

THE TRIBUNAL RESUMED AS FOLLOWS ON FRIDAY, 16TH JULY, 1999

AT 10:30AM:

MR. HEALY: Morning, Sir. You will recall that when Mr. Coughlan made his opening statement, I think it was on Wednesday, he referred to a number of cheques which had been drawn on the account of the Irish Permanent Building Society, some of which had been made out to the Fianna Fail party and some of which had been made out to other political parties and some of which had been made out to Mr. Charles Haughey personally. And in his opening statement, he mentioned that the Tribunal had obtained a statement from Mr. Enda Hogan of the Irish Permanent Building Society concerning this matter. He also mentioned that the Tribunal had sought a statement from, and indeed at that time understood that a statement would be provided by Dr. Edmund Farrell in connection with the matter. Now it wasn't possible at that stage, therefore, to open or to outline the nature of the evidence that was to be or might be given by Dr. Farrell and therefore, very briefly, Sir, I'd just like to give some indication of additional evidence that will be given concerning this matter and which the Tribunal was not able to refer to last Wednesday.

The Tribunal has made contact with or the Tribunal initially made contact with Mr. Hogan and Dr. Farrell concerning this matter and also with Celtic Helicopters.

You will recall, Sir, that in the outline statement,

Mr. Coughlan referred to two cheque payments which I will mention on the overhead projector, if I can in a moment.

Now, these are a 1989 payment. That is a payment of the or a cheque of the 7th June, 1989 drawn on the Bank of Ireland St. Stephen's Green account of the Irish Permanent Building Society and payable to Mr. Charles Haughey. That cheque payment is in the sum of €10,000. Mr. Coughlan, in his outline statement, also referred to another cheque payment in the sum of €20,000, also drawn on the Irish Permanent Building Society Bank of Ireland, St. Stephen's Green account. This is a €20,000 payment dated the 7th June, 1989 and you recall that Mr. Coughlan indicated that both of those cheques were eventually credited to an account of Celtic Helicopters at Dublin Airport, that is to say €30,000 was credited to the account of Celtic Helicopters and within a short time after the crediting of those cheques, a sum of €30,000 was withdrawn from the account.

Now, the Tribunal has been informed by Mr. John Barnicle that the crediting of those sums was by way of an intended prepayment to Celtic Helicopters for flying services but that the intended prepayment was eventually, as it were, cancelled or withdrawn and the money was paid back out by cheque and I understand that the money was paid back to Mr. Haughey.

Now, two further cheque payments or two further related cheque payments have come to the attention of the Tribunal involving connections between Mr. Haughey and the Irish Permanent Building Society and I now want to refer to those two cheque payments. These are two cheque payments which were not referred to by Mr. Coughlan in his opening. If I could have the other one first please the first cheque payment I want to refer to is a payment of the 15th October, 1990. This is a cheque payment in the sum of €25,000 payable to Fianna Fail. It's drawn to the same Irish Permanent account as the two cheque payments I mentioned a moment ago and the Tribunal understands, and hopefully there will be evidence confirming this, that that sum of €25,000 was paid to Fianna Fail and was received by the party for its ordinary political purposes. And as you see from the date, Sir, the 15th October, 1990 was coincident with the campaign for the 1990 presidential election.

If I could come to the other cheque payment which is proximate in date to the payment to Fianna Fail. This is a payment of the 19th October, 1990 and this payment is again drawn on the same account of the Irish Permanent Building Society. This time it's payable to Mr. Charles Haughey and it's in the sum of €10,000. Now that payment was presented at the Dublin Airport branch of the Bank of Ireland some short time after the cheque was drawn and was

credited to the account of Celtic Helicopters and the Tribunal has been informed by Mr. John Barnicle of Celtic Helicopters that the credit which was recorded on the account as a lodgment on the 22nd October, 1990 was subsequently reversed, as it were, by a payment out of the account of the same amount of €10,000 by cheque in the beginning of November the date I can't be clear about from the records that are available to the Tribunal but in any case, it would appear that this was done prior to the 15th November.

Mr. Barnicle has not been able to indicate or to obtain any further information at this point as to who the cheque was paid to and the statement he has provided the Tribunal with is, at the time of speaking, in draft form. I am now told that it has in fact been finalised.

Now, in relation to both these sets of payments in 1989 and 1990, the Tribunal has obtained information from and a statement from Dr. Edmund Farrell and Dr. Farrell has informed the Tribunal that he was associated with the Irish Permanent Building Society from June of 1975 when he was chief executive until May of 1993, when he ceased to be executive chairman of the Society. Dr. Farrell has informed the Tribunal that his response to queries from the Tribunal concerning these cheque payments is based on his memory and on a limited number of documents which the Tribunal has been able to draw to his attention and on one

or two documents which he has been able to unearth himself. But that he feels that his capacity to furnish the Tribunal with information is limited to some extent by the fact that he has not had access to a file which he kept while he was associated with the Irish Permanent Building Society and in which details of payments of this kind were recorded. He believes that if he had access to the file, he would be able to provide a fuller account of his involvement with political donations while he was in the Society.

The Building Society has been asked and its attention has been drawn to Dr. Farrell's impression that such a file exists and despite searches, the building society has not been able to unearth the file as yet. However, Dr. Farrell has informed the Tribunal that the cheques that I have just put on the overhead projector were indeed signed by him. That the two cheques in 1989 made payable to Mr. Charles Haughey personally were signed by him and that they were both delivered by him or sent by him to Mr. Haughey in the following circumstances:

One of the cheque payments which was for €10,000 was intended as a personal contribution to Mr. Haughey's political campaign. The other cheque payment in the sum of €20,000 was intended as a contribution toward the cost of the late Mr. Brian Lenihan's medical expenses in connection with a transplant operation which was to be

carried out in the United States. Both cheque payments were, according to Mr. Farrell, intended as contributions from the Society toward both of those objects, as it were.

Mr. Farrell has not been able to provide the Tribunal with any information other than what he can recall from his memory, without the aid of documents, concerning the manner in which these cheque payments were transmitted to Fianna Fail to Mr. Haughey. He is also dependent primarily on his memory to provide a statement to the Tribunal in connection with the circumstances in which the payments were solicited.

Around the time of the 1989 election, the Society made a number of contributions to the main political parties.

These contributions were made, according to Mr. Farrell, on foot of what he believes were fairly standard letters soliciting contributions from those parties. The request for a contribution to the Fianna Fail party came from Mr. Haughey in the form of a letter and that would have been a fairly standard-type letter, similar, presumably, in kind to other letters sent to other potential contributors. Where the €10,000 payment was concerned however, Mr. Farrell has had to consider why it was the Society felt prepared to make a contribution to the personal campaign of an individual politician and his recollection is that sometime shortly before the cheque was

written, he was attending a meeting at the Berkley Court Hotel relating to the launch or the promotion of the International Financial Services Centre and that Mr. Haughey was giving a speech at that meeting. He says that after the meeting, Mr. Haughey approached him as he was leaving the hotel and informed him that what Mr. Haughey described as the campaign fund was very low. Mr. Farrell referred to the letter the Society had received from Fianna Fail seeking a donation but Mr. Haughey informed Mr. Farrell that he was talking not about the Fianna Fail campaign, but his own personal campaign fund. Mr. Farrell requested Mr. Haughey to write to him about this and he believes, though he can't be sure without access to the file, that this is what Mr. Haughey did. He says that he replied and he enclosed a cheque which was a contribution, as he saw it, to Mr. Haughey's own personal campaign fund.

Where the other payment made in 1989 is concerned, the payment for €10,000, Dr. Farrell's recollection is that he received a telephone call from Mr. Haughey. That in the call, Mr. Haughey asked him to meet him at his office, that the purpose of the meeting wasn't stated but that Dr. Farrell nevertheless went to Mr. Haughey's office where Mr. Haughey explained that the Lenihan family were unable to meet the late Mr. Lenihan's medical expenses. Mr. Haughey informed him that he was setting up a fund on behalf of the late Mr. Lenihan to meet these costs and he

wanted to know whether the Society would consider making a contribution. The Society did make a contribution and that is the basis upon which that cheque was written.

Now, with regard to the two cheque payments made in 1990, Mr. Farrell's recollection is again limited to what he can recall without access to the file, is that the €25,000 payment was a donation made in response to an application in writing by the Fianna Fail party, he believes, for the presidential campaign which took place towards the end of that year. He says he is unable to recall the circumstances in which a cheque was drawn in favour of Mr. Haughey personally in 1990. What he does say, is that he believes that the contribution would have been a political contribution authorised by him in response to a request or an application for such a contribution. He says that he does not believe that any of the Society's donations made to Fianna Fail or to Mr. Haughey at his direction were made for the purpose or with the intent of benefiting Mr. Haughey in any personal capacity.

The Tribunal believes, and in due course anticipates that this will be confirmed in evidence, that the €25,000 payment made in 1990 was received by the Fianna Fail party. As I have already indicated, the €10,000 cheque payment went to the Celtic Helicopters account and where it stayed for a short time before it appears it was paid out of that account.

In examining this matter, the Tribunal has also looked at payments made by the Society to the other political parties at this time and it would appear that as with the payments made with the intent of contributing to the Fianna Fail party funds, the payments made by the Society around this time to the other political parties were also made with the same intention it appears, that they arrived at the destinations to which they were sent, that is to say to the political parties themselves. And the Fine Gael and the Labour Party have so indicated to the Tribunal.

I propose now, Sir, that Dr. Farrell will be called. Then Mr. Hogan and then Mr. Barnicle.

CHAIRMAN: Very well.

MR. HEALY: Dr. Farrell please.

MR. CALLANAN: Sir, I appear on behalf of Dr. Farrell, instructed by O'Grady, solicitors, and I'd ask for a grant of limited representation for that purpose.

CHAIRMAN: I accede to that in the usual basis, Mr. Callanan. Thank you.

DR. EDMUND FARRELL, HAVING BEEN SWORN, WAS EXAMINED AS FOLLOWS BY MR. HEALY:

CHAIRMAN: Please sit down, Dr. Farrell. Before you start your evidence, Dr. Farrell, I think the context for

which has only emerged in the last couple of weeks, I think I am right in recollecting that you and I were at school together, in the dim and distant 1960s in the hand of the good Holy Ghost Fathers?

A. I never saw anybody else who could play soccer as well as Georgie Best, as yourself.

CHAIRMAN: I think we have had no dealings or communications or meetings since those days.

A. There is absolutely no conflict, Chairman.

CHAIRMAN: It seems to me in a necessary and unfolding Tribunal such as this, some such form of incidental contact it inevitable. I don't see a difficulty as regards the Tribunal and may I take it you are of the same view?

A. Absolutely. Just one slight thing, it's only of a personal note. My daughter is a great admirer of your wife. So that's

CHAIRMAN: I don't think that impacts on it at all.

A. She is a solicitor.

CHAIRMAN: We will proceed with the business.

Q. MR. HEALY: Thanks, Dr. Farrell. You have made a statement to assist the Tribunal and what I propose is to take you through the statement, maybe stop to clarify one or two things. The statement is made partly in response to a letter and partly expanding on some of the material in

response to the letter to the Tribunal.

There is just one matter I want to refer to. There are the names of two people mentioned in the statement. They are mentioned in fact purely almost incidentally but the Tribunal has not been able to make contact with them and before you come to their names, I am going to ask you to delete or to avoid any references to their names. If they become germane to the inquiries of the Tribunal, it will be necessary to mention them at some future stage, but I don't think that will arise having regard to the way they are mentioned at this point.

A. Right.

Q. You say you were the chief executive of the Irish Permanent Building Society from June of 1975 until the 31st December, 1992 and that you were subsequently executive chairman of the Society until May of 1993. That is right, isn't it?

