

THE TRIBUNAL RESUMED AS FOLLOWS ON THURSDAY, 8TH JULY 1999

AT 10:30AM:

CHAIRMAN: Good morning. Mr. Healy?

MR. HEALY: Yes, sir.

You recall, Sir, that in the course of the Tribunal's opening statement made on the 22nd June 1999, reference was made in a general way, but only in a general way, to some of the matters with which the Tribunal would be dealing at this stage of these sittings. It was also indicated that, at intervals, more definitive opening statements would be made in relation to specific matters as they came to be dealt with in the course of the evidence being given at the Tribunal's public sittings.

The Tribunal now proposes to deal with some of those matters concerning Mr. Haughey which were mentioned at that time and specifically the following matters:

Firstly, the accounts kept by Mr. Haughey in his own name in Guinness & Mahon between 1979 and 1987 and the lodgments or credits made to those accounts during that period.

Secondly, other accounts kept by Mr. Haughey in other banks, including Merchant Banking, which is now dissolved and National Irish Investment Bank, then known as Northern Bank Finance Corporation.

Thirdly, the Tribunal will examine a loan account Mr.

Haughey had with Ansbacher Cayman, taken out in 1983. At that time, Ansbacher Cayman was known as Guinness Mahon Cayman Trust.

In the course of the evidence, reference will be made to the Amiens Accounts. Now these accounts have already been mentioned in earlier Tribunal sittings and in due course, they will be referred to in other sittings in some detail but, as in the case of previous sittings, it will be necessary to deal with aspects of those accounts and in these sittings, they will be referred to in a number of different contexts which I will now mention.

In the course of the 1980s, it would appear that certain credits were made to Mr. Haughey's account or accounts in his name from accounts in the name of Mr. P.V. Doyle and it would appear that these payments were routed through or managed by way of the Amiens Accounts.

Reference will also be made to a number of specific payments to Mr. Haughey or to Mr. Haughey's accounts in respect of which the Tribunal has been unable to obtain any information except the most limited kind, but where the circumstances of the payments suggest that they require further examination.

Now dealing firstly with the Merchant Banking loan, it appears from documents made available to the Tribunal that Mr. Haughey and a company with which he was

associated, Larchfield Securities Limited, which has already been mentioned in evidence, were the recipients of two loans from Merchant Banking made respectively in June and July of 1976. The June, 1976 loan was for the sum of œ6,000 and the July, 1976 loan was for the sum of œ2,500.

The Tribunal has obtained statements concerning these loans from Mr. Patrick Shortall who was appointed Provisional Liquidator of Merchant Banking Limited on the 4th May 1992 and also from Mr. Peter Fitzpatrick who was appointed Official Liquidator jointly with Mr. Fitzpatrick following a making of the Order by the High Court that the bank be wound up.

Merchant Banking Limited was associated with the Gallagher Group and a number of members of the Gallagher family, together with persons associated with other companies in the Gallagher Group, were directors of the bank.

The Tribunal has obtained an affidavit from Mr. Patrick Gallagher in which he refers to his knowledge of Mr. Haughey's loans from the Bank. Now, initially Mr. Gallagher provided the Tribunal with a statement and it was envisaged that evidence would be given in accordance with that statement at these sittings. However Mr. Gallagher was obliged to return to South Africa, where he now resides, for urgent medical attention and he has, in the interim, provided the Tribunal with an affidavit which corresponds with the Statement of Evidence he had intended

to give.

In due course, the Tribunal hopes to be able to adduce the evidence of Mr. Gallagher, but in the meantime, his affidavit will be submitted and, if necessary, it may have to be relied on and it is hoped that in due course, there will be no objection from any person affected by the contents of it. As things stand, Mr. Haughey has agreed to the use of Mr. Gallagher's affidavit in the Tribunal's proceedings.

Mr. Gallagher, in his Affidavit, has stated that his recollection of the loans is somewhat vague but that, from what he remembers, Mr. Haughey came into his office in or about the month of May of 1976 and informed him that he required a loan to build a house for his daughter Eimear at Kilmuckeridge in County Wexford. Mr. Gallagher agreed that Merchant Banking would lend the money to Larchfield Securities Limited, which he describes as Mr. Haughey's company. In his Affidavit, he says that he cannot now recall the details of the loan and that he is uncertain as to why it was for two separate amounts, œ2,500 and œ6,000.

The loans in question together with the full amount of the interest due on the loans was repaid in 1982. The Tribunal's interest in the loans has been prompted by the following:

Firstly, the fact that they were repaid only on the

liquidation of the bank.

Secondly, the fact that between 1976 and 1982, no demands were made for repayment and at no time was any repayment schedule agreed with the Bank in respect of either principal or interest.

Thirdly, the fact that no security, except a Promissory Note, was sought by the Bank in relation to these loans, which at the time would have been quite significant in terms of then money values and particularly, in terms of the stated purpose of the transaction, namely the construction of a house for the sum borrowed, in or about œ8,500 in 1976.

Fourthly, the fact that the loans were ultimately repaid by sums debited from one of Mr. Haughey's overdrawn current accounts in Guinness & Mahon.

Mr. Gallagher has stated in his Affidavit that he now accepts that the loan contained unusual features, specifically the features mentioned above, and he acknowledges that he is aware that no demand was ever made by Merchant Banking for the repayment of the loan. He now acknowledges that this was also unusual. His comment in relation to these features of the loan is that he trusted Mr. Haughey implicitly and that he never considered that the monies would not be repaid when Mr. Haughey was requested to do so and that this turned out to be correct

as the loans were repaid in June of 1982. It should be borne in mind however that the demand for repayment was made by the Liquidators.

Mr. Haughey has been asked to comment on these loans and on the unusual features of the loans but has not to date provided the Tribunal with any information in relation to them. From the Tribunal's point of view, what requires to be investigated is whether there was any commercial reality in the appearance of these two advances, bearing in mind the circumstances in which they were made, there being no security sought or given and the fact that no repayment was made nor any demand for repayment made by the Bank until it went into liquidation, by which time of course it had come under the control of the Court and not its original shareholders.

I now want to pass on to Mr. Haughey's dealings with Northern Bank Finance Corporation, as National Irish Investment Bank was then known.

On the 17th December of 1980, Mr. Haughey obtained a loan from Northern Bank Finance Corporation for €150,000. This loan was eventually repaid on the 5th January of 1983. In the interval, between December of 1980 and January of 1983, some €52,000 approximately by way of interest had been paid in respect of interest due on this loan and ultimately, the loan was cleared by a payment of €149,981.41.

The amount of the loan was credited to a Guinness & Mahon account number 28500/01/50. This was an account in Mr. Haughey's name. The interest on the loan was paid by debits from this account.

This loan has been mentioned so that it will be understood that it was the source of a substantial lodgement to Mr. Haughey's account and that this lodgement should not be taken into account in calculating the total of the credits to Mr. Haughey's accounts, the sources of which cannot be identified. It remains, of course, to identify the source of the funds used to pay the interest due on the account.

To date, Mr. Haughey has not provided the Tribunal with any information in response to its request for assistance concerning the purposes for which this loan was made and the sources of the funds used to repay the interest due.

Passing on to another loan account Mr. Haughey had, this time in an offshore bank;

this is the loan Mr. Haughey had from Ansbacher Cayman, which was then known as Guinness Mahon Cayman Trust.

The Tribunal has obtained documents from the Central Bank concerning exchange control applications in the 1980s and from documents retained by the Bank which have been examined by the Tribunal, it would appear that on the 8th December, 1982 Mr. Haughey made an application to the Central Bank for exchange control permission to borrow the

sterling equivalent of 400,000 Irish pounds from Guinness Mahon Cayman Trust of Grand Cayman in the British West Indies. The purpose of the loan was stated as being primarily the conversion, development and extension of Abbeville Stud. The application envisaged that the loan would be repaid in full by the 31st January 1985 and that interest would be payable half yearly at the rate of 1 percent over the cost of three months funds. The security for the loan was described as the joint and several guarantees of C.J. Haughey and Maureen Haughey and in addition, it was confirmed that the title deeds of the stud would be deposited with Mars Nominees Limited of 17 College Green, on behalf of Guinness Mahon Cayman Trust Limited and that an undertaking be given to formalise security the should that be required.

The application for exchange control in these terms was not an unusual one in that there was nothing to prohibit any Irish resident from borrowing funds abroad in a foreign currency so long as it was clear that the purpose of the borrowing was not to speculate against the Irish currency and as long as the repayment schedule enabled the bank to monitor any opportunities there might be for speculation in the Irish currency.

From documents made available by the Central Bank, it appears that on the 9th December, the application was approved by a letter from an Official of the Bank. This

letter was addressed to the late Mr. Des Traynor and this suggests that Mr. Haughey's application must have been processed by Mr. Traynor. Mr. Haughey's file in the bank appears to have been retained separately from other files and was not part of the ordinary file storage or retrieval system. The letter containing the approval which was addressed to Mr. Traynor indicated that should any problems arise, then direct contact should be made with certain named officials of the Bank.

It appears that the loan was not repaid within the time scale originally envisaged. As a result, and this was again not unusual, it became necessary to make another application to the Central Bank and this was done, as had been suggested by the original Central Bank official, directly to Mr. Michael O'Donovan. The application was made on the 22nd January of 1985. It attached a copy of the original letter of application, together with the original grant of approval and a copy of a letter from Mr. John Furze of Guinness Mahon Cayman Trust Limited outlining the new terms under which Guinness Mahon Cayman Trust were prepared to extend the loan facility. Effectively what was required was approval for the extension of the loan in the same sum, sterling $\text{€}350,000$, (the approximate equivalent of $\text{€}400,000$ Irish money), and the incorporation of a new payment schedule up to the 31st January of 1986 at the same interest rate as before. This application was approved by the Central Bank on the 5th February of 1987.

Again, it seems that the loan was not repaid within the revised payment period and it therefore became necessary to apply for a further permission to extend the repayment schedule. This was done by letter from Mr. Des Traynor of the 21st January, 1987 to Mr. O' Grady Walshe, General Manager of the Central Bank. From a handwritten note endorsed on Mr. Traynor's letter after it was received at the Central Bank, the application appears to have been approved on the 21st January, 1987 or perhaps on the day after that. By letter of the 23rd January of 1987, this approval was formally notified to Mr. Traynor by Mr. O'Grady Walshe.

As there were no further applications for extensions in respect of this borrowing, the Tribunal thinks it reasonable to assume that the loan was paid off. It has sought the assistance of Mr. Haughey in order to identify the accounts into which the loan was paid and also the sources from which the interest and ultimately the principal was repaid. No other documentation is available to the Tribunal at this point, apart from that obtained from the Central Bank.

The Tribunal has sought to obtain information from Ansbacher Cayman. As usual, in the case of any requests by the Tribunal to a bank for information concerning its customer, the Tribunal sought a waiver from Mr. Haughey to

enable the Bank to disclose the information being requested, notwithstanding the Bank's duty of confidentiality to their client. Although Mr. Haughey has furnished waivers in relation to other banks, no waiver was provided by him in relation to this Bank and this particular loan.

I now want to pass on to Mr. Haughey's accounts in Guinness & Mahon in his own name and in one case in his own name jointly with that of another person.

On foot of waivers provided by Mr. Haughey, the Tribunal has obtained documentation concerning his bank accounts with Guinness & Mahon and it has also obtained on foot of orders made by the Tribunal, further documentation concerning the accounts which have already been referred to as the Amiens Accounts. The purpose of examining all of these accounts is at this stage twofold:-

Firstly, to ascertain the total sums lodged to the accounts and secondly, to endeavour to identify the sources of those lodgments.

The information obtained from Guinness & Mahon will be referred to in the course of the evidence of Miss Sandra Kells, an Executive of the Bank, and that evidence and the information which will be referred to in it is based on an examination of the company's records insofar as such records are still available. The Tribunal has been

informed that while Mr. Haughey may have had an account or a banking relationship with Guinness & Mahon prior to 1976, the earliest records the Bank has been able to unearth concerning his affairs date from that year.

Focusing at this stage on the period from the 1st January, 1979 onwards, it would appear that in the years following that date, Mr. Haughey held four operating accounts in his own name or as I have already mentioned, in his own name jointly with another person. Of these accounts, two were described as resident current accounts and two as resident loan accounts. The last of Mr. Haughey's operating accounts in his own name was closed on the 9th June, 1987 after the crediting of €285,000 to the account and that, as you will recall, Sir, was the bulk of the proceeds of the Triple Plan cheque referred to in earlier sittings.

