

THE HEARING RESUMED ON THE 21ST OF DECEMBER, 1999, AS

FOLLOWS:

CHAIRMAN: Good morning everyone.

Today's evidence, Ladies and gentlemen, will consist of resumed testimony on the part of Mr. Padraig Collery in relation to the operations and workings of what have become known as the "S Accounts" during the early to middle years of this decade.

Before we proceed to that evidence, I feel I should refer to the fact that it had been indicated in recent sittings, that it was proposed to hold approximately one week of sittings relating to the detailed workings of the Ansbacher Accounts prior to Christmas.

As it transpires, extremely detailed work has been done by the Tribunal lawyers, in combing through over 150 leverarch files, conducting extensive interviews with persons in a position to give evidence, and otherwise preparing the evidence that will be material to this particular portion of resumed hearings.

Whilst that evidence is, in effect, ready to be tendered, it is not due to inertia or a lack of will to expedite sittings that this has not been dealt with before Christmas.

In fact, two matters have intervened. In the first

instance, it has proved necessary, by virtue of reasons of seeking to preserve fairness towards persons whose interests may fall to be affected by those resumed sittings, to conduct a considerable series of meetings and correspondence over recent days, which has inevitably had the effect of retarding the intended presentation of evidence.

Secondly, I have taken the view that although the matter has now been brought to a stage of preparedness that would admit of a lengthy opening statement being now made, it would seem to me to be an unfair procedure to give an extensive opening statement today in a context that the evidence relating to it would inevitably span over and beyond Christmas.

Accordingly, we will be concluding the public sittings of this month in a context of the relatively detailed evidence that Mr. Collery will be giving today.

We will be resuming public sittings at the earliest feasible date in January, and in doing so I can only assure those present and those interested, that considerations of advancing and finalising the remaining work of this Tribunal consistent with fairness and efficiency and thoroughness, will rank extremely high in all decisions taken by this Tribunal.

Gentlemen?

MR. COUGHLAN: Mr. Collery?

HAVING BEEN PREVIOUSLY SWORN MR. PADRAIG COLLERY RETURNS TO THE WITNESS-BOX AND CONTINUES TO BE EXAMINED BY MR. COUGHLAN AS FOLLOWS:

CHAIRMAN: Thank you Mr. Collery.

A. Thank you Mr. Chairman.

Q. MR. COUGHLAN: Mr. Collery, I think we intend dealing with what are described as the "S accounts" in your evidence this morning; isn't that correct?

A. Very good Mr. Coughlan, yes.

Q. I think you have furnished a memorandum of intended evidence to the Tribunal in respect of those accounts; isn't that correct?

A. I have given a detailed memorandum, yes, I have.

Q. And do you have that with you?

A. I do indeed, Mr. Coughlan.

Q. What I would intend doing so, Mr. Collery, is taking you through that memorandum and then we will show examples on the screen as we go through your evidence; is that all right?

A. Very good Mr. Coughlan, that's fine.

Q. I think, in this memorandum you again inform the Tribunal that you are a former Associate Director of Guinness and Mahon (Ireland) Limited, that you joined Guinness and Mahon in 1974, and you left that bank's employment in 1989; is that correct?

A. I did indeed Mr. Coughlan, yes.

Q. And from when you joined Guinness and Mahon to 1984, Guinness and Mahon Cayman Trust was a subsidiary of Guinness and Mahon, and the late Mr. Desmond Traynor who was joint Managing Director of Guinness and Mahon was Chairman of Guinness and Mahon Cayman Trust; is that correct?

A. I believe he was, I believe, yes.

Q. I think you have informed the Tribunal that shortly after you took up employment in the Accounts Department, you were requested to carry out the posting of transactions across certain confidential accounts associated with funds of Guinness and Mahon Cayman Trust; is that correct?

A. I was.

Q. And I think you have informed the Tribunal that, briefly, these were accounts, which recorded individual balances in Sterling funds which were held in pooled accounts with Guinness and Mahon in the name of Guinness and Mahon Cayman Trust?

A. At that point in time, that is correct.

Q. I think you have informed the Tribunal that from January of 1991 these accounts were held in Irish Intercontinental Bank Limited; is that correct?

A. They were indeed, yes.

Q. Currency accounts, that is when the term "currencies" is used. It is accounts other than Sterling accounts; isn't that correct?

A. In a Dollar account or Deutschemarks account that we were dealing later on, were held in individual accounts.

Q. That Currency Accounts held by GMCT with Guinness and Mahon were not pooled accounts and were, accordingly, confidential accounts in respect of these funds. They were not kept as the balance on the currency accounts represented the funds of a single customer or a single beneficiary; is that correct?

