's for the sum that was put into the bank, €15,750?

A. Correct.

Q. And that would appear to be in respect of design/consultancy for Whelan Frozen Foods, presumably in connection with some refrigeration equipment installed in one of its plants.

A. Correct.

Q. Now, do you know how much of the €14,000 is in respect of design and how much is in respect of consultancy?

A. No.

Q. Your firm has also furnished the Tribunal with the narrative account with invoice reference numbers relating to the work being done by Streamline and by Abbeygreen for Whelan Frozen Foods and I don't know if you have a copy of this narrative account in front of you. Have you got it?

A. I have a copy of the narrative, yeah.

Q. There is just a few notes dealing with the invoices and the amounts of the invoices?

A. Yeah.

Q. On the 23rd February of 1999, invoice 12214 was raised for the sum of €125,000 excluding VAT and on the 24th sorry, on the 20/4/199 another invoice was raised for €209,000, exclusive of VAT?

A. Correct.

Q. I take it they are in respect of work actually carried out by Streamline in Whelan's Frozen Food premises at Park West?

A. Yeah, as I understand it, they are Streamline invoices for the supply and installation of the refrigeration system.

Q. Do you know if they are for the entire of the work being installed for Streamline or part only of the works?

A. I don't.

Q. Mr. Lowry will presumably be able to tell us if it's for the full or part of the work being done. But looking at the dates of them, on the face they would appear to be some sort of part payment. If you look at the first item, it's dated February of 1999 which is the same date of the invoice for design consultancy so presumably that was the start of the work and if there was another payment, that was presumably either a final payment or judging by the round sum, probably another part payment, would that be right?

A. You'd probably think it was an interim payment.

Q. And I presume that what you have here is an arrangement whereby the company charged out for its design consultancy work in respect of, in refrigeration contracts independently, through another entity and perfectly legitimately and properly called Abbeygreen Consulting Limited?

A. Yes, it would appear that Abbeygreen is a mechanism for charging the consultancy end.

Q. But in this particular case the design consultancy was in respect of or was connected to an actual installation contract by Streamline?

A. Correct.

Q. In the two instances that you were asked about this morning and that Mr. Lowry may have to deal with, the design consultancy was unconnected with the actual installation, isn't that right?

A. Certainly as regards Maher and I think that's correct as regards the other one, I think.

Q. I think it is, yeah.

A. I am sure we can clarify that.

Q. Without knowing the full amount of the contract then, you wouldn't be in a position to say how much of the, or what percentage of the full consideration for the contract was charged for consultancy or for design, isn't that right?

A. Yeah, I wouldn't have an idea.

Q. Have you any other knowledge that would enable you to indicate whether there is any rate or any practice in the industry of charging for design or for consultancy or both at a percentage rate of the total value of the contract?

A. I don't have actually have actual knowledge of anything like that, I don't.

Q. You are aware that in the, I presume that in the construction industry in general, there are sort of percentage rates charged by quantity surveyors and architects in connection with the delivery of consultancy

services?

A. I am aware of that, okay, yeah.

Q. And these are fairly readily identifiable, these rates, aren't they?

A. Correct.

Q. Thanks very much, Mr. O'Connor.

A. Thank you, Mr. Healy.

MR. O'DONNELL: Sir, just one or two questions.

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

Q. Looking at that invoice that Mr. Healy drew your attention to, the Streamline invoice, looking at the dates, it appears that an invoice that was sent on the 23rd February 1999, total sum of €125,000?

A. Correct.

Q. Which appears to be a part payment excluding VAT and that is the same date as the date for the consultancy services?

A. Correct.

Q. €14,000, the same date for the invoice in that respect?

A. Correct.

Q. And at least in relation to those figures, €14,000 was something just over 10 percent of the €125,000?

A. Correct.

MR. HEALY: Sorry, just to clarify one matter, maybe Mr. O'Donnell would have the full amount of the contract, it wouldn't be necessary to call Mr. O'Connor back. If Mr.

O'Donnell had the full amount, could obtain from his client information concerning it would be of assistance without the need to call Mr. O'Connor back if we knew the full amount of Streamline contracts.

MR. O'DONNELL: I don't know if there is anything more Mr. O'Connor can say about these.

MR. HEALY: I just want to get the percentage figure in the light of the full amount of contract because obviously it would make a huge difference. 14 percent, or the €14,000, I don't know how much of it is design and how much of it is consultancy, but it would be about 10 percent of €125,000 but obviously a far lower percentage of €34,000 and a far lower percentage of a larger sum and I don't know if Mr. O'Connor could be of any assistance if he knew the full amount of contract which, I presume, Mr. Lowry could tell us.

CHAIRMAN: Even Mr. Lowry, given that he is unlikely to conclude his evidence by four o'clock, it can be addressed overnight.

MR. HEALY: In case anything arises. We can deal with it later rather than detain Mr. O'Connor.

CHAIRMAN: If nobody has any further questions for Mr. O'Connor, Mr. O'Connor your work on reconstructing the accounts and your ready availability to the Tribunal

including, I think, cutting short your own personal holiday to give evidence today has been a very considerable help to the Tribunal and is much appreciated by all of us. Thank you.

A. Thank you, My Lord.

THE WITNESS THEN WITHDREW.

MR. COUGHLAN: Mr. Lowry.

MICHAEL LOWRY, HAVING BEEN SWORN, WAS EXAMINED AS FOLLOWS  
BY MR. COUGHLAN:

MR. COUGHLAN: Mr. Lowry, thank you. I think you have furnished a memorandum of evidence to the Tribunal, isn't that correct, and you have it before you?

A. Yes.

Q. What I will intend doing, Mr. Lowry, is taking you through the memorandum of evidence and then seeking clarification in relation to certain matters if that's alright.

A. That's fine.

Q. Now, I suppose first of all, if we might just, because it is some time since the Tribunal conducted by Mr. Justice McCracken, if I might just very briefly run through your background with you before we deal with your memorandum of evidence. I think that on the political side you were elected to North Tipperary County Council in 1979, I think that's correct, isn't that right?

A. That's correct.

Q. And in 1987 you were elected a TD for North Tipperary?

A. Correct.

Q. I think on the 31th December, 1987 you left your employment with Butler Refrigeration?

A. Correct.

Q. And I think on the 11th August, 1988, Garuda was incorporated and it traded under the name of Streamline Enterprises, isn't that correct?

A. Yes.

Q. And that in January, 1989 you had a meeting with Mr. Bernard Dunne at which you offered which offered first option on the contract for maintaining and equipping refrigeration in the entire Dunnes Stores group?

A. Correct.

Q. And a few days later, it was agreed with you by Mr. Dunne you would have a contract in respect of Munster area initially and Michael Irwin was instructed to give whatever financial support needed to establish the business and a short time later you were offered the contract for the supply and maintenance of all Dunnes Stores in the State, is that correct?

A. That's correct.

Q. And I think in February of 1989, Streamline prepared costings for the contract, agreement reached with Oliver Freaney & Company with the option of Streamline and Michael Irwin would have full access to the company's books?

A. Correct.

Q. And Dunnes Stores financed the start-up cost of Streamline to the sum of €165,000?

A. Correct.

Q. And it was agreed that Streamline would make a small profit and that you would get a bonus separately from Mr. Bernard Dunne?

A. Yes.

Q. And there was no discussion as to the basis on the way company charged Dunnes Stores nor as to the amount of payment to you by Mr. Dunne?

A. Correct.

Q. I think in 1993, you became chairman of the Fine Gael Parliamentary Party, is that correct?

A. That's correct.

Q. On the 15th December, 1994 you were appointed Minister for Transport, Energy and Communication?

A. Correct.

Q. I think that in the memorandum furnished to the Tribunal, you informed the Tribunal in the introduction your statement is made in response to a request by Mr. Davis, solicitor to the Tribunal?

A. Yes.

Q. And you confirm that you would be happy to add or expand on any matter dealt with in the statement, should it be required by the Tribunal?

A. That is correct.

Q. And you informed the Tribunal that in your statement, you



addressed the specific matters raised in a letter dated 9th June 1999 from Mr. Davis, solicitor to the Tribunal, to Mr. Michael Kelly of Kelly Noone & Company, your solicitors?

A. Correct.

Q. But before addressing specific issues dealt with in that letter, you proposed commenting briefly by way of background?

A. That's correct.

Q. I think by way of background, you have informed the Tribunal that you were employed by Butler Refrigeration Limited, Butlers, from 1971 until shortly after you were elected a TD for North Tipperary in 1987, is that correct, and that prior to your departure from Butlers, you had been employed as a full-time sales manager; is that correct?

A. Yes.

Q. I think you have informed the Tribunal it was felt that you could no longer continue in this capacity when you were elected as a TD.