I propose to set out now very briefly the overall position with regard to each of those accounts in the period from 1979, 1st January onwards. The principal account held by Mr. Haughey was a resident current account and as of January 1st, 1979, the number of this account was 28500/01/50. Due to the introduction of a new computer system, this account number was changed in April of 1983 or at least from April of 1983 to 03356000. This was Mr. Haughey's principal account with Guinness & Mahon and the total of the sums credited to this account between the 1st January, 1979 and June of 1987 was €1,245,530.91. That

total of credits to that account during that period included the Triple Plan cheque that I have mentioned above.

Mr. Haughey's number 2 resident account number 3356019 was opened in May of 1983 and closed in January of 1984. The total of the sums lodged to that account in that seven month period was €211,344.50.

The total of the sums lodged to these two current accounts therefore was €1,456,875.41. In endeavouring to examine these accounts, the Tribunal has borne in mind that it would appear that Mr. Haughey did not lodge the proceeds of his salary cheques to any of his bank accounts.

Mr. Haughey had in addition two loans accounts of which one was in the joint names of Mr. Haughey and another person.

This account was known as resident loan account 04532/01/11. This joint account was opened in November of 1981 and was closed in September of 1984. As of April of 1983, the number of this account was changed to 2318008.

The total sum lodged to the account in those years was €229,756.82.

Mr. Haughey had another resident loan account number 86256/01/11 which was open from the 2nd September, 1981 to the 1st October, 1981 and the total sum credited to this account was €74,996.83.

While on one view it might be appropriate to take the total

amount of the lodgments to these two loan accounts and to aggregate them with the total amount of the lodgments to the current accounts mentioned above, this might give an inaccurate view of the total sums credited to Mr. Haughey's account during the relevant period. Some of the lodgments to Mr. Haughey's resident loan account, the joint account I have just mentioned, came from partly identifiable sources to which reference will be made later on. Nevertheless, it would appear that some of the lodgments to these accounts are unconnected with any other monies to which reference will be made later on and without further assistance from the account holder, it will not be possible to accurately calculate the total amount of lodgments for Mr. Haughey's benefit in such a way as to avoid double accounting. At the same time, it is self evident that the size of the sums and the significance of the size of them must be judged in the context of the changes in money values between the early to mid 1980s and today. These sums were very significant and the relative size of the total of the sums lodged to these accounts and the amounts of individual lodgments can be judged when it is borne in mind that, in 1979, a TD was paid an annual salary of €9,590 and an Taoiseach was paid €16,930. By 1987, a TD was paid €19,295 per annum and a Taoiseach was paid €32,790 per annum. It can also be judged against the amount of the Party Leader's allowance paid to Fianna Fail in 1988 at a time when the party was in opposition and this was €90,660 sorry, at

the time when the party was not in opposition and I will just repeat that, that the size of these sums can be judged against the amount of the Party Leader's allowance paid to Fianna Fail in 1988 at a time when the party in fact was in Government was €90,660.

Evidence will be given to Tribunal by Miss Sandra Kells, an Executive of Guinness & Mahon Bankers, of the extent to which the Bank has been able to provide information to the Tribunal in the form of documentation to enable the Tribunal to identify the sources of the various lodgments to the accounts I have just mentioned between 1979 and 1987. The Bank's ability to identify these lodgments is, to some extent, hampered by the availability of information in respect of the period prior to 1983. However, the Tribunal proposes in the course of the evidence to examine, so far as it is possible, the information available with a view to identifying either the immediate or ultimate sources of these credits for each of the years from 1979 to 1987. Mr. Haughey has been asked to comment on the various credits to his accounts during that period in an endeavour to identify the sources of those credits but to date he has not made any comment to the Tribunal.

In the course of the evidence to be given by Miss Sandra Kells, particular attention will be drawn to a number of lodgments and to the extent to which the Tribunal has been able to identify them. Some of the lodgments will, as her

evidence will show, be identified with a significant degree of precision. It has been possible to identify as the immediate source of some of those lodgments the late Mr. Desmond Traynor or accounts controlled by him. Some of these lodgments, as the Tribunal will know from earlier evidence to this Tribunal and from evidence to the McCracken Tribunal, are connected with lodgments made using funds provided by Dunnes Stores' accounts. The lodgments to which I now want to refer are connected with accounts in the name of late Mr. P.V. Doyle.

The Amiens Accounts, as I mentioned earlier, will be referred to although not in detail, to some extent in the course of dealing with transfers from the late Mr. P.V. Doyle which appear to be for the benefit of Mr. Charles Haughey.

The particular Amiens account to which I now wish to refer is the Amiens Securities Limited account, 2041006. This was an Irish Pounds Resident Account. The account appears to have operated for some short time prior to April, 1983 until the 13th January, 1984, when the account was closed.

Guinness & Mahon has not been able to retrieve at the request of the Tribunal a complete set of account statements for this bank account. Of the 57 statement pages mentioned in the account, 18 are missing. From an examination of the information available, it has come to the attention of the Tribunal that in May of 1983, there

were three transfers from this account 2041006 to accounts in the name of Mr. Haughey and these transfers were as follows:

On the 5th May, 1983, €10,000 was transferred to account 2318008 in the names of Mr. Haughey and another person.

And on the overhead projector, Sir, you will see this transaction, the amount was shown on the 3rd column in from the left, €10,000 being debited from account 2041006 and credited to account 2318008.

The second transfer was dated the 9th May, 1983 in the amount of €80,000. This amount was debited from the Amiens Securities Limited account I have just mentioned and transferred to Mr. Haughey's No. 2 current account, account number 3356019.

The third sum transferred was €30,000 and this was transferred on the 19th May, 1983 from the Amiens Securities Limited account 2041006 to Mr. Haughey's No. 1 current account, 3356000.

In total, these transfers amounted to €120,000.

Now, between the 5th May, the date of the first of those transfers, and the 2nd June, 1983, there were three lodgments to that Amiens account 2041006. These three lodgments also amounted to €120,000 and the dates and the amounts of those lodgments were as follows:

On the 5th May, there was a lodgement of €40,000. On the 10th May, as you see on the overhead projector, there was a further lodgement of €30,000. And on the 2nd June, there was a further lodgement which, if you can see it on the overhead projector, it's not very clear, this amounted to €50,000 making in total, as I have said, €120,000.

Now, from documents examined by the Tribunal, it appears that the source of each of those three lodgments amounting in all to €120,000 was a loan account in the name of the late Mr. P.V. Doyle. This is account number 6346006 at Guinness & Mahon. And while, Sir, part of the document shown on the overhead projector is obliterated, you will see on the top left-hand corner that the name P.V. Doyle can be discerned.

Now, the Tribunal has examined bank documentation concerning Doyle Hotel Group accounts. This documentation was examined with the consent of the Doyle Group and the Tribunal has learned that a facility letter dated the 14th April of 1983 was addressed to the late Mr. Doyle at Doyle Hotels, Leeson Street, Dublin 2, confirming a facility for €120,000 if we can have that document on the overhead projector. I will read that out, Sir. It says;

"Dear Mr. Doyle, further to our recent discussions, I have pleasure in confirming to you that we are prepared to make available to you the required facilities of €120,000 on the following terms and conditions:

Amount: £120,000.

Security: Unsecured.

Period: Repayable in full two years from the first drawdown, that is to say the 30th April 1985.

Interest: Interest would be debited to the account quarterly at 1 percent over our base rate. Interest will be allowed roll up and become payable on the 30th April 1985."

There is a provision for early repayment which says part or full repayment may be made before the 30th April without any penalty, that's the 30th April 1985. "Enclosed is a copy of this letter and I would be grateful if you would kindly sign it and return it to me" and it's signed at the bottom, "J.D. Traynor".

Now the material concerning these transactions was brought to the attention of the Doyle Group by the Tribunal and two statements have been made to the Tribunal by Mr. George Carville, an Executive of the Doyle Group and also by a member of the Doyle family. Mr. Carville is an experienced businessman and was Deputy Managing Director and Secretary of the Doyle Hotel Group. His association with the Group and with the late Mr. P.V. Doyle goes back many years. Mr. Carville has informed the Tribunal that while he was not involved in the granting of these loan facilities or in the negotiation of them, he has a vague recollection of the

late Mr. P.V. Doyle informing him some considerable time ago that he had guaranteed a loan to Mr. Charles Haughey through Guinness & Mahon. He recalls that Mr. Doyle advised him that he need not worry about this loan as Mr. Haughey had agreed to pay the interest and to refund the capital. In fact this did not happen and by the time of Mr. Doyle's death, the loan and some of the interest was still outstanding.

Mr. Carville has informed the Tribunal that in April of 1988, the sorry in March of 1988, he attended a meeting at the Berkley Court Hotel, Dublin, which was a Doyle hotel, at the request of the late Mr. Desmond Traynor. The meeting was attended by Mr. Corrigan and Mr. David Doyle. At the meeting, Mr. Traynor explained to those present that the late Mr. Doyle had had an account in Guinness & Mahon at the date of his death on which there was approximately œ150,000 due. Mr. Traynor explained that this was an account that the late Mr. Doyle had opened to facilitate Mr. Haughey who was apparently financially embarrassed at the time. Mr. Traynor went on to explain that the arrangement provided for the interest and capital to be repaid by Mr. Haughey and that while some payments had been made, these payments had stopped and that the current situation was that there was no hope of the loan being repaid.

It would appear that the Doyle executives judged that the

loan would not be repaid and that there was no hope of recovery from any other source. They recommended to Mrs. Margaret Doyle, the widow of the late Mr. Doyle, that the account be closed and this was done with a payment of €150,230 on the 23rd March 1988. The original cheque used to pay off this account is not available but a photocopy has been obtained by the Doyle Group from the Bank of Ireland and the cheque is on the overhead projector and although it is slightly indistinct from the figures, you can see the writing, it's for €150.230. This cheque is dated the 23rd March, 1988. It is drawn on the account of P.V. Doyle Holdings Limited at the Bank of Ireland Pembroke branch and it is made payable to Guinness & Mahon. It was signed by Mrs. Doyle and it was cashed in due course and the late Mr. Doyle's facility at Guinness & Mahon was cleared.

Documents inspected by the Tribunal in the course of a most exhaustive examination of these accounts and of the internal bank backing documentation, all of which will be referred to in the course of the evidence, indicate the following activity on the account:

Firstly, I want to mention four interest payments. There were four lodgments to the account between May of 1983 and February of 1988. These were to meet interest which had accrued on the debit balance. The lodgments were as follows:

On the 30th April, 1985, there was a lodgment of

€52,495.86.

On the 9th June, 1989 there was a lodgement of €9,966.74.

On the 31st July of 1987, there was a lodgement of

€45,000.

On the 24th August 1987, there was a lodgement of €5,000.

Now the source of the first of these lodgments appears to

have been a transfer from an Amiens Securities Limited

account 08116008. This account will be referred to later

on in the course of this opening statement, Sir, as the

account from which the initial outside contributors to

Celtic Helicopters paid €75,000 toward the setting up of

that company and that was in 1985.

The source of the second interest payment was also a

transfer from an Amiens Securities Limited account number

10407014. It appears that there was a lodgement to this

Amiens Securities Limited account on the 14th May of 1987

of an exactly similar amount to the interest payment, that

is to say of the sum of €9,966.74. That particular credit

represented the lodgement of a cheque dated the 11th May

1987 drawn once again on the Pembroke branch of the Bank of

Ireland, this time drawn on the account of P.V. Doyle No. 1

account. As you see from the overhead projector, Sir, it

is made payable not to Guinness & Mahon as was the case

with the last cheque I mentioned but rather to Des

Traynor. It's dated the 11th May and it appears to be

signed by Mr. P.V. Doyle.

The source of the third interest payment appears to have been a cash lodgement. Likewise, the source of the fourth interest payment of €5,000 also appears to have been a cash lodgement. The Tribunal has not as yet been able to establish the precise source of the credit of the 30th April, 1985 in the sum of €52,495.86 except to the extent I have already mentioned, that it was connected with an account from which the €75,000 was transferred to the account of Celtic Helicopters in 1985.

Now, the Tribunal has also drawn the attention of Mr. Carville to a number of cheques drawn on P.V. Doyle accounts which appear to have been lodged to Amiens Securities Limited accounts other than the cheques I have just mentioned. One of these payments was a cheque for €3,500 dated the 20th March, 1985, drawn on the P.V. Doyle No. 2 account at the Bank of Ireland Pembroke branch. This cheque was lodged to an Amiens Securities Limited account and the legend in manuscript on the cheque stub states as you will see from the overhead projector, 'to cash loan H' and that would appear to indicate some connection with the servicing of a loan connected with Mr. Haughey and it would appear to suggest that this was another source of funds from Mr. Doyle to service the loan which I have mentioned a moment ago at €120,000, in addition to the payments of €9,000 odd drawn on his Pembroke branch account of the Bank

of Ireland. The Tribunal hopes in the course of the evidence to further scrutinise some of these Amiens Accounts and some lodgments to these accounts so as to enable it to consider whether it would be appropriate to conclude that other lodgments to Amiens Accounts to make up the sum of €52,495.86 in interest were sourced by funds provided by the Doyle Group. One of the questions the Tribunal will have to consider is:-

Whether the existing connections between the Doyle Group and loans for the benefit of Mr. Haughey in the absence of any other information warrant the conclusion that the Doyle Group or Mr. P.V. Doyle was the source of all of the interest payments to the loan account.