A. That is correct, Chairman.

Q. Now, you are referring to the a letter of the 23rd June, 1989 you refer to a letter of the 23rd June addressed to you from the Tribunal of Inquiry and you make your statement in compliance with the request contained in the letter. You say that your response is based on memory and on the documents which have been furnished by the Tribunal and we will refer to some of those documents in a moment. You say that you have not had the opportunity of reading the file of the political donations which the Society maintained and which you refer to later on in your

statement. You say that your solicitors you understand that your solicitors have been told that the Tribunal has sought the file from the Society and that is true and I gather the Society have not, at least as yet, been able to locate such. You say that your response is qualified by reference to the absence of this file. The first queries, I am trying to call up the letter to which you are responding, but I don't think we will need it at the initial stage, to refer to some of the cheques that you are identifying as cheques containing your signature. If I could just have some of these cheques on the overhead projector.

I think you were asked to respond to queries from the Tribunal concerning a number of cheques made out to Mr. Haughey personally and also made out to the Fianna Fail Party, the Fine Gael Party and the Labour Party and I think that you are confirming that your signature, as it appears on all of the cheques that have been referred to in the evidence, was in fact your signature and it was put there by you?

A. That's right.

Q. I think I can shorten that by saying what you are saying in relation to this cheque applies to all of the cheques to which we will be referring?

A. That's correct.

Q. We will be only referring to the cheques that have been

brought to your attention.

A. Yes.

Q. You say that these cheques were completed by your secretary and I don't see any need to refer to your secretary at this point because we haven't been able to make contact with her before they were signed by you. Do I understand therefore that your secretary would provide you with a cheque typed out, with the payee typed out, the amount typed out, the amount in figures typed in for you to sign?

A. Together with the letter.

Q. Together with any letter

A. Which I would have dictated to her.

Q. So you would if you required a cheque to be written and to be sent to somebody, you'd simply dictate a letter, your secretary would know that as the letter referred to a cheque to be sent, she should prepare a cheque and you would, when the documents were brought back to you before signing the cheque, you'd make sure that the cheque was or corresponded with the letter with which it was to be enclosed or corresponded with the intentions you had expressed in the letter?

A. Well just to make it complete. She would actually bring back the letter of request from the particular individual or party, my response typed up for signature and cheque similarly to accompany that letter also for signaturing.

Q. Would I be right in saying you'd have, when you were

signing the cheque, you'd have all the backing documentation?

A. Yes.

Q. You were asked which signature went on the cheque first and you say that you cannot recall whether your signature or the signature of Mr. Enda Hogan went on the cheques first but you say that it is more likely that yours was the first signature?

A. Yes. I say that because this, Chairman, was a matter I dealt with which I think we'll come to later perhaps. I mean, the matter of making decisions in relation to political donations.

Q. I see. You feel that as the decision was yours, you'd have gone ahead, decided to make the payment and you would have sought the other signatory purely for the sake of the record or the form in that the Society cheques require two signatories, is that right?

A. Correct, and in practice, if we took another area which I don't want to waste time, but if we took another area, the second signatory would invariably rely on the first person who had written a letter and would rely on the data that accompanied the cheque. If such data was not available, there would be an inquiry by that person.

Q. So the way the practice operated is that the person who put the requisition for the cheque in train would usually sign it first and simply seek the co-signatory or the co-signature of an authorised co-signatory who would assume

that the first person had gone through all the proper steps, is that right?

A. No. I think normally they would see the documentation as well. I can't say that that would be a hundred percent that it was observed in all the cases.

Q. Would you

A. So, in effect, I am saying yes.

Q. If we come to it in a moment, do you think you can recall whether your co-signatory in this case would have been provided with the backing documentation?

A. I actually have no way of knowing.

Q. I see.

A. Perhaps he may recall himself.

Q. Now, you were asked whether you knew of the purpose for which the cheques were being drawn. It's query number 4. You should indicate whether you knew the purpose for which the cheques were being drawn. You say that you were aware that the cheques referred to in 2 A, C and E, and we will come to those in a moment, referred to in the enclosures were political contributions made by the Society to the political parties named therein and those were cheques made out to the Fianna Fail Party, the Fine Gael Party and the Labour Party. The first of those cheques I think is a cheque for €65,000 dated 7th June, paid on the 13th June of 1989, made out in favour of the Fianna Fail Party for €65,000, signed by you and Mr. Hogan. The second cheque, if you have any difficulty finding your own

documents, it should be on the monitor next to you as well.

A. Oh indeed, thank you.

Q. The second cheque is made out in favour of Fine Gael, on the 7th June again, this time paid on the 9th June and the amount of the cheque is €25,000. And we'll just come to the third cheque, the 12th June is the date of this cheque, it's in favour of the Labour Party but paid on the 14th June and it's in the sum of €10,000. You then go on to say that a copy of the cheque referred to at 2 B of the enclosures was a contribution by the Society towards the cost of a transplant operation for the late Mr. Lenihan. That is dated the 7th June, 1989, it's payable to Charles Haughey and it was paid on the 15th June.

Now, the next cheque you are referring to was a contribution by the Society towards Mr. Charles J. Haughey's personal election campaign. That again is dated the 7th June, 1989 and was paid on the 15th June, 1989.

And the next query that was raised with you was whether you were aware of the contents of the cheque stubs in each case and I want to refer to these because they may be of assistance and I think if we describe the procedure that would have been followed in the filling out of these cheque stubs, it may assist in trying to recall, assist you in trying to recall what happened in 1989. You say that you were not aware of the content of the cheque stubs, isn't that right?

A. Correct, yes.

Q. Now, I think what you say is that you believed that your secretary filled out the cheque stub concerning

Mr. Lenihan. That she had typed a letter for you addressed to Mr. Charles Haughey who made the request on behalf of Mr. Lenihan, stating that "On behalf of the members of the Society, we are pleased to enclose a cheque for €20,000 to help meet the expenses of the late Mr. Lenihan's operation." Now, if we look at the cheque stubs on the overhead projector, and I am going to refer to the other cheque stubs apart from this one, but this cheque stub is dated 7th June, 1989. It says C. J. Haughey and then in brackets B. Lenihan and the amount €20,000.

A. Yes. Yes.

Q. You didn't fill it out but your secretary did and what information would she have to fill it out?

A. She would have had a letter written by me when I said dictated earlier, by the way, I should say that it was my normal habit to handwrite letters for typing up.

Q. I see.

A. So from the content of my letter, she would have known the purpose for which the cheque was to be drawn and she would have automatically drawn it and filled the cheque stub accordingly.

Q. If we could just look at some of the other cheques

A. By the way, that habit, to the best of my knowledge, was in place since I became chief executive in 1975. My

secretary, having been employed to the best of my knowledge, from about 1940.

Q. I am not criticising it for one moment.

A. I am just telling you that there was total reliability vested in this individual.

Q. You had never found it to result in any irregularity during all your time associated with the Society?

A. No. And first and secondly, I never had occasion to look at any of these cheque stubs nor when the auditors were carrying out their audits, and their interim audits, were any of these cheque stubs or cheques drawn to the, or to the best of my knowledge, any other director's attention.

Q. Are you suggesting that the cheque stubs and cheques contained enough information for the people who were scrutinizing them?

A. No, I think the file containing the letter of application, my response, and the receipt from the party or individual would have been desirable to them. I don't know if in practice they looked for it.

Q. I see. Just quickly if I can refer you to the other cheque stubs. This is a cheque stub which corresponds with the cheque payment made out to Mr. Haughey on the 7th June, 1989. It says Charles J. Haughey. It looks like in quotation marks, I am not sure, and the word between what I think are quotation marks, "Sub", and the amount is œ10,000. The next one I want to refer you to is the

cheque stub dated the same date, 7th June, this time it corresponds with the cheque, the €65,000 which is made payable to Fianna Fail which is referred to in the cheque stub and again the words used, presumably to describe the purpose of the payment, the word used is "Sub". The next cheque stub relates to the €25,000 payment to Fine Gael on the same date and the word used to describe the purpose of the payment is "Sub" and the last cheque stub, this time dated 12th June, corresponds with the €10,000 cheque made payable to the Labour Party and it's described as "Contribution". Would you recognise all of those cheque stubs as being in the handwriting of your secretary?

A. If I could just check that last one with the previous please.

Q. Yes. Would you like a copy of the

A. No, it's just Chairman, I was looking at these documents last night and I noticed that, in relation to the word "Sub" or the abbreviation "Sub", one of the "S"s was standard and the other was long hand. I don't know if anything turns on it. No. I couldn't say from this that the handwriting was the same.

Q. You couldn't say that it was the same?

A. I could not say.

Q. So you think the handwriting on which stub might not be the same as the handwriting on the other ones?

A. On the Labour Party contribution.

Q. That could be different handwriting?

A. Yes, it's possible that it was filled out by somebody else.

CHAIRMAN: It's a different terminology, I suppose. It's the only one that refers to "Contribution" as opposed to a "Sub".

A. Well I think that would have arisen from the word I used in my letter of response to the Labour Party, Chairman.

Q. MR. HEALY: I don't think anything turns on it, Dr. Farrell, unless you believe something turns on it?

A. Well it is possible there was one other individual in the Society at the time who would have been entrusted in the absence of my secretary with the writing of such cheques and the filling of such stubs, so that if that person was on holidays at the time, then it's possible that the if I don't like to put it this way, the second most senior and trusted female secretary would have filled in.

Q. But

A. It's only occurred to me now.

Q. Would the procedure have been the same in any case, whoever filled it in would have filled it in by reference to correspondence generated by you?

A. Yes.

Q. You go on to refer then to what you believe was a letter by your secretary addressed to Mr. Haughey in connection with the request from him for assistance for Mr. Lenihan and you

say this copy letter was kept in a file in your secretary's office marked "Private". The file contained documents pertaining to applications by political parties for donations. It also contained a copy of the response to those requests by the Society and acknowledgments and receipts in respect of donations from the political parties. From the information contained in the file, your secretary would have been in a position to fill out each of the cheque stubs. You say that the file was kept in a filing cabinet in your secretary's office. You say that it was a file of the Society and was extant when you left in 1993. I take it that by that you mean it was a file of the Society as distinct from a personal file of your own?

A. Yes.

Q. And that it was in existence and in use, I take it, at the time you left in 1993?

A. Well, I might have to qualify that and say that to the best of my knowledge, it was extant when I left in 1993.

Q. And you say that so far as you are concerned, the file ought still to be in the possession of the Society?

A. Absolutely.

Q. And available to the Tribunal?

A. Yes, Chairman.

Q. You then go on to say that your recollection of the identity of the person who made the requests for the cheques, and this is in response to a question from the Tribunal, is that you believe that Charles Haughey, as

president of Fianna Fail, signed the letter of application and I take it that that is for the €65,000 cheque.

A. Yes, that's correct.

Q. Now I think the Tribunal has brought to your attention a letter on Fianna Fail headed notepaper signed by Mr. Haughey dated 29th May, 1989.

A. Yes.

Q. Which the Tribunal believes is the type of letter that Fianna Fail would have sent out at that time seeking contributions. And is that letter the kind of letter that you think or a copy of the exact letter that you would have received at the time?

A. Yes.

Q. What it says is "As you will be aware, a general election has been called to take place on the 15th June, 1989, coinciding with the European election." It goes on to say that "Fianna Fail is seeking an overall majority in Government to enable it to complete successfully their work of national recovery, that great progress was being made in improving the public finances and the general economy so as to create a basis for strong and sustained economic growth in the years ahead to enable Ireland to complete successfully... accelerated by maintaining financial competence and political stability."

It goes on to say "I hope you will be able to help us conduct a full-scale successful campaign by making a generous contribution to our election fund. Please send

your subscription to me personally at Fianna Fail

Headquarters, 13 Upper Mount Street, Dublin 2."

I want to pass on to a letter which seems to be your response to the request from the Taoiseach. In as much as, from the notations on the letter, it seems to refer to the cheque payment for €65,000 and is certainly dated the same day and it has your reference and that of your secretary. Do you recognise that letter? It's on the monitor and I can give you a hard copy if necessary.

A. Yes, you have furnished to me and I did recognise it and do recognise it.

Q. It says "Personal: Strictly Private." It's addressed to An Taoiseach, Mr. Charles Haughey. You will note that it's addressed to the Taoiseach at the Department of Taoiseach in Dublin 2 and not to Fianna Fail Headquarters. Now, I don't think anything significant turns on this because the money, as far as we understand, was received by Fianna Fail in June of 1989. But can you think of any reason why you would have addressed it to the Taoiseach at

A. Well, I wouldn't have addressed it in fact. I would have written my letter of reply, handed it to my secretary, together with the letter itself, the letter of application, and she would have typed the address.