A. Yes, that was the view of my employers at the time.

Q. However, it was agreed with Butlers that you would continue to be paid commission by Butlers if you generated any further sales for the company following your departure and you were paid some commission for a period after you left their employment.

A. Correct.

Q. I think you have informed the Tribunal that unfortunately,

you have not been able to establish the amount of commission paid to you, isn't this correct?

A. That's correct.

Q. And you had no objection to the Tribunal contacting Butlers to obtain any information the Tribunal may wish to seek about you from them?

A. I had no objection.

Q. I think between the 11th August, 1988 and the 2nd January, 1995 you were a director of Garuda Limited trading as Streamline Enterprises which was a refrigeration company which you formed following your departure from Butlers.

A. That is correct.

Q. I think you resigned as a director on the 2nd January, 1995 following your appointment as Minister for Transport, Energy and Communication on the 15th December, 1994.

A. Yes, in compliance with Government regulations.

Q. And that following your resignation as a minister, and circumstances which are well-known to the Tribunal, you were appointed as a director of Streamline on the 11th December, 1996?

A. That is accurate.

Q. I think your involvement in Streamline and in particular, your relationship and that of Streamline with Mr. Ben Dunne and Dunnes Stores, was described in some detail by you in a statement which you furnished to the Dunnes Stores sorry the Tribunal of Inquiry (Dunnes Payment) over which Mr. Justice Brian McCracken was the Sole Member and is known as

the McCracken Tribunal?

A. Correct.

Q. And you have attached at Appendix 1 to your statement furnished to this Tribunal, a copy of the statement you furnished to Mr. Justice McCracken. I think you say that as the Tribunal is aware, you cooperated fully with the McCracken Tribunal and gave evidence to the Tribunal and that you have been happy to cooperate fully with this Tribunal since its inception and you remain committed to continuing such cooperation?

A. Yes.

Q. I think you say in your statement that as the Tribunal is aware, I have made my financial and legal advisers available to assist the Tribunal in its investigations and I confirm that I remain committed to ensure that such assistance remains available to the Tribunal during the course of its inquiries.

A. That is my position.

Q. I think you have informed the Tribunal that you must accept that in respect of the period, the subject of the Tribunal's inquiries, your financial affairs were attended to in a very haphazard manner?

A. Yes, I fully accept that and very much regret it.

Q. I think you say that your bookkeeping and record-keeping in relation to your financial affairs was not satisfactory during that period.

A. No, it was not. It left a lot to be desired and has

caused me enormous difficulty since that.

Q. And I think you deeply regret this and you realise that it was not acceptable, particularly in the case of payments received by you in the course of business?

A. Yes, I fully accept that.

Q. I think you say, however, following your resignation as a Minister in December of 1996, you immediately instructed Messrs Brophy Butler Thornton, your accountants, to review and reconstruct the records of your financial affairs.

A. Yes, I was anxious to put the past behind me, to correct whatever deficiencies were there, to make a new beginning and to make amends for my deficiencies in the past.

Q. And I think you say that this task became somewhat more defined following the appointment of the McCracken Tribunal in February of 1997 and that your accountants have put an enormous amount of work into carrying out this task which has greatly assisted you in your dealings with various State bodies and both with the McCracken Tribunal and this Tribunal?

A. Yes, I asked them to conduct a detailed analysis from the information which was available to them to reconstruct the missing links and to make them available to this Tribunal and also to the relevant State agencies who were inquiring into my affairs at that particular time and such inquiries are ongoing.

Q. Yes. I think you are aware that as part of this task, your accountants requisitioned bank statements in respect

of all bank accounts held by you, being those identified in the Terms of Reference of this Tribunal and from those statements, it was possible to list all lodgments and withdrawals in respect of the period covered by this Tribunal?

A. That would be correct.

Q. I think, you are aware that there then followed an exhaustive process of attempting to identify the course of each and every such lodgement?

A. Yes, it is painstaking, time consuming, very demanding job, but it had to be done and it has been done largely successfully.

Q. And you say that you and your accountants have had substantial success in doing this, but unfortunately you must accept that even at this stage there are a number of lodgments which the source of these lodgments could not accurately be identified.

A. Yes, we had substantial success but I would have to say due to my own poor bookkeeping and record-keeping, it hasn't been possible to be a hundred percent successful.

Q. I think you say that you very much regret this and that you fully accept that this situation has come about by reason of your poor bookkeeping and record-keeping.

A. I accept that.

Q. I think you also say that you must also accept that the manner in which you received payments from Dunnes Stores which were the payments referred to in the report of the

McCracken Tribunal with one exception on which you will elaborate later in this statement and which you communicated to both this Tribunal and to the McCracken Tribunal as soon as its existence came to your attention, has created the wrong impression of your relationship with Mr. Ben Dunne and/or Dunnes Stores?

A. I accept that. I received an offer from Mr. Ben Dunne on behalf of Dunnes Stores at that particular time and it was, I was starting off in business. I was young, I was ambitious. It was an opportunity that many many people in my trade would have liked to have had and I probably didn't give it the I didn't have the mechanisms and the structure and the administrative structure in particular, the type of consideration that it merited and I regret very much doing that and, as I say, that has been the source of huge problems for me since that time.

Q. I think the one payment we referred to later is the €15,000 payment?

A. Yes.

Q. This is the one which Mr. O'Connor clarified this morning in his evidence as coming in fact from Marino?

A. Yes.

Q. I think you have informed the Tribunal that you fully accept that you were wrong to put yourself in a position where such an impression may have been created and you deeply regret it, that is the impression relating to your relationship with Mr. Dunne and Dunnes Stores.

A. Yes. It was a commercial business relationship but I can understand, with everything that has happened since, that the wrong impression could have been created but I would point out that I was never requested by Mr. Ben Dunne or by Dunnes Stores to use my political influence in any way at any time.

Q. I think you have informed the Tribunal and you would like to make it clear, as you have just said, that you were never asked by Mr. Dunne or Dunnes Stores to use political influence in any way on their behalf and nor did you ever do so.

A. That is correct, and I believe that the McCracken Tribunal found that there was no political impropriety on my behalf in relation to my dealings with Mr. Ben Dunne or Dunnes Stores.

Q. I think you have informed the Tribunal that you have never used your political influence to intervene on behalf of any person with whom either you or your company had a commercial or business relationship.

A. Yes, I can say that.

Q. I think you say in your statement that you were grateful to the Tribunal for giving you the opportunity of clarifying issues which may be of concern to it and in the course of its investigations and you reiterate that you and your advisers continue to be available to cooperate in any way in which you can assist the Tribunal.

A. Yes, I am more than anxious over the past two and a half

years. I have been under enormous pressure from various agencies arising out of my business conduct and I wish to say that my troubles are personal and commercial and that there are no political improprieties in any of my dealings with any person.

Q. I think you then in your statement go on to deal with your responses to queries raised in a letter of the 9th June, 1999 from Mr. Davis to your solicitor, isn't that correct?

A. That's correct.

Q. Do you have a copy of the letter as well before you by any chance?

A. I don't, but I have I know what's in it.

Q. You know what's in it.

A. Yes.

Q. And I think the first matter which is raised as a query is the question of the sale of antiques, isn't that correct?

A. That's correct.

Q. In the letter. And I think you say in your statement, as the letter from Mr. Davis on the 9th June 1999 states, there was a lodgement of IR €32,950.20 to my account in Allied Irish Bank, Dame Street, account no. 1/L/14711/025 on the 19th May, 1995"?

A. Correct.

Q. This lodgement, you say, represents the bulk of the proceeds of sale of antiques and paintings by you to Mr. Patrick Doherty?

A. Correct.



Q. The letter from Mr. Davis confirms that Mr. Doherty has confirmed to the Tribunal that he purchased antiques from you in May 1995 and paid you the sum of €35,000 in cash and then you go on, that you wished to respond to further queries raised by the Tribunal as follows: The antiques which I sold to Mr. Doherty, are listed in a certificate of appraisal dated 15th March, 1995 prepared by Fleury Antiques, how is that pronounced in your part the country, Mr. Lowry?

A. In a flat Tipperary accent, it would be Fleury.

Q. Of The Square, Cahir, County Tipperary and 57 Francis Street, Dublin. The reason why I sold the antiques and paintings was that both I and my wife no longer wished to keep these antiques and the paintings as we felt they were unsuitable for the house. Some of them had been obtained for us by Peter Stephens & Associates during the course of the refurbishment of our house of our home at Glenray, Holycross, Thurles, County Tipperary and had not been personally selected by both of us. My accountant has already furnished a copy of the certificate of the appraisal to the Tribunal. A further copy is attached at Appendix 2 to this statement.