Or whether Mr. Haughey or any other person made, or was requested to make any repayment of either principal or interest on this loan.

Now, at the time that this loan was discharged, it stood at €126,312.40 outstanding. This was because of the interim interest payments I have just mentioned already made to the account. It would appear therefore that Mr. Haughey received the benefit of the total amount of the balance outstanding at the clearing of the account together with the aggregate of the four interest payments up to that date. The grand total comes to €238,775.

Once again Mr. Haughey has been asked to comment on this

loan and subject to any evidence he may give or any assistance he may provide to the Tribunal on the matter, it will be a question for the Tribunal as to whether the conclusions suggested above are warranted in the light of the evidence to hand.

Now, other documents produced to the Tribunal by Guinness & Mahon indicate that there was a second loan account in the name of Mr. Doyle. This was account 06346014. From this account, the sum of €50,000 was drawn down in late 1985/early 1986 in five tranches of €10,000 each as follows:

On the 23rd December, 1985, €10,000 was drawn down.

Another €10,000 was also separately drawn down on that date.

On the 29th January of 1986, a further €10,000 was drawn down. You will see that on the overhead projector. It's the first entry from the top.

On the 14th January of 1986, €10,000.

The 14th February of 1986, sorry, of €10,000 was again drawn down and this is being pointed out on the overhead projector.

And on the 17th April, a further €10,000 was drawn down.

So if we could just leave that document on the overhead projector for a moment.

That bank statement shows three of the €10,000 sums drawn

down on in January, February, and April of 1986. The fifth sum of €10,000 was not drawn was drawn sorry, if I could over that, I may have confused you or confused the stenographer. In all, there were five payments of €10,000, two were made on the 23rd December, which I think I will go back over. The first of those is dated the 23rd December and it's the first payment shown on the overhead projector. The second payment of the 23rd December was described in the documents as being a payment to Frank Glennon, a firm of insurance brokers.

Passing on to the second document once again, and just to recap, the other €30,000 was drawn down in three tranches in January, February and April of 1986.

While as I have indicated one of those €10,000 payments was made to Frank Glennon, a firm of insurance brokers, it would appear that the other four debits of €10,000 were lodged to an Amiens Securities Limited account 08880018. The Amiens Securities Limited account to which this €40,000 was transferred in the manner I have just mentioned was an account from which payments were made to Haughey Boland & Company and you will recall, Sir, from earlier evidence, that this was an account from which Haughey Boland & Company made payments on behalf of Mr. Haughey as part of the bill paying service provided by that company to Mr. Haughey. Further evidence will be given in the course of these sittings concerning the operation of

this service.

From an examination of the documents made available to the Tribunal concerning this loan account, it would appear that there were two repayments to the account. These were in the amounts of €2,000 and €13,000 respectively. Each of these payments was made on the 26th January of 1987 and they are being pointed out on the overhead projector. From internal bank documentation provided by Guinness & Mahon, it appears that the source of the lodgement of €13,000 was an account transfer from Amiens Securities Limited Account No. 10407014 and this is the Amiens account through which the proceeds of the Triple Plan cheque were channelled prior to being credited to Mr. Haughey's No. 1 Current Account. It is also the account to which the Dunnes bearer cheques mentioned in earlier evidence were lodged in February of 1987. The other repayment, the repayment of €2,000 was a cash lodgement.

These accounts and further bank backing documentation concerning the transactions resulting in these two payments to the account will be scrutinised with a view to examining the source of the repayments amounting in all to €15,000.

Now the debit balance on this No. 2 Loan Account at the time of repayment was €48,182.27. And this No. 2 Loan Account was cleared on the same date as Mr. Doyle's earlier loan account which I have called the No. 1 Loan Account. The bank's internal documentation shows that the clearing

of both loans was a single transaction.

The total sum paid to the bank in respect of the No. 2 Loan Account was œ62,363.92, being œ50,000 or the principal sum due and œ12,363.92 interest. As the sum paid on what I call the No. 1 Loan Account was in total œ238,775, the amount of the two loan accounts was œ301,138.92 and this would appear to be the extent to which Mr. Haughey benefited.

The total sum used to clear the two loans in Mr. Doyle's name was in February of 1988, was œ174,494.67. That was the balance due on the loans at the date they were cleared. You will recall, Sir, some interest was paid on those loans. Payment made by the estate of the late Mr. Doyle to clear the account was œ152,230 and this therefore left a balance of œ24,264.67 which was paid out of the Amiens Securities Limited Account No. 10407014. As yet the Tribunal has not been able to establish with precision the source of funds used to clear this further balance of œ24,000 odd.

I now want to deal with a number of discrete matters connected with the Amiens Accounts. In its examination of the Amiens Securities Limited accounts and in particular account 08116008, it has come to the attention of the Tribunal that there was some noticeable credits to that account in 1985 and in particular, a lodgement to the

account in the sum of €50,000 on the 19th February, 1985.

To repeat, this is the account from which the initial €75,000 payment by outside contributors to Celtic Helicopters was funded.

The Bank's, that is Guinness & Mahon's internal documentation, indicated that the source of this credit of €50,000 was a cheque for that amount. The Bank has been able to retrieve a copy of this cheque from its microfiche records. The cheque is dated the 18th February, 1985 and was drawn on an account at the Bank of Ireland and although the overhead projector does not make this clear, that account was at the O'Connell Bridge branch of the Bank of Ireland. The account on which the cheque was drawn was the account of a Mr. John O'Connell. The cheque was made payable to cash. This account is an account in the name of Dr. John O'Connell, who has already given evidence to the Tribunal.

Dr. O'Connell has informed the Tribunal that this cheque payment of €50,000 is connected with an arrangement he made with a Mr. Fustok, a Saudi Arabian diplomat. Dr. O'Connell has informed the Tribunal that in or around 1981, he was introduced to Mr. Fustok at Goffs Bloodstock Sales. He has informed the Tribunal that Mr. Fustok is a Saudi Arabian diplomat who is related to the Crown Prince of Saudi Arabia; that Mr. Fustok is involved in the bloodstock business and that he occasionally came to Ireland to

purchase bloodstock and that on one such visit in 1981, Dr.

O'Connell introduced Mr. Fustok to Mr. Charles Haughey.

Dr. O'Connell has informed the Tribunal that he

subsequently became very friendly with Mr. Fustok and that

he used to see him regularly when he came to Ireland and

that sometimes he used to see him in London; that in or

about February, 1985, when he met Mr. Fustok on a social

occasion, Mr. Fustok asked him to pass on a payment of

€50,000 to Mr. Charles Haughey. Dr. O'Connell has informed

the Tribunal that Mr. Fustok stated that this was money

that was owed by him to Mr. Haughey.

He has also informed the Tribunal he did not then know what

this payment was for. It would appear that a cheque was

given to Dr. O'Connell by Mr. Fustok, that this cheque was

lodged to Dr. O'Connell's account in the Bank of Ireland on

the 22 February, 1985 but that one day previously that

several days previously, Dr. O'Connell himself had written

a cheque for €50,000 to carry through this arrangement. It

would appear that Dr. O'Connell had been in touch with Mr.

Haughey in connection with this cheque and he has informed

the Tribunal that Mr. Haughey asked him to make it payable

to cash and this is, as the overhead projector shows, what

Dr. O'Connell did and he then delivered the cheque to Mr.

Haughey in Dublin.

The Tribunal has sought information from Mr. Fustok

concerning this arrangement and he has informed the

Tribunal that this sum was paid to Mr. Haughey for a racehorse which he purchased from the Haughey family in 1985. Mr. Fustok has informed the Tribunal that as he purchases and sells so many racehorses and as his records do not extend as far back as 1985, he is not able to provide any details of the horse in question. The Tribunal has been in correspondence with Mr. Fustok in the United States and he has been requested to provide further assistance to the Tribunal and to attend to give evidence. The Tribunal wrote to Mr. Fustok on the 28th January, 1999 requesting his attendance sorry, the Tribunal wrote to Mr. Fustok on the 28th June, 1999 requesting his attendance but has not as yet received any response.

Now, this transaction will require further scrutiny, both in the course of the evidence of Dr. O'Connell and also, if he is prepared to give evidence, in the course of the evidence of Mr. Fustok. It warrants further examination because of the unusual features of the arrangements made to transfer this money to Mr. Haughey and they are:

the fact that the route chosen was a very indirect one;

that the money was not paid directly by Mr. Fustok to Mr. Haughey;

that a cheque was not as you might have expected made out to Mr. Haughey and handed by Mr. Fustok to Dr. O'Connell for onwards transmission to Mr. Haughey;

the fact that a cheque appears to have been given to Dr.

O'Connell and a further cheque made out by Dr. O'Connell to cash and handed to Mr. Haughey by Dr. O'Connell in circumstances in which as he states, he then knew nothing of the purpose for which the payment was being made.

Mr. Haughey once again has been asked to comment on the matter and to provide details to the Tribunal concerning this transaction but he has not done so so far. Thank you, Sir.

CHAIRMAN: Thanks, Mr. Healy.

MR. COUGHLAN: Mr. Shortall.

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

MS. MARSHAL: I appear for Mr. Shortall, Sir.

CHAIRMAN: Thank you.

CHAIRMAN: Good morning Mr. Shortall, thank you for your attendance.

A. Good morning Sir,

Q. MR. COUGHLAN: I think, Mr. Shortall, you have a memorandum of proposed evidence which you furnished to the Tribunal. Do you have it with you in the witness-box?

A. I do indeed.

Q. My intention will be to take you through this memorandum of evidence and then to ask you one or two questions to

clarify matters.

A. Yes.

Q. I think that you have informed the Tribunal in your statement that a petition for the winding-up of Merchant Banking Limited was presented on the 30th April, 1982; is that correct?

A. That is correct.

Q. And that you were appointed provisional liquidator of Merchant Banking Limited on the 4th May, 1982.

A. That is correct.

Q. On the 24th May, 1982, the High Court ordered that the affairs of Merchant Banking Limited be wound up and you were appointed official liquidator.

A. That is correct.

Q. I think you informed the Tribunal that in March of 1989, you applied to the Court to be discharged as official liquidator of Merchant Banking Limited.

A. Again correct.

Q. And that the court initially appointed Mr. Peter Fitzpatrick and you as joint liquidators and that you were later discharged by the court on the 1st May, 1989.

A. That is correct.

Q. And I think that when you were appointed provisional liquidator of Merchant Banking Limited, having examined the books of that bank, you were able to ascertain that Mr.

Charles J. Haughey and Larchfield Securities Limited were, according to the books of the bank, indebted to the bank to

the extent of outstanding loans accounts and you were able to determine the amount of those loans?

A. That is correct.

Q. And I think they stood at that time, indebtedness on behalf of Charles J. Haughey in the sum of €6,541.78?

A. Yes.

Q. And Larchfield was €11,836.74?

A. Yes.

Q. And I think as provisional liquidator, you made demands for payment of the total amount due on each loan account in May of 1982 as records of the book of Merchant Bank Limited is concerned?

A. Yes.

Q. I think that these amounts were paid in full on the 3rd June, 1982, is that correct?

A. That is correct.

Q. And that following your appointment as official liquidator, it was established that an error had been made by Merchant Banking Limited in calculation of interest and the books of Merchant Banking Limited included interest at 12 percent per annum although on examining the Promissory Note, it transpired Merchant Banking Limited had contracted for interest to be charged at 18 percent per annum?

A. Exactly right.

Q. I don't think anything significant turns on that.

A. No.

Q. The additional monies due in respect of interest were

demanded on the 9th June, 1982 and paid on the 16th June, 1982 in the following amounts:

Mr. Charles Haughey, £129.55; Larchfield Securities, £4,717.55, is that correct?

A. That is correct.

Q. And that the total amounts received in respect of the above mentioned loan accounts were therefore as follows:

Mr. Charles Haughey, £6,671.33 and Larchfield Securities Limited, £16,554.68?

A. That is correct.

Q. Now, I think that's the statement you furnished. If you wouldn't mind, I'd like to go through the schedule of documents which relate to the statement.

