

THE HEARING RESUMED ON THE 26TH OF OCTOBER, 1999, AS

FOLLOWS:

CHAIRMAN: Good morning everyone. Mr. Coughlan?

MS. O'BRIEN: Mr. Alan Kelly please.

ALAN KELLY, HAVING BEEN PREVIOUSLY SWORN, WAS EXAMINED AS

FOLLOWS BY MS. O'BRIEN:

CHAIRMAN: Thanks very much Mr. Kelly. Of course you are already sworn from your earlier evidence.

Q. MS. O'BRIEN: Thank you Mr. Kelly. Mr. Kelly, you have already given evidence to the Tribunal, I think on the Friday before last, on the 8th of October?

A. Yes.

Q. I think that was in relation to the account at the branch of AIB in Baggot Street which we have been referring to as the Leader's Allowance Account. And on this occasion I think the Tribunal has asked you to give some more and further detailed evidence in relation to the operation of that account, and also in relation to certain specific transactions across that account, both in terms of debit and credit transactions, and I think you have prepared a memorandum of your intended evidence in relation to these matters; is that correct?

A. That's correct.

Q. And I think you should have a copy of it before you, if you

don't we can arrange to pass one up? I wonder also do you have a copy of the series of documents, they are numbered Documents 1 to 136. They are extracts from the account. If not we can hand you up just a bundle of them. And they are just specific extracts from the account statements which we can refer you to during the course of your evidence.

I should say, Sir, that the memorandum of intended evidence and documents is at Flag 2 in Book 11B.

(Handed to witness). In your Memorandum of Evidence, do you state that you are the Manager of the branch of Allied Irish Banks at 1 to 3 Lower Baggot Street, Dublin 2.

A. Yes.

Q. And you have reviewed the books and records of the branch at the request of the Tribunal, to seek to answer questions and queries raised by the Tribunal in relation to account number 30208062 in the names of Mr. Charles Haughey, Mr. Bertie Ahern and Mr. Ray McSharry.

A. Yes.

Q. And I think in particular you have reviewed lodgements to and withdrawals from the account and the pattern of operation of the account to deal with certain specific transactions across the account?

A. Yes.

Q. And I think you have informed the Tribunal that statements for the account are available from February of 1984 until the account was closed on the 22nd of January of 1993?

A. Correct.

Q. I think you further state that the signatures of two of the three account holders were acquired for instructions on the account?

A. Yes.

Q. So that the account mandate required that any two of these three account holders could give instructions or sign cheques; is that correct?

A. That's right.

Q. I think you state further that there was no authorised overdraft facility on the account, but from time to time the account was overdrawn?

A. Yes.

Q. And I think that wouldn't be unusual in terms of the pattern of operation, of an operating account such as the account in question; is that right, is that so?

A. That's right.

Q. I think you state further that in relation, that the account was opened in the three names mentioned already by you, and that in relation to the sending out of statements, the address given for the posting of statements was Mr. Charles J. Haughey, TD, care of the branch?

A. Yes.

Q. I think you state further that this signified that the instructions received were that statements would not be posted out but would be retained for collection at the branch?

A. Yes.

Q. I think you also state that this would not be an unusual arrangement in terms of accounts?

A. No.

Q. And I think in fact the Tribunal has heard evidence from Miss Eileen Foy, who was the administrator of the account, that she was the one who collected the account statements from the account branch and that the reason for this arrangement was to avoid any confusion when the Fianna Fail Party were coming into power or going out of power?

A. Okay.

Q. But I think your evidence is that it certainly wouldn't be unusual for this arrangement to be in place?

A. No, it wouldn't.

Q. In connection with accounts held at the branch, it would be quite a common feature?

A. That's right.

Q. I think you go on to state that you have been informed by the Tribunal that the account was used for the purpose of administering the Party Leader's Allowance; and there is a pattern of regular, in most instances monthly lodgements to the account of sums which the Tribunal has informed you are equivalent to the monthly payments of the allowance?

A. Yes.

Q. I think you further state that the Tribunal has also asked you to deal with certain exceptions to these lodgements which you refer to in some detail later in your Memorandum

of Evidence?

A. That's correct.

Q. I think you state further that the drawings on the account were generally typical of an operating account, with frequent uneven debits of less than œ1,000?

A. Yes.

Q. And that would be typical, I take it, of an operating account such as this?

A. Yes, it would.

Q. Which I suppose would be equivalent to, say an account used to operate a relatively small business or small office?

A. Yes.

Q. You go on to state that the Tribunal has drawn your attention to certain exceptions to this pattern and again you deal with those in some detail in your evidence?

A. Yes.

Q. I think in your evidence, or in your memorandum, what you have done is you have taken each of the years that the account has operated and you have analysed the debits and credits to the account and the general operation of the account in each of those years?

A. Yes.

Q. Now if we can start then with 1984. Now I think you state that in 1984 a sum of œ227,215.42 was lodged to the account; is that correct?

A. That's correct.

Q. I think you state that it is your understanding that the

Tribunal has heard evidence that the Party Leader's

Allowance for that year was £181,215?

A. Yes.

Q. I think on that basis you have calculated that the excess over the Party Leader's Allowance lodged to the account was £46,000.42?

A. Yes.

Q. And that was in the year 1984?

A. Correct.

Q. And I think you state that you understand that the monthly installments of the allowance during that year appear to have been in the region of £15,000 to £16,000?

A. That's right.

Q. I think you state that apart from regular lodgements of that amount, there were additional credits to the account?

A. Yes.

Q. And what were those credits that you have isolated from the account statements?

A. There was £10,000 on the 28th of February.

Q. Of 1984?

A. Of 1984, yes.

Q. I think we can see that as Document No. 1?

A. Um hum.

Q. Is that it there on the top first entry on the account?

A. That's it. That's it.

Q. Yes, and then the

A. On the 13th of April of 1984 there was a lodgement of

€6,000.

Q. And I think Document No. 2 is an extract from the account which shows that. I think in fact it is the last entry on that page of the statement?

A. That's correct.

Q. That is on the 13th of February of 1984. Sorry the 13th of April of 1984?

A. The 13th of April, yes.

Q. There was a lodgement of €10,000 on the 11th of May. I think apart from that lodgement of €10,000, where the account appears to have been slightly overdrawn, and we can see that in Document No. 3, prior to the lodgement I think on the previous two lodgements, the account wasn't overdrawn?

A. That's right.

Q. And then the fourth of those

A. Was on the

Q. unusual lodgements.

A. was on the 13th of August of 1984 in the amount of €20,000.

Q. I think Document No. 4 is an extract of the statement showing that particular lodgement to the account of €20,000 on the 13th of August. I think what you state is that it would appear that all of these were transfers from deposit account No. 30208146 and that this was a deposit account maintained by the branch also in the names of Mr. Haughey, Mr. Ahern and Mr. McSharry?

A. Yes.

Q. And I think there, Document No. 5, which is on the scene at the moment, and I think you should have a hard copy, it is actually numbered in front of you; I think you can see that that is the actual full statement of that deposit account, and I think the debits on the left, the 28th of February, to current - the 24th of February, 28th of February €10,000 to the current account; I think the 13th of April of 1984, shows €6,000 being debited to that account and transferred to the current account. Then on the 11th of May, the €10,000 debit ultimately being credited to the current account and then the final debit on the 13th of August of 1984 of €20,000.

A. Yes.

Q. And I think all of those four debits from the current account were credited to the Leader's Allowance operating account?

A. That's right.

Q. Now, you state in your memorandum that you have been asked specifically to deal with a number of withdrawals from the account in 1984 which I think the Tribunal has brought to your attention as being withdrawals which do not match the usual pattern of small uneven withdrawals?

A. Yes.

Q. Perhaps if you could deal with those yourself, Mr. Kelly?

A. Okay. There was €12,310.45 on the 28th of February, 1984.

Q. I think that is shown there on the overhead projector and

Document No. 6.

A. Yes.

Q. As a debit to the account on the 28th of February?

A. That's right.

Q. And then the next one?

A. That withdrawal appears to be made on the same day of the transfer from the $\text{€}10,000$ from the deposit account.

Q. That's correct. So the transfer of $\text{€}10,000$ we can see it there on Document No. 6, the transfer from the deposit account on the 28th of February, and we can then see on the sorry, Document 6. And we can then see on the same date the withdrawal of $\text{€}12,310.45$ being made to the account?

A. Yes.

Q. I think it also appears that on the date of that $\text{€}10,000$ credit to the account there was certainly nothing but a healthy credit balance on the account in excess of $\text{€}11,000$?

A. Correct.

Q. So there was no apparent need for funds on the date of that transfer, except for the purposes or the apparent purposes of meeting the debit of $\text{€}12,310.45$?

A. Yes. On the 5th of March 1984 there was a withdrawal of $\text{€}2,500$.

Q. And then I think we can see that also on the same account statement?

A. Yes. On the 26th of March there was a withdrawal of $\text{€}10,000$.

Q. And then again on this, this is Document No. 7. I think we can see that debit on the account statement on the 26th of March, and I think in fact that debit did put the account into overdraft slightly?

A. In the sum of œ6.05.

Q. Slightly. I think then the credit balance was restored on the 5th of April by what appears to be the lodgement of an installment of the Leader's Allowance?

A. Yes.

Q. I think the next withdrawal that the Tribunal drew your attention to was œ1,000 on the 11th of April?

A. Yes.

Q. And that again is a round sum figure, and to that extent it doesn't match the usual pattern, as we can see, of small withdrawals from the account?

A. Insofar as there was a pattern, yes.

Q. Yes?

A. Yes.

Q. I think in fact the two days following that, the œ6,000 which you referred to earlier, was transferred from the deposit account to the current account?

A. Correct. On the 10th of May of 1984 there was a withdrawal of œ20,000.

Q. Yes?

A. And as you can see this was the day prior to the day in which the sum of œ10,000 appears to have been transferred from the deposit account.

Q. So if we just look at that on the account statement on the 10th of May, we have the 11th of May we have the credit of œ10,000 and on the previous day, the 10th of May, we have the debit which you are referring to now, of œ20,000.

A. Yes.

Q. And I think actually that withdrawal in fact over the two days, the 10th of May and the 11th of May, there was actually œ25,141 lodged to the account?

A. Yes.

Q. Part of it being an installment to the Leader's Allowance and then the extra œ10,000 and that appears to have met the withdrawal of œ20,000?

A. Yes. On the 11th May there was a further withdrawal for œ2,500.

Q. And then after that

A. œ5,000 on the 22nd of June.

Q. And the account still remained in the black at that stage, it was still in credit?

A. Yes.

Q. And then on the

A. œ5,246 on the 6th of July. Followed by œ10,000 on the 3rd of August. œ3,000 on the 8th of August.

Q. œ3,000 on the 8th of August?

A. Yes.

Q. And that was a debit of œ3,000. Could I just refer you back to the debit on the 11th of May, œ2,500, and that is the one that is referred to in Document No. 8 in the

account statement? I think you may have said in your evidence that it was a withdrawal of €2,500, but I think in fact it was simply shown on the account statement as a debit?