A. That is a correct distinction, yes.

Q. So just the Sterling, the Sterling deposit was pooled; is that correct?

A. It was pooled and the confidential accounts were a subset showing the individual balances making up that pool.

Q. Yes?

A. Where in the currency accounts, they were individual accounts.

Q. They were individual they were broken up?

A. They stood alone, yes.

Q. Yes. Now, I think you have informed the Tribunal that after Mr. Traynor left Guinness and Mahon in May, 1986, you continued to post transactions across the confidential accounts on Mr. Traynor's instructions; is that correct?

A. That is correct.

Q. That when you left Guinness and Mahon yourself in 1989, Mr. Traynor requested you to continue providing this service, which you did, from his office at 42 Fitzwilliam Square; is that correct?

A. I did indeed, yes.

Q. That was his office. That was his office as Chairman of Cement Roadstone Holdings?

A. It was, yes.

Q. And that after Mr. Traynor's death in May of 1984, the late Mr. John Furze, who was a Director of the bank which was by then known as Ansbacher Cayman Limited, and a director of Hamilton Ross Limited, asked you to operate the accounts until he had made alternative arrangements and you agreed to do that?

A. I did indeed, yes.

Q. Now, I think you have informed the Tribunal that you have given evidence to the Tribunal on two previous occasions, in relation to transactions on the account of Kentford Security Limited at Bank of Ireland, St. Stephen's Green, which was operated in conjunction with the Cayman accounts and in relation to transactions across the S8 Sterling account; is that correct?

A. That is correct. This was the account which was used for the making, making the payment of Irish pounds.

Q. That is the Kentford Security account?

A. That is the Kentford Securities account.

Q. At Bank of Ireland, St. Stephen's Green. I think that on this occasion the Tribunal has requested you to give evidence in relation to movements on a number of "S" accounts for the years from September of 1992 to the 31st of December of 1996; is that correct?

A. That is correct.

Q. I think your evidence is based on the contents of the account statement for that period and from your own recollection, or knowledge, of the relevant events; is that correct?

A. It is indeed.

Q. Just before I go on to the "S" accounts for a moment, and if I could go back to the pooled Sterling account and the individual confidential currency accounts?

A. Okay.

Q. Do you know why the currency accounts were kept individually?

A. To the best of my knowledge, I think at the beginning the accounts predominantly were in Sterling.

Q. Yes?

A. And it was only in the later years that the currency accounts started to emerge and there were only very few of them. So it was because they were few in the number. It didn't warrant the complexity of setting up a system for another currency in the second system which maintained the bureau accounts, or the confidential accounts, to do so.

Q. Right. So it was .

A. Ease of operation.

Q. Just ease of operation?

A. Yes. That is to the best of my understanding.

Q. I think you informed the Tribunal that the "S" Accounts formed part of the holdings of Poinciana Fund Limited; is

that correct?

A. From the knowledge I have, I believe that is correct.

Q. Yes; and I think you have informed the Tribunal that to the best of your knowledge Poinciana Fund Limited was a company registered in the Cayman Islands?

A. Correct.

Q. Is that right?

A. Correct.

Q. And that while you have no direct knowledge of any trust associated with the company, you assume that the shares in the company were held by Trustees of a Cayman trust and that the company was the vehicle through which the trust held bank accounts and administered funds held under the trust; is that correct?

A. That is correct.

Q. And I think, do you base that particular view or your evidence in respect of that on your understanding of other companies, the shares of which were held by trusts in the Cayman Islands?

A. That is correct. It seems to be the normal practice, that had emerged from our investigations in and our knowledge of looking at documentation. That it is in this way a trust in companies, and the funds in those companies are managed and controlled.

Q. Yes. So a company is set up, the shares in the company are held by the Trustees of a particular trust, and the funds are managed through the company and administered through

the company; is that correct?

A. That is correct; and the ownership of the company and the funds within that company are then directly owned by the trust.

Q. By the trust. Now, I think you have informed the Tribunal that to the best of your recollection there were "S Accounts" dating back to the early days of your association with the Cayman accounts?

A. Yes. From my recollection I do recall posting transactions to the "S Accounts" at some, for some considerable time back, yes.

Q. That the monies on the "S Accounts" would have been held within the Cayman Sterling Deposit Account which in the Guinness and Mahon years was account number 23154602; is that correct?

A. That is correct.

Q. And that from February 1991, when the account moved to Irish Intercontinental Bank, the account number was 02/01087/81; is that correct?

A. That is the account number of the pooled account, correct.

Q. And I think you have had informed the Tribunal that on the Sterling side, that's in the pooled accounts, there were nine "S Accounts", S1 to S9, although for a short period between the 8th of April of 1993 and the 17th of May, 1993, there was also an S10 account; is that correct?