Q. I see.

A. But I am fairly pedantic and surprised that I didn't pick

it up.

Q. It says "Dear Taoiseach, thank you for your recent letter which I received on my return from the US. I agree with the sentiments expressed therein and on behalf of the Society, I have pleasure enclosing herewith subscription. Best wishes, yours sincerely Edmund A. Farrell." At the bottom it says, "Enclosed, œ65,000."

A. Yes.

Q. You then go on to say that the background to the payment of the cheque which you intended for Mr. Brian Lenihan was that sometime before the payment, you received a telephone call from Mr. Charles Haughey requesting you to meet him at his office. He did not state the purpose of the meeting. You say that you then met him in his office and he explained to you that the Lenihan family were unable to meet Mr. Lenihan's medical expenses. Mr. Haughey informed you that he was setting up a fund on behalf of the late Mr. Lenihan to meet the costs of his operation and he inquired whether the Society would consider making a contribution to the same. You immediately informed him that the Society would be prepared to make a contribution. You then inquired as to whom the cheque should be made payable. Mr. Haughey replied "To myself". You say that you believe that he added that he had only approached a small number of people to contribute to the fund. You say that following the meeting, you then forwarded the cheque in a letter to Mr. Haughey in the

manner which you have already described in evidence.

A. The only qualification on that is that memory, not being a hundred percent, he may have said it was his intention to only approach a small number of individuals or institutions.

Q. I see.

A. And my inference was that he felt it was not necessary to set up an elaborate system, such as a nominated bank account, to deal with such, if any, subscriptions received.

Q. Did he give any indication of the amount of money that would be required to provide this assistance, not just from you, but the amount in all?

A. No, he did not.

Q. If he didn't give any indication of the amount of money that was required, what point was there, do you think, in his telling you that he had only approached or only intending approaching a small number of people?

A. I assume that I have been told never to use that word I thought at the time that he would approach people whom he believed would be able to make a fairly substantial donation.

Q. There wouldn't be any other point in indicating that only a small number of people were being approached unless it was to convey that what was required was a fairly generous contribution, wouldn't that seem reasonable?

A. It would seem reasonable.

Q. And you are quite certain that he didn't mention the

overall sum of money that was required?

A. He never mentioned a sum of money to me ever.

Q. I see. And when you received that telephone call, do you know where you were? Were you in your office or were you in your home?

A. I believe I was in my office.

Q. And in response to the call, did you immediately go to his office or did you make an appointment?

A. To the best of my recollection, I went down to his office that morning and it may well have been the morning prior to the signing of this particular cheque, because I know I dealt with it as a matter of urgency because at the time, the matter was very topical and, in particular, the cost in the media, I believe the cost was mentioned or the likely overall cost and from memory, it ran into hundreds of thousands, whether pounds or dollars, I can't recall, but certainly the speculation in the media was that it was an extremely expensive undertaking.

Q. Did you receive an acknowledgment of the cheque from Mr. Haughey?

A. I don't recall.

Q. At the time, would your office have been near Mr. Haughey's office?

A. Stephen's Green to Kildare Street, yes, that's fairly

Q. Short trip?

A. Short trip.

Q. Just for a moment, digressing, you say that you do not

recall who in Fine Gael made the application for a political donation but you believe that this information was, is on the file to which you have already referred.

A. Yes.

Q. You then go on to refer to the €10,000 payment which is dated 7th June, the same date as the €65,000 payment and made out in favour of Mr. Haughey personally and you say that the background of the payment of this cheque to Mr. Haughey is that you met him shortly before the payment following a speech which he gave, you think, at the Berkeley Court Hotel, relating to the launch of the IFSC.

You say that Mr. Haughey approached you as he was leaving the hotel and he advised that the campaign fund was very low. You say that you referred to the letter which the Society had received from Fianna Fail seeking a donation and he informed you that he was talking about his own personal campaign. You requested him to write to you about this and again, from memory, and without sight of the file, you believe that this he did. You then replied to him and enclosed the cheque which was for a contribution to his own political campaign.

Now, when you say that Mr. Haughey met you at the Berkeley Court Hotel, can you give me an indication whether this was a morning or an evening meeting?

A. I believe it was an early morning promotion, rather than launch because I think it was at commencement effectively or a major part of the Fianna Fail election campaign at the

time.

Q. And what was the attendance at the meeting? Was it open to the public or was it an invited attendance?

A. I have no way of knowing, but I imagine it was well I can tell you the types of individuals who were there without mentioning names.

Q. Yes.

A. Property developers, financiers, bankers, building society executives, media.

Q. So it was, if not an invited audience, it wasn't a public meeting in any case.

A. I don't think anybody would have been barred.

Q. I understand. You say that as you were leaving the hotel, Mr. Haughey approached you.

A. Yes.

Q. Can you say why he approached you? Why you were singled out for an approach?

A. I have no idea.

Q. Did you leave the hotel together, both of you, or did you walk along or did he approach you and detain you for some time while he spoke to you?

A. A little bit of both. What happened was that when he was finished or when the promotion of Fianna Fail, if you like, was finished, Mr. Haughey spoke to various groups and the Building Society was situated at the back of the hall and in due course he arrived down and, I suppose, had a chat with us about matters of the day and how the election was

going or how he thought it would go, that kind of thing.

Q. But he was on his way out of the building at that time.

A. No. Eventually, the hall emptied and I found myself in company with Mr. Haughey as we walked out of the door and down the corridor and it was at that point in the corridor, that the matter to which you have referred arose which I found inappropriate and surprising.

Q. And why did you find it both inappropriate and surprising?

A. Well to discuss a matter of that nature in a public place.

Q. Why did you find it surprising that he'd be making a request like this?

A. All requests to me have been in writing.

Q. Did you find it surprising

A. Sorry, number one. Number two, as you have already informed the Chairman, I believed that he was referring in the first instance to the Fianna Fail, the general Fianna Fail fund for the election campaign and not to his own. I was even more surprised that he would do that in public.

Q. Is it just that was your surprise that he'd refer to his own personal campaign in public or were you surprised that he would solicit any funds for his own personal campaign?

A. No, I was surprised on two accounts. One, that his own personal election machine was not capable of generating sufficient funds and secondly, as I have mentioned, the manner in which he approached me. I mean, I believe that Mr. Haughey was delivering two and a half quotas per

general election in his own constituency, although I am not an election buff.

Q. Do you recall, and this may not be easy, whether the cheque payment that you had made out or the cheque payment that you made to the Fianna Fail campaign fund had been written at that time? Well actually, now that I think about it, it couldn't, of course, because the personal campaign cheque couldn't have been written at that time either.

A. No. Not unless I am a complete liar.

Q. I am not suggesting that for a moment. It's just that as I am putting the question to you, it occurs to me that both cheques were dated the 7th June, so therefore you wrote the party political campaign cheque and the personal campaign cheque after that meeting.

A. Yes.

Q. And at that meeting, when Mr. Haughey indicated to you that his own personal campaign funds were low, do I take it that once again there was no reference to amount?

A. Yes.

Q. Was there any reference to whether he was approaching other people for similar contributions?

A. No. It was a very brief discussions, just to clarify that point.

Q. Now, I just want to clarify one other aspect of the dating of these various meetings and before putting to you what I think needs clarification, I should just draw to your attention the dates of all the cheques that we have just

been discussing. The cheque to Mr. Haughey for €10,000 is dated the 7th June. The cheque to the Fianna Fail Party is also dated the 7th June. That's the cheque for €65,000. And the cheque to Mr. Lenihan is also dated the 7th June.

A. Yes.

Q. So that would seem to suggest that all three cheques were written on the same day and perhaps requested at or about the same time. Wouldn't that be right? When I say requested, I should have said requisitioned by you in the Irish Permanent Building Society at or about the same time?

A. The latter, yes. But I think the document you displayed earlier showed a date in May, from Fianna Fail.

Q. Yes. That's correct. There was a request from Fianna Fail in May. That request hadn't been responded to. You had been in the United States, I think, for some time.

A. Yes.

Q. You came back and you wrote your letter on the 7th June and you sent the three cheques, each dated the 7th June. Now, before the cheques were written, you had the meeting or you certainly had the encounter with Mr. Haughey in what you believe is the Berkeley Court Hotel.

A. Yes.

Q. And before that meeting, you must have also had the encounter with Mr. Haughey in his own office.

A. Yes.

Q. Can you say what gap there was between those two

approaches? When I say two approaches, I mean the two personal approaches you had.

A. I understand. I can't. As I mentioned previously, I have an idea that the Lenihan cheque was written on the same day as on the 7th, and that it was requested on the 7th.

Q. That you went off and attended to that right away?

A. Together with the others, yes. I could be wrong, but I am working from memory as best I can.

Q. How did you calculate or decide or determine what amount of money would be paid to the Fianna Fail Party as distinct from what would be paid to Mr. Haughey personally?

A. I didn't approach it in that manner. I decided what would be paid to the political parties, I believe, first and I am in some difficulty here again, because of the absence of the file, because there was one occasion when Fianna Fail did not make any request for subscription and I asked a colleague to inform a friend of his in Fine Gael that no such request had been received and

Q. It must have gratified them.

A. Well we were trying to be democratic. Yes, such a request did eventually materialise and was met. In relation to Mr. Haughey, my attitude to that was that he was a man of integrity, who was the Prime Minister of the country. We were a large establishment and that if any contribution was to be made, it would be difficult or embarrassing, for example, to send down €500. I think that would be

bordering on the absurd and I thought €10,000 was the appropriate amount. I don't have any scientific explanation for it.

Q. It's just that by comparison with the amount that was being paid to the party as a whole, it seems fairly large, doesn't it, it's nearly a sixth of the entire party contribution.

A. Yes. Nonetheless, that's the only explanation I can give to you as to my thinking.

Q. We will pass onto the next part of your statement. You say that you do not recall whom in the Labour Party made a request for a political donation but once again you believe that this information is on the file. You say that the only person with whom you had any direct dealings with regard to requests for political or other contributions was Mr. Haughey. In other words, I take it that so far as requests for political or other contributions from the other political parties were concerned, you didn't deal with the party leaders or party officials directly. You dealt purely in correspondence, except on the occasion you mentioned to me just a minute ago?

A. If by dealings we mean

Q. I mean dealings of the kind you have just described where Mr. Haughey asked you for the money?

A. Well yes, I agree with you.

Q. And could I take it that you have never had a personal request for personal campaign funds from any other

politician?

A. Yes.

Q. You say that you had a number of business and social contacts with Mr. Haughey over the years. You recall first meeting Mr. Haughey at a Fianna Fail fund raising lunch held in the Burlington Hotel in the mid-1980s. You say that you met Mr. Haughey during the course of that lunch. You say that you were also a guest at a dinner party where Mr. Haughey was also present, a dinner party in someone else's house.

A. Yes.

Q. You say that Mr. Haughey was also a guest on one occasion at your former home at Grassmere in Westminster Road.

A. Yes.

Q. You say that you were a guest at the wedding of his son, Ciaran, in 1992.

A. Yes.

Q. Could I ask you in relation to that, whether it was through friendship with Mr. Haughey Mr. Charles Haughey or Mr. Ciaran Haughey that you were invited?

A. I would say it was Mr. Haughey, Mr. Charles Haughey.

Q. You say that you were invited as a guest to a State dinner given in honour of Queen Beatrix of the Netherlands at Dublin Castle. I take it what you mean is Mr. Haughey was at that dinner as well. You don't say so in your or he may have been the host. Would that be right?

A. Well President and Dr. Hillary were there.

Q. I presume, if it was a State dinner, the President was the host but Mr. Haughey was presumably there or was it as a result of some intervention by Mr. Haughey that you were at the dinner?

A. I believe my invitation came from Mr. Haughey but, again, I can't be certain. But certainly my reply which you have states that I am thanking him for his for inviting me as a personal for inviting me and my wife as his personal guests to this function.