A. It is effectively the same thing.

Q. Effectively the same thing. You didn't intend by that to convey that it was a withdrawal of cash?

A. No, I didn't.

Q. Very good. I think you were dealing with the €5,246 on the 9th, 6th of July. That was Document No. 9 and that was debited to the account on the 6th of July which I think was on the day following another lodgement of the installment of the Leader's Allowance?

A. So it would appear.

Q. Now, I think the next debit that you refer to is on the 3rd of August of €10,000?

A. Yes

CHAIRMAN: I think we have actually had that and the following 3,000, and on the 8th which is the next one after that.

Q. MS. O'BRIEN: I think, then on the 10th of August there is another debit of €12,828.47?

A. Yes.

Q. And I think you have indicated that this was three days prior to the lodgement of €20,000 on the 13th of August?

A. That's correct.

Q. And I think in fact if we just leave it on that at the moment, that account statement, the withdrawal of œ12,000 - debit of œ12,828.47 on that date, that did put the account substantially into overdraft?

A. More substantially than it had been.

Q. More substantially than it had been, œ16,788.25, and I think then if we look back at Document No. 2 which shows the lodgement of œ20,000 on the 13th of August, we can see the balance on the account being restored. I think it is Document No. 4. I think in fact the copy that we have on the overhead projector doesn't quite show the balance, I think it has been slightly masked. I think we have an original copy of the account there, we can see that the credit balance after the installment of œ20,000, following the withdrawal of œ12,828.47 was then restored by the transfer of œ20,000?

A. Okay.

Q. I think the next debit that you have referred to was œ5,400 on the 25th of October of 1984?

A. That's right.

Q. I think in Document No. 11 we can see that transaction across the account. The 20th of October of 1984 and a debit of œ5,400?

A. Yes.

Q. I think at that stage the account was in credit and it, that debit reduced it to just in excess of œ1,000. The credit on the account?

A. Yes.

Q. Now, I think that is the full extent of the debits that we have drawn your attention to for 1984, and I think you have informed the Tribunal that the total of the above drawings from the account amounted to œ89,784.92?

A. Yes.

Q. I think you have stated that at the moment the bank have not been able to provide the Tribunal with any further documents regarding those transactions as the relevant document retention period has passed?

A. That's correct.

Q. Then moving on to 1985; I think you have informed the Tribunal that for that year the total monies lodged to the account amounted to œ189,905.34?

A. Yes.

Q. I think you understand that the Tribunal has heard evidence that the Party Leader's Allowance for that year was œ189,950?

A. Yes.

Q. So that effectively the lodgement to the account and the installments of the Party Leader's Allowance were equivalent in that year?

A. Roughly equivalent, yes.

Q. I think in that year also the Tribunal has drawn your attention to a number of debits to the account, which as you say, insofar as there is a pattern of withdrawals which would be typical of a small operating account, do not

appear to match that pattern of withdrawals?

A. Yes.

Q. And I think, maybe if you could deal with those particular debits yourself, Mr. Kelly?

A. Sure. On the second of January, 1985 there was a withdrawal of £5,000.

Q. I think we can see that on Document No. 12.

A. On the 1st of March a withdrawal of £1,000.

Q. That is in Document No. 13. I think it has been pointed to there, on the overhead projector?

A. On the 9th of April an amount of £5,821.20.

Q. We can also see that in Document No. 14 on the 9th of April, £5,821.20.

A. £1,000 on the 15th of July of 1985.

Q. I think that is in Document No. 15.

A. A further £1,000 on the 30th of July.

Q. And there it is, £1,000 on the 30th of July, debited to the account. I think the account then went very slightly into overdraft as we have seen before?

A. Yes.

Q. And restored by what appears to have been the lodgement of an installment of the Party Leader's Allowance?

A. Yes; and a further £1,000 on the 2nd of September.

Q. I think that is on Document No. 17. £1,000 on the 2nd of September?

A. Yes. £5,338.20 on the 20th of September.

Q. I think that is also on the overhead projector now, the

20th of September of 1985, œ5,338.20 debited to the account. At that stage the account is healthily in credit?

A. Yes. œ5,000 on the 7th of October.

Q. I think that is the bottom of the same page, or Document No. 18, it is the 7th of October. It is right down there at the bottom, œ5,000, we can see it debited to the account?

A. Yes.

Q. I think in the meantime there had been another installment of the Party Leader's Allowance into the account?

A. Um hum.

Q. And then the next one?

A. œ2,000 on the 1st of November.

Q. I think that is on Document No. 19. œ2,000. And then following that on the 7th of November?

A. œ1,000. Another œ1,000 on the 2nd of December.

Q. I think that is Document No. 20?

A. œ2,000 on the 10th of December. And œ1,600 on the 12th of December.

Q. I think the total of those debits to the account comes to œ32,759.40?

A. Correct.

Q. I think again the, as regards documents, the same documents the same position obtains in that the document retention period has passed for documents which might be able to assist the Tribunal as to the source of those additional documents. In fact there were no additional lodgements

that year, but as to the application of those debits to the account?

A. Yes.

Q. In 1986 I think you state that you understand that the Tribunal has heard evidence that the Party Leader's Allowance was £196,612 in 1986?

A. Yes.

Q. And that the total lodgements to the operating account during that year were £330,530.32?

A. Yes.

Q. And accordingly the excess lodged over the installments of the Party Leader's Allowance in 1986 was £133,918.32?

A. Yes.

Q. I think the account statements show that the lodgement of monthly sums in the region of £16,000?

A. Correct.

Q. And that you understand that the Tribunal has heard evidence that the amount of the monthly installments of the Party Leader's Allowance in 1986 was in the region of £16,000?

A. Yes.

Q. So it would appear, therefore, that the monthly lodgements of in or around £16,000 were monthly installments of the Party Leader's Allowance?

A. Yes.

Q. And I think the additional lodgements to the account were as follows: And I think the first of these was on the 7th

of April of 1986, and that was for €50,000. I think you state that the Tribunal has furnished the bank with a copy of the front and reverse sides of an Irish Permanent Building Society cheque, dated the 19th of March of 1986, payable to Fianna Fail in the sum of €15,000; and I think it is endorsed on the back "Fianna Fail, Charles Haughey". I think we have seen those on the overhead projector.

Now, I think you have stated to the Tribunal that it appears from the stamp on the front of cheque, the front, if we could have the front of the cheque back again, that the cheque was processed at the Baggot Street branch on the 7th of April?

A. Yes.

Q. I think you have examined the copy of the cheque and you are satisfied that there are no tracer numbers on the front of the cheque or on the back of the cheque?

A. Yes.

Q. So that a comparison of a tracer number that may be on the cheque and the tracer number on the account statement cannot assist as to whether this cheque may have formed or may have represented the proceeds, the proceeds of - it may have represented the lodgement to the account?

A. That's right.

Q. But you say that it, that on that basis that there are no tracer numbers present on the cheque, that it appears that it was not cleared through the bank's own collection system and I think was probably instead cleared through the Walks

Office?

A. Yes.

Q. I think you stated that this appears to be confirmed by the second statement on the front of the cheque and that is the stamp which is top to bottom, if we turn it over, paid on 8th April of 1986?

A. Yes.

Q. And I think that signifies that the cheque was paid on the date following the date on which it was processed at the bank?

A. Yes.

Q. And would that be consistent with the cheque having been specially presented and cleared through the Walks Office?

A. It would.

Q. If it hadn't been the 8th of April, if it had been the 9th of April I think that wouldn't be consistent because I think in the ordinary course in the clearing system and standard collection system, it takes two days for the cheque to be cleared and paid; is that correct?

A. Yes, and you would expect it then to bear tracer numbers, which it didn't.

Q. I think you have stated that it appears that the cheque was for the precise same amount as the lodgement to the account, and that the lodgement to the account was on the same date, the 7th of April, as the date on which the cheque was processed?

A. Yes.

Q. And I think you have stated that the cheque was endorsed by Mr. Haughey, who was one of the account holders?

A. Yes.

Q. And I think you further stated that Mr. Haughey, apart from the deposit account which you have referred to in your evidence, had no other account at the branch or at

A. No.

Q. And I think in those circumstances you have informed the Tribunal that the probability is that the lodgement to the account on the 7th of April shows a credit to the account, in all probability representing the proceeds of that cheque?

A. Yes. I cannot be certain on that point but in all probability, yes.

Q. In all probability, yes, I think you have indicated also that you are fortified in that view by the absence of any "C" or other similar mark on the cheque which might have indicated that the cheque was cashed?

A. Yes.

Q. Now, I think the, that's the lodgement to the account then on the, of €50,000 on the 7th of April of 1986. I think then the next lodgement to the account which the Tribunal drew to your attention, was on the 22nd of May of 1986?

A. Yes.

Q. And that was for €8,000, I think?

A. Correct.

Q. And I think you indicate that the narrative attaching to

this lodgement on the account statement is "ACC"?

A. Yes.

Q. And does that indicate that the source of that credit to the account appears to be a transfer of funds from the Agricultural Credit Cooperation?

A. It could have been.

Q. I think in fact the Tribunal heard evidence from Ms. Foy last July, that a deposit account was held in respect of the Leader's Allowance in the ACC?

A. Okay.

Q. Now, I think the next lodgement that you refer to was on the 31st of July of 1986?

A. Yes.

Q. And how much was that for?

A. That was for €26,063.

Q. I think you state that you understand that the Tribunal has heard evidence that the monthly installment to the Leader's Allowance at that time was €16,063, so that it appears that this lodgement may have comprised of a monthly installment of the Leader's Allowance together with a further €10,000?

A. So it would appear, yes.

Q. I think again at the moment, the bank cannot produce any further documents, waste sheets and so forth, relating to that lodgements, as the relevant retention period has passed?

A. That is so, yes.

Q. And I think the next lodgement to the account which the

Tribunal draws to your attention was on the 15th of

September of 1986; is that correct?

A. That's correct.

Q. I think that was in the sum of €5,000?

A. Correct.

Q. I think then the final lodgement to the account for 1986, which does not appear to comprise an installment of the Leader's Allowance, was on the 22nd of October of 1986, for €50,000?

A. Yes.

Q. And the Tribunal has also provided you with a copy of the Irish Permanent cheque and this was a cheque on which evidence has been heard in the course of these sittings on a number of occasions; this was a cheque dated the 17th of October of 1986 in the sum of €50,000, payable to Fianna Fail?

A. Yes.

Q. And I think on the back of, the reverse side of the cheque, it appears that the cheque was endorsed for "Fianna Fail, CJ Haughey"?

A. Yes.

Q. And I think there are tracer numbers on the back of that cheque?

A. That's right.

Q. Have they enabled you to assist the Tribunal as to whether that cheque may be the source of the lodgement to the account?

A. They have, because the second series of numbers 490799 is a tracer number, and the last four digits there of 0799 are in direct proximity of the tracer number 0798 which is shown on the lodgement of the account statement.