A. From the records we have, that's what we can see.

Q. I think you have had informed the Tribunal that it was your

impression from your dealings with the "S Accounts", and with other monies held for Ponsiana Fund that the fund was the vehicle used by the late Mr. Traynor for his own funds, for the funds of Charles J. Haughey and for other funds which he directly controlled; is that correct?

A. That is my understanding.

Q. I think you have had informed the Tribunal that to the best of your recollection, in August or September of 1992, the late Mr. Traynor identified a number of accounts in the Ansbacher Cayman Limited account files, which he wished to have moved into a new structure of accounts; is that correct?

A. That is correct. What we have moving on to now is the start of Hamilton Ross, Mr. Chairman. So we had Ansbacher on it's own to up to this period and now we are moving into the creation of Hamilton Ross.

Q. Everything up to the creation or the movement of monies into an account designated for Hamilton Ross previously had been in the account of Guinness and Mahon Cayman Trust or Ansbacher, as it became; is that correct?

A. That is correct, yes.

Q. I think you have had informed the Tribunal that this new structure was under the name of Hamilton Ross Limited which you understood to be a Cayman registered company owned by the late Mr. John Furze; is that correct?

A. That is correct.

Q. And I think you have had informed the Tribunal that the

accounts transferred, included that is, into Hamilton Ross from Ansbacher, the accounts transferred included the "S" series which were held by Poinciana Fund Limited; is that correct?

A. That is correct.

Q. And I think you have had informed the Tribunal that as the new Sterling accounts were opened in Hamilton Ross, that is in the name of Hamilton Ross, isn't that correct?

A. That is correct.

Q. Sterling funds were transferred from the main Ansbacher Cayman Limited deposit account with Irish Intercontinental Bank, account number 02/01087/81 to the main Hamilton Ross Limited Sterling account with Irish Intercontinental Bank account number 02/01354/81; is that correct?

A. That's correct. Now, we had a main account both for Ansbacher and a main account for Hamilton Ross with each of those pooled accounts having individual confidential accounts backing them up.

Q. But the main pooled account in the name of Hamilton Ross with Irish Intercontinental Bank arose out of transfers from the main pooled Sterling account in the name of Ansbacher, Irish Intercontinental Bank?

A. It did indeed. Funds moved across from Ansbacher into Hamilton Ross.

Q. Yes; and I think you have had informed the Tribunal for the non Sterling funds, that is the currency accounts, in Ansbacher Cayman were closed and new currency accounts were

opened in the name of Hamilton Ross Limited; is that correct?

A. Correct. It is the same crossings followed through for the currencies accounts.

Q. Yes; and did all currency accounts move across to Hamilton Ross or was it just some at that stage?

A. Just some.

Q. Just some?

A. So currencies accounts which were controlled by clients for Ansbacher, I recall, stayed, had the name of Ansbacher and those clients which were now being managed by Hamilton Ross were now in the name of Hamilton Ross.

Q. Yes. So the same process again. Currency accounts were opened with Irish Intercontinental Bank in the name of Hamilton Ross and currencies accounts, some currency accounts were closed which were, had been in the name of Ansbacher and moved across to Hamilton Ross; is that correct?

A. Correct; and there was a third element where currency accounts that were in the name of Ansbacher and which weren't moving, remained open.

Q. Yes?

A. Yes. That is correct.

Q. I think, turning to the question of beneficiaries of "S Accounts"; I think the Tribunal has requested you to provide details of your knowledge, direct or indirect, of beneficiaries of certain following "S Accounts"; isn't that

correct?

A. It has indeed.

Q. Yes, and the first account the Tribunal has asked you about is the "S8" Sterling account; isn't that correct?

A. Correct.

Q. And I think you have had informed the Tribunal that the " S8 Sterling account could best be described in banking terms as a "call deposit account" which received funds from time to time and from which funds were drawn down on a regular basis; is that correct?

A. Correct.

Q. When you say a "call deposit", that means it is a deposit account, earning interest, but it can be drawn on at any time; is that correct?

A. The funds were available to be drawn on at any time, whereas a fixed deposit is fixed for a period of time and you are not allowed to draw down on that deposit until the maturity date of the deposit.

Q. Yes. I think you have informed the Tribunal that from your own knowledge of the operation of this account, and from information and documents provided to you by the Tribunal, the drawings on the account from the 1st of October of 1992 being the date from which confidential accounts, statements are available; I think, just to clarify that, they were obviously statements which predated this, but they were only available as at present from that date; isn't that correct?