Q. I see. You say that you met Mr. Haughey on approximately one or two occasions per year for lunch and that you recall having lunch with him in the office of the Taoiseach on two occasions.

A. Yes.

Q. Can you remember when there were? I don't expect you to remember the months or even the year, but was it in the eighties or the nineties or

A. Well I believe it as being two, because one was in the old building and the other was in the new refurbished building.

Q. So one was presumably, as likely as not in the nineties, or as close to in any case and the other was

A. Yes, I would imagine so. The first one was probably in the late eighties, maybe. Mid to late eighties.

Q. You say that he was also a guest of the Society upon at least one occasion for lunch.

A. Yes.

Q. And again can you recall whether that was in the eighties

or the nineties?

A. All I can recall is apologising for having to show him out the back, down through the sort of fire escape stairs.

Q. Show him out the back?

A. When he was leaving, he didn't leave through the hall door, because his driver was in the car park to the side of the building and it's a bit, slightly scruffy for the Taoiseach or Prime Minister of any country.

Q. I take it he was the Taoiseach when you had him for lunch, when the Society had him for lunch?

A. I believe he was.

Q. I think you may also have

A. Sorry, well perhaps you should continue.

Q. I think that your counsel drew to the attention of the Tribunal before today's hearing that you recalled something which isn't in your statement, that you had also been to Kinsealy on at least one occasion, that you can recall in any event, to Mr. Haughey's house?

A. Well I was in Kinsealy twice, once was at the, was following the following the marriage of Ciaran Haughey, at the reception, there was a marquee in place. The other was, I believe, no later than '87, on Sunday with a board colleague, where we went to apologise to him for something which an English builder had taken upon himself to do, which was to call upon Mr. Haughey without notice and caused some disruption or distress to Mr. Haughey.

Q. Had the builder called in connection with some political or

some business matter?

A. Oh business.

Q. A private business matter in Mr. Haughey's own home or it was a Government business matter?

A. Well it may have been a bit of both, because it related to IFSC, which was not embryonic, but it was coming to the stage where the consortium would be chosen, so whether he was soliciting or what I don't know the nature of the embarrassment caused but I know that my colleague was very anxious that an apology should be tendered.

Q. And what connection did you, as a Building Society executive, have with a building company that you should have seen fit to do this?

A. Well we had an interest in actually developing, co-developing the site.

Q. And was that

A. If that was feasible.

Q. And was that builder part of some syndicate with which you were associated or some joint venture with which you were associated or something which you intended to invest?

A. He was in a company with which we wanted to joint venture. I don't think investment would have been permitted.

Q. Because of the Building Society's regulations?

A. Correct.

Q. You say that you are also a member of the Irish Building Societies' Association and would have had a number of

meetings with Mr. Haughey through that association with the chief executives of the Educational Building Society, the Irish National Building Society Irish Nationwide Building Society and the First National Building Society or what was formerly known as the First National Building Society?

A. And I am afraid I omitted the Irish Civil Service.

Q. And the Irish Civil Service Building Society.

A. That's correct, yes.

Q. You recall two such meetings of the Irish Building Societies' Association with Mr. Haughey which dealt with one or firstly, interest rates subsidies and secondly, legislation in relation to the Building Societies' Act which was in contemplation for a number of years?

A. Yes.

Q. You say that to the best of your recollection, together with the meeting in Mr. Haughey's office regarding a contribution to the late Mr. Lenihan's operation and the Berkley Court meeting, that's the extent of your contact with Mr. Haughey and I am not holding you to that

A. Well no

Q. Dr. Farrell. I appreciate that this is based on your memory, but it's your best memory?

A. I jogged my memory last night, Chairman, and I came up with one or two items which I had omitted. Mr. Haughey, along with many other people, was a guest, I believe, of the Society at the first McGuigan fight in 19 I believe

1985. I did make notes on a draft, I will just see yes, I believe the number of lunches that I had per annum would have increased from one or two, to two or three. I am just trying to be as accurate as I can.

Q. So you think that you may have met him two or three times a year for lunch as opposed to once

A. Initially once maybe. Then it became twice. And then perhaps three times. But just to qualify that, I should say, to the best of my recollection, nothing of substance in terms of politics or Building Society business was discussed. These were very short lunches, maybe an hour and a quarter, an hour and twenty minutes, and

Q. Were you the only guest at those lunches?

A. Yes, I was, with one exception when politics was actually discussed and I knew that two of my colleagues were also in the restaurant and I mentioned this to Mr. Haughey and asked did he want to meet them and he said yes, and

Q. When you say colleagues, associates of yours in the Building Society?

A. Directors, yes. Sorry, one may not have been a director at the time. At that time, I believe he was an ex-director.

Q. I just want to clarify one matter. You say that your original recollection was that you met Mr. Haughey in the office of the Taoiseach for lunch on two occasions and then you say that may have been two or three. You just mentioned a restaurant?

A. No. No. I meant the if I may refer to the statement now as typed.

Q. Yes.

A. I met Mr. Haughey on approximately one or two occasions a year for lunch.

Q. That's should be two or three?

A. Yes.

Q. And you only had lunch with him in the office of the Taoiseach on two occasions is your recollection?

A. To the best of my recollection, yes.

Q. Passing on in your statement to paragraph 9, you say that you believe you were asked for the identity of the person to whom the cheques were given, if you know the identity of that person. You say that you believe that each of the cheques referred to in the enclosures were sent to the persons to whom they were addressed by post together with an accompanying letter. However, the cheque contributing to Mr. Lenihan's operation may have been hand delivered to Mr. Haughey by your driver but I take it the cheque, together with an accompanying letter, would have been hand delivered?

A. Correct. Thanking you for your assistance.

Q. You then go on, I think the next relevant part of your statement is in fact paragraph 13. You were asked if you were aware of the identity of any other persons involved in the making of requests for or the receiving of requests for or the handing over of cheques and you should identify

those persons and you say that you are not aware of any other persons, though you believe that it's possible that further information may be contained in the file kept in your office.

A. Yes. And I would also refer to my earlier statement that Fine Gael, on one occasion, didn't request.

Q. And you had to prompt them?

A. Yeah, exactly. But I do not know if it's relevant to these specific cheques. And that's why it's not included.

Q. I see. You say you were asked you were asked to indicate whether you and Mr. Hogan, who is your co-signatory, discussed the cheques and you say you do not recall any specific discussion with Mr. Hogan regarding the cheques. However, you believe that you would have discussed the cheque payment in relation to the contribution to Mr. Lenihan's operation with your fellow directors, including Mr. Hogan, as it was topical at the time.

A. Yes.

Q. Would that discussion have been at a formal board meeting or would it have been casually as you met the directors in the course of your ordinary day to day business?

A. It would likely have been prior to a board meeting while we were waiting for everyone to assemble or at lunch following the board meeting.

Q. And I take it that you were discussing this because it was

not just topical, but perhaps slightly unusual or would it have been an unusual payment for the Society to have made?

A. No. The Society was very generous, very philanthropic and donated a lot of money to many charities and when I say it's not exceptional, you may recall Colin McStay, well I recall the plea on his behalf and when I got into the office on the following morning, I found that myself and a fairly senior female clerk had both got the same idea, that we should fundraise from within the Society, so I dealt with part of it and she dealt with another part. I am just drawing a distinction here between general charities and specific individuals.

Q. I see. You didn't

A. Another example would have been when Dr. Michael Moriarty was on the news explaining that St. Luke's Hospital did not have adequate equipment to treat cancer and I instituted a collection, a fund which was contributed to by many by all board members, including myself, by all staff, I believe, by all solicitors on our panel, by all architects and surveyors and all other business contacts of the Society and I believe the amount, if the covenant were followed through for the five years, amounted to something like three quarters of a million pounds.

Q. And there was, included with that, a Society contribution as well as the individual contributions you have described?

A. That's right.

Q. At that time when you believe you discussed with your

fellow directors the contribution to Mr. Lenihan, did you think that it might be appropriate to mention that you were making a personal contribution to Mr. Haughey's personal political campaign?

A. I may have done so.

Q. Because it would have been unusual, isn't that right?

A. It was the first, yeah, it was a first a one-off. I better qualify one-off, because, it was one-off in the method or in the way in which it arose.

Q. I see. You say that you were mandated by the board of the Society in or about 1975 to deal with political subscriptions on an annual basis. You say that you do not believe that there is a formal record or a board minute containing this mandate. Your father, who had been chief executive of the Society before you, had dealt with this task. You say that the amount of political donations correctly described as such were set forth in the financial records and you believe in the management and statutory accounts which were considered, approved and adopted by the Society. You say you believe that you would have mentioned the cheque payments referred to in the enclosures, those are all of the cheque payments I have already described, to fellow board members casually. The board members would certainly have been aware that you'd authorised contributions to political parties on behalf of the Society and the carrying out of this function by you was not queried by other board members.

A. At any time.

Q. At any time. And the reason I asked you the question concerning the contribution to Mr. Haughey's personal campaign a moment ago is that I can appreciate that if these payments were being made to political parties annually, obviously board members would have been aware of them if they checked the accounts, but this was, as you say, at least a one-off in terms of the manner in which it arose but certainly it looks like at that point it was a first to make a personal political contribution, wasn't it, in 1989, on the basis of the information we have at the moment in any case?

A. In the case of myself, but I don't recollect in relation to my late father. Can I just correct one item here?

Q. Yes, do please.

A. The amount of political donations would not have been set forth in the statutory accounts.

Q. I don't think the statutory accounts ever go into that kind of detail unless there is an express unless there were an express statutory requirement to do so.

A. Indeed.

Q. I think what you may be referring to are the books kept by the Society?

A. No, I was referring to the fact that these were considered contemporaneously and I think in the typing, it lost something. I should further clarify that in the management account, to the best of my recollection, the

political donations may have appeared as a total and not being subdivided as to party, but that's

Q. We can refer to them at a later stage, Dr. Farrell, if I can even jump ahead to tell you that the documentation has been provided to the Tribunal but in order to put it on the overhead projector, I would have to delete a large number of personal references. But I can confirm that your memory is correct, that the analysis books, it would appear, kept internally in any case and which presumably would have been available, although that obviously will have to be clarified, do contain references to all of the payments that we have mentioned in the course of the Tribunal's hearings to date.

I am told that in fact the non relevant details have been deleted. And I am going to put on the overhead projector an analysis book relating to June of 1989, it's document number 12, fold number 12, or document number 12, page 2, divider 9, Sir. You will see that it says on the top right-hand side, "Payments" and underneath that, the first payments noted on that page in June of 1989 are political, are described as "political subs". The first one is described as "political subs" and the others are described similarly and you will see the reference to the €65,000 cheque, presumably the cheque to Fianna Fail; the €20,000 cheque, which is presumably the cheque in relation to Mr. Brian Lenihan; the €25,000 cheque, which is a Fine Gael cheque; and the €10,000 cheque which is presumably the

cheque to Mr. Charles Haughey. Further on down, you will see a reference to another political sub and this appears to be a reference to the €10,000 cheque to the Labour Party. Had you ever seen those entries before?

A. No. No, this would be I am not an accountant. This would be an accountant's job.

Q. If a member of the board were asked in 1989 or 1990 whether he was aware that the Society was making political contributions, then I take it that he would have known that the Society was making contributions to the political parties, but just to come back for a moment to press you on this point of the personal contributions, do you think a member of the board would have been aware that a personal contribution had been made to one party leader?

A. I couldn't be a hundred percent certain of that.

Q. Query number 15 requested you to indicate whether you had any personal dealings with Mr. Charles Haughey and Mr. Desmond Traynor or any other person acting on behalf of either of them. Now you have already mentioned dealings with Mr. Haughey. You go on and you say that apart from the social and business contacts you had with Mr. Haughey and which you have already mentioned, you had no personal dealings with Mr. Haughey. You recall meeting Mr. Desmond Traynor on two occasions. One at your former home at Grassmere and once at the home of a former secretary to the Society. You say that these meetings were held on the recommendation of a legal adviser to the Society in or

about the mid-1980s when the Society was considering possible acquisition of Guinness & Mahon bank. However, nothing came of this as the discussions were of a very preliminary nature.