Q. And that signifies, therefore, that this cheque must have comprised the lodgement to the account?

A. It certainly suggests so, yes.

Q. Because they are in direct sequence with each other?

A. Yes, correct.

Q. If we can just go back to the account statement which is Document No. 27, and we can see there for the œ50,000 that the tracer number is 0798 and the tracer number shown on the cheque was 0799?

A. Yes.

Q. And they were then the four lodgements to the account in 1986 which do not appear to have been installments of the Party Leader's Allowance?

A. As highlighted by the Tribunal, yes.

Q. I think on the debit side, the Tribunal also drew your attention to a number of transactions on the account for 1986 which again, insofar as there is a pattern on the account, do not appear to match that pattern?

A. Okay.

Q. And maybe if you could review those for us, Mr. Kelly.

A. There was œ3,000 on the 4th of February of 1986.

Q. If we just look at that. I think that is there, it is Document No. 26. And that is œ3,000 on the 4th of

February.

A. Yes.

Q. Then the next one?

A. €10,000 on the 29th of October.

Q. I think we have jumped from - I think there was one on the 23rd of April of €10,000, I think it is on page

A. Pardon me. €10,000 on the 23rd of April, yes.

Q. And I think you understand that the Tribunal has heard evidence that this debit to the Party Leader's Allowance account appears to match a credit to the Haughey Boland No. 3 Account, and this was an account used for the bill paying service provided by Haughey Boland to Mr. Haughey?

A. Yes.

Q. And then after that?

A. €10,000 on the 29th of April, 1986.

Q. I think that was just three days, six days later on the 29th of April. I think similarly you understand that the Tribunal has heard evidence from Mr. Carty that this appears to match directly a lodgement to the Haughey Boland No. 3 Account?

A. On the 25th of April.

Q. That's correct?

A. Yes. The next one was €2,000 on the 13th of May.

Q. I think if we can put that one there, €2,000 on the 13th of May, we see debited to the account?

A. The next one is €20,000 on the 21st of May.

Q. €20,000 on the 21st of May.

A. Yes.

Q. And I think you have also stated in your memorandum that you understood that the Tribunal has heard evidence from Mr. Carty that this debit appears to correspond to a credit to the Haughey Boland No. 3 Account on the 31st of July of 19 that should be the 31st of May of 1986. That must be a typing error?

A. I think that is a typographical error.

Q. It must be an error?

A. Because it would be in advance, the credit would be in advance of the 21st of May.

Q. In fact the credit was in advance of that, of the 21st of May, because the credit would always be in advance of the debit to the account?

A. You would imagine that would be the case, as it has been on the other ones.

Q. I think then on the 23rd of July of 1986 was there a further withdrawal or debit to the account?

A. Yes, of €4,000.

Q. And then again on the 5th of August?

A. €10,000 on the 5th of August.

Q. I think in fact it was that, it was that debit that the Tribunal heard evidence, that it directly matched a credit to the No. 3 Account on the 31st of July of 1986?

A. Correct.

Q. I think you have informed the Tribunal that the four withdrawals of €10,000, €10,000, €20,000 and €10,000 that

you have just referred to; two of them the 23rd and the 29th of April, £20,000 on the 21st of May and £10,000 on the 5th of August, that in total they come to £50,000?

A. Correct.

Q. And I think just to return, just returning then to the withdrawals from the account, I think you have listed a series of withdrawals in the, from September to December of 1986. I think the next one was the 5th of September of 1986?

A. That was in the amount of £5,666.81.

Q. I think we can also see that on the overhead screen on the 5th of September £5,666.81.

A. And £2,000.

Q. If I can just stop there for a moment. If we go back, I think shortly thereafter we can see it on the 15th of September, the lodgement of £5,000 to the account?

A. Yes.

Q. And then the next debit to the account?

A. Was on the 19th of September for £2,500.

Q. And we can see that there, £2,500 on the 19th of September, I think shortly after that the account went marginally into overdraft?

A. Yes.

Q. And that was restored again, a credit balance was restored by a lodgement of what appears to be an instalment of the Party Leader's Allowance?

A. Yes, and that was £2,500. The next withdrawal the Tribunal

asked me to comment on was the €25,000 on the 29th of October.

Q. 29th of October of 1986, €25,000, and I think here you have stated that you understand that the Tribunal has also heard evidence from Mr. Carty that this debit appears to correspond to a credit of €25,000 to the Haughey Boland No. 3 Account on the 28th of October, which is the day prior to the date of the debit?

A. Yes.

Q. I think we can see on the credit side, just on that particular account statement we can see the credit of €50,000 which appears to be the second of the Irish Permanent cheques which the Tribunal drew to your attention?

A. Yes.

Q. I think after that, the next withdrawal was

A. On the 12th of November, in the amount of €10,000.

Q. €10,000 on the 12th of November of 1986?

A. That's correct. Followed by €2,200 on the 2nd of December, 1986.

Q. That is on page 39, I think of the documents on the 2nd of December.

A. €10,000 on the 19th of December.

Q. We can see there the €10,000 on the 19th of December being debited to the account and the account is still very much in credit at that time.

A. Correct.

Q. Then finally on the 30th of December?

A. A figure in the amount of €1,200.

Q. And that is a small round sum figure of €1,200?

A. Yes.

Q. I think you have said that the withdrawals referred to above, that is the withdrawal of €5,000, the withdrawal of €5,666.81, the withdrawal of €2,500, the withdrawal of €10,000, and the withdrawal of €10,000. They amount in total to €50,666.81?

A. Yes.

Q. And I think you have also said that on another combination of those withdrawals they come to a approximately €48,400?

A. Yes.

Q. And I think in fact I can also draw your attention to the withdrawal of €25,000 on the 29th of October, of €10,000 on the 12th of November, and €10,000 on the 19th of December; and then if we actually look at a debit of €5,000 on the 9th of January of 1987, I think this was referred to in the evidence of Ms. Foy, that those debits in total would come to €50,000?

A. I think that's correct, yes.

Q. And that is precisely the amount of the second Irish Permanent cheque which was lodged to the account?

A. Which appears to have been lodged, yes.

Q. I think the grand total of all of those debits that we have referred you to, as regards 1986, comes to €115,566.81?

A. Yes.

Q. Then moving on to 1987. I think you have informed the Tribunal that in 1987 a sum of €112,716.05 was lodged to the account?

A. Correct.

Q. And I think you understand that the Tribunal has heard evidence that the Party Leader's Allowance paid in that year was €78,000?

A. €78,056, yes.

Q. And I think a sum of €34,660.05 was therefore paid into the account over and above the Party Leader's Allowance?

A. Correct.

Q. And that was in the year of 1987?

A. That's right. Could I just bring you back to 1986, briefly?

Q. Yes, indeed?

A. You mentioned there the total of withdrawals, the final total of withdrawals came to 115,000 I think.

Q. Yes?

A. I think that figure is 56,000, the ones that I have given evidence on, I think.

Q. No, if we take all of the withdrawals starting from the 4th of February of 1986, that would be the withdrawals lettered A to N, that is each and every one of them?

A. Okay. Okay.

Q. I think they come to €115,566.81?

A. Fine.

Q. Not to worry. I think if we move back then to 1987, you

state that apart from the, that the sum of 34,660.05 was paid into the account over and above the Party Leader's Allowance in that year?

A. Yes.

Q. I think apart from the monthly installments of what appear to be the Party Leader's Allowance there were five further additional lodgements to the account in 1987?

A. Yes.

Q. And perhaps if you could just go through each of those in turn, Mr. Kelly?

A. On the 27th of January 1987, there was a lodgement of œ4,296.01. It appears from the account statement that this was a reversal of cheque number 884 for the same amount.

Q. I think that is just shown two transactions below; is that correct?

A. Correct.

Q. If just go there œ4,296.01, you think one is a reversal of the other?

A. That is what the notation is suggesting, yes.

Q. It appears that it is an unpaid cheque; is that correct?

A. Correct.

Q. So it was a cheque that would not have been paid and therefore may have been credited to the account but ultimately debited when the bank couldn't collect on the cheque?

A. Well, ultimately credit. It would have been debited and credited on the same day I think, that is what

Q. Yes, it was.

A. So it was a cheque returned. The reason for the return of the cheque is not clear.

Q. Right. But one appears to have cancelled out the other?

A. Absolutely.

Q. I think the next lodgement then was on the 2nd of February of 1987?

A. In the amount of €7,000.

Q. And does the account statement itself indicate to you in anyway what the source of that lodgement is?

A. Well, ACC suggested the source may have been the Agricultural Credit Corporation.

Q. I think as indicated earlier the Tribunal has heard evidence that there was a deposit account maintained at the ACC?

A. Yes.

Q. And then after that?

A. There was €15,000 on the 10th of March.

Q. And I think you have been informed that the Tribunal has heard evidence that this lodgement represented an advance from the Fianna Fail Party?

A. Yes.

Q. It was an advance of funds from the Fianna Fail Party?

A. Then on the 23rd of April, 1987, €4,790.62.

Q. I don't think there is anything on the account statement that can assist as to what the source of that might be?

A. No. No.

Q. And then finally for 1987?

A. An amount of €3,000 on the 23rd of December.

Q. I think we can also see that in fact at that stage the account was overdrawn to some significant extent?

A. Some extent, yes.

Q. Well significant in terms of the pattern of over drawing on the account?

A. In terms of the overall pattern, yes.

Q. The overdrawings were fairly limited, were they not?

A. They were.

Q. And that was on the 23rd of December of 1987?

A. Correct.

Q. And I don't think there is anything on the account statement, or the face of it, that can assist as to the source of that lodgement?

A. No, there isn't.

Q. Now, on the debit side, I think you have indicated that apart from withdrawals of €5,000 on the 5th of August, and on €5,000 on the 9th of November, in relation to which you understand that the Tribunal has heard evidence; that these were repayments of the part repayments of the €15,000 advanced by the Fianna Fail Party. The Tribunal has also brought to your attention a number of other drawings, I think, or debits; I think there were six in all to the account which do not appear to match the usual pattern on the account?

A. Yes.

Q. I think we, just at the moment we are showing the €5,000 on the 9th of November of '89 on the screen, and it was that debit and also the debit on the 5th of August, that the Tribunal heard evidence were repayments to the Fianna Fail Party of the €15,000 that was lodged on the 10th of March of that year?

A. Yes.

Q. Now, the six

CHAIRMAN: Do I correctly recall, Ms. O'Brien, that the final installment went into the following year?

Q. MS. O'BRIEN: I think the final installment went into the following year, there doesn't appear I think to be an installment of the final €5,000 from this account itself. Now, I think apart from those two debits to the account the Tribunal has drawn your attention to six of these round sum or substantial debits to the account in that year?

A. Yes.

Q. And perhaps we could go through each of those in turn?

A. Okay. On the 9th of January there was a debit for €5,000.

Q. I think that is shown on Document No. 48, €5,000?

A. Then €1,000 on the 16th of February of 1987.

Q. That is Document No. 49?

A. €1,500 on the 28th of April.

Q. €1,500 on the 28th of April?

A. Yes. €4,000 on the 8th of May.

Q. 8th of May, €4,000.

A. £4,500 on the 5th of June.

Q. Yes?

A. And finally £1,500 on the 14th of October.

Q. And I think in each of these instances there is nothing on the account statements which would indicate what the application of those drawings might be?