A. Yes, of course.

Q. For the purpose of evidence, and do you have these with you in hard copy form or I can hand you

A. I have them here, I think I have.

Q. Well the first one I think that we put up is the loan application and I think that's a loan application in the name of Mr. Charles Haughey of I will give you a set if you wouldn't mind, they are the same order I have them.

A. Yes, very well.

Q. Just in case yours are not in that order. (Documents handed to witness.) I think just to establish that these documents are documents which were in the custody of the liquidator of Merchant Banking Limited.

A. That is so, yes.

Q. And the first one is the loan application in the name of Mr. Charles Haughey of Abbeville; isn't that correct?

A. That's correct.

Q. And it goes through the usual matters, his occupation and matters of that nature and there's nothing else filled in on the loan application form other than the loan amount required; isn't that correct?

A. That I am not sure the amount is included in

Q. Sorry, Page 2.

A. Yes.

Q. Loan limit required.

A. Yes.

Q. And the purpose of the loan required is overdraft, it's stated.

A. Yes.

Q. I know you were the liquidator and not the banker, do you know what that actually means, Mr. Shortall, overdraft?

A. Well, that it would be repayable at the behest of the bank.

Q. Yes.

A. And that is all.

Q. Yes. And can I take it that, just from your own general knowledge of the bank at that stage, what type of business in general was that bank carrying out? Was it

A. It took deposits from the local community in the area where the bank operated and it made, it advanced loans to various applicants.

Q. Yes.

A. Who made applications. It was a small operation.

Q. Small operation. Was it running, in general terms, overdraft facilities?

A. Loan accounts and overdraft facilities and general banking nature and it involved itself in some bonding for local corporations.

Q. Yes. Now, I think the next document that was furnished is an internal memorandum, internal office memo and it's from Mr. Bill Kelly to Mr. Simon Gordon, dated 24th August, 1977 and I take it they were two employees of the bank.

A. That's correct, yes.

Q. And the query has just been raised on that, can you advise us the terms or the date for repayment? That's what this memorandum is, just looking for that information, one person to another.

A. Well, this is all I have. Can you advise as to the class of the terms of repayment and there's no response to that. There was an overdraft facility so as I have already mentioned, it would have been at the behest of the bank.

It was simply an OD facility.

Q. But the actual loan application form doesn't specify any repayment terms.

A. That is correct.

Q. Now, have you any idea as to what was going on or did your investigation or did you investigate as to why this memorandum was raised at all?

A. No, not at all. As we see as we progress, there was no

need to.

Q. Yes. Now, I think the next document is a document which is signed by Mr. Haughey which indicates received the sum of œ2,500 cash on Merchant Banking Limited paper. It's received œ2,500 cash from Merchant Banking Limited, the address on the 2nd July, 22nd July, I beg your pardon, 1976 and signed by Mr. Haughey; isn't that correct?

A. That is correct.

Q. And then this is a document then, the next document is a Promissory Note; isn't that correct?

A. That's correct.

Q. And that's dated the 22nd July, 1976, that's the date of the acknowledgment of receiving the sum as well?

A. Yes.

Q. And it's the Promissory Note for the value of œ2,500 together with interest there on it, 18 percent per annum from the date here to the date of maturity.

A. Yes.

Q. Isn't that correct? And there's a reference number at the top, is that just a is there any significance attached to that?

A. I don't believe so.

Q. Okay. And again it's signed by Mr. Haughey, isn't that correct?

A. It is.

Q. And just witnessed by

A. By Simon Gordon.

Q. By Simon Gordon. And then the next document is another Promissory Note, isn't that correct?

A. Yes.

Q. And that's for value received of €6,000, again with interest at 18 percent per annum to the date of maturity and of course this is in respect of Larchfield Securities Limited but it's signed by Mr. Haughey and Mrs. Maureen Haughey as directors of that company, isn't that correct?

A. I am not sure whether the first signature is that of Mr. Haughey.

Q. You are not sure?

A. No. It certainly doesn't have the same characteristics as the previous Promissory Note.

Q. Yes. Do you think it purports to be?

A. I beg your pardon?

Q. Do you think it purports to be?

A. I really have no views.

Q. Right. It does seem to say Charles J. Haughey, doesn't it, signature 1? Maybe you can't decide.

A. It's not very decipherable. It doesn't correspond to the other signatures of Mr. Haughey that I have on the papers.

Q. Well, whoever it is anyway, it's signed on behalf of two people purporting to be directors of Larchfield Securities.

A. That is correct.

Q. And it's witnessed by Mary Boyle, I presume?

A. Yes.

Q. Is that on employee of the bank?

A. I don't know but I presume it would be.

Q. Now, if you wouldn't mind just skipping over the next two pages of the statement of the account at the moment and that is the application form. We only have one page of it, and that's the application form on behalf of Larchfield Securities, isn't that correct?

A. Yes.

Q. And the address is given as being Abbeville.

A. That's correct.

Q. And all that's indicated on that is 'approved', isn't it?

A. That's correct.

Q. Now, if we go to the next document and it's a letter to Mr.

Haughey, Kinsealy and it's re: Larchfield Securities

Limited and it says, it's from Mr. Gordon of the bank, "We

recently advanced a loan of €6,000 to Larchfield Securities

Limited but the paperwork was never completed. We would be

obliged if you would have the enclosed Promissory Note

signed on behalf of Larchfield Securities Limited and

return it to us at your earliest convenience. Would you

also have the signature witnessed by an independent

witness."

So the witness is probably somebody outside and not an

employee of the bank; isn't that correct?

A. Yes.

Q. And what you do have, the next letter dated the 22nd July,

1986 is a letter which does appear well, it's typed as

Mr. C.J. Haughey and the signature above it does appear to correspond with the signature seen earlier on Mr. Haughey's own form.

A. That's correct.

Q. Isn't that correct?

A. That's correct.

Q. And it's addressed to the bank and it says; "Dear Sirs, I wish to confirm a loan of œ6,000 was received by Larchfield Securities Limited from Merchant Banking Limited, Yours faithfully, C.J. Haughey" and written under it is "director". Isn't that correct?

A. Yes.

Q. And again, there's this internal memorandum which is the next document which is raising a similar query in respect of the œ6,000 to Larchfield Securities but again it's perhaps difficult to know why that was done because if we move over again, we see the next document, a Promissory Note, isn't that correct?

A. That's correct.

Q. And for that reason, you saw no need to make inquiries as to why this particular memorandum should have come into existence. You had a Promissory Note

A. Not at all, it was purely to probably to regularise the absence of the Promissory Note being more precise about the maturity date.

Q. Yes. The next document then was just an enclosure to Mr. Gordon. It's from Abbeville.

A. Yes.

Q. Enclosing the Promissory Note to Mr. Gordon on behalf of Larchfield Securities and it's initialled in typescript 'C.J.H.'.

A. Precisely.

Q. Now, I want to very briefly, Mr. Shortall, put up the account statements in respect of Mr. Haughey's loan and Larchfield Securities loan. I do not intend going through them in great detail but just to establish that, if you could,, that in the period of the loans, there appear to have been no demand made, is that correct?

A. That is so, that would appear to be the position.

Q. In the first instance, if we put up the account statements of the loan to Mr. Haughey of the œ2,500 which are pages number 6 and 7. It's on the monitor now, and that is the interest being added, is that correct?

A. That's correct, yes.

Q. And just to confirm there were no payments made in respect of that loan over that period?

A. That's correct.

Q. On either interest or principal and likewise, page 14, if we could, this is the Larchfield Securities. Similarly, it shows the principal and the accumulation of interest, and the fact there is no payment made in respect of principal or interest in respect of that particular one either over the period up to when you became involved in the matter and from your examination of the records of the bank, we can

take it that there was no demand made either?

A. That is actually the position, yes.

Q. I think I'll just go on to the next page, it's just that the total due is œ16,000 odd in respect of that particular one. If I could now move to document number 19, which is your letter as provisional liquidator; isn't that correct, dated the 17th May, 1982?

A. Number, what number?

Q. Number 19, your letter to Larchfield Securities Limited. It's paginated at the top, you may just see a circle around it.

A. My number 90 is my letter to Mr. Traynor.

Q. Yes, it may be our internal number now. Do you have a copy of your letter to Larchfield Securities? It's written by you on the 17th May, 1992 when you were the provisional liquidator.

A. Where is the pagination written down? Is it the bottom right hand?

Q. Sorry, it's 17 on the bottom and 19 on the top. I beg your pardon, it's my mistake.

A. I have it, yes.

Q. And it's a letter addressed to Larchfield Securities Limited and you are informing him that a petition for the winding-up of this banking company was presented on the 30th April, 1992. The petition is scheduled to be heard by the High Court on the 24th May next. In the meantime, the High Court has appointed me as provisional liquidator and

at that time it appears from the bank records that as of the 30th April, 1992, you are indebted to the sum of œ11,636 and it's now due payable by you and you request payment for the amount. Your cheque or draft should be made payable to the bank at this address and you say interest continues to accrue on the amount due on a day-to-day basis and in accordance with arrangements with you and the bank, your payment in settlement should therefore have accrued interest from the 1st May, 1982 date of payment. Inquiries should be addressed to the above address." You sent that to Larchfield.

A. I did.

Q. And then the next document is a letter from Mr. Traynor to Mr. Shiels of Coopers & Lybrand, isn't that correct and it's "re: Merchant Banking".

A. That's correct.

Q. "Dear Mr. Shiels, in connection with Merchant Banking and C.J. Haughey, I refer to our recent discussions and am enclosing herewith cheques to clear the balances as follows:

Larchfield Securities, œ11,836.74.

C.J. Haughey œ6,541,78.

I would be grateful if when acknowledging receipt, you would confirm the date on which the principal sum involved in each case originated and also if you could let me have a photostat of the Promissory Notes you mentioned were involved.

Yours sincerely, Mr. Traynor."

A. Yes.

Q. And then I think you wrote to Mr. Traynor, is that correct?

A. That's correct.

Q. On the 9th June, 1982?

A. Yes.

Q. And it's re: The loans of Larchfield Securities and Mr.

Haughey. And you say; "Dear Mr. Traynor, thank you for

your letter of the 3rd June, 1982 enclosing cheques as

follows:

Larchfield Securities, œ11,836.74.

C.J. Haughey, œ6,541.78.

I enclose herewith copies of the Promissory Notes which

give rise to these loans. I also enclose copies of the

ledger cards and you will note that interest of the loan to

Larchfield Securities Limited originally calculated..."

In the ledger card it was being calculated, do I take it,

on ordinary bank interest of 12 percent, is that what would

seem to

A. I don't know why they charged 12 percent but they did. It

wasn't in accordance with the arrangements with the

customer of the bank.

Q. It didn't relate to the Promissory Note anyway.

A. No.

Q. But that may give rise to an explanation why this

particular query was being raised within the bank.

A. Probably so but that's just conjecture.

Q. Yes. "... as the Promissory Note states 18 percent, I have had to recalculate the amount due. Thus the Larchfield Securities Limited ledger, calculated at 18 percent, shows a balance as of the 8th June, 1982 of £4,699.40. You will further note that on the loan to Mr. C.J. Haughey, there's balance outstanding of the 8th June, of £129.04.

I should be obliged if you with a let me have cheques for the above sums, that is for Larchfield Securities in the sum of £4,699.40 and Mr. C.J. Haughey in the sum of £129.04. Interest will continue to accrue at 18 percent on both these loans until final repayment has been made.

Consequently I shall be obliged if you would, on the date of repayment, contact me so I can tell you the exact sums that are due as of that date.

Yours sincerely, for and on behalf of Merchant Banking,

P.F. Shortall

Official Liquidator."

Then I think Mr. Traynor then writes to Mr. Shiels on the 16th June, 1982, "Dear Mr. Shiels, with reference to Paddy Shortall's letter of the 9th June and my secretary's telephone call to you this morning, I now have pleasure in enclosing herewith two drafts, one from Larchfield Securities in the sum of £4,717.94 and one from C.J. Haughey in the sum of £129.55 to clear the balances due." That's the accruing of interest up to that morning when the

telephone

A. Correct.

Q. When it had been communicated over the telephone. "And one for Mr. Haughey in the sum of €129,000.55 to clear the balances due. Yours sincerely, P.J. Traynor," or J.D.

Traynor," I beg your pardon.

And then finally, in the documents is a letter from you, dated the 21st or the 17th June, 1982 to Mr. Traynor at

Guinness & Mahon and it's re: The loan accounts of

Larchfield Securities and Mr. Haughey. And what you are

doing is you are acknowledging receipt, isn't it, of the

two cheques for €4,717.94 and €129.55 in respect of the

balances due from Larchfield Securities Limited and Mr.