A. Yes, I think that "as" should be "and". However, nothing came of this and discussions were of a very preliminary nature.

Q. I see. You go on again to some extent you are repeating material that you have already referred to in paragraph 16. You say you have been furnished by the Tribunal with copy documents relating I am sorry, we are passing on now to the 1990 cheques which I mentioned in outline earlier this morning.

A. Yes.

Q. You say that you have been furnished by the Tribunal with copy documents relating to two 1990 cheques being a cheque dated the 15th October, 1990 in favour of Fianna Fail in the sum of €25,000 and a cheque dated 19th October, 1990 in favour of Mr. Charles J. Haughey. I will just read your statement first. You say that as already stated, I have had not had sight of Society's file of political donations and have no recollection of signing either cheque. In relation to the cheque for Fianna Fail for €25,000, I infer that this was a donation made in response to an application in writing by Fianna Fail for a donation possibly for the presidential campaign which I understand was around this time. I am aware from records shown to me that there was

a €5,000 contribution to the Mary Robinson presidential campaign in November of 1990. I am unable to recall the circumstances in which the cheque for €10,000 in favour of Mr. Haughey was drawn and signed by me. What I can say is that the contribution would have been a political contribution authorised by me in response to an application for such a contribution. None of the society donations made to Fianna Fail or Mr. Haughey at my direction were made for the purpose or with the intent of benefiting Mr. Haughey in any way in his personal capacity.

Now, the first of these cheques in time is dated the 15th October, 1990 and I take it that we can be certain that it's your signature is on the cheque?

A. Yes.

Q. You don't have the file, but can we assume that in the absence of any clear memory of your signing this cheque, that it would have been processed in the same way as the cheque for €65,000 paid to the Fianna Fail Party in 1989.

A. Yes.

Q. And I think I can tell you that the Tribunal has learned that Fianna Fail did receive a sum of €25,000 around this time. I will just refer to the cheque stub relating to this payment. And you will see on the monitor that this cheque stub is dated the same date as the payment. It's described as to Fianna Fail election fund, €25,000. Does that appear to you to be your secretary's writing?

A. Yes

Q. Or if not your main secretary, one of the secretaries that worked for you?

A. One of the two, yeah.

Q. And presumably that cheque stub, the contents of that cheque stub were generated in the same way as the contents of the cheque stubs that we have mentioned earlier?

A. To the best of my knowledge, that would be

Q. I am only asking you to confirm that the pattern would seem to suggest that is how it came into the existence.

A. That's the only pattern that I am aware, with the exception of the two verbal requests that you have already examined.

Q. Well if we could come on to the €10,000 cheque dated 19th October, 1990. And if we could just have the cheque stub on the overhead projector for a minute, though we will pass from it after I have drawn it to Dr. Farrell's attention.

You will see this is described as C. J. Haughey, Fianna

Fail Party funds, €10,000. Now correct me if I am wrong,

but this strikes me as being more like your main

secretary's writing, would I be right in that?

A. I'd like to see them.

Q. I will give you

A. I may have them, but to save time. (Documents handed to witness.)

Q. Of course, I will give you a hard copy. You needn't tax yourself too much on it, Dr. Farrell. I don't think anything very much turns on it.

A. No, I just picked out the two nines. The zero following the nine

Q. In the 1990, is it?

A. Looks similar, but it could be a different hand.

Q. I see.

A. I can't go any further than that.

Q. Now very briefly, if I could just draw to your attention the analysis book or journal entries in relation to these payments. The October 1990 journal entries refer to a payment of €25,000 to the Fianna Fail election fund and that's number 80 in the entries on that page. And further down the page, you see a reference to a €10,000 payment, C.

J. Haughey, Fianna Fail Party funds or FF party fund, that entry is 93. Now I take it that the difference in the journal entry numbers reflects the facts that the payments, as in the case of the Labour Party payment in 1980, are separated by a number of days. One payment was the 15th October, 1990 and the other was the 19th October.

A. That would seem reasonable.

Q. And would that appear to suggest that there was a gap between the two requests, that the Society may have received a general request of the kind we saw a moment ago which prompted the Society to make the €65,000 payment and perhaps a more specific request resulting in the €10,000 payment. Whatever it was for now, I will come to that in a moment, but certainly there would appear to have been a separate request?

A. Could you repeat the latter part of your question please?

Q. I am suggesting that the €25,000 payment to Fianna Fail would have been prompted by a general request like the one we saw in fairly standard form which prompted the earlier payment

A. Yes.

Q. of €65,000. And that payment of €65,000 was made to Fianna Fail as you recall.

A. Yes.

Q. This payment of €25,000 is also made to Fianna Fail?

A. Yes.

Q. Now, the €10,000 payment, which is four days later, is made out to Mr. Charles Haughey like the €10,000 payment in 1989 and what I am suggesting is that there must have been, and I am only asking you to speculate, but I would hope that you would be in a better position to speculate than I am, that that was the result of a separate approach, whether in writing, personal or otherwise?

A. It wouldn't have occurred otherwise.

Q. Yes. You wouldn't have done it off your own bat. And you have no memory of it at the moment?

A. No.

Q. You believe that if you have access to the file, you may find a letter which would have been sent with that €10,000 which might help to jog your memory and I am sure you'd be happy to come back to the Tribunal to deal with that, should you either recall more clearly what may have

happened or should the documents come to hand?

A. Yes.

Q. But as things stand, it would seem to be a contribution elicited by some request for personal campaign funds. I am putting that question knowing full well that you would know as well as I do that Mr. Haughey of course was not involved, as far as I can judge, in a personal campaign in 1990.

A. I don't think that's the only interpretation.

Q. I see. Well I am asking you that question, I am asking you to speculate. We know that the 1990 campaign appears to have been a presidential campaign.

A. Yes.

Q. There was no general election in any case in 1990.

A. Sorry, yes, yes of course.

Q. So I presume that if there was a request, it almost certainly wasn't a request to you for a contribution to Mr. Haughey's personal campaign since there couldn't have been one in 1990?

A. No. I think I would have recollected that.

Q. It must have been a request of some other kind?

A. I think so.

Q. And you recall that the stub says "Charles Haughey, Fianna Fail Party funds".

A. I have seen it because you showed it to me, yes.

Q. And I take it that there would have been a letter or that this stub would have been generated as a result of the

contents of a letter written by you which probably mentioned a request for Fianna Fail Party funds from Mr. Haughey?

A. I believe so, yes.

Q. You go on to say in your statement, I cannot recall the making of any other payments on behalf of the Society, direct or indirect, to Mr. Haughey or to any other person holding public office during the period 1979 and 1996.

However, I am unable to be more definite without sight of the file which is kept in my office as mentioned..."

A. My secretary's office. I apologise, that should have been corrected.

Q. Which was kept at your secretary's office. What you can reaffirm is that no contribution was made by the Society at your direction with the intention of conferring a personal benefit on Mr. Haughey or any other person holding public office during the period 1979 to 1996.

A. Yes.

Q. You then go on to refer to what you describe as a personal contribution for the benefit of Mr. Haughey. And I take it that you are referring to a personal contribution made by you and not by the Society at your direction?

A. Yes.

Q. You say that you made a personal contribution for the benefit of Mr. Haughey following a request to you by his personal secretary and you give her name, and I take it that you understand this person to be a civil servant, an

employee of the Department of the Taoiseach. That's your understanding in any case?

A. Was at the time, yes.

Q. Whom you believe was attached to the Department of the Taoiseach?

A. At the time, yes.

Q. This was at the time of Mr. Haughey' retirement when she contacted you to advise that a number of Mr. Haughey's staff wished to make a presentation to him and she asked if it would be possible for to you provide some assistance.

She advised you that they had inquired from Mr. Haughey what he would like and that he had selected a painting.

You asked her how much this painting was and she advised you that it was €4,800. You recall that you volunteered the sum of €2,000 by personal cheque and that you forwarded the cheque to the individual in question made payable to.

She subsequently sent you a photocopy of the painting and a receipt for the purchase. You have no idea whether

Mr. Haughey was aware you had contributed to the painting. You say that you also completed a personal

standing order in favour of Fianna Fail owing to a request for funds in or about 1987.

A. Yes.

Q. And you believe that the standing order was for €100 per annum for a three- to five-year period. You say that you did not make any personal contribution to any other person holding public office between 1979 and 1996.

A. Yes.

Q. Can you indicate whether you have had any contacts with Mr. Haughey since you left the Society in 1993, either in a business capacity or personal?

A. I had no contact with him since the first part of 1992. I was embroiled in some litigation which some people may be aware of, which ended, not quite, but nearly ended in 1997, the end of 1997, and during that period, I made I had no contact at all because it was my view that whenever there was whenever scandal was generated for whatever purpose, Mr. Haughey seemed to be dragged into it and I did not wish that to happen. So I believe the first contact, if you could call it such, was that I sent a Christmas card to him in 1997 and 1998 and received one in return. That would be the extent of any contact, all and any contact since 1992.

Q. Thanks very much.

MR. CONNOLLY: I have no questions, Chairman.

CHAIRMAN: Well I will leave you to the end, Mr. Callanan, as is the usual practice. Mr. Gallagher?

MR. GALLAGHER: No questions.

CHAIRMAN: Any matters you wish to deal with in conclusion then, Mr. Callanan?

MR. CALLANAN: There is just one matter I'd like to put, if there is no objection to my putting just one very minor

point from Mr. Hogan's statement which I'd like to clarify from Dr. Farrell's point of view.

THE WITNESS WAS EXAMINED AS FOLLOWS BY MR. CALLANAN:

Q. Mr. Hogan's statement, which you have seen I think, Dr. Farrell, says that, question 7 he says he believes that shortly after he joined the Society, he did make a recommendation that if any political contributions were being made to Fianna Fail, that contributions should also be made to Fine Gael and the Labour Party. Now, I appreciate you don't have the files which you have referred, but have you any comment in relation to that?

A. Well, the obvious comment is that it doesn't say to whom the recommendation was made, but my major comment is that I believe such a system was already in place, but if not, if I am wrong on that, I would have agreed with Mr. Hogan at that point.

Q. Thank you. That's all I wished to clarify.

CHAIRMAN: Thank you very much for your attendance and assistance, Dr. Farrell.

A. Thank you, Chairman. It's nice to see you again.

MR. HEALY: I wonder would this be an appropriate time to rise, rather than take a witness and not finish him before lunch.

CHAIRMAN: I think that's sensible, Mr. Healy. We will

perhaps adjourn now, 12.15 and start perhaps a little earlier at let us say twenty to two.

THE TRIBUNAL THEN ADJOURNED FOR LUNCH.

THE TRIBUNAL RESUMED AS FOLLOWS AT 1:40PM:

CHAIRMAN: Good afternoon. Mr. Healy?

MR. HEALY: Yes, Sir. Mr. Enda Hogan. Mr. J Enda Hogan.

ENDA HOGAN, HAVING BEEN SWORN, WAS EXAMINED AS FOLLOWS BY

MR. HEALY:

CHAIRMAN: Please sit down.

Q. MR. HEALY: Mr. Hogan, thank you, do you have a copy of your statement?

A. Yes.

Q. As you saw with Dr. Farrell this morning, what I propose to do is take you through your statement and if there are any matters arising out of that, we can deal with those later.

A. Right.

Q. And your statement was made with reference to a letter you received from the Tribunal dated 24th June, 1999 and I will draw the attention to which various queries were raised and you have responded to in your statement.

A. Yes.

Q. You were appointed a director of Irish Permanent Building Society in May of 1983 and you remained a director until September of 1992 whereafter you were a consultant to the

then society and subsequently Irish Permanent plc until your retirement in February of 1998. You say that you have seen a copy of the letter from the Tribunal, the one I have just mentioned you are making this statement in compliance with, the request contained in the letter and that your response to the queries is as follows: The first query you were asked was in relation to the signature or the first question you were asked was in relation to the signatures on the cheques and at this point, we are referring to a number of cheques which were drawn to your attention initially and if we just quickly put them on the overhead projector, it's only for the purposes of identifying the cheques. I take it that you can confirm that your signature which appears on that cheque was put there by you?