A. No, there isn't.

Q. I think the total of those drawings comes to £17,500?

A. Correct.

Q. So that was the position as of 1987?

A. That's right.

Q. I think then if we move on to 1988, you have informed the Tribunal that the total sum lodged to the account was £89,468.41?

A. Yes.

Q. I think you understand that the Tribunal has heard evidence that the Party Leader's Allowance for that year was £90,666?

A. Yes.

Q. And accordingly, appears that there was no additional sums lodged to the account and there was in fact a very small deficit of approximately £1,197.59?

A. Yes.

Q. And you understand that the monthly installments of the Leaders Allowance for that year were in the region of £7,000?

A. Yes.

Q. I think again there were a number of transactions on the debit side that the Tribunal has brought to your attention during 1988, and perhaps if you could deal with those in turn, Mr. Kelly. I think they come in total to nine debits to the account?

A. Yes. The first one being œ7,509.27.

Q. I think in fact the account was quite significantly overdrawn by that debit?

A. Yes.

Q. I think it had brought it into overdraft to the extent of œ10,869.02 and that was partly restored by the lodgement of œ6,885.42.

A. Correct.

Q. And then the next of the drawings?

A. œ5,700 on the 6th of April.

Q. 6th of April œ5,700 I think the account was again overdrawn by that withdrawal, that debit to the account?

A. Yes.

Q. And then after that?

A. œ1,000 on the 14th of April.

Q. The account continued to be overdrawn at that stage?

A. Yes.

Q. It was overdrawn to the tune of just short of œ8,000?

A. Correct. œ1,000 on the 3rd of May.

Q. 3rd of May, œ1,000. I think in the interim there had been a lodgement of an installment of the Leader's Allowance which had brought down the overdrawn balance to some

extent?

A. Yes.

Q. But the account continued to be overdrawn?

A. Correct.

Q. And then after that?

A. A further €1,000 on the 31st of May.

Q. I see. That again the account was slightly in overdraft by that debit?

A. Yes. €6,649.95 on the 14th of July.

Q. 14th of July, €6,649.95 and yet again that appears to bring the account into overdraft?

A. Yes.

Q. But I think the account credit balance was only restored on one day by the, what appears to be the monthly installment of the Leader's Allowance?

A. That's correct, yes.

Q. As you can see there, and it immediately goes into overdraft again by the drawing, by that drawing on the account?

A. Yes.

Q. Then after that?

A. €6,832.82 on the 26th of September.

Q. And we can see that on page 58 of the documents.

A. Um hum.

Q. €5,832.32. (SIC) and then after that

CHAIRMAN: 5 or €6,000 I wonder Ms. O'Brien?

Q. MS. O'BRIEN: €6,832?

A. That's right.

Q. I am sorry, Chairman. Then after that?

A. €4,988.78 on the 23rd of November.

Q. We can see that there €4,988.78?

A. Finally €5,767.11 on the 1st of December.

Q. And we can see that on the same account statement page and

I think the total of those debits to the account comes to

€40,447.93?

A. Yes.

Q. I think that's the position, therefore, for 1988?

A. Correct.

Q. I think moving on to 1989. The total lodgements to the

account were €313,409.28?

A. Yes.

Q. I think you understand that the Tribunal has heard evidence

that the Party Leader's Allowance for that year was

€93,107?

A. Yes.

Q. And that, accordingly, the funds over and above the Party

Leader's Allowance which were lodged to the account

amounted to €220,302.28?

A. Correct.

Q. You understand that the monthly installments of the Party

Leader's Allowance in that year appear to have been in the

region of €8,200 to €8,800?

A. Yes.

Q. I think from an examination of the account statements you have been able to state that the bulk of the additional funds being £188,772.02 appear to have been lodged to the account between the 25th of May of 1989 and the 29th of June of 1989?

A. Correct. I think that figure should read 188,872.

Q. 188,872?

A. Yes.

Q. And that's - the bulk of those funds then appear to have been lodged to the account over that short five-week period from the 25th of May to the 29th of June?

A. Correct.

Q. And I think you say that it is possible that part of this sum, that 188,000 odd pounds may have included the monthly installment of the Party Leader's Allowance and in that case the total additional lodgements would have been approximately £180,000 during that five-week period?

A. That's correct.

Q. You then indicated to the Tribunal isolated additional lodgements to the account during 1989 which do not appear to be installments of the Party Leader's Allowance?

A. Yes.

Q. And I think if you could just deal with each of those, Mr. Kelly, in turn. I think in all there are ten or eleven; eleven I think in all?

A. Yes.

Q. I think the first was on the 11th of April is that right?

A. And that is in the amount of €5,000.

Q. And we can see that there on the overhead projector.

€5,000. And

A. The second one was for €25,042 on the 25th of May.

Q. This is the first of the lodgements that appear to have been crowded between the 25th of May and the 29th of June?

A. Yes.

Q. And that was for €25,042 on the 25th of May?

A. That's right.

Q. And then after that?

A. €6,652.76 on the 1st of June.

Q. I think we can see that just on the same account statement all of these lodgements to the account crowded together?

A. Yes. On the same day there was a lodgement for €40,000.

Q. On the same day?

A. Yes.

Q. And that is just below it, €40,000?

A. Correct.

Q. On the 1st of June?

A. €9,288.63 on the 8th of June.

Q. The 8th of June, and then the next one after that below it?

A. €57,600 on the 14th of June.

Q. Is that 600 or 500?

A. It is 600.

Q. 57,600 on the 14th of June?

A. Correct.

Q. And then I think on the next page?

A. On the 20th of June €7,288.63.

Q. Yes?

A. 36,000 on the 20th of June the same day.

Q. Yes. Now, I think the Tribunal, you understand that the Tribunal has heard evidence from Mary O'Connor?

A. From Mary O'Connor.

Q. From Allied Irish Banks, I don't know if she is with your own branch?

A. No, she is not.

Q. From Mary O'Connor, to the effect that as this appears that this lodgement, in part, represented the proceeds of a cheque for €25,000 which was signed by Mr. Laurence Goodman, I think we may have a copy of that cheque. The Tribunal has already heard that evidence from Mary O'Connor so I don't think there is any need for us to go into it again?

A. Okay.

Q. So that was the €36,000 on the 20th of June, and then on the 29th of June?

A. There was a lodgement of €7,000.

Q. €7,000. And I think the total of those lodgements which we have just seen over the two pages over that five-week period they come to 188,000 pounds odd?

A. That's correct.

Q. I think in comparison to any other time in the operation of the account, there are more lodgements in that time than in any other time when the account operated?

A. Certainly in terms of amount, yes.

Q. I think as a result of the lodgement of €36,000 on the 20th of June the credit balance in the account went right up to just in excess of €186,000?

A. Correct.

Q. And then just returning to the lodgements to the account in that year, I think the next one was on the fourth of September; is that right?

A. Correct. In the amount of €18,185.63.

Q. Of course the balance in the account is still very high, it is 114, nearly €115,000?

A. Yes.

Q. And then after that?

A. €25,000 on the 21st of September. Sorry, in fact that should be the 22nd of September.

Q. Yes, that is correct. I think it should be the 22nd of September?

A. Yes.

Q. €25,000 on the 22nd of September. I think you have indicated that apart from the evidence given by Mary O'Connor in relation to the lodgement of the €36,000 cheque on the 20th of June, the bank at the moment cannot give the Tribunal any further assistance as to the sources of these lodgements?

A. Correct.

Q. I think this is because of the document retention period having passed?

A. That's right.

Q. Now, I think you state in your memorandum that you have already given evidence in relation to a number of the drawings from the account in 1989, and that you understand that the Tribunal has also heard evidence from other sources in relation to the drawings from the account in that year?

A. Yes.

Q. And I think you state that the debits to the account in 1989 on which you have given evidence and on which you understand that the Tribunal has given evidence, there are a number of them and you deal with each of those in turn?

A. Yes.

Q. And I think the first of those was on the 21st of June of 1989?

A. Correct.

Q. And that?

A. That was for €25,000.

Q. I think you understand that the Tribunal has heard evidence that this represents a cheque of €25,000 which was dated the 16th of June and was payable to cash?

A. Yes.

Q. And you can see there the cheque for €25,000 drawn on the account and it is dated the 16th of June and it is in the sum of €25,000 and it is payable to cash?

A. Yes.

Q. I think you state that this debit was made to the account

on the day following the lodgement of €36,000 to the account, representing in part the proceeds of the cheque signed by Mr. Goodman for €25,000?

A. Yes.

Q. And I think in this regard you understand that the Tribunal has heard evidence that the €25,000 cash cheque dated the 16th of June and debited to the account on the 21st of June, was lodged to an account of Amiens Investments Limited in Guinness and Mahon which was controlled by the late Mr. Traynor?

A. So I understand.

Q. And I think in fact the evidence that was heard by the Tribunal, the evidence of Miss Sandra Kells, was that the proceeds of that cheque were credited to the Amiens Account on the 20th of June of 1989 and that appears to be on exactly the same day as to the lodgement of the €25,000 cheque to the Leader's Allowance Account?

A. Yes.

Q. Now, I think the next of the drawings on the account which in fact you have already mentioned in your evidence, is the one below the €25,000, it is for €5,758.95?

A. Yes; and I have already given evidence in relation to that withdrawal, that it may have funded the purchase of the international cheque for \$7,840.80 payable to the Mayo Clinic.

Q. I think in fact we have a copy of that cheque, again I think you in fact mentioned that already in your evidence

on the 8th of October?

A. I had.

Q. I think then the next drawing on the account was on the 20th of July, and that's in Document No. 71. œ47,090.56?

A. Yes.

Q. I think that is also a drawing that you have referred to in your evidence previously?

A. Yes. We think it appears to have funded an international cheque for US \$ 65,923.29 payable to the Mayo Clinic.

Q. Again we have that on the overhead screen. Then I think the next drawing after that was on the 21st of September?

A. For an amount of œ1,029.21, and I have also dealt with that withdrawal in my previous evidence.

Q. And

A. That appears to have funded international cheque for \$1,409.60 payable to the Mayo Clinic.

Q. Then we have that also on the screen. Then I think after that, the next drawing was on the 29th of September of 1989?

A. In the amount of œ4,933.59.

Q. I think you understand that the Tribunal has heard evidence that this was a cheque payable to the Department of Foreign Affairs, and in fact we have a very, very poor faint copy of that, that is on the screen at the moment?

A. Yes.

Q. I think the next drawing then from the account which we can identify the application of, was on the 7th of December of

1989?

A. In the amount of œ619.96. And I also gave evidence in relation to this withdrawal, part of which appears to have been applied to purchase an international cheque for \$324.01 again payable to the Mayo Clinic.

Q. We also have a copy of that?

A. Um hum.

Q. I think then the final drawing or the second last drawing in fact in December of 1989 which we have been able to identify was on the 12th of December of 1989?