Now, perhaps we could just put up on the screen the appraisal. Now, I will come back to it in a moment and we'll now, I think you then say in your statement that Mr. Pat Doherty was known to you socially and in particular through horse racing circles for several years and that

Mr. Doherty had an apartment in the apartment building where I subsequently resided from November 1995 and which can be identified and which can be identified at a meeting with with the Tribunal legal team. I think that you said over a social drink in Jurys Hotel in Ballsbridge, sometime in early 1995, I met Mr. Doherty and during the course of a general conversation, he mentioned that he had an interest in new furniture and antiques. I mentioned to him that I was interested in selling some antiques and paintings. I described them to him. Mr. Doherty agreed to come and inspect the items and at an inspection, he requested me to have an independent valuation prepared. After providing him with a valuation, he agreed to purchase the items. I had no business relationship with Mr. Doherty either before or after the sale of the antiques to him in May, 1995. I think you go on to say I have had no business relationship with Mr. Doherty either before or since the sale of the antiques. However, we sometimes meet socially.

I think you say that I have had no other arrangements, where contractual or otherwise with Mr. Doherty, whether involving antiques or any commercial matters either connected with my business or with Mr. Doherty's business. By prior arrangement, the money was given to my secretary, Ms. Aideen Dempsey at my home, Glenray, Holycross, County Tipperary, I believe on some date in early May 1995 by a delivery driver sent by Mr. Doherty,

who also collected the items. Mr. Doherty had briefly inspected the antiques at my home. The items sold to Mr. Doherty were those listed in the certificate of appraisal which is Appendix 2 and which I shall come back to presently.

The first item, a landscape, was an inheritance from my Uncle in 1993. A painting of gun dogs was one of the items exchanged by Fleury's antiques in December 1993 as was the three-piece 19th century clock set. The final item was a George II walnut George II walnut bureau which was procured for me by Peter Stephens & Associates for œ5,000 in 1992. I have previously indicated and confirmed that I have no difficulty whatsoever in the Tribunal contacting Fleury's in relation to these matters. The antiques were collected in the circumstances described in the paragraph above.

I think you then say that the certificate of appraisal dated 15th March, 1995 from Fleury's antiques, attached to Appendix 2 to this statement and a copy has previously been furnished to the Tribunal. Having initially discussed the sale of the antiques, including paintings to Mr. Doherty, in or around the end of February, early March 1995, Mr. Doherty requested me to obtain confirmation for an antique value of the items which I was selling. I obtained this valuation from Fleury Antiques who furnished to me by way of certificate of appraisal dated 15th March,

1993 and you gave the original of the certificate of appraisal to Mr. Doherty. I think that's correct, is it?

Is that correct, Mr. Lowry?

A. That's correct.

Q. I think you then say that the document dated 12th December, 1993 from Fleury's Fine Antiques is also attached as an appendix to this statement. This document came into existence in the following circumstances:

I exchanged two antiques namely a mahogany bookcase and a satinwood cabinet which had been obtained for me by Peter Stephens & Associates with Fleury Antiques for the four items referred to in the document. Two of those items were sold subsequently in May 1995 to Mr. Doherty, namely the three-piece clock set and the painting of gun dogs.

The main reason why these items were exchanged with Fleury Fine Art Antiques was because they did not suit the house and we wished to exchange them for something else. The document states that there was a balance due of IR €1,500 of which €500 was paid in cash leaving a sum due of €1,000. The financial implications of this document were that Fleury Fine Antiques were suggesting that as part of the exchange, I would be required to pay to them the sum of €1,500 of which I paid €500 leaving a sum due of €1,000. I subsequently paid this sum in cash although I can't recall when specifically.

I believe I was paid a fair price for the antiques and paintings by Mr. Doherty based on a professional

appraisal. I have no difficulty with the Tribunal seeking independently to confirm this. Should the Tribunal require clarification of any of the foregoing replies, both I and my advisers will be happy to oblige.

Now, I will come back to deal with that because of the person to whom you sold the antiques and the manner of payment. You understand that, Mr. Lowry?

A. Yes.

Q. Turning now to the question of the consultancy work for Bill Maher of Maher Meat Packers. Again a query was raised by Mr. Davis and your response to the query raised by him in relation to the payment of IR €25,000 was as follows: A, the payment was made in cash. B, the payment was made in the Royal Dublin Hotel in O'Connell Street, Dublin 1. C, the service which I performed for Bill Maher consisted of refrigeration consultancy services.

From the late 1980s, I regularly advised Mr. Maher on various queries he had concerning the refrigeration of meat processing plants. These advices did not relate to any specific location. In 1990, I performed my first specific project for Mr. Maher on the Buckingham Road Industrial Estate, Brackley, Northampton. Mr. Maher was then contemplating a purchase of a 10,000 square foot secondhand meat processing plant. My task was to survey the premises and refrigeration equipment and advise as to its suitability and as to what its interim and outgoing

requirements would be required. And sorry, I beg your pardon, interim and ongoing requirements would be required. On completion of my assessment, Mr. Maher completed the purchase of the unit.

The second project was at the same location but related to a different and larger unit referred to as unit number 2.

Mr. Maher had in line to purchase this unit as he had a tentative offer to dispose of the first unit. My task was to advise on a complete new fit-out for this unit to include the installation costs involved. I completed this function.

The third project for Mr. Maher involved advice on existing refrigeration display cabinet and cold store plant and equipment which was 42/44 Central Smithfield Market in London. This assessment was completed in late 1992 and involved identifying the requirements to get the standard in the units up to an acceptable level as required by EEC legislation. The local authority was demanding such compliance...

D, I performed no further services after this payment.

E, There was no agreement as to the method of payment.

There was no rate agreed.

F, There was no proximate hourly rate. Bill Maher determined the amount which I was paid after the event.

G, Apart from Dunnes Stores and Maher Meats, I also provided refrigeration consultancy services for Whelan Frozen Meats Limited of Inchicore, Dublin 8 in 1991. I

conducted the design and layout of a new cold store plant and equipment at Inchicore, Dublin 8. I was paid €10,000 for this work by cheque dated 14th May 1992 drawn by Frost Impex and lodged to my account in Bank of Ireland, Thurles on the 15th May, 1992. There was no rate agreed or determined in advance of this work. The amount was determined subsequently by Mr. Paddy Whelan and accepted by me. Details of the consultancy service provided by me for Dunnes Stores are contained in my statement to the McCracken Tribunal which I have attached at Appendix 1. There was no rate agreed in advance for these services either.

H, I have no such diaries a query was raised whether you had diaries or kept diaries concerning these matters and I think you have informed the Tribunal that you had no such diaries and you never kept any diaries, isn't that right?

A. That's correct.

Q. I think you have also informed the Tribunal that you have no documents other than the number of documents you furnished relating to your transactions with Mr. Maher which were a number of letters written by you to Mr. Maher, nothing coming the other way and no file relating to them, is that right?

A. Correct.

Q. And I think you had no objection to the Tribunal contacting Mr. Maher and obtaining any document that they, that we may wish to obtain from Mr. Maher?

A. Absolutely.

Q. I think you have informed the Tribunal that the proposed projects of Mr. Maher, that would be the project at Smithfield, isn't it, and the second unit at Northampton, did

A. Did not proceed.

Q. Did not proceed?

A. Well the Smithfield one proceeded but under a different...

Q. That's right. I think you have also informed the Tribunal because the Tribunal raised a query with you as to whether any quotations had been obtained pertaining to the consultancy work carried out by you and as the work hadn't proceeded, no quotations had been obtained.

A. Correct.

Q. Now turning to the question of the query which was raised about the purchase of the Carysfort property, isn't that correct, and I think you have informed the Tribunal in your statement, that the letter of the 9th June, '99 from Mr. Davis correctly sets out the details concerning my purchase of the sale of 43 Carysfort Avenue, Blackrock County Dublin, save that I believe the reference to Mr. Lowry in connection with the funding of the deposit between July 1996 and December 1996 should be a reference to Mr. Holly. I understand that my solicitor has furnished the Tribunal with the entire file of of Messrs Donal Gahon & Company, Solicitors, who acted both for Mr. Holly and myself in connection with the transaction.



And you respond to further queries raised by Mr. Davis as follows:

I discussed my desire to obtain a property in Dublin with a number of individuals, to the best of my recollection, discussed the matter with Denis O'Connor, my accountant.

My recollection is that Mr. O'Connor contacted a representative of David Daly Management Limited, Mr. Niall Lawless and Mr. Lawless arranged for Mr. O'Connor and myself to inspect a property in Goatstown which was not, however, suitable. I also in contact with Ken McDonald... viewed an apartment in a development in the Mount Street area. I viewed a number of apartments in the company of Mr. Bill Durkin of Durkin Brothers Limited a number of houses with Mark Fitzgerald of Sherry Fitzgerald. One of the people I spoke to was Mr. Michael Holly.