C.J. Haughey Limited and you confirm both loans have been

discharged in full and you thank him for his assistance in

dealing with the matter.

A. That is correct.

Q. And that's the end of your involvement as far as you are concerned in relation to this particular matter?

A. It is indeed, yes.

Q. Thank you very much indeed.

CHAIRMAN: Nothing arises? Thank you very much for your attendance, Mr. Shortall.

A. Thank you.

THE WITNESS THEN WITHDREW.

MR. COUGHLAN: As you know, Sir, as Mr. Healy referred to

in his outline statement this morning, Mr. Patrick Gallagher is unable to be in attendance at the moment but did furnish the Tribunal with an affidavit relating to this particular transaction and we know from correspondence from Mr. Haughey's legal advisors that they have no objection to this affidavit being opened at this stage in the Tribunal's proceedings so it's my intention at this stage, because it seems to fit in to the sequence of evidence, to open Mr. Gallagher's affidavit to the Tribunal now.

CHAIRMAN: And as Mr. Healy indicated, the possibility is held over there may be subsequent testimony from the witness.

MR. COUGHLAN: That is so, Sir. I wonder Sir, it's at tab 14. It's entitled, it's in the Tribunal of Inquiries (Evidence Act) 1921 and 1979, No. 2 Order 1997 (Payments to Messrs. Charles Haughey and Michael Lowry). Affidavit of Patrick Gallagher.

If we put it on the screen.

"I, Patrick Gallagher of Afton Grove, Nordhook, 7982 Capetown, Republic of South Africa.

1. I beg to refer to the statement already made by me to the Tribunal on the 20th day of May 1999.

2. I had no recollection of the loan, the subject matter of the letter from the Tribunal office to my solicitor

dated 28th June, 1999 when I made this statement.

3. My recollection of the loan by Merchant Banking Limited to Mr. Mr. Haughey/Larchfield Securities Limited, is somewhat vague and I am only able to recollect some of the details from the correspondence now furnished by the Tribunal to my solicitor.

4. From what I remember, Mr. Haughey came to my office in or about the month of May, 1976 and informed me that he required a loan to build a house for his daughter Eimear in Kilmuckeridge, County Wexford.

5. I agreed that Merchant Banking Company would lend the money to Larchfield Securities Limited, Mr. Haughey's company. I cannot now recall the details of the loan and I am uncertain as to why it was for two separate amounts of €2,500 and €6,000. It has been pointed out to me by my legal advisers that the loan contained unusual features in that the bank did not receive any security except a Promissory Note signed by Mr. and Mrs. Haughey and there was no schedule of repayments.

6. I am also aware that no demand was ever made by Merchant Banking Limited for the repayment of this loan and I accept that this was also unusual. I would say as I have stated in my previous statement, I held Mr. Haughey in very high esteem. I trusted him implicitly and I never considered that the monies would not be repaid when he was

requested to do so. I note from the letter dated 28th June, 1999 from the Tribunal to Mr. Michael Fitzsimons, that this in fact turned out to be correct in that the loans were repaid in 1982 on foot of demands for repayment made by the provisional liquidator of the bank.

7. From memory, internal queries raised on the part of the banking staff with regard to these loans would have been referred to me if and when they arose.

8. This loan was not part of the €15,000 given by me to Mr. Haughey and referred to in my earlier statement"

And that's sworn by Mr. Patrick Gallagher at 15 Upper Fitzwilliam Street in the County of the City of Dublin on the 2nd July, 1999 before a practicing solicitor and to whom the deponent was known. Just for the sake of clarification, Sir, I point out the €15,000 referred to in paragraph 8 is a cumulative sum of €3,000 or thereabouts, per annum which Mr. Gallagher indicated he had given to Mr. Haughey during the 1970s.

CHAIRMAN: You will be referring to this in the

MR. COUGHLAN: That is right.

MS. O'BRIEN: Mr. John Trethowan please.

MR. JOHN TRETHOWAN , HAVING BEEN SWORN, WAS EXAMINED AS

FOLLOWS BY MS. O'BRIEN:

Q. MS. O'BRIEN: Thank you, Mr. Trethowan, I think you are a senior financial I think you are a senior manager of National Irish Bank Limited and I think you are attached to the Head Office in Dublin?

A. That's correct.

Q. And could you tell me when did you first join National Irish Bank or its predecessor?

A. Well, I am part of National Trading Group which is a parent company and I arrived in Dublin at the 31st March, 1998.

Q. 1998. You have been asked by the Tribunal today to give evidence in relation to the documents which the bank has retained in relation to a loan which was advanced to Mr. Haughey in December of 1980.

A. Yes.

Q. And I think you have provided a summary of evidence to the Tribunal in relation to the documents that the bank has in its possession.

A. That's correct.

Q. I wonder if you have a copy of that document before you?

A. I have.

Q. Perhaps I will take you through it initially and we can put the extract from the bank's ledger book on the overhead screen and we can refer to that in some detail. I think you have informed the Tribunal that you are a senior manager of National Irish Bank Limited and its Head Office in 7-8 Wilton Terrace, Dublin 2 and that is one of the subsidiaries of National Irish Bank Limited is National

Irish Investment Bank Limited and I think you say this was known as Northern Bank Finance Corporation prior to 1988. I think you say that at present, the business of National Irish Investment Bank is mainly leasing but that in the 1970s and 1980s, it was a Merchant bank under its former name of Northern Bank Finance Corporation Limited and under that name I think that the loan which we are dealing with today was advanced?

A. Yes.

Q. You stated that you requested - to the Tribunal - with the consent of Mr. Haughey, you directed a search of the bank's records to confirm what accounts were held in the name of Mr. Haughey and as a result of these searches, the bank produced documentation to the Tribunal to indicate that a loan was made to Mr. Haughey on the 30th December of 1980 and the bank has been requested to give details of this loan. I think you say that the bank has located very limited records of the loan, that you traced an account ledger sheet, a copy of which you have attached to your summary of evidence and you say a copy had previously been furnished to the Tribunal. You say further to the bank searches have not located any other records of the loan which is not unusual. You have informed the Tribunal that the loan was repaid in full sixteen and a half years ago and the file would have been deemed obsolete and disposed of as confidential waste many years ago in accordance with the bank's document retention policy.

When you refer there to the file, what you were referring to would have been the customer file held in relation to this account?

A. That's correct.

Q. In the ordinary course that would have included facility letters, bank authorisations, any correspondence and full copies of statements of accounts; is that right?

A. Correct.

Q. And having regard to the bank's destruction policy, when do you imagine that file must have been destroyed in the ordinary course of application of that policy?

A. The ordinary length of time we hold documentation after it becomes live is six years so it could have been around about 1988.

Q. 1988, so the six years would run from the date on which the loan was cleared?

A. Correct.

Q. Now, I think if we put the account sheet up, these are extracts from your ledger sheets and these would be the bank's original ledgers, is that correct, and what's the bank's destruction policy in relation to these ledgers, they are still being retained for a number of years?

A. I think it was a stroke of luck rather than anything else that we had actually this documentation available.

Q. This documentation, was it within the ledger for that time or an extract from the ledger? Was it simply retained as a

copy? I am saying was the original ledger dating from 1980, 1981,, had that been retained by the bank?

A. Yes, I have the originals here.

Q. Is the entire dating from those years or just the copy extract?

A. This actual ledger sheets that I have here cover the complete term of the loan and the transactions.

Q. Now, I understand what you are saying, Mr. Trethowan, but what I am trying to get at, do you still have in the bank the original ledgers for all loans or substantially all the loans advanced from that time?

A. I cannot answer that question because I was furnished with just the ledger sheets.

Q. Thank you. We will put them on up the screen now and I think there's three pages in all from the extract, isn't that right?

A. Right.

Q. And if we start I think with the first page, you will see it's headed 'Term Loan Account' and it's in the name of Mr. Haughey and I think four lines down, the details of the loan are given, €150,000, beside that, the date of repayment which was initially I think the 11th January 1982, and the term of the loan is stated at one year.

A. Correct.

Q. And I think you have indicated in your Statement of Evidence that there's a note on the ledger to indicate that that term was extended for a further year and converted

into a two year term. I am not quite clear where that note is, perhaps you could indicate.

A. Just in that area at the top of the sheet where it's indicating the note had been extended further.

Q. Where it says 'review January '83', that is it?

A. Yes.

Q. I think below that then, it says in manuscript hand that interest was payable on the 30th April and the 31st October and interest I think is 1 percent over the bank's base rate.

A. Yes.

Q. Is that correct, plus RAC, could you assist in that?

A. That is reserve asset costs which is Central Bank mandatory surcharge for liquidity purposes and it's a very small fraction.

Q. It's a small fraction on top of one percent plus the base rate and one percent plus the base rate, would that have been the usual interest rate applied to loans of this type at this time?

A. That's a very normal type of classification for a loan is one over base.

Q. One percent over base and I think below that then there are a number of columns and the first entry on those, the entry is the 29th December the 29th October of 1981.

A. I think page 1 has the 30/12 as the first date.

Q. I think I got it wrong I think it's the 30/12/1980?

A. Yes.

Q. And it shows the first transaction on the account was a debit of £150,000 and that signifies the loan was drawn down on that date and I think the next transaction on the account is the 29th April of 1981 and I think that shows a credit of interest of £7,777.39 so I think that indicates and signifies that interest in that sum was paid on the 29th April?

A. That's correct.

Q. And the next entry, 1st May, and that shows the debiting of the interest to the account and again that's in the same sum?

A. Yes.

Q. I think the balance

A. Its slightly different because interest came in a few days earlier and then we reallocated the smaller amount.

Q. The different amount so, in fact, there was a small credit over and above the payment of interest once that interest payment had come in?

A. Yes.

Q. And I think over the page then, the next transaction on the account was on the 1st November, 1982 when again interest was debited to the account?

A. I think there's a second page now which has a top entry on the 29th October, 1981.

Q. I see, yes, you can put that up, the 29th October of 1981. There was £13,382.62 credited to the account so that was another interest payment in that first year of the term and

then below that, I think the 1st November, 1981 is in fact the interest being debited to the account.

A. Yes.

Q. So in fact again you have the interest payment coming in slightly earlier than the date in which it's due so you had to recalculate the interest debit by some small number of pence?

A. Correct.

Q. Then I think the next transaction is the 1st May of 1982 and it's an interest debit, the half yearly interest of £15,365.36; is that correct?

A. That's correct.

Q. And then below that also on the 4th May is the interest payment being made, again on this occasion is in fact the correct sum of the interest of £15,365.36. I think that was the third interest payment made on the loan. And then the final page I think shows a final interest payment made on the 3rd November, 1982 of £15,871.14.

A. Correct.

Q. And then the full repayment of the loan and the final interest which had accrued on the 4th January, 1983?

A. Yes, that's right.

Q. And I think there the entry for the 4th January, 1983 shows the principal being discharged of £149,981.41 and I think on the bottom right-hand corner and it's a bit indistinct on the copy, you see that interest, further interest had accrued of £4,452.47?

A. That's correct.

Q. And that was also cleared on the same date as the date on which the principal was repaid and I think the total payment therefore received by the bank on the 4th January was €154,433.88?

A. That's correct.

Q. I think you say in your statement that that represents €149,981 of principal and €4,452.47 for interest and that was received by the bank to discharge the outstanding balance and the account was then closed as shown on the account ledger. I think you go on to state as stated above, the bank has no other record of the account and for this reason, you are unaware as to the purpose for which the loan of €150,000 was advanced. And I think you are also unaware as to the source of the repayment or the interest payments that were made to you?

A. Correct.

Q. Thank you, Mr. Trethowan.

THE WITNESS THEN WITHDREW.

CHAIRMAN: No one wishes to raise anything? Thank you for your attendance. It's just gone half past twelve, we will resume at quarter to two.

THE TRIBUNAL THEN ADJOURNED FOR LUNCH.

THE TRIBUNAL RESUMED AS FOLLOWS AT 1:45PM:

MR. COUGHLAN: Ms. Kells please.

SANDRA KELLS, PREVIOUSLY SWORN, WAS EXAMINED AS FOLLOWS BY

MR. COUGHLAN:

CHAIRMAN: Thank you for coming back, Ms. Kells. Of course you are already sworn.

MR. COUGHLAN: Ms. Kells, I think we are going to deal with your fourth memorandum of evidence, is that correct?

A. That is correct, yes.

Q. And it's reasonably lengthy and there are certain documents that we have to show on the overhead monitor, so it may take a little bit of time.