A. That is correct, because as I stated in previous evidence, from the Ansbacher perspective, those records no longer exist with us.

Q. I think from the records available, the drawings on the account from the 1st of October, were to fund Irish pound cheques issued by Irish Intercontinental Bank payable to BEL Secretarial Services Limited; is that correct?

A. That is correct.

Q. And I think you have informed the Tribunal that from May, 1994, when you assumed responsibility for operating the accounts, that is after Mr. Traynor's death; is that correct?

A. That's correct.

Q. The Irish pound drafts were, to your knowledge, delivered to Mr. J Stakelum?

A. They were.

Q. That is Mr. Jack Stakelum?

A. Mr. Jack Stakelum.

Q. Of BEL?

A. Of Business Enterprises Limited, yes.

Q. And I think, from your observation and knowledge which you now have, you have informed the Tribunal that it would appear that from the 1st of October of 1992, the account was used exclusively for the benefit of Mr. Charles J. Haughey?

A. From all of the payments we have looked at in our investigations, it would appear that that is correct,

indeed.

Q. Yes, but just to be absolutely clear. This was never an account in the name of Mr. Charles J. Haughey; isn't that the position?

A. That is correct. It was always in the name of "S8", this particular one was always in the name of "S8" with the payments from that account.

Q. Yes?

A. Went through.

Q. Went?

A. To Business Enterprises Limited and Mr. Stakelum, I believe, has given evidence to the Tribunal that these funds were indeed used.

Q. For the bill paying service?

A. For the bill paying service of Mr. Haughey.

Q. Yes?

A. Yes.

Q. And just, if I may recap, just to be clear about it, they were used for the benefit of Mr. Haughey. They were clearly funds under the control of a company called Poinciana Fund Limited which was in turn the property of Trustees in the Cayman, and was the vehicle used by Mr. Traynor for his own purposes, for this purpose; and in fact for some other purposes on behalf of our people; isn't that correct?

A. That is as we see it, yes.

Q. And as far as you know, nowhere either in Cayman or here,

was there ever a designation of an account in the name of Mr. Haughey, or of the other people, that Mr. Traynor was operating accounts for the benefit of, through these "S" series of accounts. There was no record of it anywhere other than in Mr. Traynor's own head; isn't that correct?

A. Mr. Traynor, I cannot speak for Cayman, obviously, what detail may exist there, but certainly from the records that I have seen, these were confidential records that he kept.

Q. Yes?

A. Yes.

Q. Well, we will be coming back to deal with matters in greater detail in respect of Ansbacher at a later stage, Mr. Collery?

A. I understand that to be the case.

Q. But from your own, from your own knowledge and investigations that have taken place, there are no actual names in Cayman in respect of these; isn't that correct?

A. That is my understanding.

Q. That is your understanding?

A. Yes. I would have to add, of course, that in previous evidence we have seen a schedule.

Q. Yes?

A. Whereas on the accounts themselves there is no reference to any individual, but there was a schedule, and I can't recall what it was. It was HJC or something.

Q. Yes?

A. There was some reference in that, that this may relate to

Mr. Haughey.

Q. That this may?

A. Yes.

Q. But as far as you can see, this was the way it was kept, the whole thing was operated by Mr. Traynor through .

A. In a confidential .

Q. Through these "S Accounts" in a confidential nature?

A. Correct.

Q. Now, I think the next account that you were asked to consider by the Tribunal, was the "S8A" Sterling account; isn't that correct?

A. That is correct.

Q. I think this was a blocked deposit account and was maintained at a balance of Sterling œ100,000; isn't that correct?

A. It was.

Q. And consequently, when interest was applied to this account, it was then swept to the "S8" Sterling "call deposit" account, the account you have just mentioned?

A. That is correct.

Q. I think you have informed the Tribunal that the funds in this account were, as you understand it, and as found by the McCracken Tribunal, to support a guarantee given by Irish Intercontinental Bank to Bank of Ireland in respect of loan facilities given by Bank of Ireland to Celtic Helicopters; isn't that correct?

A. That is correct.

Q. So what was, in fact, happening there was there was
€100,000 on deposit, but it was blocked in Irish
Intercontinental Bank?

A. It was; and they had a lien over this.

Q. They had a lien over it, and they had given a guarantee to
Bank of Ireland who had made €100,000 loan available to
Celtic Helicopters?

A. That is correct.

Q. But that when interest accrued to this blocked deposit, the
interest was taken off and moved to the "S8" Sterling call
deposit account?

A. When it was actually applied.

Q. When it was applied?

A. Yes.

Q. Yes?

A. That is correct.

Q. Sorry, I just want to check something, for the record?

A. That's fine.

Q. Sorry, I just sorry, yes we just want to be careful
about this. That the interest moved to what we have
described as the "S8 call deposit account", although there
was no individual account designated as that in Irish
Intercontinental Bank; isn't that correct?