B: I had no business dealings whatsoever with Mr. Michael Holly, now deceased, other than in relation to the house at 43 Carysfort Avenue. Mr. Holly was known to me through the GAA and through horse racing interests which both of us pursued. I was aware that Mr. Holly was a successful builder and property developer. I did mention to Mr. Holly at a social occasion, I cannot recall where, that I was looking for a property in Dublin. Mr. Holly said that he would keep an eye out for me. He subsequently telephoned me to inform me that he had seen a property for sale which he believed would be very suitable and would represent good value. This was the property the 43

Carysfort Avenue. He informed me that he was going to the auction which I did not attend. Mr. Holly purchased the property at the auction on the 17th July, 1996 for €200,000 and his company, Cedar Homes Limited, paid a deposit of €20,000 at the auction. The contract was signed by Donal Gahon and Trust Mr. Healy just draws to my attention, you refer in your statement to the company as Cedar Homes Limited. I think Mr. Gahon has drawn to Mr. Davis's attention it should be referred to as Cedar Building Company Limited.

A. Okay.

Q. The contract was signed by Donal Gahon and Trust. Mr. Holly gave me first refusal on the property. Having viewed the property with him I decided to exercise this option. I succeed in obtaining a mortgage representing the full purchase price of €200,000 from an Irish Nationwide Building Society. The loan was drawn down on the 5th December, 1996 and when the loan cheque was made available, Donal Gahon retained the sum of €20,000 to reimburse Mr. Holly's company. That was the €20,000 deposit paid at the time of the auction.

The balance of the loan cheque was paid to the vendors.

When details of my purchase of this house became known publicly in early 1997, the position became intolerable for me and having spoken with Mr. Holly, Mr. Holly agreed to repurchase the property from me on the 10th July, 1997 for €223,000.

A. That should be, that should read the 10th January 1997.

Q. 10th January. Mr. Holly purchased the property back from me on behalf of Cedar Building Company and the sale was completed on the 23rd January, 1997. I continued to see Mr. Holly in both GAA and horse racing circles up until his sad and untimely death.

I will come back to deal with that in due course if that is alright, Mr. Lowry.

I think then, turning to the question of Dunnes payment of €15,000 on the 23rd November, 1992, this is a matter which has been dealt with by Mr. O'Connor this morning. But I think in your statement you are saying that this was a further bonus payment which I received from Mr. Ben Dunne. It was not known to me at the time of the McCracken Tribunal but was only discovered after the Tribunal reported. It was discovered in the course of further inquiries with AIB by my accountants in November 1997 and you have furnished copies of the correspondence relating to the discovery of the payments and you attach them as an appendix to this statement, isn't that correct?

A. That's correct.

Q. I think that immediately on discovering the existence of this payment, your solicitors communicated with Mr. Justice McCracken by letter dated 10th December 1997 to inform him of this and that he replied by letter dated December 1997.

You also enclose that correspondence.

I think the payment was brought to the attention of this

Tribunal on the 10th December, 1997. This was a bonus payment paid by Mr. Ben Dunne to you personally. It fell into the same category of payments as those identified by you at appendix 3 to the statement which you furnished to the McCracken Tribunal and which are referred to in the report of the McCracken Tribunal at pages 26 and 27.

Those are the Mr. Bernard Dunne payments as bonus payments to you.

A. Yes.

Q. I think you informed the Tribunal that the payment was by way of a bank giro from AIB, Donnybrook which in turn had been funded by Bank of Ireland, Marino branch. Copies of the relevant documents are furnished. The only two persons with whom I had contact with in Dunnes Stores in relation to payment from Dunnes Stores and/or Mr. Bernard Dunne were Mr. Bernard Dunne and Mr. Michael Irwin. Those contacts also are referred to in your statement to the McCracken Tribunal and to the evidence you gave at that Tribunal, isn't that correct?

A. Correct.

Q. I think you say that as indicated in your statement to the McCracken Tribunal and in your evidence to that Tribunal, your company, Streamline, was paid by Dunnes Stores for the provision of refrigeration services. The background to the agreements with Dunnes Stores is set out in some detail in your statement to the McCracken Tribunal and in the report of the McCracken Tribunal at pages 21 to 23.

Streamline invoiced for the services carried out for Dunnes Stores. It had been agreed that Streamline would be enabled to make a small profit for its work for Dunnes Stores and that you personally would receive bonus payments separately, depending on satisfactory performance. The bonus payments paid to you were those identified by you at Appendix 3 to your statement to the McCracken Tribunal and in the report of the McCracken Tribunal at pages 26 and 27, together with the repayments referred to in paragraph 3.4.1 above, that is to this Tribunal, that's the other €15,000.

A. Correct.

Q. In contrast to the work done by Streamline for Dunnes Stores, did you not invoice Mr. Dunne or Dunnes Stores for bonus payments, isn't that correct?

Now, we are going to have to go through an exercise in a moment, Mr. Lowry, going over the lodgments where Mr. O'Connor has not been able to identify the sources and we will seek your explanation in relation to them from your statement. But before I do that, it might be appropriate if I were to go back over some of the matters we have been dealing with already.

I might deal first of all with the question of the sale of antiques to Mr. Doherty. I think at that time that this sale took place, I think you were a government minister, isn't that correct?

A. That's correct, yes.

Q. And Mr. Doherty was somebody who was known to you for some years socially, is that correct?

A. That's correct.

Q. And Mr. Doherty paid for these antiques in cash?

A. That's correct.

Q. And Mr. Doherty will be coming to give evidence and agrees that he purchased the antiques and paid the sum of money you have stated that he paid and that was it was paid in cash, but that it was you who requested the cash payment, would that be correct?

A. No. I never specifically requested cash. All I was concerned was that when the goods would be delivered or removed from my home that there would be a transaction whereby I would then and there be paid for the goods. Now, maybe that has been misunderstood as seeking a cash transaction, but my what I actually meant or what was in my mind was that he would be paid for them on the day that they were removed and cash to me would have been a bank draft. I didn't specifically look for cash.

Q. There can be no doubt that cash did arrive.

A. Yeah, absolutely.

Q. €35,000 in cash?

A. Yes, and that was to my surprise, because as I say, I did not expect cash. I expected a bank draft.

Q. And there can be little doubt as well I think that Mr. Doherty will inform the Tribunal in due course that this sum of money filled an A4 envelope. It was a

substantial bulk of money?

A. Well obviously it would be. I don't know what the size of the envelope was. All I know it was contrary to the ones we are hearing about in recent times. It was a large white envelope.

Q. A large white A4 envelope, I see.

A. Yes.

Q. And there can be little doubt, I suppose when you think about it, that somebody paying cash of that magnitude to a government minister sorry, perhaps I will come back to that in a moment.

You lodged the money, is that correct?

A. Yes.

Q. Now, I don't want to go into this from a tax point of view or anything like that but a transaction like that would have perhaps carried some capital tax implications to it.

A. Yes. It was duly recognised by me and recorded by my accountants.

Q. Yes, but somebody paying a large sum of cash like that for the purchase of antiques, one would, we can assume, would also have been aware of the fact that it would carry a capital acquisition of some sort or potentially carry a capital tax implication of some sort.

A. There was no discussion on any tax implication, but from my perspective, it was dealt with by my accountant subsequently and dealt with and recorded

Q. I appreciate that, Mr. Lowry. I am not suggesting it

wasn't at all. I am trying to get at the time of the transaction and what was going on.

A. There was no discussion.

Q. I appreciate there was no discussion. But do you now see anything strange about somebody giving, purchasing something from a minister and paying œ35,000 in cash?

A. Well as I say, it was my the reason first of all that I sold them was it was an opportunity to sell them and secondly, I viewed it as probably a way of getting better value on the basis that there was no auctioneer or middle person involved looking for commission or what have you, and as I say, I didn't anticipate, I didn't seek cash or anticipate cash, but in hindsight now when I look back at it and when you look at it in the context of a Tribunal, yes, I would have preferred that I was paid by bank draft or in fact it might have been better if I put them into auction and sold them that way and then I wouldn't have to answer the kind of questions you are putting to me today.

At that time it didn't arise, it didn't cross my mind.

Q. I appreciate that. They weren't put into auction. They weren't put through Flourey's or anybody else?

A. No, for the reasons I have just stated.

Q. There may be a very plausible explanation that you didn't want to incur professional fees of an auctioneer but, you see, if somebody hands cash to somebody where there would be a potential capital gains liability, again with the benefit now of looking at it, that is there not the danger



of the inference being drawn that a benefit could be conferred on a government minister by paying cash and thereby creating a situation which could give rise to the avoidance of the payment of any capital tax that might be due on it?

A. Well that certainly was not my intention and I am sure it was not Mr. Doherty's intention and in my case, I actually lodged the money to my account.