A. Okay.

Q. I think as you have already informed the Tribunal, that you are a certified public accountant and that you commenced employment with Guinness & Mahon on the 16th January, 1989 as a management accountant, that you were appointed financial controller in 1992 and you became company secretary in 1995 and that you are now financial director of the bank, having been appointed to that position in January of 1997, and from that position, you are conversant with the books and records of the bank, isn't that correct?

A. Yes, I am, yes.

Q. I think you have already given evidence in the course of public sittings of the Tribunal on a number of occasions.

A. That is correct.

Q. I think you have been asked by the Tribunal in the course

of this stage of Tribunal's public sittings to give evidence in relation to a series of bank accounts held by Mr. Charles Haughey with the bank and in relation to the sources of the credits to those accounts, is that correct?

A. That is correct, yes.

Q. I think this will also involve evidence in relation to accounts held at the bank in the name of the late Mr. Traynor and also in the names of companies which he, Mr. Traynor, controlled, primarily Amiens Securities Limited and Kentford Securities Limited, is that correct?

A. Yes, yes, that is correct.

Q. And I think the evidence which you are in a position to give in relation to these accounts is based on the contents of files and microfiche records retained by the bank for the last 20-odd years?

A. Yes, and computer records.

Q. And computer records.

A. Yes.

Q. I think you have informed the Tribunal that as of December, 1979 the practice of the bank with regard to the keeping of records was as follows statements were printed either weekly, monthly or quarterly and for deposit accounts, half yearly, is that correct?

A. Yes.

Q. The computer system was a Nixdorf system which was installed in or around 1977?

A. Yes.

Q. Every month, statements were produced and there were at least two copies of each statement made, is that correct?

A. That's right, yes.

Q. The statements were sent to the accounts section in the operation department where the statements were separated, one for the customer, and one kept by the bank?

A. Yes.

Q. The bank's copy was placed in a large lever arch file or they were placed in large lever arch files which were kept alphabetically?

A. That's right, yes.

Q. Statements of all accounts with the banks were produced and there was no procedure in place where customer's accounts would not have a statement generated?

A. Yes.

Q. After a period of three years, the statements were assembled for a 12-month period, then sent outside the bank for microfiching?

A. Yes.

Q. Is the sun in your eyes? Once the statements were microfiched, they were then destroyed, is that correct?

A. Yes, that is right.

Q. The operations department was under the control of a Mr. Padraic Collery who has already given evidence to this Tribunal?

A. Yes.

Q. In 1983, as part of the installation of the IBES banking

software by Guinness & Mahon, a computer software programme was installed which automatically generated monthly statements to tape?

A. Yes.

Q. The tape was then sent externally for transfer of statements to microfiche, is that correct?

A. Yes.

Q. The bank also held a paper file of each customer's relationship. This was retained on site while the relationship was in existence?

A. Yes.

Q. That means it was physically kept in the bank which was then in Dame Street?

A. Yes, for the relationship.

Q. Once the account was closed, the files were kept for 20 years?

A. Yes, from the last dated document.

Q. Now, I think turning to the question of accounts in the name of Mr. Haughey

A. Okay.

Q. I think you have informed the Tribunal that the earliest record of an account in Mr. Haughey's name was in July of 1976.

A. From our records, yes.

Q. In the years from the 1st January, 1979 Mr. Haughey held four operating accounts with Guinness & Mahon, is that right?

A. Yes.

Q. The last of these accounts was closed on the 9th June, 1987 after the crediting of a sum of €285,000 being part of the proceeds of what has become to be known as the Tripleplan cheque?

A. Yes, that is correct.

Q. I think this is a matter on which you gave detailed evidence to the Tribunal on the 29th January last.

A. Yes, that is right.

Q. And that after the 9th June 1987, there were no accounts held with the bank in Mr. Haughey's name either solely for jointly with any other person or persons?

A. No, that is right.

Q. Now, I think in your statement or memorandum of evidence, you now turn to the 1st January, 1979 and you are giving the following details of four accounts from that date in the name of Mr. Charles Haughey?

A. Operating accounts, yes.

Q. Operating accounts. And I think you have informed the Tribunal that the principal account held by Mr. Haughey was a resident current account?

A. Yes, that is correct.

Q. And that as of the 1st January, 1979 the number of this account was 28500/01/50?

A. Yes, that is right.

Q. Due to the introduction of a new computer system in the bank, all account numbers were changed in 1983 and as of

April 1983, the number of this account was changed to

03356000?

A. Yes.

Q. This was Mr. Haughey's principal account with Guinness &

Mahon and the account to which the proceeds of the

Tripleplan cheque was lodged?

A. Yes.

Q. This account closed in June 1987. And the total sum,

according to your understanding of the records, the total

sum credited to this account between the 1st January, 1979

and June, 1987 was €1,245,550.91 Irish?

A. Yes, that is correct.

Q. The second account, the resident current account, number 2

account, number 3356019 was opened in May of 1983 and

closed in January of 1984, is that correct?

A. Yes.

Q. The total sum lodged to the account over that period was

€211,344.50?

A. Yes.

Q. The third account was a resident loan account, 04532/01/11,

was in the joint names of Mr. Harry Boland and Mr. Charles

Haughey, is that correct?

A. Yes, it was.

Q. This was opened in November, 1981 and closed in September,

1984, is that correct?

A. Yes.

Q. Due to the introduction of the new computer system in the

bank, as of April, 1983 the number of this account was changed to 2318008?

A. Yes.

Q. The total sum lodged to the account in those years was œ229,756.82?

A. That is correct.

Q. The fourth account was a resident loan account number 86206/01/11 which was opened from the 2nd September, 1981 to the 1st October, 1981 and the total sum debited and credited to the account was œ74,996.83?

A. Yes, that is correct.

Q. Now, turning to the resident current account number 28500/01/50 and subsequently 03356001

A. 000

Q. 000, I beg your pardon, the bank has been able to retrieve from its microfiche records a full set of statements for this account from the 1st January, 1979 and copies of the statements are available, is that correct?

A. Yes, that is correct.

Q. And at the request of the Tribunal, the bank has extracted from the account statement detail of all credits to the account from the 1st January, 1979?

A. Yes.

Q. That means the money going into the account?

A. That is correct, all lodgments.

Q. The following and I think you then list the following details of credits as recorded on the account statement.

I think we will put this up now.

A. Yes.

Q. This is going to be lengthy, Ms. Kells, but we have to go through this in oral evidence.

A. Okay, that's fine.

Q. The 13/2/1979, there was lodged €15,000?

A. That is correct.

Q. Yes. The 20/2/1979, there was lodged €18,750?

A. Yes.

Q. The 23/2/1979, there was lodged €20,000.

A. Yes.

Q. On the 7/3/1979, there was lodged €3,575.

A. Yes.

Q. On the 12/3/1979, there was lodged €2,425.

A. Yes.

Q. On the 21st September 1979, there was lodged with a value date of the 24/9/79 of €34,998.58.

A. Yes.

Q. Could you just explain value date, the distinction there?

A. Value date would mean that the client, that the funds would be lodged on one date, but they wouldn't actually value, they wouldn't be cleared until the next date.

Q. Yes. On the 26th October, 1979, there was a cheque lodged for which value was given on the 30th October, 1979 of €10,000.

A. Yes.

Q. On the 10th September, 1980, there was lodged and value

given on the same date, isn't that correct?

A. That's correct.

Q. Of £40,000.

A. Yes.

Q. On the 31st December, 1980 there was lodged £150,000.

A. Yes.

Q. On the 4th August, '81 for which value is that right in had been given previously, yes, on the 31st July, '81 there was lodged £33,726.81. On the 12th August, for which value had again been given on the 31st July, 1981 there was lodged £13,726.81.

A. Yes.

Q. On the 4th March, 1982 there was lodged £67,135.37.

A. Yes.

Q. On the 22nd June, 1982 there was lodged £1,000.

A. Yes.

Q. On the 9th September, 1982 there was lodged £100,000?

A. Yes.

Q. On the 13th September, 1982, with value given on the 15th September, 1982 there was lodged £75,000.

A. Yes.

Q. On the 4th January, 1983 there was lodged £200,000.

A. Yes.

Q. On the 10th January, 1983 there was lodged £100,000.

A. Yes.

Q. On the 4th May, 1983 there was a reversal of £20,000.

What does that mean?

A. It was actually a lodgment but it had a description reversal beside it which did not describe the true essence of the transaction.

Q. Could you just explain a reversal?

A. A reversal is something where you are trying to undo a previous entry, but through our investigations on your behalf, we have, on previous occasions come across the use of the word reversal used in relation to a transaction when it was not a reversal. It was purely a description.

Q. Right, so what you have here is in fact a lodgment of œ20,000.

A. Yes.

Q. And if there was a reversal, there would be an unwinding of that particular transaction.

A. Yes, but there wasn't.

Q. That did not happen?

A. No, it did not.

Q. On the 19th May, 1983 there was lodged œ30,000, is that correct?

A. Yes.

Q. And on the 20th January, 1984 there were two lodgements: One for œ500 and another for œ2,447.69.

A. Yes.

Q. On the 8th March, 1984 there were cheques lodged, is that a number of cheques?

A. That's correct, yes.

Q. Of œ1,008.09.

A. Yes.

Q. On the 11th December, 1984 there was lodged œ911.33.

A. Yes.

Q. On the 2nd January, 1985, there was a lodgment of œ326.23.

A. Yes.

Q. And on the 9th April, 1985 there was lodged œ20,000.

A. Yes.

Q. And then we have on the 29th May, 1987 the lodgment of œ285,000, the Tripleplan.

A. That's correct, yes.

Q. Now, I think the Tribunal has requested the bank to produce from its records copies of documents held by the bank relating to the sources of the credits as set out in your table.

A. That's correct, yes.

Q. And I think you have informed the Tribunal that you will deal with the sources of the credits to the accounts for each of the years from 1979.

A. Yes.

Q. Insofar as you can assist the Tribunal.

A. Yes.

Q. And I think that taking the year 1979.

A. Okay.

Q. That there were seven credits to the account in 1979 which were on the 13th February, 1979, œ15,000.

A. Yes.

Q. The 20th February, 1979 œ10,750.

A. Yes.

Q. The 25th February, 1979 œ20,000.

A. Yes.

Q. The 7th March, 1979 œ3,975?

A. Yes.

Q. And on the 20th March, 1979 œ2,425.

A. Yes.

Q. I think you have informed the Tribunal that the bank's ability to produce documentation identifying the source of lodgments or credits to accounts prior to April, 1983 is limited as it is unable to examine individual transactions to show the corresponding debit if the source of lodgment or credit was another customer's account in the bank.

A. Yes, that is correct.

Q. Just, what does that mean in simple terms, Ms. Kells?

A. In simple terms, previous to the installation of our computer system in 1983, we were unable to examine the credits to see what the corresponding debit is. It is only post April 1983 that we are able to interrogate the credits to Mr. Haughey's accounts to see where they were funded from.

Q. You mean you can chase them across

A. We can put a complete audit trail there.

Q. I see. I think you informed the Tribunal that the bank could retrieve copies of account statements which are microfiched to examine those statements with a view to

identifying corresponding debits; however the bank has already retrieved considerable microfiche records from which it is evidenced that statements relating to Amiens accounts being accounts operated by the late Mr. Traynor are not available for this period.

A. Yes.

Q. Just in relation to that, when you say are not available for this period, as far as you are concerned, they should be available for this period?

A. Yes, they should. The practice was that we printed two copies of every statement account and one was sent for microfiching so we should be able to retrieve our microfiche records and produce statements for all accounts.

Q. So it's not that they are not available, because we have heard a lot here about the destruction policy of, particularly the bigger banks, Allied Irish Banks and Bank of Ireland. That wasn't the policy here. You would have expected, when you went to the microfiche, to actually find these records, but they are not there?

A. Yes. We just can't find them. I mean we can find statements for other clients. We can find statements for Mr. Haughey's accounts for 1976 but we can not find statements for the Amiens account but yet we know they are definitely in existence because we can see other paper memos or whatever referring to accounts so

Q. The microfiche records are missing?

A. Yes.

Q. Now, if we might then deal with document number 1. I think you have the hard copies yourself, do you?

A. Yes, I do.

Q. And I think that what you say in your memorandum is that on the 21st September, 1979 there was the lodgment of €34,998.58, is that correct, that it appears from the original file retained from the bank and dating from 1979, that the credit was in respect of a lodgment of a cheque of €34,998.58?

A. Yes, that is correct.

Q. That the bank's file include a copy memorandum dated 20th September, 1979 do I keep saying 1989 there a moment ago 1979. From JDT, being the late Mr. Traynor to POD, being Pat O'Dwyer who was banking manager, referring to a cheque attached to the memo of €34,998.58 and requesting that it be lodged to the account of Mr. Haughey and this is document number 1. I think that is the memorandum, is it?