A. Yes.

Q. And that that applies to all of the other cheques that were mentioned in evidence this morning?

A. Yes.

Q. Both the 1989 and 1990 cheques?

A. From looking at the 1990 cheques, but I hadn't seen the 1990 cheques prior to today.

Q. Oh, I quite understand that. But just so that we don't have to go through each one.

A. It is my signature.

Q. It's your signature on all of them.

A. Yes.

Q. You say that "each of the cheques was completed before they were signed by me."

A. Yes.

Q. Now, did you hear the evidence of Dr. Edmund Farrell this morning where he said that he believed that the procedure being adopted was that after the cheques were signed by him, they would have been signed by you or any other director in the case of any other authorised co-signatory and any such other co-signatory would have the backing documentation. What do you say to that?

A. I think that is substantially correct. It tended to happen sometimes the backing documentation was available and sometimes Dr. Farrell's secretary would bring the cheques to me for signature and would explain the purpose for which the cheques were drawn.

Q. I see. You then refer to cheques number 16639, 16641 and 16650 and I think very briefly we will just put those cheques on the overhead projector and we can come back to your statement. 6639 is a cheque for €65,000 to Fianna Fail.

A. Yes.

Q. 641, if we could have that cheque now, is a cheque for €25,000 to Fine Gael.

A. Yes.

Q. And 650 is the cheque for €10,000 to the Labour Party.

A. Yes.

Q. You say that these were. You believe. Political

contributions made by Irish Permanent Building Society to Fianna Fail, Fine Gael and the Labour Party. You say that you have some recollection of being told by Dr. Farrell that Mr. Brian Lenihan was to undergo a liver transplant operation and that Dr. Farrell thought the Irish Permanent should make a contribution towards the expenses.

"Regarding the contents of cheque stub 640, I can only assume that that payment of €20,000 was a contribution to those expenses." And cheque 640 is the cheque we have got the stub on the screen for a moment so you might just confirm that's the stub you are referring to which refers to Mr. Brian Lenihan and the cheque was for €20,000 made out to Mr. Haughey.

A. Yes, I wouldn't have remembered that it was for an amount of €20,000 but I remember clearly the decision to make the contribution to the medical expenses of Mr. Lenihan.

Q. I see. When you say you clearly remember the decision, do you mean that somebody discussed it with you or before or after it was taken?

A. Well, I mean it was in the nature of things really that Dr. Farrell and I would have regularly had discussions, fairly broad ranging discussions and I mean I can't remember with certainty the order in which things happened but I did, I do remember that it was told to me by Dr. Farrell that a decision had been made to make a contribution to Mr. Lenihan's medical expenses.

Q. You go on to say "As explained below however, I had not

previously seen that cheque stub until it was furnished to me in connection with the making of this statement." That's the cheque stub on the screen.

A. Yes.

Q. You go on to say, "I have no recollection of the payment of €10,000 to Mr. Charles Haughey personally and can only assume that it was a political contribution to him." Now that cheque is on the screen.

A. Yes.

Q. And I just want to ask you one or two things about it.

While you say that you recall some discussion concerning

the contribution to the late Mr. Lenihan's medical

expenses, can you recall any discussion at all concerning

this payment of €10,000 personally to Mr. Haughey's

A. No, I can't. I can't. I mean, as I think Dr. Farrell said

this morning, the Brian Lenihan medical situation was

topical at the time and so it would have stayed in one's

mind. As far as political contributions were concerned, I

was, I believe, quite unquestioning about the reason, other

than to champion the cause of all political parties being

treated proportionate to their size.

Q. Right. Well I am going to anticipate another part of your

statement and we will come to the detail of the statement

later but you do say that you believe when you joined the

board in any case, that you suggested that political

contributions be made across the board, if I can use that

term.

A. Well, in fact, Dr. Farrell's counsel, as you remember, took that up before lunch and I think it's probably correct to say that a system was in place and that the extent of my contribution must have been just to suggest that contributions, everything should be done equitably and the contributions should be made proportionate to the size, the strength of each political party.

Q. I see. The only reason I mention is that clearly you were at least alive to the fact that the Society was making contributions, you didn't have a difficulty with it and neither it appears did your other board members and whether you instituted it or not, you were certainly in favour of the notion of spreading the contributions as equitably as you say. And I am just wondering whether you wouldn't remember what would seem to be to some extent a departure from that system in two ways, in that firstly, here you had a payment to an individual politician and secondly, there would have been a slight disruption, if you like, of the equity in that at least one side of the political divide, as far as you were concerned, were now getting not €65,000 but €75,000? Did that ever occur to you at the time that it was out of the ordinary?

A. I can't say that I remember that it did anyway.

Q. Certainly no one drew it to your attention specifically you were making personal as opposed to party political contributions?

A. No, and I believe that it wouldn't have occurred to me that

the cheque to Mr. Haughey would necessarily be for him personally even though it was made out to him.

Q. I accept that but one assumes it would have been accompanied by a letter which would have, one imagines, distinguish between the Party contribution and the contribution to Mr. Haughey personally?

A. Well, if there was such a letter, I have no recollection of seeing it so that could have been a situation where Dr. Farrell's secretary would have explained to me what the cheques were for. We had a system which seemed logical to me. There were three executive directors, Dr. Farrell and myself and another, and if payments from the private ledger were being initiated by any one of the three of us depending on our particular discipline, then the logical thing was for the person who initiated it to sign first as a comfort to the colleague who was asked to put the second signature so because I tended to be the second signatory on most of those cheques, it wouldn't really have occurred to me to question them in any great detail.

Q. And I take it therefore that since you say you have no memory of the cheques, I take it you had no discussion with Dr. Farrell concerning a somewhat, to him in any case, unusual or unorthodox meeting with Mr. Haughey in the Berkeley Court?

A. No, I have no recollection of that.

Q. What's your particular discipline, now that you have mentioned it?

A. Marketing.

Q. I see. Query number 5 required you to indicate whether you were aware of the contents of the cheque stubs in each case and in particular the reference to B. Lenihan on one of the cheque stubs and you say you have no knowledge of the content of the cheque stubs, you said a moment ago in relation to any of the aforesaid cheques and to the best of your knowledge, you only saw them when you were furnishing in connection with the making of this statement. In question 6 you were asked how the details on the cheque stub were filled out and... any other information concerning Mr. Lenihan and... your response was, "It was normal practice for the secretary," this is I take it, is Dr. Farrell's private secretary "to prepare the cheques for Dr. Farrell. Her work included keeping the ledger in which I believe these cheques were entered" and you assume the entries in the ledger were made by the secretary and you believe the entries on the cheque stubs were also made by her and I think Dr. Farrell has confirmed that is probably the case although another secretary may have been involved as well?

A. Yes.

Q. You were then asked about the identity of the person for whom the requests for the cheques came and you say no, that you are not aware of the identity of the person to whom the request for any of the cheques came. You believe shortly however after you joined the Society in 1983, you did make

a recommendation if any political contributions were made to the Fianna Fail party, contributions should also be made to Fine Gael and Labour. You believe the decision what each party would receive was made solely by Dr. Farrell and you have already qualified, to some extent, that statement?

A. Yes. And also I said that although the decision was made by Dr. Farrell, my memory is that he would have had allocated the funds in accordance with the size of the parties.

Q. I see. You say in response to a query concerning who handled the request, you say that as far as you were aware, all requests for the aforementioned contributions were handled by Dr. Farrell and your only function was to countersign the cheques after Dr. Farrell had first signed them. You did not deal with any person from whom any of the requests for those contributions came.

A. No, with one single exception which Dr. Farrell mentioned this morning when he said that he, no request had come from Fine Gael on one occasion, he asked me if I would contact them because he knew I was friendly with one of the senior members of the Party and suggest if they wanted a contribution, they should request it, which I did.

Q. I see. You say you were not aware of the identity of any of the persons to whom the cheques were given. You say that you did not give any of the cheques to any of the payees or any other person and you did not know the identity by whom or to whom the cheques were given and you

did know how the cheques were conveyed to the payee or by whom. You assume they were sent by post and that seems to be clarified in evidence this morning, they were sent by post or possibly in one case by Dr. Farrell's private driver.

A. Yes.

Q. Again repeating yourself in answer to another query, you do not know where the cheques were handed over.

A. Correct.

Q. Your answer to query number 12 is again dealing with something you have already mentioned. You say you are not aware of the identity of any of the persons involved in the making of requests for or the receiving of the requests for handing over the cheques with the exception of the comment you have just made. You say you believe however, it is very likely the requests for the cheques were made to Dr. Farrell.

A. Yes.

Q. You say you had no discussion with Dr. Farrell concerning the cheques except what you believe was the discussion regarding the Brian Lenihan contribution to which you have already referred and the cheques were presented to you for signature by Dr. Farrell and you signed them?

A. Yes.

Q. Just one thing about those cheques and you may recall that I asked Dr. Farrell about this as well. On the day those cheques were signed, that is at least if we assume they

were all signed on the day they are dated, there were a number of cheques signed on that day with what I will call Fianna Fail connections, you had a cheque for €65,000 to Fianna Fail, a cheque for €10,000 to Mr. Haughey and a cheque for €20,000 to Mr. Haughey which you say you understood was for or in connection with Mr. Brian Lenihan's medical expenses.

A. Yes.

Q. So you had 95,000, the guts of €100,000 going in one particular direction in any case and again, I am just wondering whether that jogs your memory in any way in relation to the €10,000 personal contribution?

A. No, it doesn't. I wouldn't have thought of the Brian Lenihan contribution as part

Q. Part of the aggregate, I understand.

A. But I don't have any

Q. You have no other memory of it, nothing to hand at the moment?

A. I really don't.

Q. You say you did not have any personal dealings you were referring to in answer to query number 14 to whether any other member of the board is aware of the writing of these cheques or the beneficiaries of them and you say you cannot say whether any other member of the board or executive of the company was aware of the writing of the cheques or beneficiary. I understand there is no mention in the board minutes of these payments. At the time it would have been

normal for Dr. Farrell to make decisions on these matters without referring to the board though you do say the late Mr. Brian Lenihan's assistance was mentioned to you.

A. I was careful to say that I cannot say.

Q. Yes.

A. I mean, I would have been surprised if Dr. Farrell hadn't made other board members, maybe not all, or maybe all but I would have been surprised if he hadn't made them aware of what we were doing with political contributions but I couldn't say with certainty.

Q. I see. You say you did not have any personal dealings with Mr. Charles Haughey or with Mr. Desmond Traynor or with any person acting on behalf of either of them. You say you believe you fleetingly met Mr. Haughey on two or three social occasions. You also recollect Mr. Haughey being put through to you on the telephone when he was looking for Dr. Farrell and Dr. Farrell was unavailable. You subsequently informed either Dr. Farrell or Dr. Farrell's secretary that Mr. Haughey had telephoned as a matter of interest, can you remember the year when that might have happened?

A. I really have no idea. I mean, I do remember that Mr. Haughey was in Opposition at the time and it related to some question to ask about the Society's reaction to some regulation or legislation or proposed regulation or legislation and he asked for Dr. Farrell and he wasn't available so he came through to me and I just responded that it would be a matter for the board and that was the

end of the conversation.

Q. It must have been at least prior to 1987 in any case because we know that Mr. Haughey was in Government from 1987 until 1992. It was presumably prior to that date?

A. It must have been, yes. He was certainly in opposition at the time.

Q. Yes. You say you were not involved in the writing of any other cheques, the making of any other payments direct or indirect to Mr. Haughey or to any other person holding public office between any period between 1979 and 1996.

Over the years you say you may have signed cheques, and you say you never made any personal contributions to Mr. Haughey or to any other person holding public office?

A. That's correct, I, in fact, didn't join Irish Permanent until 1983.

Q. Now, you recall and I think you have only recently been given notice of this, there were a number of other cheques drawn in 1990 and in favour of the Fianna Fail Party and also Mr. Haughey and just so we are satisfied we are speaking about the same thing, we might just have those cheques on the overhead projector please. The first of these is a cheque dated 15th October, 1990 in favour of the Fianna Fail Party.