A. Of course not. We are dealing now, in these accounts, with
the confidential accounts, so we may make a distinction.

Mr. Chairman, we are dealing with the accounts within the
confidential accounts.

Q. Yes. I suppose maybe I should describe it as being in the nature of a "call deposit account" so that we get our terminology absolutely correct?

A. Okay. Yes, I will accept that.

Q. Now, I think the next account the Tribunal asked you to consider was the "S8 Deutschemarks" account; is that correct?

A. That is correct.

Q. This was in fact a "call deposit account" because it was, it was a currency account which was individually designated; isn't that correct?

A. Yes; and as we identified earlier at the sitting here, this now was in Irish Intercontinental Bank in it's own right.

Q. In Deutschemarks?

A. In Deutschemarks.

Q. And this was a call deposit account which was held directly with Irish Intercontinental Bank by Hamilton Ross, being account number 04/39231/81; isn't that correct?

A. That is correct.

Q. And I think this account operated from the 8th of October of 1992 to the 18th of November, 1992; isn't that correct?

A. For a very short period correct.

Q. I think it is just coming up now on the screen. And I think we can see the account number there, could we just move it to the left, please?

A. It is on the left-hand side, yes.

Q. Yes. We need to get it yes, thank you. And it is in

the name of Hamilton Ross Limited. The account is as it is given. 04/39231/81; isn't that correct?

A. Correct. It is denominated in Deutschemarks.

Q. Yes. Non-resident. And I think you have been able to inform the Tribunal, from your examination and understanding that before drawings from this account appear to have been by foreign exchange deals in support of Irish pound drafts, two of which were payable to BEL Secretarial Services; one of which was payable to Dr. John O'Connell; and in respect of which you understand the Tribunal has already heard evidence; and one which was payable to Mr. Sean Haughey, and one which was payable to Mr. Conor Haughey; isn't that correct?

A. That is correct, indeed.

Q. And you have informed the Tribunal that it appears, therefore, that these funds were also held for the benefit of Mr. Charles J. Haughey; isn't that correct?

A. I believe that to be the case.

Q. Yes. Now, I think the next account, again I keep using the term, was it called a "call deposit", it was in the nature of a call deposit; isn't that correct?

A. We are moving on now.

Q. Yes?

A. Yes, Mr. Coughlan. For clarification, we are back now into the confidential accounts.

Q. Yes. This was the "S9" Sterling account. It was in the nature of a call deposit, but it was in the main, the main

account; isn't that correct?

A. It was. It's balance was held within the main account.

Q. Yes?

A. This is a statement now.

Q. I think you have informed the Tribunal that the only statement available from the account is page number 24, which records transactions, all of which were dated the 1st of October, 1992; isn't that correct?

A. That's correct.

Q. Now, just to be clear about what this statement is, this is not an Irish Intercontinental Bank statement?

A. Correct.

Q. This is an Ansbacher statement; is that correct?

A. It is the Bureau accounts.

Q. The Bureau?

A. The records from the Bureau accounts.

Q. Well, let's just take it; it is on headed paper "Ansbacher Limited"?

A. It is indeed.

Q. Yes; you say that that is the statement of the Bureau accounts, which were?

A. The system which was maintaining the set of pooled accounts.

Q. Yes?

A. Yes.

Q. And that particular document there was generated here in Ireland; isn't that correct?

A. It was indeed.

Q. Probably at 42 Fitzwilliam Square at this stage, at this time?

A. At that time, it most likely was. As I have given previous evidence, on a monthly basis statements were produced in this manner. One copy was kept here in Ireland and one copy was sent to Cayman.

Q. Right. And if that particular exercise wasn't carried out here, I mean the transactions being posted on the Bureau or confidential system and a statement sent to Cayman, Cayman itself would have no record; isn't that correct; of the actual transactions?

A. Well, they wouldn't be able to reconcile their main account when they would get it. Yes, that is correct.

Q. Yes; and the copy that was kept here, what was normally done with that?

A. They were just kept in a leverarch folder.

Q. Yes?

A. And they were kept in Mr. Traynor's office up until the time of his death.

Q. Yes. Now, I think you have informed the Tribunal that there is this particular page of a statement in respect of, that is the Bureau statement in respect of that particular account?

A. That is correct.

Q. And I think it records transactions, all of which were dated the 1st of October of 1992; is that correct?

A. It does indeed.

Q. And I think you have informed the Tribunal that the funds represented by this account were held in the Ansbacher call deposit account, number 02/01087/81. That is the main Ansbacher pooled account; isn't that correct?