A. That is correct, yes.

Q. Now, there is some handwritten notation on it. Does that mean anything to you, Ms. Kells? I think the top, is it KI?

A. KI 59 is our internal reference we use for trying to build our records after this exercise.

Q. I see, that's fine.

A. The next one is file, it's just somebody has written on it "File" under Mr. Haughey, with an arrow and the squiggle through JDT is Mr. Traynor's initials confirming the

memorandum.

Q. So it's from that particular document that you were able to realise that this particular transaction had taken place?

A. Yes.

Q. The next document that's available, sorry, relates to 26th October, 1979 æ10,000. It appears from the files retained by the bank that this credit was in respect of a lodgment of a cheque for æ10,000 drawn on the account of Haughey Boland & Company. There are two memos on the bank's files relating to this lodgment. The first is dated 26th October, 1979 from the late Mr. Traynor to Mr. O'Dwyer enclosing a cheque for æ10,000 and requesting that it be lodged to Mr. Haughey's account. That's document number 2.

A. Yes, that is correct.

Q. Again, it's similar. "I enclose herewith cheque for æ10,000 which I should be grateful if you would lodge to the account of Mr. C. J. Haughey."

That's from Mr. Traynor?

A. Yes.

Q. The second document is a memo dated 30th October, 1979 from Mr. O'Dwyer to Mr. Traynor confirming that Mr. Haughey's account was credited with the sum of æ10,000 described as cheque HB & Co, signifying that the æ10,000 was a Haughey Boland & Company cheque.

A. That is correct, yes.

Q. And there we have the actual memorandum itself. It's to

Mr. Traynor from Mr. O'Dwyer, dated 30th October and it's headed "C. J. Haughey". Again, there is some notation there, do you know what that is?

A. It's "File" pointing to Haughey.

Q. And the above account was credited with the sum of €10,000, cheque HB & Co, PAD/SM.

A. Yes.

Q. And because of the absence of microfiche records, those are the documents which you can specifically relate to the year 1979?

A. Yes, and those lodgments.

Q. And to those particular lodgments?

A. Yes.

Q. Now for the year 1980, that you have informed the Tribunal that in the year 1980, there were two credits to the accounts which were as follows A, €40,000 on the 10th September, 1980 and B, €150,000 on the 31st December, 1980.

A. Yes, that is correct.

Q. And I think you say that you understand from the Tribunal that in September, 1980 Mr. Haughey borrowed the sum of €50,000 from Agricultural Credit Corporation. The credit of €40,000 to the account on the 8th September, 1980 but with the value date of 10th September, 1980, may have represented part of the proceeds of this loan. Is that

A. Yes.

Q. And you can confirm that there is no credit to any other

account of Mr. Haughey or indeed the late Mr. Traynor in the sum of €50,000 in September 1980, although the bank records are incomplete as far as the accounts of Amiens Securities are concerned because of the absence of the microfiche?

A. That is correct, yes.

Q. And I think you say that you understand from the Tribunal that Mr. Haughey borrowed the sum of €150,000 from Northern Bank Finance Corporation in December 1980, and that the loan was drawn down on the 31st December. And it may be therefore that the credit to Mr. Haughey's account of €150,000 on the 31st December, 1980 represents the proceeds of that loan.

A. Yes.

Q. And you are in the same position as regards the absence of microfiche or any

A. Records, yes.

Q. Now, in 1981, I think you are able to confirm that there were two lodgments to the account being €33,726.81 on the 4th August, 1981 and €13,726.81 on the 12th August, 1981.

A. Yes, that is correct.

Q. But the bank has not been able to assist the Tribunal in relation to the source of these credits?

A. Yes, they can't find

Q. You can't find any records.

A. No.

Q. Turning to the year, 1982, I think you say that there were

four lodgments to the account in that year. On the 4th March, 1982, €67,135.37. 22nd June, 1982, €1,000 and the 9th September, 1982, €100,000 and the 13th September, 1982, €75,000?

A. Yes, that is correct.

Q. And I think you say that the bank has not as yet been able to assist the Tribunal in identifying the sources of the lodgments being the first three of those lodgments, that's €67,000-odd, €1,000 and €100,000, but that in relation to the lodgment of €75,000 on the 13th September, 1982, that you understand from the Tribunal that in September, 1982 Mr. Haughey borrowed that sum of money from the Agricultural Credit Corporation and that it appears, therefore, that this lodgment may represent the proceeds of Mr. Haughey's borrowings from ACC.

A. Yes, that is correct.

Q. And that you can confirm that there are no other lodgments of €75,000 to any account in the name of Mr. Haughey or Mr. Traynor in September, 1982?

A. From the records available.

Q. From the records available?

A. Yes.

Q. Now, in 1983, there were four lodgments to Mr. Haughey's account and they were on the 4th January, 1983, €200,000?

A. Yes.

Q. And I think you say that it appears from the bank's books and records that this credit may represent the proceeds of

a foreign exchange transaction made on behalf of Guinness & Mahon (Cayman Trust). The bank's files relating to accounts held by Guinness & Mahon (Cayman Trust) include a memorandum dated 4th January, 1983 from DPC, being Mr. Padraic Collery, to JDT, being the late Mr. J. Desmond Traynor, in which Mr. Collery confirmed that he had debited GMCT sundry sub company account with €182,430.85 and credited that sum to GMCT "S" and this is document number 4.

A. Yes.

Q. And as you say that both of those accounts were sterling accounts, the figure €182,430.85 referred to in the memorandum was a sterling figure.

A. That is correct, yes.

Q. The memorandum further concerns that GMCT "S" was debited with sterling €173,600 and that Irish €200,000 was credited as per advice.

A. Yes.

Q. I think you also say that a copy extract statement of Guinness & Mahon (Cayman Trust) sundry sub account number 36561/2/68 shows that on the 5th January, 1983 a sum of sterling €182,430.85 was debited with a value date the 4th January, 1983 and that's document number 5.

A. Yes, that is correct.

Q. What's happening here now, Ms. Kells? Would you just explain to us.

A. Okay. Mr. Collery is basically confirming to Mr. Traynor,

as per his instructions, that he has debited the sundry sub company account as you see it there and he has credited another GMCT account which is sub titled "S". He is basically moving money from the sundry sub company account to the S account within the GMCT structure.

Q. This particular document. Is this showing an actual transaction taking place?

A. The withdrawal from the sundry sub company account.

Q. And you go on to say that a copy extract of Guinness & Mahon sterling account number 49217/02/16 shows that on the 5th January, 1983, a sum of sterling $\text{€}182,430.85$ was credited to the account with a value date 4th January, 1983 and that on the 6th January, 1983 the sum of STG $\text{€}173,600$ was debited from the account in respect of a foreign exchange contract. And we have document number 6.

A. Yes.

Q. What's that showing us now, Ms. Kells?

A. Okay. The first transaction is actually showing the receipt of $\text{€}182,430.85$ which is your credit on the 5th January, and then on the 6th January, the statement is showing a foreign exchange transaction which results in a reduction in sterling of $\text{€}173,600$ and the description FX contract 827351 indicates that this money, this sterling was converted into another currency. It was not paid into another account in sterling, it was converted into another currency.

Q. Another currency.

A. Yes.

Q. And then I think you say that it appears from the memorandum of the 4th January from Mr. Collery to the late Mr. Traynor, that the STG €173,600 was converted to IR €200,000 and that as far as Mr. Collery was concerned, this transaction was completed on the 4th January, 1983?

A. That is correct, yes.

Q. That on the same date, the identical sum was credited to Mr. Haughey's current account document number 7, that's not very easy to see. But that is it being credited to Mr. Haughey's current account?

A. There is a lodgment on the 4th January of €200,000, yes.

Q. You confirm that from an inspection of the bank's records, there was no other account in the bank credited with a sum of €200,000, other than Mr. Haughey's account and the conversion rate used was in line with the market rate on the 4th January 1983.

A. We have examined all accounts for January '83 and we can find no other lodgment for €200,000.

Q. That's the only one?

A. Yes.

Q. Now, I think you have informed the Tribunal that it appears from the accounts statement that there may have been an immediate need for the funds which was credited to Mr. Haughey's accounts as of the same day, namely 4th January, 1983. There was a debit of €154,433.88 to the account with the description NBFC.

A. Yes, that is correct.

Q. The bank's files also include a handwritten note dated 4th January in what appears to be the handwriting of the late Mr. Traynor, Mr. O'Dwyer requesting him to transfer €154,433.88 to Northern Bank Limited, College Green, for the account of Northern Bank Finance Corporation Limited, No. 1 Account, and to debit that sum to account Charles J. Haughey, resident account number that's 28500/01/50 and that's document number 8.

A. That is correct, yes.

Q. And if we just look at the document, in fact you have described it already, haven't you?

A. Yes.

Q. Now, on the 10th January, 1983 there is the €100,000 lodgment?

A. Yes.

Q. And I think

A. Lodged to Mr. Haughey's account, yes.

Q. I think you are able to say that the bank's records do not include any documents which relate specifically to this credit?

A. Yes, that's correct.

Q. But, however, an extract copy of the statement of the bank's account with the Central Bank indicates that on the 7th January, 1983 there was a debit of €100,000 with description AIB SP.

A. Yes.

Q. And if we could just have that that's your Central Bank account?

A. That is your account with the Central Bank.

Q. This transaction has taken place on the 7th January, 1983?

A. Yes.

Q. And I think you say that this signifies that a cheque for €100,000 was specially presented by Guinness & Mahon to AIB for express clearance through the Central Bank on that date?

A. Yes.

Q. And that you can confirm that from the bank's records, there does not appear to have been a credit of €100,000 to any other account held with the bank on or around that date?

A. That is correct, yes.

Q. And can we take it that if it was specially presented, would you expect to find it on that day or very soon thereafter?

A. Yes, that's the whole purpose of special presentation, is that it's pretty much immediate you get value for your funds immediately.

Q. Immediately. And on the 4th May, 1983 there was the €20,000 lodgment, isn't that correct?

A. That is correct, yes.

Q. And I think you say that the bank has not as yet been able to assist the Tribunal with regard to the source of this lodgment, that while the credit is described on the account

statement as a "Reversal," this is not reflected in the account balance and it appears therefore that the description was inaccurate.

A. That is correct, yes.

Q. Then on the 19th May, 1983 you are able to say about a €30,000 lodgment, that an extract copy from the bank's daily input log for the 19th May, 1983 shows that the source of the credit to Mr. Haughey's current account of €30,000 was a transfer from an account in Guinness & Mahon, being account number 2041006, that's document number 10.

A. Yes.

Q. And that this was an account in the name of Amiens Securities Limited and was controlled by the late Mr. J. Desmond Traynor.

A. That is correct, yes.

Q. And that you understand that the Tribunal will be inquiring further into this transfer and that the transfers from the same Amiens account or accounts of Mr. Haughey's at a later stage of the sittings.

A. Yes.

Q. Turning to the year 1984. I think in 1984, there were four credits to the account, is that correct?

A. Yes.

Q. Or to the accounts.

A. Yes.

Q. The first one was on the 20th January, 1984, that was just €500. And the bank has not yet been able to assist the

Tribunal in the source of this credit?

A. We haven't examined this small amount, yes.

Q. On the 20th January, 1984 there was a lodgment of €2,447.69

and you can say that a copy of the bank's daily input log

for the 20th January, 1984 shows that the source of the

credit of this sum was a transfer from Mr. Haughey's no. 2

current account no. 03356019.

A. Yes, that's correct.

Q. That's document number 11.

A. Yes.

Q. On the 8th March, 1984 there was the lodgment of

€1,008.09. The description on Mr. Haughey's account

statement shows that the credit was in respect of cheques

lodged, document number 12, cheques lodged. The bank's

microfiche record of cheques lodged on date do not include

copies of cheques amounting to €1,008.09?

A. Yes, that's correct.

Q. We are now in the period where you do have

A. The records, yes.

Q. Then on the 11th December, 1984, €991.33 and the bank has

not been as yet in a position to assist the Tribunal in the

course of that, that is correct?

A. Yes, that is correct.

Q. In 1985, I think there were two credits to the account in

1985, on the 7th January, 1985, €326.23 and again that has

been gone into yet. You are not in a position to assist

the Tribunal?

A. Yes.

Q. And on the 9th April, 1985 there was a credit of €20,000.

A. Yes.

Q. You are able to say about that copy extract from the daily input log for the 9th April 1985 shows that the source of this credit to Mr. Haughey's account was a debit from an account in Guinness & Mahon, being account number 08116008, and it's document number 13, it doesn't show up too well.