A. Yes.

Q. And it has your signature.

A. Yes.

Q. Can I ask you whether you recall the cheque? Perhaps I

should remind you that October, 1990 was around the time of the presidential election.

A. I, in fact, have a memory of a contribution to Mary Robinson.

Q. That's right.

A. Why I remember that, I don't remember a contribution to Mr. Haughey but I would have, if I was asked to speculate, I would have said if we made a contribution to Mary Robinson, we made a contribution to Fianna Fail also.

Q. I think the contribution to Mary Robinson was on a cheque stub as a celebration dinner, that may have been after an election but I think this was prior to the election of the 15th November?

A. Yes.

Q. Of October.

A. Yes.

Q. And if we could just have the €10,000 cheque payment. This is again a cheque payment to Mr. Charles Haughey and this time it's four days after the previous cheque which as I indicated to Dr. Farrell this morning, would seem to suggest that there's a gap of some time between the signing of the two cheques as distinct from the 7th June, 1989 when they all appear to have been signed in or around the same time with the exception of the Labour Party cheque. Does that in any way assist your memory in trying to recall that particular cheque payment?

A. It doesn't really. I mean, I feel kind of in defence of my

integrity the practice was that I signed I think maybe, well certainly several hundred cheques every day, general cheques which would have, would be mortgages and things like that and there was always a battle to try to get the cheques signed in time and in between those then, Dr. Farrell's secretary would arrive with maybe three cheques for the private ledger and she enjoyed a chat and I rarely had the freedom from being busy to have the chat with her so I tended to sign the cheques as quickly as I could.

Q. I see.

A. And I had to be quite honest, I had little interest.

Q. Well, the reason I am pressing you on this, if you look at all of the political contributions that we have been discussing

A. Yes.

Q. In those two periods, and if you take the take the cheques in favour of Mr. Haughey which was for Mr. Lenihan's medical expenses and take that out of the equation, every other cheque was payable to a political party.

A. Yes.

Q. And you'd see it, you'd know elections were going on, you'd know a presidential election was going on and you would surely be able to draw your own conclusions, if there was a practice of making contributions to political parties.

This was election time, these cheques were obviously part of this but in Mr. Haughey's case what I am suggesting to you is that these two cheques should have stood out, that

they were made out to Mr. Haughey personally and could I suggest to you that if Dr. Farrell's recollection is correct, that had never been done before in the time, in all the time you were in the Irish Permanent Building Society.

A. Yes, I don't know whether it had or not.

Q. Well, you don't know whether it had or not, would I be right in saying you certainly don't remember?

A. I don't remember, no and I can't, I really can't help you because I just, I don't attach such significance to those cheques as to enable me to remember them as being out of the ordinary.

Q. You ceased you remained a director until September of 1992 and you were a consultant thereafter?

A. Yes.

Q. Do I take it your consultancy did not bring you into contact with board business after that or did it?

A. I wasn't a member of the board.

Q. Yes, but

A. I was available really as I suppose in the role of an advisor. I resigned from the board because my wife was found to have cancer and

Q. You wanted to devote time to family matters.

A. Yes.

Q. Of course. And do you recall Dr. Farrell referring to a file of political donations?

A. Yes.

Q. I am not sure you would have been privy to what his secretary would have done with her files but did you know anything about these files?

A. No, but I wouldn't be a bit surprised that a file did exist or does exist.

Q. I appreciate there's been a difficulty locating it but

A. Yes.

Q. Thank you very much, Mr. Hogan.

MR. CONNOLLY: I have no questions.

CHAIRMAN: Anything you want to raise Mr. Callanan?

MR. CALLANAN: One question arising out of earlier about my being seated, I appear to have acquired bad habits in the Lower Yard.

CHAIRMAN: Fear not. Anything, Mr. Gallagher?

MR. GALLAGHER: One question if I may.

THE WITNESS WAS EXAMINED AS FOLLOWS BY MR. GALLAGHER:

Q. MR. GALLAGHER: You just mentioned in your evidence earlier, Mr. Hogan, if you wouldn't mind clarifying when Dr. Farrell came to you with regard to the cheque for Mr., the late Mr. Brian Lenihan's operation. You said a decision had been made. Could you clarify whether that was a decision by Dr. Farrell or by somebody else or can you recollect?

A. Well I think it was probably a decision that had been made by Dr. Farrell.

Q. Thank you.

CHAIRMAN: Thank you very much for your attendance, Mr. Hogan.

THE WITNESS THEN WITHDREW.

MR. HEALY: Mr. John Barnicle.

MR. JOHN BARNICLE, PREVIOUSLY SWORN WAS EXAMINED AS FOLLOWS

BY MR. HEALY:

CHAIRMAN: Thank you again, Mr. Barnicle, you are already sworn from previous evidence to the Tribunal.

Q. MR. HEALY: Thank you, Mr. Barnicle, I appreciate you are here at some inconvenience because you came yesterday but at the request of the Tribunal you made yourself available today so we could deal with additional matters over and above those mentioned to you prior to that date that you have dealt with on your statement. Now, you will be familiar with the procedure. I propose to take you through your statement. Do you have a copy of it?

A. Yes.

Q. And you are referring, this statement may refer to a number of matters but all I want to direct your attention to at this stage is the part of your statement which you have put under the heading 'June of 1989'.

A. Yes.

Q. You say that the Tribunal has requested information regarding two cheques, and at this stage I should say that you are talking firstly about the 1989 cheques.

A. Yes.

Q. The Tribunal has requested information regarding two cheques, each dated 7th June, 1989 drawn on the Bank of Ireland, Stephen's Green, Dublin 2, account Irish Permanent Building Society in the sum of €20,000 and €10,000 respectively. Each of the cheques was made payable to Mr. Charles J. Haughey and was endorsed by Mr. Haughey on the reverse side. And if we could just have, this is one of those cheques for €20,000 and if I could draw your attention to the fact it's marked 'paid 15th June'. If we could turn it and have a look at the reverse side of that cheque. And the reverse of the cheque has what appears to be Mr. Haughey's signature, is that right?

A. Yes.

Q. The two cheques were presented for payment at the Bank of Ireland, Dublin Airport branch and the proceeds were credited to the account of Celtic Helicopters on the 7th June, 1989.

A. The 13th.

Q. I beg your pardon. You are absolutely right, the cheques were dated the 7th June. The other cheque, if we can have it, also is endorsed the same way, the cheque for €10,000. Well, we can proceed with the narrative and we can look at

the reverse side of the cheque in a moment. You say you have discussed the matter with your fellow director Mr. Ciaran Haughey and neither he nor you have any recollection of the two cheques. You believe that the cheques were paid to Celtic Helicopters for block hours, in other words, they represent advance payment for flying services to be provided by Celtic Helicopters to Mr. Charles Haughey. At this point in time, you say that you do not know who presented the cheques to Celtic Helicopters or who received them or who lodged them to Celtic Helicopters' account with Bank of Ireland. You believe that the block booking valued at €30,000 was cancelled very shortly afterwards and that the sum of €30,000 was repaid. At this point in time you say that you have no actual recollection either of the booking, of the cancellation or of the repayment. However, you say that Celtic Helicopters' bank account shows a debit of €20,000 on the 21st June, 1989 in respect of a cheque which presumably was presented for payment some days earlier. You say that you believe that this debit represents the repayment of the €30,000 represented by the two cheques for €20,000 and €10,000 respectively. As the booking was cancelled very shortly after it was placed, Celtic Helicopters did not raise any invoices in respect of the €30,000 and did not provide any services in respect of the payment either.

You say that to the best of your knowledge, the company does not have any record of the payee of the cheque for

€30,000 drawn on the company's bank account at the Bank of Ireland, Dublin Airport. You say you have searched the company's Cheque Journal in 1989 in order to identify the payee, however to date you have not found it and believe it may no longer exist. You asked for the bank's assistance in identifying the payee of the cheque but as of the date of this memorandum, you have no information from the bank.

I don't know if we have the reverse side of the cheque. I am not sure that we had the reverse side of that cheque, Mr. Barnicle, but if you look at the stamp on the front, in fact if it's turned upside down, it's easier to read it.

It refers to Dublin Airport branch of the Bank of Ireland.

(Document handed to witness.) Do you notice that?

A. Yes, correct.

Q. And I think as you pointed out earlier, it's dated the 13th June, which would seem to indicate that it was presented at the branch in or about that date?

A. That's correct, I think that's the date on the actual bank statement of Celtic Helicopters.

Q. I see. Now, the information that you are giving the Tribunal is based on your examination of the records of Celtic Helicopters, is that right?

A. We have no records other than the bank statements.

Q. Other than the documents, yes?

A. Of that coming in and going out. Now, I honestly don't remember the transaction but I would assume it is what I assumed in here, do you know?

Q. In any case, you don't remember going to the bank account of Celtic Helicopters and lodging the €30,000?

A. No.

Q. In two cheques?

A. No.

Q. But if we put the bank statement on the overhead projector or a photocopy of it and I have taken out all the relevant information, there's a debit there, a credit rather, to the account on what seems to be the 13th June.

A. Correct.

Q. You see the three of the 13 on the far left-hand side?

A. Correct.

Q. And a very, very indistinct 1 or a space for a 1 and you see that the previous ledger began on the 12th June and this one appears to carry on from that date?

A. Correct.

Q. Now just as you are not, you have no recollection of receiving what would have been a very substantial sum of money in any terms, isn't that right, you have no recollection either of what led to the debit to the account a some short time later of the same sum of €30,000 and we are now looking at a debit of the 21st June of 1989, the debit appears to be a cheque indicating that a cheque was drawn on the account and that that cheque was cashed as of or in or around the 21st June?

A. Correct.

Q. And to date, the cheque has not turned up anywhere, isn't

that right?

A. That's correct.

Q. Or any other information concerning it?

A. No.

Q. And do you have a cheque stubs book or any other record showing

A. Not beyond 1991.

Q. So when you say that you believe that there was a block booking for advance flying hours for €30,000, is that based on what you see in the documents or based on any recollection you have?

A. No. It's based on the documents and there could have been no other reason for Mr. Haughey giving us the €30,000. And at the time it couldn't have been a loan because we weren't looking for loans at the time so there was only one explanation and that had to be for flying hours.

Q. Which were cancelled within a short few days after?

A. And then nothing raised because there was nothing flown off it for it was returned to the person who gave it to us.

Q. But the stark facts are that €30,000 went into the account?

A. Correct.

Q. And €30,000 went out of the account?

A. Correct.

Q. It appears to be the same €30,000 because you have no other explanation for it in the ordinary day-to-day business?

A. Correct.

Q. And it was your belief this was advanced flying hours which

were cancelled

A. I don't honestly know but that's the only possible explanation.

Q. I accept that. Unless somebody was using your account for a few days to put the money in and take the money out?

A. Mr. Haughey wouldn't have been.

Q. You don't remember making any such lodgment?

A. No.

Q. Nor do you remember getting two cheques from Mr. Haughey?

A. No.

Q. For €30,000?

A. No.

Q. And nor does Mr. Ciaran Haughey, your co-director?

A. No.

Q. And I take it you are probably the only two people who would have been given that sort of sum of money?

A. Probably, we would have put them in the office and the office would have lodged them.

Q. I accept that. You are the only two people who would have been given the money in the first place?

A. Yes, yes.

Q. But as they were endorsed by Mr. Haughey on the back and had no other endorsement, it would seem that only Mr. Haughey could have given them to you or given them to whoever put them in your account, is that correct?