A. Correct.

Q. I think you will deal with these transactions on this account later in your evidence; is that correct?

A. That is correct.

Q. I think you have informed Tribunal that as the Sterling balance on this account was on this account of œ1,203,395.23 was used to purchase Deutschemarks 3,049,981.14 which was then credited to a Deutschemarks account in the name of Hamilton Ross "S9" account number 04/39236/81, from which funds were debited to purchase Irish pound drafts payable to BEL Secretarial Services and given to Mr. Jack Stakelum. It appears to you that the S9 Sterling deposit account was also held for the benefit of Mr. Haughey; is that correct?

A. That is correct.

Q. So just to recap. The Sterling balance in this account was used to purchase Deutschemarks; is that correct?

A. Yes; as we can see from the statement, we see funds being moved into the account on the 1st of October of 1992.

Q. Just move that .

A. And then when they are collected in the sum of 1.2 million odd, we can see the direct correlation of that purchase of

or sale of Sterling.

Q. And purchase of Deutschemarks?

A. And purchase of Deutschemarks into the account, as you have just described.

Q. And that went in to the S9 Deutschemarks account that you have spoken about?

A. That is correct; and we will deal with that account later on?

Q. Yes.

A. We will see it coming across.

Q. Yes. Now, I think you have informed the Tribunal that you were asked about "S9A" US Dollar account and you believe that this was a blocked deposit, which was held directly with Irish Intercontinental Bank in the name of Hamilton Ross, being account number 03/39212/77; is that correct?

A. That is correct; and again for clarification, because we are now dealing with a currency account, this account is held directly with Irish Intercontinental Bank.

Q. This is an account?

A. Held with .

Q. Held with Irish Intercontinental Bank?

A. Correct.

Q. The account was opened on the 26th of April, 1993, by a foreign exchange DN 662241 whereby the Hamilton Ross S9 Deutschemarks account 04/39236/81 was debited with Deutschemarks 118,000 or 119,000 odd, converted into US dollars, yielding 75,000 US dollars and credited to S9 US

dollar account number 03/39312/77; is that correct?

A. That is correct.

Q. And think it is your understanding and it was found by the McCracken Tribunal, that these funds were blocked to the order of Irish Intercontinental Bank in support of a guarantee given on behalf of Celtic Helicopters; is that correct?

A. That is correct; and from the statements that we have available to us, the funds have continued to accumulate on that account from that date.

Q. Yes. Now, I think the next account the Tribunal asked you about was the "S9" Deutschemarks account; is that correct?

A. That is correct. We are now coming back to the account which received the proceeds of the 1.2 million Sterling.

Q. Of the 1.2 million Sterling, I think this in fact was a call deposit account which was held directly with Irish Intercontinental Bank in the name of Hamilton Ross?

A. Correct.

Q. The account number was 04/39236/81; is that correct?

A. Correct.

Q. And I think we have it up on the screen now. The account was opened on the 8th of October of 1993, with the lodgement of 3 million odd Deutschemarks; isn't that correct; it was approximately 3,049,981.14 and this arose from the sale of Sterling from the S9 Sterling account which you have just mentioned already?

A. Sorry, we had the wrong account up there.

Q. Sorry. I beg your pardon. We will see if we can get it focused. Okay. Now, I think that is, you can see there it is, the statement of Hamilton Ross Company Limited; isn't that correct?

A. That is correct; and again it is, whilst the posting date is the 8th of October, the value given is the 30th of September which was same value which was taken from the Sterling account.

Q. Yes. Now, I think from your examination of the accounts you can say that they were regular drawings from the S9 Deutschemarks account; isn't that correct?

A. That's correct.

Q. And you can confirm that the drawings from May of 1994 were converted into Irish pounds. That's when you were operating the account after Mr. Traynor's death, and that the Irish pound drafts were given to Mr. J Stakelum, whom you understand applied these funds to an account under his control, which he used to pay bills on behalf of Mr.

Charles J. Haughey; is that correct?

A. That is correct.

Q. And you, it would appear, therefore, that this account was also held for the benefit of Mr. Haughey. That is the Deutschemarks account?

A. I believe that to be the case.

Q. Now, I think the next account the Tribunal asked you to look at was the S7 Sterling account; isn't that correct?

A. Yes, we are now back in the confidential accounts.

Q. Yes; and this was in the nature of a call deposit. It was held in the main Ansbacher account; isn't that correct?

A. Well, at one stage it was held in the Ansbacher account and then it moved into the Hamilton Ross.

Q. And then moved to Hamilton Ross?

A. Yes.

Q. This was in the nature of a call deposit account, which in the documents available, was described as a "portfolio account" in the Ponsiana Fund, and it appears that this was an account used by the late Mr. Traynor to monitor and control the making of and the sale of investments; is that correct?