Can I just explain I think this is because these are generated from microfiche records at this stage?

A. Yes, the quality of the records is sometimes questionable, but the original is clearly legible.

Q. Yes. And you say that this was an account in the name of Amiens Securities Limited and was an account controlled by the late Mr. J. Desmond Traynor.

A. Yes.

Q. And you make the same comment about the Amiens Securities. That's a matter the Tribunal will be going into.

A. Okay.

Q. And you say that in relation to a transfer of €75,000 to an account of Celtic Helicopters Limited, that it was from this account of Amiens Securities Limited that the transfer was made to an account in the name of Celtic Helicopters in March of 1985, is that correct?

A. Yes, this is the same account.

Q. The same account?

A. The same account.

Q. And then in 1986, you have no credits to the account.

A. No.

Q. Right. In 1987, there was one credit, and that was the €285,000 and the credit represents part of the proceeds of the Tripleplan cheque and you have already given evidence about that.

A. That is correct.

Q. And that's resident account no. 1.

A. That is correct.

Q. Now, resident account no. 2, number 3356019, I think you say that this was the no. 2 current account in the name of Mr. Haughey which opened in May, 1983 and closed in January, 1984.

A. Yes.

Q. And you say that you can give the following details of the credits to the account as recorded on the account statements.

A. Yes.

Q. And can we just put those up now. I think on the 9th May, 1983 the sum of €30,000 was lodged?

A. Yes.

Q. Again on the 9th May, 1983 the sum of €80,000 was lodged?

A. Yes.

Q. On the 13th May, 1983 the sum of €10,000 of lodged?

A. Yes.

Q. And on the 2nd June, 1983 the sum of €10,000 was lodged?

A. Yes.

Q. And on the 14th September, and value given on the 16th September, 1983 the sum of €80,000 was lodged?

A. Yes, that's correct.

Q. And I think you said that there were five lodgments in all to the account, each of which was in excess of €1,000 and which you set out then as follows, is that correct?

A. Yes, that is correct.

Q. The 9th May 1983, €30,000. And you say that it appears from the bank daily input log that the credit was in respect of a reversed entry in the account and that's document number 14. Again, that's the microfiche copy.

Just tell us again about the reversal?

A. This was to be an in/out, because the debit and credit are actually to the same account. You can see the account number, third column from the right and second column from the right debit/credit. It's purely an in/out transaction. No money has left the account.

Q. I see, so €30,000 is put in and €30,000 is taken out.

A. Yes.

Q. Then on the 9th May, 1983 the €80,000 lodgment, you say it appears from a copy extract from the bank's daily input log for the 9th May, 1983 that the source of the credit to Mr. Haughey's account was a transfer from account 2041006, being an account in the name of Amiens Securities Limited, and this is document number 15.

A. Yes, that's correct.

Q. And that this was the same account from which a sum of €30,000 was transferred to Mr. Haughey's no. 1 current account on the 19th May, 1983 and you understand that the Tribunal will be specifically inquiring into both of the transfers at a later stage of its sittings, isn't that correct?

A. Yes, that's correct.

Q. Then on the 13th May, 1983 there is the credit of €10,000 and you say that it appears from a copy extract from the bank's daily input log for the 13th May, 1983 that the source of the credit of the €10,000 was a transfer from account 02318008 which was an account in the joint names of a third party and Mr. Haughey, is that correct?

A. That is correct, yes.

Q. And then on the 2nd June, 1983 the €10,000 and you say that it appears from the extract sorry, from an extract copy of the bank's daily input log for the 2nd June, 1983 that the source of credit of €10,000 was a transfer from Mr. Haughey's no. 1 current account. That's the no. 1

A. Yes, that is correct.

Q. And then on the 14th September, 1983 the €80,000 credit and that a copy extract from the bank's daily input log for the 14th September, 1983, that day, shows that the source of the credit of €80,000 was a cheque for that amount being, having a sort code 90-00-17, document number 18, and you understand that Mr. Haughey had borrowings from ACC of €80,000 in September, 1983 and that as there is no other

credit to any of Mr. Haughey's accounts or Mr. Traynor's accounts of that sum in September, 1983, it may be that this credit represents the proceeds of those borrowings?

A. Yes, that is correct.

Q. Just so that we can break from the figuring for a second, so that the public understand. Could you just tell us what the daily input log is in general terms?

A. I made earlier reference to our ability to trace transactions. The daily input log records all the debits and credits for any transactions processed across accounts within the bank so if we want to look at a transaction on an account, we want to trace it to another account, because obviously your debits and credits have to equal, we will go to our daily input log report and we can identify, by looking at the account number, that was sourcing from, where the other side of the transaction was to.

Q. Now, account number 02318008, I just want you to refer to this as being a joint account Mr. Haughey and another person at the moment, if you wouldn't mind.

A. That's fine.

Q. And I think that you know that this was a joint account which opened in November, 1981 and closed in September, 1984?

A. Yes.

Q. And that you have been able to ascertain that the following are the details of the credits as recorded on the accounts statement and those are on the 18th January, 1982, value on

the 21st December, 1981, £53,897.76?

A. Yes.

Q. Ms. O'Brien has just asked me to ask you, was that probably a cheque?

A. It probably was a cheque or it was certainly monies that we had received and had not been lodged to the account for a period of time and whoever was processing the lodgment felt obliged or honour bound to give the client value for the monies pre-Christmas, being the 21st December, as opposed to the transaction actually being processed on the 18th January, 1982.

Q. It's not the usual generosity one sees in banks, is it?

A. Not normally, no.

Q. Now on the 5th May, 1983 there was lodged £10,000, isn't that correct?

A. That's correct, yes.

Q. On the 20th January, 1984 with value on the 19th January, 1984 there was lodged £50,000.

A. Yes.

Q. Here again we see a value being given, isn't it, on the day prior to

A. To the transaction being processed, yes.

Q. And on the 11th September, 1984 there was lodged £11,859.06?

A. Yes.

Q. I think you said that there was four credits posted to the account in all and that the details are as follows

dealing with the €53,897.76, that the bank has not been able to assist the Tribunal in relation to the source of this credit?

A. No, we can't find it.

Q. And the €10,000, on the 5th May, 1983, a copy extract from the bank's daily input log for the 5th May, 1983 shows that the source of this credit was a transfer from account number 2041006 being the Amiens Securities account from which transfers were also made in May, 1983 to Mr. Haughey's no. 1 and no. 2 resident current accounts.

A. Yes, that's right.

Q. That's document number 19.

A. Yes.

Q. The credit for €50,000 on the 20th January, 1984, that a copy extract from the bank's daily input log for the 20th January, 1984 shows that the source of the credit of €50,000 was a transfer of €50,000 from account number 70086028, document number 20.

A. Yes.

Q. And that this was an account held with the bank in the name of the late Mr. J. Desmond Traynor and you understand that the Tribunal will be inquiring further into this transfer at a later stage of its sittings.

A. I believe so, yes.

Q. Then the credit of €115,859.06, that the bank's daily input log for the 11th September, 1984 shows that the source of this credit was a debit from account number 03356000 which

was Mr. Haughey's no. 1 resident current account.

A. Yes, that is correct.

Q. That's the first account we dealt with today.

A. Yes.

Q. And that's document number 21. We now turn to the, what's described as loan account number 86256/01/11.

A. Yes.

Q. And that this account in the name of Mr. Haughey was open from the 2nd September, 1981 to the 1st October, 1981 and that the details of the credits as recorded in the account statements show that on the 1st October, 1981, there was lodged the sum of €74,996.83?

A. Yes.

Q. And you say that there was a single lodgment on that date and that there are no documents in the bank's books or records relating to the source of this credit. However you understand that that sum was advanced to Mr. Haughey by ACC bank in October 1981 and the credit may represent the proceeds of that borrowing?

A. Yes, I understand so.

Q. You say that between the years from 1979 to June, 1987 there were substantial bad debit balances on Mr. Haughey's accounts where there is no record of any facility letter having been forwarded by Guinness & Mahon to Mr. Haughey during those years, there is a copy of a minute of a decision of the bank's credit committee authorising a facility of €200,000, document number 22?

A. Yes, that is correct, yes.

Q. What does that show us, Ms. Kells?

A. This is an internal document which we would use on a loan file and it would indicate that the facility has been approved at credit committee within the bank to provide a credit facility on behalf of a client. And in this case we can see the credit facility is €200,000 and we can see the rate is a base rate. It's for personal purposes.

One year facility. Requirement is for cashflow commitments. It's unsecured, which means we have no security for the facility of €200,000 and the reference, it's partially obscured on the lower left-hand side corner, but details of the proposal, it just on the original documents is reference JDT, which means that Mr. Traynor must have provided at the credit committee a verbal explanation, a verbal explanation of the facility and what it was required for and it shows that it's number 367, so if I go to the credit committee minutes, I can see it's minute number 367 and it was approved by Michael Pender on the 3rd April, 1985.

Q. Who was Michael Pender?

A. Michael Pender, I believe, was a director at that stage. He certainly was our managing director when Mr. Traynor resigned from the company in later years.

Q. I think you say that in your memorandum that after June, 1983, there were only occasional small drawings of Mr. Haughey's no. 1 account with the exception of the

transfer of the €115,859.06 on the 11th September, 1984 to Mr. Haughey's joint account and that that account was then closed and a debit on the 3rd May, 1985, described as Haughey Boland, which appears to be met by a credit of €20,000 to the account on the 9th April, 1985.

A. Yes, that is correct.

Q. You say similarly, after September, 1983, there was only one small debit to Mr. Haughey's no. 2 resident account which was closed on the 20th January, 1984?

A. Yes.

Q. Mr. Haughey's joint account with the party I don't wish to mention a name at the moment was closed in September, 1984 and prior to that, there had been no drawings on the account with the exception of interest from the previous January of 1984?

A. Yes, that is correct.

Q. And you say that apart from a single debit to Mr. Haughey's no. 1 account of €20,000 on the 3rd April, 1985, described as Haughey Boland, there were no debits to accounts in Mr. Haughey's name of round sum figures or of sums described as Haughey Boland from January, 1984 to June, 1987 when his no. 1 account was closed?

A. That is correct, yeah.

Q. Yes, there are a couple of debits I have been asked to refer you to and I don't know if you have the hard copy of this, Ms. Kells, we'll put them up on the screen.

(Document handed to witness.)

I think you have been asked to look at the resident current account of Mr. Haughey, the statement dated 7th May, 1981.

A. Yes.

Q. And there are a number of debits. There is one particular debit which I'd just ask you to look at and it's the 28th April, 1981 and it's NBFC, €7,777.39.

A. Yes.

Q. Could you just tell us what that means to you?

A. We interpret it, it's a payment to NBFC given that there are other transactions with Northern Bank Finance Corporation, I think it's safe to assume it's Northern Bank Finance Corporation so it is payment dated 28th April, 1981 to Northern Bank Finance Corporation of €7,777.39.

Q. Then if you would pass to the statement dated 7th November, 1981. Again, there is a particular date on the 29th October, 1981, what does that mean to you?

A. It means it's a draft payable to Northern Bank Finance for €13,382.60 dated 29th October, 1981 from Mr. Haughey's account. From Mr. Haughey's account, yes.

Q. Then there is a statement date of the 7th May, 1982. There is a transaction there described taking place on the 3rd May, do you see that?

A. Yes. Payment again to Northern Bank Finance Corporation €15,365.36 from Mr. Haughey's account.

Q. And then finally, statement, again is that the 7th November, 1982?

A. Yes, it is.

Q. Northern Bank Finance Corporation again. Is that Mr. Haughey's, a payment to them from Mr. Haughey's account of €15,871.14?

A. Yes, in November, '82.

Q. I know there are other matters, Ms. Kells, that you are asked to give evidence about, but I am afraid we can't deal with them at this particular sitting so we'll have to ask you to come back again, because

MR. CONNOLLY: I have no questions, Chairman.

CHAIRMAN: Ms. Kells, you have gone to very considerable time and trouble and made your professional expertise available to the Tribunal at a time when it may not have been altogether convenient and I can assure you that I and my legal colleagues in the Tribunal appreciate it very much.

A. Thank you very much. Thank you, Sir.

THE WITNESS THEN WITHDREW.

MR. COUGHLAN: Because we were able to get through Ms. Kells' evidence much quicker than we anticipated, Sir, we don't have another witness for the rest of the afternoon.

CHAIRMAN: Tomorrow at half past ten.

MR. COUGHLAN: Tomorrow.

THE TRIBUNAL THEN ADJOURNED UNTIL THE FOLLOWING DAY,

FRIDAY, 9TH JULY, 1999 AT 10:30AM.