A. Correct.

Q. I now want to move on in your statement to October and

November of 1990, I don't want to deal with any intervening material which is not relevant to what the Tribunal is dealing with at the moment and to refer to

A. This is the latest memorandum.

Q. Correct, correct. This is the October, November, 1990 payment?

A. Correct.

Q. And what you say is that the Tribunal has requested information regarding a cheque dated the 19th October drawn on the Bank of Ireland, St. Stephen's Green, Dublin 2 account, Irish Permanent Building Society account in the sum of €10,000, the cheque was made payable to Mr. Charles Haughey and was endorsed on the reverse side. The cheque was presented for payment at Bank of Ireland, Dublin Airport and the proceeds were credited to the account of Celtic Helicopters on the 22nd October, 1990. Now the cheque is on the overhead projector. If we can look at the reverse side of the cheque, you will see that it has in, it has what appears to be the signature of Mr. Haughey and then in brackets the words 'Haughey', I don't know by whom those words were inserted and then if it can be turned on the longitudinal axis, you will see that the words 'Bank of Ireland, Dublin Airport' seem to indicate that it was again presented at that branch of the Bank of Ireland. You say that you have discussed the matter with your fellow director Ciaran Haughey and that neither he nor you have any recollection of this cheque.

You believe that the cheque may have been paid to Celtic Helicopters for block hours, in other words, that it represented advance payments for flying services to be provided by Celtic Helicopters to Mr. Charles Haughey. At this point in time, I do not know who presented the cheque to Celtic Helicopters or who received it or who lodged it to Celtic Helicopters' account with Bank of Ireland. If my belief that this payment was for block booking is correct, then I believe that it was cancelled shortly thereafter and the money repaid. At this point in time, I have no actual recollection of either the booking, the cancellation or the repayment. However, Celtic Helicopters' bank account shows a debit of €10,000 on the 14th November, 1990, which I believe may represent the repayment of the cheque for €10,000. At this point, Celtic Helicopters no longer has any invoices for this period so I cannot verify, by referring to the company records, whether or not my belief with regard to this payment and repayment is correct or not and that this is the best explanation you can furnish to the Tribunal at this remove.

A. Correct.

Q. Now, again I just want to refer to the photocopies of the relevant details of your

A. Can I just say one other thing, I can't actually say that the €10,000 that went out on the 14th either was repayment for that because I have no records showing it but I would

assume it because it's a straight in and out, like.

Q. Yes.

A. I am only guessing by saying what I said.

Q. Of course. What we have is a cheque dated the 19th October of 1990 endorsed on the back by Mr. Haughey at the Dublin Airport branch of the Bank of Ireland dated the 22nd October on the back of the cheque. I won't refer to that one now on the overhead projector, we have it here. You will see it's the 22nd October on the reverse of the cheque?

A. Correct, yes.

Q. And then if we go back to the bank statement, we find a lodgment again dated the 22nd October into your account?

A. Correct.

Q. And that seems to suggest that the €10,000 mentioned in your account is the €10,000 in the cheque?

A. Correct.

Q. Now, if we look at, I think, the next page or so of your bank statement, we find on what would seem to be the 14th November, it's very hard on the overhead projector to see the date, but I think you are satisfied yourself it's the 14th.

A. Yes.

Q. There is a debit to the account of €10,000 and that debit, like the €30,000 debit we saw a moment ago, is again by cheque and we have the cheque number 2221 in the sum of €10,000.

A. Correct.

Q. So again, the stark facts are that €10,000 seems to have gone into your account by way of a cheque in favour of Mr. Haughey and endorsed by him and €10,000 very shortly afterwards come out of your account and there is no record of any business dealing between you and Mr. Haughey in relation to that €10,000 or €30,000, isn't that right?

A. Correct.

Q. And when you say you think it must be for block booking hours which were subsequently cancelled, that's all you can say?

A. It's the only possibility. Definitely on the 30 if that 10 went back to Mr. Haughey, that's the only explanation.

Q. The only thing I would ask you to consider is this, that the same thing

A. No records of flying or anything.

Q. I fully accept that. That's the point I am trying to press with you, that there is no record of flying, no record of any business dealing with you, your company and Mr. Haughey, and yet we have the same thing happening twice is the point I am making. We have the very same thing happening twice within a year in fact

A. About eighteen months.

Q. Well within, sorry you are quite correct, within eighteen months.

A. Correct.

Q. Money coming in and money going out and no business record

of it.

A. Correct.

Q. Thanks very much.

CHAIRMAN: Nothing arising, Mr. Quinn?

MR. QUINN: No. Miss Costello?

MISS COSTELLO: Briefly one question, Mr. Barnicle, just to emphasise

MR. HEALY: Sorry, if I could interrupt Miss Costello for one minute. I omitted to mention or deal with one or other matter and I do not wish to bring Mr. Barnicle back for it, Miss Costello is aware of it, the cheque for €5,750 that came out of the Leader's Allowance and that made payable to Celtic Helicopters, it being that Mr. Barnicle has made a comment on it. I think it's appropriate to deal with it now.

CHAIRMAN: I take it Miss Costello you are not surprised or taken in any way unfairly.

MISS COSTELLO: Mr. Barnicle was prepared to deal with that today.

Q. MR. HEALY: That's correct, Mr. Barnicle, is that right?

A. That's right.

Q. I think this is under the heading 'October 1991'?

A. Correct.

Q. And very quickly I will take you through your statement.

You say the Tribunal has also sought your assistance regarding a cheque dated 26th September, 1991 in the sum of €5,750 payable to Celtic Helicopters Limited drawn on, I think that should be Allied Irish Banks. Your statement says Anglo Irish, I am sure it's a typographical error Allied Irish Banks, Haughey Ahern MacSharry account number 30208062 "... neither I nor Mr. Ciaran Haughey have a direct recollection of receiving this particular cheque. I believe it was in payment for flying services provided by Celtic Helicopters Limited to Mr. Charles Haughey in 1991. An invoice would have been raised at the time though the company no longer possesses a copy invoice in respect of this payment. The payment is entered in the company's records for the 4th October of 1991" and you furnished a copy of that to the Tribunal and I will come to that in a moment. Perhaps I will put it up now, the cheque is on the overhead projector and you recognise that as a cheque made payable to Celtic Helicopters from what is in fact known as the Fianna Fail Party Leader's Allowance bank account with Allied Irish Banks in Lower Baggot Street and if we can now pass on to the Celtic Helicopters record.

This is your cheques record for the relevant period and there are a number of other cheques payments that may be referred to elsewhere in the evidence but the only one I want to direct your attention to is one for the sum of €5,750 and the legend or the script is Department of An

Taoiseach, do you see that?

A. Correct, yes.

Q. That's the only record for that time in relation to that cheque, isn't that right?

A. Correct.

Q. You say that you have no recollection of the particular flights, however the company sometimes flew Mr. Haughey when he was engaged on business for Fianna Fail and you believe that this cheque was for payment for flying services provided to Mr. Haughey while carrying out his duties as Leader of Fianna Fail, when Mr. Haughey was engaged in Government business he flew with the Air Corps and the company did not provide flying services for him in respect of Government business.

A. Correct.

Q. Well the only, I suppose, slight, the only feature of that record which would tend to suggest otherwise and I am not suggesting otherwise to you, Mr. Barnicle, is that the record referred to the Department of An Taoiseach. I think I can tell you that there appears to be no record in the Department of An Taoiseach of any payment to Celtic Helicopters of €5,750 nor any record of an invoice raised by them. In other words, there's no question of the Department of An Taoiseach hiring your company, as you thought, to ferry Mr. Haughey on Government business and therefore no invoice from your company to the Department of the Taoiseach so that your surmise may be quite correct

that this was Fianna Fail Party business but some further investigation would have to be carried out to clarify that but are you surprised by the way the record is entered in your cheque book, Department of An Taoiseach?

A. That would have been entered by our secretary, our operations girl and he was Taoiseach at the time so whoever wrote it, it would have been Fianna Fail business and the bill would have went to Fianna Fail so there would have been an invoice drawn for that amount to Fianna Fail. I don't have the invoice, maybe they do. That would be just her way of putting down what the flight was for and why we receive it because he was Taoiseach at the time. We never did any business really for the Taoiseach of the day because he flew in the Government jet so they never used helicopters really so what I am saying it's probably just an error on the part of our secretary putting it in, instead of saying Fianna Fail, Taoiseach or Leader of Fianna Fail, she just put Department of the Taoiseach.

Q. Would I be in thinking if it was flying hours purely for Mr. Haughey himself and not for Mr. Haughey on Fianna Fail business, it would have been C.J. Haughey or Gary Heffernan?

A. If it was private flying it would have been that way. If it was for Fianna Fail, it would have been this way and that would have been, that wasn't an advance payment, that would have been on the invoice.

Q. I see.

A. After the flying was done.

Q. The only reason I am pressing you on it, just as there was no record of any invoice going to the Department of the Taoiseach, there is however, it appears, and I want to make it clear that this is only on the basis of current investigations, no record that Fianna Fail were invoiced for any flying either at this time.

A. We have no record of it.

Q. Neither has Fianna Fail, is the point I am making.

A. Well, the cheque came from Fianna Fail, in other words, the invoice would have went to them, it had to happen that way.

Q. I don't think the cheque came from Fianna Fail. It came from the Leader's Allowance?

A. Well, I don't make distinctions

Q. But you have no record of it, Fianna Fail has no record of it and the Department of the Taoiseach has no record of it.

A. No, that's our cheque receipts book, going back to them and invoices, all the invoices we are not in our possession anyhow at this time but I don't think they go back that far anyhow.

Q. Well, although as I said a moment ago, I hope not to bring you back in relation to this, Mr. Barnicle, in due course it may be necessary to establish with more certainty whether there is or is not a record with the Fianna Fail Party but at the moment, there doesn't appear to be which would seem to suggest that it might be, it might have some

other purpose?

A. If you are distinguishing it between the Fianna Fail Party and the Leader's

Q. I am treating them as more or less the same for the moment.

A. Right, well

Q. Thank you very much.

CHAIRMAN: The only person who had a few questions was your own counsel, Miss Costello?

THE WITNESS WAS EXAMINED AS FOLLOWS BY MISS COSTELLO:

Q. MISS COSTELLO: Thank you, Chairman. Mr. Barnicle, just to clarify, Mr. Healy has mentioned to you in the context of the cheques which were made to the account of Celtic Helicopters and were paid out. The fact that you don't have any documentation in regard to these transactions and just to clarify that it's not a case that the company no longer has records in respect of these particular transactions, but that it no longer has records in relation to that entire period of 1989 and 1990?

A. Previous to 1990 we have no records.

Q. So these don't stand out as having no records where you have records of other transactions?

A. Correct.

Q. That's all. Thank you, Chairman.

CHAIRMAN: Just in conclusion, Mr. Barnicle, can you recall

any other occasions in which you think a situation may have arisen, not involving Mr. Haughey, in which a client might make a fairly substantial block booking and then cancel it?

A. No, Sir.

CHAIRMAN: Obviously it would make life very difficult for cashflow in the company.

A. It would, yes.

CHAIRMAN: And in a sense, I suppose if a very

A. Sorry, in more recent times, I do have one other, well I have had it's happened twice since.

CHAIRMAN: Yes.

A. And one was changed around and left there and the other one was taken out.

CHAIRMAN: Might you be disposed to say if a new client got into a similar scenario today, look, you have done the deal, you are not entitled to get the money back?

A. No, but in one contract, in both the contracts I am talking about, it was in the contract that one was three months' notice in writing and the other one was, I think, thirty day's notice in writing and they are entitled to their money back.

CHAIRMAN: Yes.

A. As one was requested and then reversed and another one has been refunded so it actually has happened twice since. It hurts the company of course.

CHAIRMAN: Of course, but in general terms, a rare occurrence.

A. Yes.

CHAIRMAN: Thanks your for your assistance.

THE WITNESS WAS EXAMINED AS FOLLOWS BY MR. HEALY:

Q. MR. HEALY: Just one question. I am just reminded of something. The Sole Member asked you about the, what memory you had of people who might reverse block booking hours or block bookings and you remembered I think two recently where there was a reversal and a cancelled reversal, do I understand you correctly?

A. That's correct.

Q. But you don't actually remember any block booking for reversal in the case of 1989 and 1990, it's simply your suggestion?

A. It's three years, like.

Q. Yes. Thanks.

That's the end of the evidence for today, Sir.

CHAIRMAN: Very good, Tuesday at half past ten? Very good. Tuesday at half past ten.

THE TRIBUNAL THEN ADJOURNED UNTIL TUESDAY, 20TH JULY 1999
AT 10:30AM.