A. For œ12,500.

Q. I think you understand that the Tribunal has heard evidence that on the 13th of December that Mr. John Ellis received a cash payment of œ12,400?

A. Yes.

Q. And I think the bank is not in a position to produce to the Tribunal a copy of that cheque, I think the cheque number is 500017?

A. Yes.

Q. I think that is because the document retention period for that cheque has passed?

A. Correct.

Q. Now, I think apart from the drawings on the account, which have been identified either by yourself or in the course of the evidence of the Tribunal, in fact I think we may have missed one last drawing, did we?

A. Yes, on the 28th of December.

Q. Yes, I am going ahead of myself. The 28th of December of 1989?

A. In the amount of €5,073.53. I understand the Tribunal has heard evidence this was a cheque payable to the Department of Foreign Affairs.

Q. Again, I think we have again a very poor copy of that cheque. It is there, I think it is probably the 14th of December.

A. Yes.

Q. And I think that is the extent of the drawings on the account in 1989 which have been identified either by your good self in evidence or by other witnesses from whom the Tribunal has heard evidence?

A. Yes.

Q. Now, I think apart from those drawings the Tribunal has also drawn to your attention and asked you to comment on a number of additional drawings from the account in 1989 which do not appear to match the usual pattern of drawings on the account?

A. Yes.

Q. And I wonder if you could just indicate each of those in turn?

A. On the 27th of February of 1989, a withdrawing in the sum of €6,995.55.

Q. I think again there is nothing on the account statement which would assist as to what the application of that was, except I think it is clear from the details that it was in

respect of a cheque drawn on the account?

A. Number 1210, I think.

Q. And the retention period in relation to a copy of that cheque, I take it, has passed?

A. Has passed.

Q. Then the next one?

A. On the 24th of April, £11,173.76.

Q. Does it appear that is also in relation to the cheque?

A. It is fair to say that virtually all these withdrawals through the years were all cheques.

Q. All cheque withdrawals?

A. Virtually all of them, yes.

Q. Then the next one after that?

A. On the 21st of September. £25,000 again a cheque.

Q. Of £25,000?

A. Correct. This appears, does it not, from a visual inspection of the account statement to have been met by a credit to the account on the following day. Yes.

Q. Of £25,000. So £25,000 out and £25,000 in?

A. Correct.

Q. There is nothing to indicate from the face of the account statement that one cancels out the other or anything like that?

A. No, there isn't.

Q. And then the next one I think was on the 5th of October, it is on the same page?

A. That is in the amount of £10,720.

Q. And again that is, you believe that to be in respect of a cheque drawn on the account, a copy of the paid cheque is no longer available?

A. Correct.

Q. Then

A. On the 11th of October, a cheque in the sum of €20,000.

Q. It is on, that is on the 11th of October, €20,000?

A. Yes.

Q. And again I take it the same position applies there, does it, in terms of the availability of a copy?

A. Yes, it applies to all of these cheques in 1989, yes. The next one is €5,000 on the 2nd of November.

Q. We can see that on the next page of the account statement.

Second of November, cheque 50001. €5,000.

A. Yes, and finally €9,724.37 on the 12th of December.

Q. And we can see that on page 86. €9,724.37?

A. Yes.

Q. And I think the total of those drawings, those drawings from the account in 1989 which have not been identified either by yourself or anybody else in evidence heard by the Tribunal, comes to €88,612.96?

A. In that region, yes.

Q. In that region. I think if you add to that the €25,000 cash cheque which was referred to earlier in your evidence, the total comes to roughly €113,000 in 1987?

A. Yes. 1989.

Q. 1989, I apologise, 1989 of course. I think you state that

as a result of the lodgement to the account in 1989 the lodgements which amounted to €313,409.29 there was a sizable credit balance on the account?

A. Yes.

Q. And I think this was in fact far more sizable than there had been at any other time in the history of the account?

A. Correct.

Q. You say as of the 20th of June, following a series of lodgements in the preceding four-week period, there was a credit balance of €186,204.51, and we can see that there on the extract from the account statements?

A. Yes.

Q. I think you state that in the previous years the balance on the account varied up to a figure of approximately €20,000?

A. Correct.

Q. And that the exception to that was the year 1986, when on two occasions following what appears to be the lodgement of Irish Permanent cheques, the credit balance on the account was in excess of €50,000?

A. Yes.

Q. So that on those two occasions in 1986 there was a credit balance in excess of €50,000, and I think that was the highest credit balance on the history of the account, except for this occasion?

A. I believe that is the case, yes.

Q. When it was €186,000?

A. Yes.

Q. I think those two credit balances in 1986 were also dissipated by substantial drawings on the account?

A. Correct.

Q. And the same, I think, applies in the case of this credit balance; is that so?

A. Yes, it was drawn down over the following months until by approximately May of 1990 the credit balance of the account was reduced to a level which had typically obtained prior to mid-1989.

Q. So it was over somewhere short of 12 months that this credit balance was reduced down by drawings on the account?

A. Yes.

Q. So that, I think was then the position on both the credit and debit side for 1989?

A. Correct.

Q. And then moving on to 1990. I think you have stated that the total lodgements to the account in 1990 came to œ119,207.50; is that correct?

A. Yes, that's correct.

Q. I think you understand that the Tribunal has heard evidence that the Party Leader's Allowance for that year was œ113,207?

A. Yes.

Q. Accordingly, the excess lodged to the account in that year was œ6,000 only?

A. Yes.

Q. I think you understand that the monthly installments of the

Leader's Allowance Account for that year were approximately
œ9,000?

A. Yes.

Q. And I think from an inspection of the account statements
you can say in evidence that installments of that amount or
in the region of that amount were lodged to the account
every month?

A. Yes, something more than œ9,000, yes.

Q. I think you state that the additional sum of œ6,000 was
accounted for by two lodgements. One on the 3rd of October
of 1990 of œ5,000?

A. Yes.

Q. And one on the 31st of October of 1990 of œ1,000.70?

A. Yes.

Q. And I think you have stated also that this latter lodgement
appears to have been made to meet a debit to the account on
the previous day, the 30th of October of 1990 of the same
amount and we can see from the account statement that this
is described as "travel"?

A. Correct.

Q. Would that indicate that clearly there is no cheque number
on the account statement in relation to that transaction?

What would that entry on account statement signify to you
as to what the nature of the transaction was?

A. It indicates that it was probably withdrawn at the branch
by way of cash or travellers cheques, and that "B" would
suggest it was probably a cheque that was negotiated at the

branch. The tracer would suggest that as well, it was negotiated at the branch.

Q. The tracer itself would also suggest that?

A. From reading that correctly I think the tracer begins with "B".

Q. It is B519150226?

A. The transaction probably took place at the branch counter.

Q. I see. So that there was a lodgement to the account of œ1,000.70 and then a drawing possibly or probably applied in funding travellers cheques or foreign currencies or so forth?

A. I am assuming that is not coincidental.

Q. Now, I think on the debit side you have stated that the debits to the account on which you have already given the evidence to the Tribunal, or on which you understand the Tribunal has heard evidence are as follows, and perhaps you could deal with those yourself, Mr. Kelly?

A. Sure. On the 7th of March of 1990 there was a debit in the amount of œ5,727.23.

Q. We can see that there?

A. A withdrawal appears to have funded the purchase of three international cheques.

Q. You have given evidence of those already, haven't you?

A. Yes, I have.

Q. Maybe if we could see those three international cheques just as a refresher. To refresh your memory, the 7th of March, 1990, \$6,810 US payable to the Mayo Clinic?

A. Um hum.

Q. Then the next one?

A. \$1,885.60 payable to Calor Hotel.

Q. Then the final of the trio of international cheques?

A. \$235.75 US payable to Gold Crown Limousine Services.

Q. And then the next drawing on the account?

A. Was on the 22nd of March for œ13,600.

Q. And I think you understand that the Tribunal has heard evidence from Mr. John Ellis that he received a sum of œ13,600 in cash from Mr. Haughey on the 22nd of March of 1990?

A. So I understand.

Q. And that is on the same date as the drawing of the same amount from the account?

A. Yes. The next item is œ3,845.09; and a small part of this debit being œ49.33 appears to have been used to fund the purchase of an international cheque for US \$79 payable to the Mayo Clinic.

Q. We can see that there, just to refresh your memories, \$79 and 29th of June of 1990 payable to the Mayo Clinic and you in fact also already gave evidence in relation to that international cheque?

A. Yes, I did.

Q. I think that was the last in the sequence of US dollar international cheques which appear to have been drawn on the account. I think apart from those withdrawals which have been identified and the application of which appears

to have been identified by you in your evidence, or by other witnesses from whom the Tribunal has heard evidence, there also appears to be a series of debits to the account in that year, which the Tribunal has drawn to your attention?

A. That's right.

Q. And again, as you say insofar as there is a pattern of debits to the account, which would be similar to a small operating account, these do not appear to match that pattern of debits?

A. I would say that there are so many of these items that probably calls into question whether there is a pattern at all.

Q. Yes. I think in total there are nine debits to the account in that year?

A. Yes.

Q. Of this type?

A. Yes.

Q. And the first of these was on the 23rd of January of 1990?

A. In the amount of £1,100.

Q. And then two days later I think there is another £1,100 on the 25th of January?

A. 25th of January, £1,000 on the 30th of March.

Q. Yes?

A. £8,830.37 on the 30th of April.

Q. Yes?

A. £1,000 on the 2nd of August.

Q. Yes?

A. Another œ1,000 on the 3rd of October.

Q. Yes?

A. œ2,400 on the 12th of October.

Q. Yes?

A. œ5,440 on the 19th of October.

Q. Yes?

A. Finally œ2,200 on the 13th of November. A total of those withdrawals amounted to œ24,080.37.

Q. They were the drawings on the account in 1990 which the Tribunal drew to your attention?

A. Correct.

Q. Now, if we move on then to 1991. I think the total sum lodged to the account in that year was œ223,560.84; is that correct?

A. That's right.

Q. I think you understand that in relation to the Party Leader's Allowance that the sum paid in that year was œ123,137?

A. Yes.

Q. I think on the basis of those two figures it appears that the sum lodged to the account in excess of the Party Leader's Allowance is œ100,423.84?

A. Yes.

Q. I think you have been informed that the monthly installments of the allowance in that year were in the region of œ10,000?

A. Yes.

Q. I think from an inspection, a visual inspection of the account statement for that year, you can identify other lodgements to the account which do not appear to have been installments of the Party Leader's Allowance?

A. That's right.

Q. And if we can just deal with each of those?

A. On the fourth of February of 1991, there was a lodgement of €5,000. On the 13th of February there was a lodgement of €25,000. On the 7th of March a lodgement of €15,000.

Q. Now, I think in relation to that lodgement you understand that the Tribunal has heard evidence that this sum was provided by the Fianna Fail Party for the purposes of certain Fianna Fail business and that in fact there was a debit to the account on the 13th of March of 1991 in relation to that matter?