Q. Now, Mr. Doherty Mr. Doherty had been known to you socially. Had Mr. Doherty been known to you in any other way?

A. Yes, Mr. Doherty I suppose was known is well-known, but mainly to me he was known socially and through the circles that I have just mentioned in my statement, which was horse racing and other social occasions. Could I say that, it's important it's important to understand that, I think you can appreciate, that I had goods which I considered obviously had value. I had a value on them and my only intention and purpose in saying that it should be a cash transaction or whatever term I used at the time was to ensure that when they left my house, that I was recompensed for them and I wasn't going to end up with my goods gone and not actually being paid for them on time. That was only my purpose at that particular time. That's probably how the misunderstanding had arisen as to whether I looked for cash.

Q. Did you furnish a receipt for the cash?

A. No, because it was an exchange one for the other.

Q. Now, first of all, the appraisal furnished by Fleury's.

Can you say whether that was specifically could you explain the circumstances whereby that was obtained to the best of your recollection?

A. Obviously, there had to be professional I didn't at any stage tell Mr. Doherty what the value of the goods were.

I probably, at the time, I hadn't even a figure in my mind but he looked at the property, looked at the goods and asked that I get a professional appraisal and it was in response to that request that I asked Fleury's to put a price on them; in other words, how much they were valued at and what I should look for them.

Q. Well again, there will be somebody from Fleury's, we hope, to give evidence and whilst they have no specific recollection of that, it's their best belief that

A. I wouldn't have necessarily said to them, as a matter of fact, I doubt if I said to them that I am looking for a valuation because I am about to sell them. I know them and I am sure the first thing he would have said is why don't you get us to sell them. I just looked for an appraisal for a valuation to be put on them.

Q. Their belief is they may have been doing it for insurance purposes like they would be doing many other valuations for other people. They may well have that belief.

A. I understand that. I wouldn't have been specific as to why.

Q. Now, that was the only transaction you ever conducted with Mr. Doherty, is that correct?

A. Yes. The only other from time to time I might have met Mr. Doherty in recent times, as I mentioned to the Tribunal in private session, I recently one of my companies recently quoted a subsidiary company of his for refrigeration business and in fact I didn't get the contract.

Q. Now, dealing with the payment of €25,000 by Mr. Maher, as you have informed the Tribunal, Mr. Maher was in the meat business?

A. Yes.

Q. In England?

A. Yes.

Q. Primarily?

A. Yes.

Q. Or exclusively?

A. My understanding of Mr. Maher's business is that he is exclusively in England, yes, but that he does trade between Ireland and England; in other words, he does both but his business is based in England.

Q. He is a Tipperary man, is he?

A. Not far from it. A neighbouring parish.

Q. And I think as you have informed the Tribunal, this was for consultancy work?

A. Yes.

Q. Is that correct? And you have set out in your statement

already and you have given evidence about that, the nature of the consultancy work. Now, when you met Mr. Maher in the, as you say the money was handed over in the Royal Dublin Hotel, what conversation took place between you?

A. Well to put it in context, my statement outlines the sequence of events and the context in which the payment was made. I had known Mr. Maher from the late 1980s, he would be of the same generation as myself. We grew up in neighbouring parishes and I would know his home people and that kind of thing and Mr. Maher, a small area, would have known that I was involved in refrigeration which I was at that particular time and he asked me if I was interested in providing him with advice because he had a number of businesses in England and it was it evolved from there. Initially, in the eighties, the late eighties it would have been general requests in terms of complying with EEC regulations, what those standards were in terms of temperature controls, in terms of hygiene controls, in terms of refrigerant and ozone friendly, that kind of thing, general inquiries such as that, that he had and then in I moved on in 1990, he asked me to do a specific job and my job, my all of my work involved with Mr. Maher was simply advising him on what his requirements were and roughly giving him an evaluation and an assessment as to those requirements to bring them up to whatever standard was necessary and then to put a rough idea on costings on it and if there was to be a follow-through, then obviously

to make sure that everything was implemented properly.

Q. I can understand, yes providing a consultancy was this advice mostly given over the telephone or

A. No, this advice would have involved obviously a lot of telephone contact, yes, definitely, and secondly, it involved site visits and it involved sitting down with him and having general discussion with him. It involved going out with him and looking at the actual factory, the factories involved. It involved me going out to the Smithfield Market in London to look at his establishment there on several occasions so it's a combination of telephone advice, a combination of correspondence with him, a combination of, as I say, visits and discussions.

Q. Now, when you travelled to the United Kingdom, like, did you carry your own expenses or did Mr. Maher arrange that? I am just trying to see how the figure was arrived at.

A. No, I carried them myself. In some instances I was probably on business expenses as well.

Q. But you didn't submit any individual expense to say Mr. Maher on a ongoing basis?

A. No. My relationship with Mr. Maher, I suppose while it was obviously business, there was a certain cordiality about it because of the fact that I knew him and you know, there was, how would you put it, there was no there was trust between us in terms of I knew that he would pay me for whatever I was doing and I would leave it to him as to

when.

Q. Well the meeting in the Royal Dublin Hotel, how was that arranged?

A. I just get a telephone call from him. Probably had put a bit of pressure on previous to that in terms of settling up in terms of finance and I got a telephone call to say he was coming over to visit his relatives for Christmas and he intended to settle his account with me.

Q. Right. Well, to arrive at that situation, I think you have informed the Tribunal that there was no rate agreed between you and Mr. Maher. It didn't relate to any specific contract or percentage of a contract and that Mr. Maher unilaterally decided how much was to be paid, is that correct?

A. Yes.

Q. So when you had discussions with Mr. Maher, what type of account were you talking about?

A. Well obviously what I was saying to him is Bill, you owe me some money for the work that I put in and what have you.

I don't know, I can't recall whether or not we had an actual discussion about the specific amount but I certainly, what I do know is when Mr. Maher paid me, I wasn't aware of the amount until he gave it to me, if you know what I mean. In other words I didn't know before I met him, whatever day I met him, that he was going to give me €25,000.

Q. In cash?

A. In cash. I didn't know, first of all I wasn't aware of the amount and, secondly, I wasn't aware of whether it was cheque, cash or what have you.

Q. And do you know how Mr. Maher, did you have any discussion with him, did he inform you of you how arrived

A. At the figure?

Q. At the figure of €25,000.

A. What happened was he said you put in a lot of effort. I had particularly advised him on one unit which turned out very much to his advantage in that as you can see from the correspondence that I had with him, I advised him to buy or purchase a unit because I felt it was good value. I had been asked a question why did I think this was good value, because the equipment in it was of a very high standard. He subsequently sold on that unit and he had doubled the price. Now, I don't know what the figure involved but I know he made almost, he doubled the price that he originally paid for it. That particular building actually was one that was unit it was unit 1, it's the unit

Q. The one in Northampton?

A. He purchased it from the receiver.

Q. Just in that regard, again, what documentation you furnish to the Tribunal concerning Mr. Maher or a number of letters, which are all letters emanating from you to Mr. Maher dealing with some technical matters. One might, when one looked at them initially, had thought that they related to somebody seeking the business for

installation. Would you accept that that might be a view on it?

A. Yes, I could understand somebody reading it for the first time could take that meaning from them, yes.

Q. And there is no other correspondence coming the other way from Mr. Maher to you?

A. I don't the file that I have, you will appreciate it goes back a long time and I when I actually was involved in that business with Mr. Maher, I was operating from an office on Friar's Street, Thurles. I subsequently moved to my new premises and a lot of files that I had, it's the kind of file that I wouldn't have been keeping. I wouldn't have any necessity to keep it and my secretary, on doing a trawl through our paperwork, found some correspondence with Mr. Maher. That certainly wouldn't be the full amount of correspondence with him but it's what I have retained. It's the only pieces that I have.

Q. Yes, well I will perhaps we should go through these particular letters just, you can explain what they mean.

The first one is

A. If I could have a copy of them, if possible.

Q. Yes, indeed I will give you these hard copies. They are coming up on the screen there as well. (Documents handed to witness.) Now the first letter is from you, it's dated 15th August 1990 to Mr. Bill Maher. And it's re: proposed purchase of processing unit, "Dear Bill, I referred to my



detailed examination of and our discussion regarding the available unit at Buckingham Road Industrial Estate. I wish to confirm that the refrigeration system is in excellent condition and only requires a complete maintenance to put it in proper working order. The price quoted for the buildings and contents is very good value. Even if you do not for other reasons commence processing here, we have the option of relocating the refrigeration system. In fact I have confidence with my contacts I would, given sufficient time, be able to dispose of this refrigeration plant equipment and controls at a price which would recoup a substantial part of the entire asking price. As you are aware, the building itself would be suitable for many other purpose." Now, what work was entailed giving rise to that particular letter?