A. That is correct.

Q. And to the best of your knowledge, funds were, at one time, held on this account for the benefit of Mr. Charles J. Haughey, which you will refer to this matter in greater detail in your evidence?

A. Yes. You see a transfer which was on the monitor there some moments ago, where a transfer came out of this account and into one of the "S Accounts" which were eventually funding the payments to Mr. Haughey.

Q. Yes. I think you can see just on the screen for the moment, we will go into it; but on the screen you can see on the 1st of October of 1992; is that correct; to "S9" €703,500; isn't that correct?

A. That is correct.

Q. Now, I think you have been able to inform the Tribunal that

the "S", that's "S" in parenthesis, Sterling account was also in the nature of a call deposit account used by the late Mr. Traynor as a type of control or working account, and it was used, to the best of your knowledge, as a tracking account, so that Mr. Traynor could ensure that his instructions were carried out; is that correct?

A. That is correct.

Q. I think you have been able to inform the Tribunal that in its role as a working account, that's the "S account", it received transfers and made payments on a regular basis; is that correct?

A. That is correct.

Q. And I think you have been able to inform the Tribunal that it appears, that at least on one occasion a transfer was made from this account; that is the S account; to the S9 Sterling account, which became part of a balance used for the benefit of Mr. Charles J. Haughey, and you will refer to this in greater detail in a moment?

A. Yes. We can see such a transfer, yes.

Q. But you can see there, you can see this is the .

A. The sum of €10,668.

Q. Going to S9?

A. Going to S9, yes.

Q. That's in September, 1992; is that right? On the 30th of September, 1992?

A. Correct.

Q. Yes. Now, I think the Tribunal has asked you to consider

some credits to the various accounts; isn't that correct?

A. Yes. We have reviewed credits to the various accounts.

Q. We have just been dealing with - I beg your pardon, credits and debits. The two sides. Now, dealing with credits to the S8 Sterling account; I think we can show a statement of the S8 account - sorry, statements of the S8 account are available from the 30th of September of 1992 to the 31st of December of 1996; is that correct?

A. That is correct.

Q. And apart from the application of interest, interest adjustments and the transfer of interest from the S8A Sterling account; you can say that there were the following credit transactions across the S8 Sterling account; is that correct?

A. That is correct. In the analysis of the account we have seen these credits.

Q. I think we can show, on the 30th of September, 1992, you can see a credit of £83,266.47 and this represented a transfer of the balance from the Ansbacher ledger to the Hamilton Ross Limited ledger; is that correct?

A. Yes. We referred to this earlier, of moving the funds across from when they were in Ansbacher into Hamilton Ross, and this is the movement of those funds, I believe.

Q. Yes.

A. In relation to this particular account.

Q. Yes. Now, on the 30th of November, 1992, there is a credit of £108,017.69 Sterling; isn't that correct?

A. That is correct. We dealt with this in a previous sitting.

Q. Yes. We have dealt with it. And I think we dealt with, the Tribunal has heard evidence that this appears to have been the Sterling equivalent to a cheque of €100,000 dated the 21st of September, 1992, payable to Credit Suisse and drawn on Bank of Ireland, Dundrum, Dublin 14, at Mike Murphy Insurance Brokers Limited; is that correct?

A. That's correct.

Q. Now, I think the next credit is on the same page, on the 12th, on the 10th of December, 1992, I beg your pardon. There is a credit of €84,800 Sterling; is that correct?

A. That is correct.

Q. And it appears that this was the Sterling equivalent of a cheque for €80,000 Irish, dated the 30th of November, 1992, payable to cash and drawn on Bank of Ireland, Rotunda branch account, Carlisle Trust Limited No. 1 account, which was lodged to the Bank of Ireland, St. Stephen's Green account, Kentford Securities Limited, No. 2 account, number 19446918; is that correct?

A. That is correct. Again, we dealt with this at a previous sitting and that is the payment in relation to that amount.

Q. In fact, just to keep this in perspective; I think when we dealt with this, this represented the proceeds or what appears to have been proceeds of Dunnes Stores money going in to Carlisle then going into Kentford; isn't that correct?

A. That is correct.

Q. Or represented a portion of the proceeds of that

A. Yes. There was another payment, the £100,000 that we dealt with earlier on there.

Q. Yes?

A. Yes.

Q. Now, the next credit was on the 31st of October, 1994, with a value date of the 3rd of October, 1994, of £99,993

Sterling?