A. That's right. Then on the 16th of May, €4,000.

Q. We can see that there on the account.

A. This one appears to have come from the deposit account of the branch to which I have already referred.

Q. We can see that there, the 16th of May from "D", and we can match it with 16th of May of 1991, €4,000 to the current account from the deposit account?

A. Yes. On the 2nd of September a lodgement of €50,263.25.

Q. We can see that there, the 2nd of September of 1991. I think in relation to that the bank has been able to produce to the Tribunal a copy of the relevant lodgement docket?

A. Yes.

Q. I think if we can see that there. I think that that indicates that the lodgement was made up of two separate sums; is that correct?

A. Yes, correct.

Q. I think it appears to be €10,263.25 which appears to be an installment of the Party Leader's Allowance?

A. Yes.

Q. And a separate amount of €40,000?

A. Yes.

Q. I think the Tribunal has provided you with a copy of an Irish Permanent Building Society cheque for €40,000?

A. Yes, it has.

Q. Dated the 16th of August of 1991, payable to Fianna Fail?

A. Yes.

Q. And I think we have both the front and reverse side of that cheque and I think you can see from the reverse side that it appears to have been endorsed "CJ Haughey"?

A. Yes.

Q. Now, I think as with the first of the €50,000 cheques in 1986, there are no tracer numbers on the front or reverse of this cheque?

A. No, there aren't.

Q. And does that suggest to you that therefore it was specially presented and cleared through the Walks Office rather than through the bank's collection system?

A. That is what it suggests, yes.

Q. And is the stamp on the front of the cheque which indicates "paid, the 3rd of September of 1991" consistent with that?

A. It is consistent with that, yes.

Q. I take it that is because if the cheque was collected through the bank's collection system it would take at least two days for it to clear?

A. Yes.

Q. Whereas this indicates that it was cleared within one day?

A. That's correct.

Q. I think you have informed the Tribunal that in view of the fact that Mr. Haughey has endorsed the reverse side of the cheque, that having regard to the fact that he was an account holder, and that he had no other account other than the deposit account, doesn't indicate any credit of that or any other amount on that date. That in your view the probability is that the €40,000 shown on the lodgement docket represents this €40,000 cheque?

A. That is the probability, yes.

Q. Now, I think the next lodgement to the account that you refer to in your memorandum is on the 18th of October?

A. In the amount of €1,423.47.

Q. I think there is no entry on the account statement for that date and there are no documents available which would indicate what the source of that is?

A. No, there aren't.

Q. Now, I think on the drawings side you have also given evidence in relation to certain of the drawings on the

account in 1991?

A. Yes.

Q. I think if we can just review certain of those drawings and then there are some additional cheques which I think after you prepared this memorandum, were made available?

A. Yes.

Q. Now, I think you have identified, or the Tribunal brought to your attention, I think six drawings on this account in 1991?

A. That's correct.

Q. And again if we could deal with those in turn?

A. On the 4th of February of 1991, an amount of €8,332.32.

Q. I think this was the cheque which appears to have funded the French Franc international cheque for 61,605 French Francs payable to Charvet in Paris?

A. So it appears.

Q. I think we have the AIB cheque there for the 4th of February, and we have the international cheque also dated the 4th of February?

A. Yes.

Q. Now, I think after that the next drawing was on the 13th of February of 1991?

A. In the amount of €12,914.50 and it was in respect of a cheque for the same amount drawn on the account on the 13th of February and payable to Allied Irish Banks.

Q. I think we can get a copy of that cheque. Again we have heard evidence before, in relation to that cheque. And I

think it, or you understand that the Tribunal has heard evidence that the Department of Defence received that sum, a sum of €12,914.50 on the 15th of February of 1991 in discharge of sums incurred in connection with the travel arrangements of the late Mr. Lenihan?

A. So I understand.

Q. And I think in fact it, there is an indication on the cheque itself, the AIB cheque, that it appears to have been applied to fund a draft which may have been drawn on the bank?

A. Not on the cheque itself, I don't believe.

Q. Not on the cheque itself?

A. I think I previously gave evidence that the tracer number, perhaps that indicated that it was used to purchase an Irish pound draft; a draft in, there was an amount in our draft credits account on the same day in the same amount.

Q. Which indicated that this was applied to fund a draft?

A. That was used to buy an Irish pound draft, yes.

Q. I think then on the 4th of April of 1991?

A. €5,000 on the 4th of April. It was in respect of a cheque drawn on the account for €5,000 payable to cash on the same day.

Q. And I think it appears in the reverse side of that cheque that it appears that the cheque was cashed?

A. The "C" suggests that it was cashed, yes.

Q. I think on the 11th of September of 1991?

A. €10,000 and it appears that this debit in respect of a

cheque drawn on the account of the same day for €10,000

payable to cash.

Q. And we can see that there the €10,000 payable to cash.

A. Yes.

Q. Then on the

A. Then on the 18th of September, €7,500. And it appears that

this was in respect of a cheque drawn on the account on the

same day, €7,500 payable to cash. And I have previously

given evidence that part of the proceeds of this cheque

appear to have funded the purchase of an international

cheque for 63,000 French Francs.

Q. And that was payable to Charvet?

A. Yes. On the 10th of October, €5,750.

Q. And we can see that there on the account statement,

€5,750.

A. It appears to have been in respect of a cheque drawn on the

account of the same day, sorry on the 26th of September for

€5,750.

Q. Yes?

A. Payable to Celtic Helicopters Limited.

Q. I think you indicate that the bank has provided some

additional documents relating to 1991 to the Tribunal?

A. Yes.

Q. And I think we can deal with those when you are finished.

When we have dealt with the evidence covered by your

memorandum?

A. Yes, that's right.

Q. I think then moving on to 1992. You say that the account was operated for a short time only in 1992?

A. Yes.

Q. I think there were, in all, three lodgements to the account; is that correct?

A. Yes, one for œ3,000 on the 22nd of January.

Q. We can see it there?

A. Which appears to have been a transfer from the deposit account.

Q. Again I think we have a copy of the deposit account which will show the œ3,000 being transferred.

A. Yes.

Q. And that in fact, that final penultimate transfer from the deposit account actually reduced the balance right down to a figure in the hundreds, œ462?

A. Yes.

Q. I think the account when it opened had a balance of œ65,000 in it?

A. That's right.

Q. And it was drawn down, primarily in 1984, some in 1991 and then again in early January, 22nd of January of 1992?

A. That's right.

Q. And that pretty well reduced it coming towards zero, and I think it was then closed in January of 1993?

A. That's correct.

Q. By a transfer of œ524.45?

A. Correct.

Q. But it was pretty well depleted by the 22nd of January of 1992?

A. Down to œ460 approximately, yes.

Q. Now, I think the next lodgement to the account in '92 was on the 3rd of February of '92 and that was œ10,263.25?

A. Yes.

Q. I think that appears to have been an installment of the Leader's Allowance?

A. So it appears.

Q. And that brought the account balance back into credit?

A. Yes, it did.

Q. It had been overdrawn, I think, for some time?

A. That's correct.

Q. And then the final lodgement to the account was on the 6th of March?

A. Yes.

Q. Of 1992; and that was for œ6,872.34?

A. Correct.

Q. And I think that may have been in respect of an apportionment of the Leader's Allowance. I think you then state that the account become dormant from the 29th of June of 1992 and that it was closed on the 22nd of January of 1993.

A. That's right.

Q. Now, I think subsequent to preparing that memorandum of intended evidence, Mr. Kelly, the bank also were able to, were able to produce to the Tribunal a number of cheques,

paid cheques that were drawn on the account in 1991?

A. Yes.

Q. And I think the Tribunal has asked you simply to prove formally, I think eleven in all, of those cheques?

A. Yes.

Q. I think if we just take them in turn. The first one is dated the 20th of December of 1990, cheque number 500216 in the sum of €2,403.90 and it is payable to Adare Manor?

A. Yes. And it was debited to the account on the 4th of January of 1991.

Q. I think the next one then is the 4th of April of 1991?

A. I think there is one for the 12th of February.

Q. 12th of February, you are correct. The 12th of February of 1991. That is cheque number 500225 in the sum of €3,183.95 and that is payable to Celtic Helicopters?

A. Yes.

Q. Then the next one was on the 4th of April of 1991. Payable to Le Coq Hardi in the sum of €4,532.81?

A. Yes.

Q. The next one was the 15th of May of 1991, that was cheque number 500268 in the sum of €4,570.49, payable to AIB?

A. Yes.

Q. I think in fact the Tribunal has asked the bank to ascertain whether it has any further documents available in relation to the application of that, the proceeds of that cheque?

A. Yes.

Q. And I think the bank is in the process of doing that at the minute?

A. We are. What we have, what we believe it was used for was to fund an international cheque. In view of the proximity of tracer numbers, again that we have been able to do in the past, in the amount of €3,967.99 and while that is not obviously exactly the same as the 457, there is a difference of €602.50. The €2.50 we believe may have represented the Commission, the €600 may have been

Q. I think you are in a position to let us have the documents in relation to that matter?

A. The international cheque itself we haven't yet found.

Q. You haven't yet found any international cheque. What was the - can you assist the Tribunal as to what the currencies of the international cheque might have been?

A. Not at this stage, I can't, I am afraid.

Q. I think we may have the reverse side of that cheque available, I think in fact the reverse side may indicate "DR FT FF"?

A. That would suggest an international draft.

Q. I think the bank is in the process of letting the Tribunal have further documents in relation to that cheque?

A. We have sought that cheque, yes.

Q. The next cheque was the 31st of July of 1991. It is cheque number 500324 it is in the sum of €2,000 and it is payable to AIB?

A. Yes.

Q. And I think the next one then is the 26th of September of 1991. It is cheque number 500327 in the sum of œ2,037.04 and this is payable to Le Coq Hardi?

A. 94p I think.

Q. 94p?

A. Um hum.

Q. The next one is the 29th of October of 1991. It is cheque number 500347, it is in the sum of œ2,726 and it is payable to Celtic Helicopters?

A. Yes.

Q. And the next one after that is the 29th of October of 1991. Cheque number 500348 in the sum of œ1,757.40 and it is payable to Le Coq Hardi?

A. Yes.

Q. And the next one in fact is the same date the 29th of October of 1991. œ1,000 payable to cash?

A. Yes.

Q. And that is cheque number 500350?

A. That's right.

Q. And then I think, finally the 19th of October, sorry the 19th of December of 1991, in the sum of œ2,660.29, cheque number 500391 also payable to Le Coq Hardi?

A. Yes.

Q. And I think you can confirm that each of these copy cheques are taken from the bank's microfiche records?

A. Yes.

Q. And each of them were drawn, each of the cheques was drawn

on the Leader's Allowance Account?

A. Yes, they were.

Q. MS. O'BRIEN: Thank you Mr. Kelly. Thank you.

MR. CONNOLLY: I have no questions.

CHAIRMAN: Nothing to raise Mr. Connolly? Mr. Sheridan?

Thank you very much indeed for all the work you have done on these matters, Mr. Kelly. It has been very helpful, what you have done in collating and combining together a lot of evidence that has come from quite a few sources.