A. Well what was involved in that was obviously, first of all, there were a number of conversations and he was telling me that what he had hoped to do. My recollection as I say, this is 1990 now

Q. I appreciate that.

A. And my recollection is that first of all, obviously I had to go and look at it but I had, before I did that I had a number of conversations with him. Then I had to carry out he, at that particular stage, from my memory, wasn't sure as to the size that he required. In other words, he wasn't fully aware of the extent of the business he wanted to run from that particular centre, and one of the things

that I what I had to look at for starters was to see what the condition the plant and equipment was in. Secondly, in the event of that particular unit not being suitable to his overall requirements, because obviously refrigeration is only one element of what he would need, was it possible to move that equipment which was in good condition to maybe some other plant and I do recall we looking at a bigger area and I came to the conclusion at that particular stage if he actually moved it, the plant the other unit that he was thinking of was so big that it would mean that the existing refrigeration plant would have to be supplemented and it would cost him as much so he would be better off as it turned out, he decided that the building would suit his own overall requirements and he went into that building.

Q. What I am trying to ascertain is what gave rise to that particular letter was what, one visit? I am just trying to if you can remember.

A. I can't remember. You know, I mean, if I say it was five or six I could be wrong, but it would be a substantial I would have gone over, I don't know how many times.

Q. Well how long would it have taken you to give a quick examination of the refrigeration system or unit to know that it was reasonable?

A. You go through it in a day. I mean it wasn't just a case of ducking in and out. I certainly and as I say, with my discussions with Bill Maher, they wouldn't, you know

what I mean, it wasn't just a business thing. I knew him and we'd talk about things and what have you, so it wasn't just

Q. If we could, and if you can if you can't, you can't but if you can, just try and remember what exactly it was that gave rise to this letter. Was it one, two, three visits? What would you have needed to do to satisfy yourself that the refrigeration unit was reasonable?

A. Well it wasn't just the refrigeration unit, the existing you could determine the quality of a unit pretty rapidly. One day would do that.

Q. You thought it was in excellent condition, it probably needed some maintenance?

A. What it needed was upgrading and maintenance.

Q. I am sorry for cutting across you, but you didn't go into a detailed examination to discover what maintenance it needed at that stage? It just it was in excellent condition, probably in need of maintenance, that was your first assessment, was it?

A. That's what I determined, yes.

Q. And that if for whatever other reason, which would be another commercial reason, he didn't wish to proceed with that particular commercial unit or if he did, you felt that he could do well in either transferring the refrigeration system somewhere else or else selling it. Might I suggest to you that that would not have involved a lot of work on your part at that time?

A. Well it did. It involved time because, like, it wasn't just a case of, you know we went around and looked at different areas that he was thinking of going to so there was and there was a number of visits involved. I can't say nine years later how many exactly were involved but there were several visits involved. We looked at different locations. I looked at different ideas that he had. Bill Maher would have done business in and out between having me transporting me around, so there was a substantial amount of time involved.

Q. Now the next letter that you have or the next document you furnished to the Tribunal is another letter addressed to Mr. Maher dated 17th January, 1991 and it's with reference to the second unit at Northampton, isn't that correct?

A. Yes.

Q. And I think you say "Dear Bill, I have now examined your proposal for unit 2 and wish to advise that the following would fulfill your refrigeration requirements." Then you set out some technical matters, specification, I don't wish to go into them in great detail. Minimum panel specification. Next page, panel, doors, floor, refrigeration specification, and on to a third page, and then you say "That you would estimate that the overall cost of this project would be in the region of £175,000 and should you wish to proceed, we can get various quotations which I will be happy to evaluate for you."

Now, did any drawings come to you to allow you to do that

particular

A. Yeah. I had I was in possession of a drawing. Well originally, they weren't sent to me but I know that after I went and looked at it, I saw the drawings so I would get proper and accurate measurements.

Q. That was a drawing of the industrial unit?

A. Of the unit itself.

A. This unit, from memory, that unit the background to this job was that Maher had traded successfully in the unit that we have just referred to.

Q. The first unit?

A. The first one. And then in the same industrial estate, a bigger unit became available. It was approximately 50 percent bigger. In fact from memory, you drove in and his first unit was on the right, the other one, the bigger one was up to the back on the right-hand side in a cul-de-sac. That unit was a shell. In other words there was nothing in it. It was just an industrial unit with a shell so that unit would have to be totally filled out, in other words, it would have to be filled out from start. So that did involve obviously needing a drawing and it involved sitting down doing proper measurements, proper specifications and involved in that, apart from just the building itself and the structural work involved, you'd also then have to do measurements in terms of the quantity of meats that it would hold, the temperatures of the meats that would go into it, the kind of heat that

would measure the heat that would be taken out of the product. So there was a very substantial amount of work involved in that.

Q. Sorry, if I could just halt there for a moment. You scaled it off, the drawing that you were sent of the unit, is that correct?

A. Yes.

Q. And

A. I presume I had some measurements of it, yes.

Q. And having scaled it off, you first of all would have then been able to have an idea of the measurements you needed to put in a type of refrigeration system which you were suggesting to Mr. Maher.

A. Yes, what you have to do is the important dimensions the size isn't the important thing. The important thing actually is the capacity that it has to hold meat and then you have to determine how much meat goes into it, what temperature the meat goes into it, in other words to get what they call extraction rates in our business.

Q. I know that, but this is something that you would have known about yourself anyway.

A. Yes.

Q. I take it that this industrial unit was a standard industrial unit?

A. Yes.

Q. And probably didn't have nooks and crannies in it. It was

a purpose-built industrial unit, modern-type building?

A. It would be reasonably modern, yes.

Q. You'd have reasonable runs, you'd have known the dimensions, you'd have known, I suppose, what the ambient temperature in the area is. What work was involved in it is what I am trying to ascertain.

A. The principal work, Mr. Coughlan, would be and I am not trying to be evasive, but it is technical. The principal work is when I get a project to do as a refrigeration consultant, the first thing I have to look at is what the customer is looking for in terms of what product it is that's going into it, let it be frozen food, let it be meat, let it be chilled product, whatever. What you have to determine is the loadings, in other words the capacity of the unit that's to be re-fridgerated, let it be a wall or a box, whatever.

Q. What sort of time are we talking about?

A. We are talking about a substantial amount of time. For me to do any kind of even a small project, for me to do a maul project, there is a minimum of a week's work for a small project.

Q. So can we say in relation to this, that it was a minimum of a week's work and a minimum of a week's work and maybe longer?

A. Much longer.

Q. How much longer? I am trying to ascertain how œ25,000 was arrived at by Mr. Maher at the end of the day. That's

what I am inquiring into.

A. Again it involves it's very difficult for me to be specific because in Mr. Maher's case, it took a long time for me to get from him, you know what I mean. We had discussions about sizes here, what his requirement was. He changed it regularly. So I might have done that job at least twice or three times. So I would say you are talking about a minimum of between travel and everything, there is a minimum there of I was working on that project for at least I'd say seven or eight weeks. At least.

Q. Full-time?

A. Not full-time, no. On and off. Not you wouldn't work on a project of that size for seven weeks full-time but on and off between telephone calls, between going over to meet him, between meeting suppliers and doing assessments and costs and putting together the technical specification and detail.

Q. There was no assessment of costs here, was there, because there was just a fairly rough estimate here that you felt that it would possibly sorry, that it would cost in the region of £175,000. You wouldn't be unless you went for costings, you wouldn't be able to do the assessment of cost?

A. No.

Q. And that wasn't done here?

A. That wasn't



Q. Done in this particular

A. It would have been. I wouldn't be able to pick a figure for any job out of the top of my head. I would have to do figures. What I was doing on this particular job, the same as the others, was giving him a broad outline of what his requirements would be and what it would cost.

Q. That's precisely what I am trying to get at. You were giving a broad outline. You weren't given a specific outline?

A. I would have been. In terms of cost I was telling him what it should cost. I couldn't say to him for definite that some supplier will actually charge you, I was saying anybody charging you beyond that, you'd be needing to look at your margins on it.

Q. Now the third letter you furnished to the Tribunal which related to Smithfield Market is a letter dated 14th October 1992 and it's "Re: Smithfield Market" and the letter says "Dear Bill, I refer to your discussions regarding your ongoing negotiations with the Corporation in respect of refurbishment of the central market units. I have concluded a review of refrigeration requirements to assist you in making a decision regarding future trading in the centre. As you are aware, the refrigeration display and back-up facilities are in a dilapidated condition and in need of replacement. There is no scope to revise or alter the layout and design. However it is possible to dramatically improve the preparation and presentation of

your product. I am basing estimates on the existing layout and size with the exception of the serve over display, which can only be significantly improved and enhanced. You will require the following new equipment as per existing dimensions" and then you set out the type of equipment that would be required, isn't that right?