A. Thank you.

THE WITNESS THEN WITHDREW.

MR. HEALY: That is the end of this morning's witnesses.

The other witnesses have been told to come in the afternoon on the basis that Mr. Kelly's evidence would probably take up most of the morning.

CHAIRMAN: Yes. So what time does it suit to resume, Mr. Healy?

MR. HEALY: About 2:15.

CHAIRMAN: 2:15. Thank you.

THE HEARING WAS THEN ADJOURNED FOR LUNCH

THE HEARING RESUMED AS FOLLOWS AFTER LUNCH:

CHAIRPERSON: Good afternoon.

MR. HEALY: Mr. Roy Douglas.

ROY DOUGLAS, HAVING BEEN SWORN, WAS EXAMINED AS FOLLOWS BY

MR. HEALY:

CHAIRMAN: Please sit down, Mr. Douglas.

A. Thank you Chairman.

Q. MR. HEALY: Thank you Mr. Douglas. Mr. Douglas, you provided a statement to the Tribunal in response to a number of queries from the Tribunal solicitor. And as you may be aware, from your own solicitor or from the Irish Permanent Building Society solicitor, that statement was read into the record due to the fact that through no fault of your own you were unable to be in attendance at the Tribunal earlier on in these sittings?

A. Yes.

Q. Now, if it is of any assistance to you, what I propose to do is very quickly take you through the statement, and then we look at it question by question.

You say that you were appointed a Director of the Irish Permanent Building Society in June of 1991, and that you remained a Director of the Building Society until September of 1994 when it converted to Irish Permanent PLC. You say you were appointed a Director of Irish Permanent PLC in September of 1994 and remained a Director of the company now known since 20th of April of 1999 as Irish Life and

Permanent PLC.

You then refer to correspondence, including the letters containing the queries to which you were asked to provide a response.

Now, the queries were directed mainly to issues surrounding a cheque in the sum of €40,000 dated the 16th of August of 1991, drawn on the Building Society's account and made payable to Fianna Fail.

And if you look at the overhead projector or the monitor just to your left, you will see a copy of the cheque.

Now, you were asked firstly to confirm your signature on the cheque, and this you have done. You say that that is your signature below the signature which has been confirmed as that of Dr. Edmund Farrell?

A. That's correct.

Q. You were then asked to indicate whether the cheque was completed before it was signed by you, and you say it was, that it was

A. That's correct, yes.

Q. that it was therefore your signature which went on last?

A. That is correct.

Q. And if I can take you on to the next response, since it is related to the last query. You say: "My signature was the second on the cheque. The cheque had been signed by Dr. Edmund Farrell before it was presented to me for

signature".

The next query is whether you knew of the purpose for which the cheque was being drawn? . You say: "The cheque numbered 018814 was a political contribution made by Irish Permanent Building Society to Fianna Fail. Political contributions to two other parties were also made on the 16th of August of 1991".

I appreciate that that is clear from the face of the cheque, that it was a payment to a political party, and I understand your evidence, which reflects evidence that was given to the Tribunal in your absence, that two payments were made to two other political parties by cheques drawn on the same date. But, did you know at the time what the purpose of this payment was, in other words, did somebody explain it to you?

A. Yes, my recollection is that Dr. Farrell at one of our frequent meetings at that time informed me that they, the Society, had received a request for political donations in the context of the local elections.

Q. Um hum.

A. You have to recall that I was in the organisation slightly over two months at that stage.

Q. Um hum.

A. Dr. Farrell, I recollect, would have explained to me that it was the policy and practice of the Irish Permanent Building Society, to make political donations at election

times to the main parties, upon request by the main parties.

Q. And at the time that you signed that cheque were you a Non-Executive or Executive Director of the company?

A. I have always been an executive.

Q. What was your executive role at the time you signed it?

A. I was Chief Operations Officer, having been recruited as such as I say some two months previously, reporting directly to Dr. Farrell who was the Managing Director, Chief Executive.

Q. I see. And were you aware, can you remember now whether you were aware at the time that the local elections had taken place?

A. I think, my recollection would be that it was Dr. Farrell explaining to me, you know, in the context of my recent arrival, that there was practice and policy to make political contributions and - but it was upon request by the various political parties. I think he would have also told me of the, you know the amounts he proposed to make to the parties, based roughly as I understood it, was the policy to make those payments roughly in line with the representation in the Dail. And then subsequent to that, my recollection would be that, to that discussion, it was just another item of discussion during our discussion, that his secretary would have presented the cheques to me for signature.

Q. I see. You would have had a discussion with Dr. Farrell,

he wasn't present when you were asked to put your signature to the cheque?

A. No, my recollection would be that it would be Ms. Coyle who would bring the cheques for signature to me.

Q. When the cheque came to you, I take it therefore that the amount was already written on it?

A. Absolutely.

Q. You were asked for your knowledge of the cheque stubs, and you indicated that you have no knowledge of the contents of the cheque stub until presumably the Tribunal brought it to your attention?

A. That's correct, yes.

Q. You were asked about what information you had concerning how the cheque stub came to be made out, and you say that it was normal practice for Ms. Margaret Coyle, Dr. Farrell's private secretary, to make the cheques, to prepare the cheques for Dr. Farrell. "Her work included keeping the ledger, in which I believe the cheque was entered. I assume the entry in the ledger which relates to the cheque were made by Ms. Coyle, and I believe that the entry on the cheque stub was made by her".

You were asked to indicate whether you were aware of the identity of the person from whom the request came, and you said you were not aware of the identity of that person, and you believe that the decision as to the amount paid to Fianna Fail would be made solely by Dr. Farrell. And that is what you said to me a moment ago, that you had a

discussion with him in which he indicated he proposed to make a payment to a number of political parties?

A. That's right, that's my recollection.

Q. You say that as far as you were aware the request for the contribution was handled by Dr. Farrell and your only function was to countersign the cheque after Dr. Farrell had first signed it. "I did not deal with any person from whom the request for the contribution came". And you also say you are not aware of the identity of the person to whom the cheque was given.

Again in answer to a related question, you say that you confirm that you did not give the cheque to any person, and that you did not know the identity of the person by whom or to whom the cheque was given. That you did not know how the cheque was conveyed to the payee or by whom, but that you assumed that it was sent by post.

And again you say that you don't know where the cheque was handed over. You go on, in answer to a related query to say that you are not aware of the identity of any other persons involved in the making of the request, or the receiving of the request, or the handing over of the cheque, and you believe that it is very likely that the request for the cheque was made to Dr. Farrell.

You were asked whether you had any discussion with Dr. Farrell concerning the cheque, and you say you are not

aware of any discussion with Dr. Farrell concerning the cheque. The cheque was presented to you for signature by Ms. Margaret Coyle and you signed it. You believe, and have no reason to doubt, that the payment was a contribution to Fianna Fail, and you believe that you would have been informed that this cheque and the two others which you signed that day, were part of the Irish Permanent Building Society's contributions to the political parties.

Just to clarify that answer and the context of what you told the Tribunal a moment ago. Mr. Douglas, in the second sentence of your response you say that you believe you would have been informed that the cheque and the two others signed that day were part of the Irish Permanent contribution to political parties, is that the discussion you mentioned a moment ago you had with Dr. Farrell?

A. Correct.

Q. Did you have some discussion with him about contributions in general, and then subsequently you were asked to sign the cheques by Ms. Coyle?

A. Well, I think a discussion would have been around the request that he had received, and him then explaining to me the policy and practice and then discussing the amounts, and subsequently the cheques would have come. I don't know, you know, how soon after that discussion, I can't recall, but the cheque would have come by Ms. Coyle and I would have signed it. That's what I mean by saying that I

didn't discuss the cheque.

Q. I understand. I am just clarifying your answer. You discussed the making of contributions in general and subsequently the cheque came

A. Yes.

Q. for signature? You say that you cannot say whether any other member of the board or any other executive of the company was aware of the writing of the cheque or the beneficiary thereof. You understand that there is no mention in the board minutes of the payment, and at the time it would have been normal for Dr. Farrell to make decisions on this matter without reference to the board.

You say you did not have any personal dealings with Mr. Charles Haughey or Mr. Desmond Traynor, or with any person acting on behalf of either party.

You say you were not involved in the writing of any other cheques, the making of any other payments directly or indirectly to Mr. Haughey, or any person holding public office in any period between 1979 and 1996. Over the years, however, you say that you did sign cheques in respect of contributions to various other political parties. And you say that you have not made personal contributions to Mr. Haughey or to any other person in public office between those years.

I take it you are aware now, Mr. Douglas, that that cheque

for €40,000, perhaps I should just go back a bit. That cheque for €40,000 was, as you have indicated, made out in connection with, or so you were informed, the local elections which did take place in June of that year. And you assumed that the cheque for €40,000 was connected with the other cheques I take it, that you signed for the other political parties?

A. Yes.

Q. Can I take it therefore, that you would have expected all of those three cheques to go to each of those political parties?

A. Absolutely. I do recall having a discussion that while there was no contribution to the Fine Gael Party, and the reason was that they did not make any request at that time particular time.

Q. Yes, so we gather from evidence given to the Tribunal. Have you - are you now aware that that cheque for €40,000 does not seem to have been received by the Fianna Fail Party?

A. I think I have been informed by our solicitor to that effect.

Q. Yes; and prior to being informed by the solicitor, were you aware of the fact that that cheque had not been received by the Fianna Fail Party?

A. No, not at all, no.

Q. Now, the Irish Permanent Building Society or as it is known since I think you said 1992, is that right, since I beg

your pardon 1999 - it is Irish PLC from 1999 and Irish Life and Permanent - just to correct that, Irish Permanent PLC since September 1994 and Irish Life and Permanent since April of '99?

A. That's correct.

Q. I take it that, and at this point I am not looking for details, that in either of those two subsequent incarnations the Society or the PLC was asked to make contributions to other political parties as various elections took place over the last five, six or seven years, as the case might be?

A. That's correct, all the parties would have made applications for political donations, and I recall that in my tenure as Chief Executive we made contributions to the parties who requested funds in 1994 I think, and 1995.

Q. That's correct.

A. As Chief Executive I adopted a policy of taking those payments to the board, where they were specifically authorised by the board.

Q. And in 1994 you made a contribution of 25,000 to Fianna Fail which is what we are talking about at the moment and a similar contribution in 1995?

A. That's correct.

Q. And they were both taken to the board and decided on by the board before the cheques were written?

A. Yes.

Q. Now, again I take it those contributions were made on foot

of the fairly standard type of request for funds we have seen in the course of the evidence of this Tribunal?

A. Yes, they would be. You would get requests from, I think generally speaking they would be directed to myself as Chief Executive, my recollection would be, and they would probably in most cases come from the leaders of the parties.

Q. Yes. And in each case the response would be contained in a letter from you enclosing the cheque?

A. That is correct, having fully discussed it

Q. Of course, yes?

A. with the members of the board.

Q. Of course, yes. And that letter would presumably be filed away with the request for, a copy of the request from the political party?