A. Yes.

Q. "It will also be necessary under existing regulations to provide for air conditioning in work areas. The present plan is obsolete and not cost efficient. You will require new refrigeration plants etc., controls electric controls piping and material to service the new... and freezer cold rooms. I have conducted an evaluation of costs involved and estimate it to be approximately œ140,000. Should you decide to proceed, I would do a detailed specification... requirements of the best possible price. If you feel I can be of assistance to you in explanation to a corporation facility... please do not hesitate to contact me."

Now again, to try and assist the Tribunal as to what amount of work or what type of work would be involved there, I take it when you went to Smithfield, you knew it would be obsolete by just looking at it?

A. No. The background to this was that the London Smithfield Market in general was old and at that particular time, there was the Corporation, as we would know them, were trying to implement EEC regulations and standards and that

involved them putting pressure on the tenants of the place to spend money on the particular locations that they had and because of the monies involved, there was a reluctance on behalf of the tenants to do that and in Mr. Maher's case, I would have to say, I was in that market on several occasions and I had several discussions with him on it and I had looked at secondhand equipment in other places to see could we improve it on a temporary basis by doing that. And then I looked at the existing equipment to see what we could do in terms of refurbishing it. Then effectively the pressure came on them and he had to make a decision as to whether or not it was cost effective for him to stay there... Ultimately he made a decision that he wouldn't stay there and he moved on. So...

Q. Again could you try and assist the Tribunal how much time did you spend on this particular aspect of Mr. Maher's work?

A. As I say, I don't have a detailed record of the time that I kept but I put a huge amount of time in that particular job on the basis of advising him as to how he could cope there was far more detail in all of these that I simply don't have and it places me at a disadvantage in that I don't have the back up paperwork that I provided that particular time. I don't have the complete files. If I had them, it would make it easier to explain that. I would have to say in the case of London market, I gave a considerable amount of time, particularly visiting that

site more so than any other one and having discussions with Mr. Maher and also advising him as to how he'd deal with the Corporation.

Q. Well can I take it that these particular letters which you furnished to the Tribunal comes from the correspondence file?

A. They are.

Q. Your correspondence file with Mr. Maher, is that correct?

A. These particular ones they came out of, when I asked my secretary to do a search for any correspondence that I may have had, they came out of, I think it was, I don't know was it a miscellaneous file, some file.

Q. But those are the only those are the only letters that you have been able to locate?

A. Yes, we have searched and I haven't been able to find any other correspondence, which doesn't surprise me because I normally don't keep full files on stuff that would be as old as that, this is going back to 1990/1991.

Q. So do you believe that there was substantially more correspondence?

A. There would be a lot of what I would have on my normally, what I would have would be, you know, where I worked out technical details myself and what have you.

Q. No, correspondence between you and Mr. Maher. Do you think there would be any other letters?

A. There should be, I don't have them, but I am sure there is some further correspondence.

Q. And correspondence from Mr. Maher to you as well, you think?

A. Not so much. I think Mr. Maher, he would have dealt with me mainly when I went there. He would have handed me stuff or on the telephone or who have you. Bill Maher wouldn't be one to sit down and write letters.

Q. Can I ask you this, when Mr. Maher handed you the €25,000 in cash, was it in an envelope or...

A. I don't recall.

Q. A brief case

A. I don't recall what it was in.

Q. It was a lot of cash?

A. Yes, it was.

Q. Well did you count it or did he say to you there is €25,000?

A. He said there is €25,000 and he also put in a proviso that he would require my services in the future. He felt he apologised for the fact that he was late in paying me and referred to the fact that he would need my services again, that he had a project which he intended to get involved in and in other words, there was some of the money that he was giving me was payment forward for works to be done in the future.

Q. That's what I want to ask you about. You say that the €25,000 was determined unilaterally by Mr. Maher as being a payment he would make to you, that you had agreed no rate with him. You had no contract with him to provide

consultancy services and can I take it that at that particular time, there wasn't such a thing as a consultant in the field advising people on the purchase or installation of refrigeration systems as far as you knew?

A. No. It was generally the contractors that would do that and I think Mr. Maher, from his experience in the meat industry, would be very conscious that there were very high margins to be had by the refrigeration contractors, particularly back then and that by him being knowledgeable and having a background to what his requirements were, he was assured of getting good value when he did proceed and when he did some work.

Q. Can we take it that you were effectively the first person in the field as a consultant, as far as you knew?

A. Well I am sure there was people before me. I wasn't there would be when I say consultant, there were several people, you know, who do this as part of a company structure. Like for instance my own company, my brother would regularly do the kind of work that I do on behalf of the company.

Q. Well is this on behalf of the company but that is where the company would be at the end of the day, hoping to get the business of perhaps installation or maintenance, is that correct?

A. Yes, but this information is actually far more valuable to somebody as you are getting it on an independent basis.

Q. That's what I am trying to get at. You say that your

brother or people do it on behalf of a company.

A. Yes.

Q. Obviously, if you are out after business, you will provide I suppose specifications or drawings and hope to get the business and either build that into the cost or hope to do well on the margins, on the installation, but just pure consultancy work. You are saying that there was never any suggestion or you had never any intention of going into the business in England, that is supplying refrigeration, installing it or maintaining it in England, is that correct?

A. No, I would have had that opportunity with Dunnes Stores and I declined it. I operate on the very same basis with Dunnes Stores. I advise them. I gave them a consultancy service in the UK and when they knew what the requirements were, they went out in the field and got what I was recommending.

Q. So that insofar as you were providing a service to Mr. Maher, it was pure consultancy, with never any intention of hoping to get the business?

A. Yes, that's correct.

Q. And this was fairly unique in the business at that time, was it, for somebody to provide a pure consultancy service?

A. I suppose it would be something that would be frowned upon in my business. Effectively what I was doing was educating the customer to the refrigeration I was educating them as to what they needed, giving them a

background into the technical detail, telling them what to look out for and effectively saying that's what I consider to be a price that you should pay and in that way, they were I was putting them in a position whereby they would make big savings on whatever move they would make.

Q. Very good. But we can take it that therefore, any fee or sum that would be paid could not be related to a percentage of the contract price as if you had been installing it or supplying the refrigeration service, isn't that correct?

A. No, I think you can see through all the business that I have conducted as a consultant, it's mainly based on what I would consider the value that they got from the input that I had.

Q. I will come to that in a moment because I am now looking for comparisons, if we could, because you say at the time, there probably wasn't anybody, it would have been frowned upon in the industry or in the business, somebody providing a pure consultancy service to a client so can we take it that it's not possible to look at comparative rates?

A. I am sure there are people who will give you rates for it but obviously they will vary, you know

Q. What I am trying to do is, can you be of assistance to the Tribunal in that regard? That's really what I am asking.

And at the end of the day so when Mr. Maher determined what he would pay, it was without discussion, without negotiation, and without him having anything any yardstick to go by?



A. As I said to you already, during I obviously prompted him what year was it, 1992 to make some settlement with me. Now, I don't recall the conversation that we had, whether or not I suggested the figure to him but what I can say is that when Mr. Maher paid me, I didn't know until he paid me what in actual fact he was going to give me.

Q. Very good. Now he paid you €25,000. Did you think that was too much or too little or about right?

A. I thought it was generous.

Q. Well, how generous?

A. I would say for the trouble and the time and the effort that I put into it, I would say it was generous without being excessive, particularly once some of figure referred to ongoing work and in fact what happened with the ongoing work was that, as I say in my statement, I didn't do any further business for Mr. Maher and the reason for that is he did a further development in Shrewsbury that coincided with my time as a minister so I haven't had the opportunity of doing that job and if Mr. Maher rings me at any time in the future in relation to refrigeration and consultancy, I would feel obliged to do some work for him free of charge on the basis of what he has already paid me.

Q. Well what value so, when you say that sorry, you were handed the money. You can't remember in what it was contained and was it Mr. Maher told you, there is €25,000. He didn't actually count it?

A. No. I lodged it in my bank account.

Q. I appreciate that and we will put that up in a moment, but you thought it was generous?

A. Yes.

Q. And I asked you how generous? To what degree was it generous?

A. I was damn glad to get it.

Q. I appreciate that but in terms of figures, it was generous?

A. Yes.

Q. What would you have thought would have been an appropriate charge for the consultancy work you had provided so?

A. I would have been quite happy, to be quite honest with you, with anything between 17 and 20.

Q. So you think it was generous to the extent of about 7 and a half or œ5,000, that's all?

A. Yes, but I didn't know how much work he expected me to do for the remainder of it.

Q. Well I suppose that begs the question of how do you know it was generous so if you didn't know what to be expecting to do for the balance of it?

A. It's like nearly every job that I have done, I am long enough in the business to know what I consider is good value and whether or not I am giving good value and in recent times, right up to this day, I don't work on hourly rates or what have you. I work based on the input that I have, the return that the individual who has taken the service from me gets. That's the yardstick that I use.

Q. Well would you negotiate that sort of figure in advance

normally?

A. No. You know, I mean, I think I find it much easier to get generous payment from somebody when you have the work done and when they realise that you have done a good job.

Q. And you'd leave it to them to decide on a unilateral basis, would you?

A. You negotiate. You put forward a figure and if somebody doesn't agree with it, obviously you have to take whatever they are giving. Now what I am saying in Mr. Maher's case, I don't recall whether or not I said to him, look, for 15,000 or 17,000 or what have you. In other cases I know that I haven't got what I have looked for. In Mr. Maher's case, I was happy with what I got.

Q. Well, now that you have and I am asking you to look back at this period in contradistinction to now, because with the consultancy firm that you now have, Abbeygreen Consulting Limited, you would issue an invoice

A. Well I got into a lot of difficulties by not issuing invoices for the consultancy work that I did previously and I was criticised and justifiably so criticised in the McCracken Report for that. So as part of putting my businesses on a sound footing and doing things properly, I formed that company Abbeygreen Consulting and I have, to be frank about it, I have very little work put through the consultancy company simply because I obviously had been preoccupied with many things and I haven't had the time to do it.

Q. I know you have been involved with the Tribunals and with other State agencies, but the only transaction which appears to have gone through, am I correct in that, is the one transaction in Abbeygreen?

A. One major one. There may be a few trivial things.

Q. The one mainly one.

A. Yeah.

Q. And Mr. Healy dealt with it with Mr. O'Connor, but that was for design and consultancy.

A. Design and consultancy. Well it's the one thing.

Q. Well, is it?

A. Yes. What I would have done for Bill Maher was design and consultancy. It's the same term that I use.

Q. That related that particular charge related to that related to work which Streamline were carrying out for Whelan Frozen Foods Limited, isn't that correct?

A. That's correct.

Q. So this is a situation where one of your companies is actually getting the work, Streamline is getting the work.

A. Yes.

Q. And another company, perfectly legitimately, is charging for design and consultancy but the companies are related and it does relate to getting the work?

A. In this instance, it does, yes.

Q. Abbeygreen are obviously not going to advise, maybe they would, Whelan's Frozen Foods, not to go near Streamline,

they might do better with somebody else, if you are talking about pure consultancy?

A. True, that's correct. If you allow me, I will explain the background to that.

Q. Yes.

A. You will recall in one of the schedules, I have listed a payment from Whelan Frozen Foods which is a similar payment back in 1992

Q. The €10,000?

A. Yes. And that was for consultancy work at that particular time for the design and layout of an existing large cold store, the refrigeration plant and all of the ancillary services at Inchicore and at that particular time what I did was, I personally did the design, did the layout, there was no engineers or what have you involved. I took up the work on that job, and I was paid for my consultancy fee for that. And then on this particular one, on this particular one, I operate the same system as I operate with Dunnes Stores; in other words, I will give him an open book situation in relation to the refrigeration plant and equipment through the Streamline company and the consulting company charges him out for the design and the input at that level.

Q. Well, the design and consultancy charged on this particular transactions which is now in the regularised Abbeygreen Consulting limited, is a charge of €14,000 for design and consultancy.

A. Yes.

Q. It seems to relate to the contract being carried out between Whelans and Streamline Enterprises for the supply and installation of refrigeration and at the moment, we have a comment which states that "On foot of an invoice issued by Streamline on the 23rd February, 1999 a payment of €125,000 was paid." Can we take it that that was a payment on account on the contract?

A. The 125?

Q. The 125. It's a round sum.

A. Yes.

Q. Can we take it then, another payment was on the 20th April 1999, another invoice, another, well maybe not so round sum, but a round-ish sum, €109,000. Can we take it that's another interim payment?

A. Payment on account.

Q. Payment on account. Can you say can you say at the very beginning or the end of the contract, do you have to wait till the end of contract? What would be the contract price?

A. That work is ongoing. We are in the middle of doing that job at the moment.

Q. Even roughly?

A. I'd say roughly in around €450,000 by the time it's finished.

Q. And the consultancy fees, or the design and consultancy fees are €14,000?

A. They are ongoing so it would take, approximately, I would reckon I would be expecting for that in the region of, if you asked me to say what I would be expecting for it

Q. I am not asking but perhaps I have difficulty in understanding the concept of the consultancy fee being ongoing. The design and the consultancy work is ongoing. Obviously there would be extras would be part of contract and there may be some additional aspects of redesign involved but based on the what your understanding of the full contract price would have been at the beginning of around 400, 450,000, even well, let's keep it at €450,000

A. Yes.

Q. The consultancy fees appear to be around €14,000 for that.

A. What you have in front of you is you have three invoices.

I asked for part payment on the job and I got part payment for Streamline for the supply and installation of the equipment and I got part payment through Abbeygreen for the consultancy work.

Q. I see.

A. And the final figure again would have to be agreed on the consultancy side and as indeed with Streamline when the job is concluded.

Q. What percentage would be, say, the consultancy fee would be so of the total contract price, roughly?

A. What percentage?

Q. Yes, what sort of percentage?

A. Well, I certainly would be looking for in the region of 10 to 12 percent, but that's not to say I am going to get it.

Q. 10 to 12 percent?

A. Yes.

Q. That's for the design?

A. That's for the input I have had on the Abbeygreen side, yes.

Q. Well, can I take it that and we have all seen the prodigious work carried out on your behalf by your professional advisers in this regard, but can we take it now that your books are in better order and you should be in a position to tell us what the contract price would be, what the consultancy fee would be in relation to it?

A. I haven't as yet agreed the consultancy fees and as far as the job is concerned, until all the there have been this job it's a substantial job and until such time as the full costings are in, I won't be able to determine the exact price. I have given to Whelans an estimate of what it would cost.

Q. I am not asking you to disclose a current job. I am not asking to do that, but you seem to have what I am suggesting to you or what I am looking for assistance for the Tribunal is the basis, the principle or the basis whereby you would charge a consultancy fee. Can we take it it's what you hope to get or is there any criteria whereby somebody who is employing a consultant could have some yardstick as to what it might cost them?



A. My yardstick is when that job is over, when that job is over, I will indicate that substantial savings have been made in terms of the value of the work, the value of the work to the customer and based on that saving and based on that workmanship, I would expect to be recompensed adequately for it. Now, I would use 10 to 12 percent as a figure, maybe he will negotiate that down further.

Q. Let's get away from the specifics of this job. When you would enter upon a major job like this, is there a contract normally?

A. It depends on who I am dealing with. Up to now, the point I am making to you, up to now the way my company has operated is I have gone in on an open book situation where the client knew exactly the costs involved and based on the savings, compared to what the market would normally be in the industry, based on those savings, I would expect the client to be generous to me for providing him with that kind of information and that kind of service.

Q. What I am trying to ascertain, Mr. Lowry, it's for the purpose of assisting the Tribunal in looking at the consultancy fee which was paid by Maher's. Is there any yardstick whereby it can be compared? What I am asking you now, since you have put your affairs, you hope, on a proper footing, when you enter upon a major contract, for example, this particular one where Streamline are providing the refrigeration unit, installing or whatever is involved, your other company is providing the design and consultancy,

surely there must be a contract which relates to such a substantial sum of money, a written contract or is that unusual in the business?

A. It depends on who you are working for and what the arrangements are. With my arrangements, I am trying with my arrangements, I would expect that when I am finished any job, the industry norm is probably in the region of 33 percent, 25 percent, in around that and in some cases higher, depending on the loyalty of the customer to the service provider. In my case, in my case, and you know, I think it's a bit unfair to have to be talking about my margins in public, but I would expect

Q. Don't talk about your margins in public but what I am trying to ascertain is this, at the sorry, at the end of the day, if you had to turn around and sue somebody, on what basis are you going to do it? Just that you expected the person would look after you generously, or is there no basis whereby you would determine what was agreed between the parties what you should be paid?

A. All of my business dealings so far, you know, I think when you know people and you get to trust them and you know the kind of service you are going to provide, I find you can rely on people to treat you fairly and that has been my experience.

Q. Well wasn't that what started off all this problem?

A. Yes, it was, but I was actually treated fairly, the unfortunate part is the administrative structure that was

put in place obviously was detrimental to me and has had huge repercussions for me.

CHAIRMAN: We are just on four o'clock, Mr. Coughlan, it would probably be an appropriate time for us to conclude today's sitting. Half ten in the morning.

THE TRIBUNAL THEN ADJOURNED UNTIL THE FOLLOWING DAY, WEDNESDAY, 23RD JUNE, 1999 AT 10:30AM.