A. Yes.

Q. And one assumes that in the ordinary way you get an acknowledgment from the political party acknowledging or thanking you for the contribution?

A. Yes.

Q. And that would go into the same file?

A. Yes.

Q. Now, it would appear that a file was kept of similar contributions in respect of the period prior to Dr.

Farrell's departure, from the Irish Permanent Building

Society. Are you aware of that file?

A. I am not aware of that file, but I am aware of the fact

that it has been, it is understood that there was one, but

I have never seen that file.

Q. And when you came to - did you replace Dr. Farrell as the Chief Operating Officer or Chief Executive Officer of the company?

A. I did, yes.

Q. In other words after his departure were you the most senior executive in the company?

A. I was, yes.

Q. Whereas prior to his departure you were only the second most senior, would that be right?

A. The sequence of events was I was recruited as Chief Operations Officer in 1991, and then subsequently in 1992, I think, I would have become, would have become Chief Executive Officer and Dr. Farrell would have been, became Executive Chairman.

Q. Yes.

A. And then subsequently after Dr. Farrell's departure I remained as the Chief Executive and would then have been a Non-Executive Chairman.

Q. I understand you were then the most senior executive?

A. Yes.

Q. Am I correct in thinking he left the company in, would it be prior to 1994 or in that year?

A. Not, I think it is '93.

Q. '93.

A. Whether it was '93 or '94, I think it is '93.

Q. What I am just wondering is when the 1994 and 1995 political contributions came to be made on foot of what one assumes were the usual requests, I am just wondering where were those, where was the documentation concerning those requests and those responses filed?

A. It was filed, it would be filed by my secretary in a file dealing with correspondence with, you know, political parties.

Q. Would it be reasonable to assume it was filed with the same file in which such similar correspondence would have been kept during Dr. Farrell's sojourn?

A. No, because I never had that file and my secretary never had that file.

Q. And when he left did that file not stay with the Society as the file to which this type of correspondence would be sent?

A. I have no idea, but my secretary was a different secretary than Dr. Farrell's secretary. I just never saw that file.

Q. I am just wondering if the Tribunal, and I am sure the Society is still seeking or the company as it now is, is still seeking to find this file. After Dr. Farrell left and you came into position, surely there would have been some protocol adopted to ensure you had continuity, presumably you didn't start a whole load of new files, dealing with matters on which he must have had files, ex officio as it were, not personal files but files in virtue of his office?

A. Well, I would have just, I think the first request came in 1994 I guess, when we made the first contribution. I would have just handed the documentation to my secretary to, and asked her to open a file, it was probably already opened, a file by me in relation to correspondence with political parties, but she did not have and I did not receive the prior file, I don't know why, but I have no recollection of it.

Q. In the ordinary way, would there have been or was there some system put in place or some procedure adopted to take over files from Dr. Farrell and to attach, import them into your office safe to the extent to which they might have been personal to him?

A. Well, as I am sure you are aware, the leaving of Dr. Farrell from the Society was somewhat different than the normal departure.

Q. I understand that.

A. And in those circumstances I think, you know, we just continued on and I assumed the role of full Chief Executive and you know, his secretary would have, I guess, transferred any files that she thought were relevant and were left to my secretary.

Q. And in that transfer this file has not turned up?

A. It doesn't appear to have been, because we do not have it, that is my secretary and my office does not have it.

MR. HEALY: Thanks very much.

MR. CONNOLLY: No questions, Chairman.

CHAIRPERSON: Anything, Mr. Seligman?

MR. SELIGMAN: Nothing arises.

CHAIRMAN: Thank you very much for your attendance and assistance, Mr. Douglas.

A. Thank you Chairman.

THE WITNESS THEN WITHDREW

MR. COUGHLAN: Mrs. Lenihan.

ANN LENIHAN, HAVING BEEN SWORN, WAS EXAMINED AS FOLLOWS BY

MR. COUGHLAN:

CHAIRMAN: Thank you very much for your attendance.

Q. MR. COUGHLAN: Mrs. Lenihan, I think you have a memorandum of intended evidence; isn't that correct?

A. Yes.

Q. And do you have it with you in the witness-box? Now, I am going to lead you through that and then I will come back and may ask you one or two questions just for clarification. If you just take it slowly.

A. Yes.

Q. I think in your memorandum, Mrs. Lenihan - sorry, do you want to get your glasses out? Now, I think in your memorandum you note that it has been suggested that further cash payments were made to yourself and your late husband at the time of his operation to assist with significant

personal expenses incurred I think; isn't that correct?

A. Yes.

Q. And I think you have informed the Tribunal and you now wish

to say so, in evidence, that no cash payments were received

by you from Mr. Haughey, or any source on his behalf other

than a sum of approximately €200 in cash which was

delivered to you at your home in Castleknock by Mr.

Haughey's official driver on the morning of you and your

late husband's departure to the United States for his

operation; is that correct?

A. Yes.

Q. Is that your clear recollection?

A. Yes.

Q. Now, I think you have informed the Tribunal that Mr.

Haughey's driver handed you an envelope which he indicated

to you was from Mr. Haughey; isn't that correct?

A. Yes.

Q. And I think, you didn't open it immediately, but that when

eventually you opened the envelope, you found that it

contained the sum of approximately €200; is that correct?

A. Yes.

Q. And I think, at the time bearing in mind the many strains

that you were under you considered this a generous gesture

on the part of the then Taoiseach, Mr. Haughey; isn't that

correct?

A. Yes.

Q. Now, I think you have also informed the Tribunal that you

were satisfied that your late husband did not receive any cash payments from Mr. Haughey or any source on his behalf at the time, that is prior to or subsequent to your husband coming back from the, your late husband coming back from the Mayo Clinic?

A. Yes, yes.

Q. And I think you have informed the Tribunal that you were with your late husband constantly during the period, and that you would have known if any such payments had been received?

A. Yes.

Q. I think it is correct that you actually travelled to the United States with your husband and you were there all of the time?

A. Yes.

Q. And you were there with him when he came back as well?

A. Yes.

Q. I think you have informed the Tribunal that you are not aware of any discussion between Mr. Haughey or your late husband in 1990, that the expenditure incurred on the operation exceeded the donations received; is that correct?

A. Yes.

Q. I think your late husband was aware that there had been donations received; isn't that correct?

A. Yes.

Q. Yes. And I think you have informed the Tribunal that no member of your family is aware of such discussions; is that

correct?

A. Yes.

Q. I think you would have discussed this with your sons and daughters; isn't that correct, to see if this was

A. Yes.

Q. And I think you have informed the Tribunal that you are satisfied that were such a conversation to have taken place your husband would have discussed it with you as you shared with him the management of your personal finances?

A. Yes.

Q. And in that regard you were fully aware of the state of the family finances; isn't that correct, Mrs. Lenihan?

A. Yes, yes.

Q. I think you have informed the Tribunal that you are not aware of whether Mr. Paul Kavanagh met your late husband soon after his return from the Mayo Clinic in July 1989, I take it you never heard from your late husband about that at the time?

A. No.

Q. And you are not aware of any list of persons given by Mr. Kavanagh to your late husband?

A. No.

Q. I think you have informed the Tribunal that you were aware that the then Taoiseach, Mr. Haughey, and the late Mr. Peter Hanley were involved in organising the raising of funds to defray the cost of your late husband's medical expenses; is that correct?

A. Yes, yes.

Q. And I think you have made a complete search of your house to see whether any list can be found and you have found none?

A. No.

Q. So, can I take it that in regard to that fourth paragraph of your Memorandum of Evidence, Mrs. Lenihan, that your husband never informed you that he had met Mr. Kavanagh, is that correct in the first instance?

A. No.

Q. Your husband, did he ever inform you that Mr. Kavanagh had a list or had given him a list?

A. No.

Q. But that you were aware that Mr. Haughey and Mr. Peter Hanley

A. Yes.

Q. were involved in fundraising?

A. Yes.

Q. Was it from your late husband that you heard that?

A. Yes, yes.

Q. But he never mentioned Mr. Kavanagh's name at all to you?

A. No.

Q. Sorry, do you need some water, Mrs. Lenihan?

A. No I'm fine, I'm fine.

Q. I think since this matter, about a list has arisen, you have carried out a search; is that correct?

A. Yes.

Q. And you have discussed it with your sons and other members of your family?

A. Yes.

Q. And nobody has any knowledge?

A. No.

Q. And nobody has ever seen one?

A. No.

Q. And you haven't found one?

A. No.

Q. And can I take it that this period of your life was obviously a distressing and difficult period of your life?

A. Yes.

Q. You were very close to your husband all through this period of his life?

A. Yes.

Q. And did he discuss with you matters about it?

A. Well, when we came back from the Mayo Clinic he went straight into the Mater Hospital.

Q. Yes.

A. He was there for quite some time.

Q. Yes. So?

A. It was mainly health matters.

Q. Yes. But he was able to inform that you Mr. Haughey and Mr. Hanley had been

A. Yes, he was aware of that.

Q. Do you remember when he came back from the Mayo Clinic and he went straight to the Mater Hospital, can you remember

approximately how long he was there?

A. Well, I would say you would be able to find that by, you know

Q. The exact dates?

A. Yes.

Q. Can you remember approximately when he came out? Would it have been August or September, I know it is difficult?

A. I think it was nearer to September.

Q. Nearer to September?

A. Um hum.

Q. But the only money you ever saw in terms of a contribution to the Lenihan family was œ200; is that correct?

A. Yes, yes.

Q. And you were jointly involved in the management of the personal finances?

A. Yes, yes.

Q. So can we take it that if there was any other sort of cash around the place, you would have known about it, Mrs.

Lenihan?

A. Yes, as much as I could say, yes.

MR. COUGHLAN: Thank you very much indeed.

MR. CONNOLLY: No questions

CHAIRPERSON: Only one very small thing that occurs to me, Mrs. Lenihan. Do you recall by any chance the day when you first went out on the plane to the Mayo Clinic, I know it was a desperately distressing time?

A. I would say it was a month, approximately a month before the operation.

CHAIRMAN: Yes.

A. Which was on the 23rd of May.

CHAIRMAN: There was just one small matter of detail mentioned by other witnesses, and I wondered if you remember it. Do you recall a holdup in the plane setting off on time because somebody had to go to the Maher to get a blood sample that had been forgotten?

A. No, I don't, no.

CHAIRMAN: That sort of thing wasn't in the front of your mind at that time. It was very distressing. Thank you very much indeed for coming to the Tribunal, Mrs. Lenihan.

THE WITNESS THEN WITHDREW

MR. COUGHLAN: That, Sir, completes the evidence for the moment until further notice. The Tribunal will notify when it will sit in public again.

CHAIRMAN: Very good, I think it is the case that that aspect of - this phrase has not been completed entirely as yet, but in the course of taking up the next phase there may be some brief aspects of unfinished evidence in relation to this aspect.

MR. COUGHLAN: That is correct.

CHAIRMAN: Very good.

THE HEARING THEN ADJOURNED UNTIL FURTHER NOTICE.