A. Correct.

Q. Is that correct?

A. Correct.

Q. And I think you have been able to inform the Tribunal that, to the best of your recollection, shortly before the date of this lodgement, you had a meeting with Mr. Jack Stakelum, and during this meeting he said that he wished to arrange for the transfer of Sterling funds to S8; is that correct?

A. That is correct.

Q. Can you remember the exact words that were used?

A. I can't, precisely. I think what he told me was, at that meeting, that he wished to arrange for funds to be transferred into the account to which I was making the payments to him from.

Q. Right?

A. Because he wouldn't have been aware of S8.

Q. Yes?

A. As such.

Q. Yes?

A. That is it. I think it was, would have been in general a conversation, such as, that while I have referred in my evidence to S8, it would have been a general conversation.

Q. Yes. I think he asked you for the instructions that should be given to the sender of the funds, and you gave him the information?

A. I did indeed.

Q. I think the funds were received into the main Sterling account of Hamilton Ross, account number 02/01354/81; is that correct?

A. That's correct.

Q. So they would have, the funds would have had to come into the main pooled account, and then you, on the Bureau system, would have applied that to S8; is that correct?

A. I reflected that transaction in S8, yes.

Q. I think you have informed the Tribunal that you expected that the late Mr. Furze would have asked you about this transfer, but you have no specific recollection in respect of the query; is that correct?

A. Yes, because you know, he would not have known that such funds were being received in here.

Q. Yes?

A. And I would think it reasonable that he would have asked me and I would have given him, stated what I have just stated to the Tribunal.

Q. Yes. Because Mr. Traynor was now dead, you were in fact carrying out the transactions of posting matters on the Bureau system; isn't that correct?

A. I was indeed, yes.

Q. And you were creating that particular record and one copy would be sent to Cayman; isn't that correct?

A. That is correct.

Q. Now, can we take it that Mr. Traynor was now dead at this stage and Mr. Stakelum, and when Mr. Stakelum spoke to you, he didn't know what S8 was?

A. He didn't know what S8 was. He didn't know the details of things. He wouldn't have known S8, per se, but as we know from the records, I had given him a schedule of the accounts.

Q. Yes. You had, you had given him the schedule of accounts from which payments were being made to him, or to his company?

A. Correct. The analysis of the balance from the previous closing balance to the now balance at the end of the quarter and the payments made in that quarter were reflected in those schedules.

Q. But can we take it that you, as you carried out the actual posting to the account, you had no doubt when you saw the money coming into the main Hamilton Ross Sterling pooled account, of where it should be applied?

A. Absolutely not. I had the previous discussions with him and there were very few payments coming in at that period

of time. So it was very easy to identify that indeed this was the payment that was expected and ultimately went to that account.

Q. Yes. Just to be clear about this, whereas at the time when Mr. Traynor was alive, it is Mr. Traynor who would have been privy to information of what was coming into the accounts, and he may or he would have issued instructions to you to carry out certain transactions; isn't that correct?

A. That's correct.

Q. And that information would then be conveyed to Cayman; isn't that correct?

A. That is correct.

Q. And now the position was that you were carrying out the transactions as a result of information you had yourself.

There was nobody intervening?

A. That is correct. There was nobody, in this particular transaction there was nobody intervening.

Q. Yes; and you, in turn, were the person who was able to inform Cayman; isn't that correct?

A. That is correct.

CHAIRMAN: And it was because of the vacuum left by the death of Mr. Traynor, that you took up the practice of furnishing Mr. Stakelum with some degree of particulars of some four of the "S Accounts" that were relevant?

A. That is correct, Mr. Chairman. I believe there was a

practice, because I had a schedule from prior to when Mr. Traynor died, of such a schedule, so I was merely carrying on the practice that existed before his death.

CHAIRMAN: Thank you.

Q. MR. COUGHLAN: And did you actually send the physical, did you send that physical record to Cayman. Was that how it was done, or did you ring Mr. Furze?

A. No, the physical ledgers were, you know, there were not many in number, but whatever group of ledgers would have been produced on a monthly basis, I would say there were duplicates, a top copy and not a carbon, but modern - where it is printed out on a second copy, and literally they are just put in an envelope and sent off to Cayman.

Q. Yes. Now, I think you have had informed this Tribunal that during your investigation for the McCracken Tribunal, you went to Mr. Stakelum to see if he knew who sent these funds. This is this €100,000 coming in?

A. That is correct, yes.

Q. And he advised you that they were sent on the instructions of Mr. Dermot Desmond, but that he did not know where they came from?

A. Correct.

Q. He didn't know?

A. The origination.

Q. The provenance?

A. Where they originated from, yes.

Q. And I think you have informed the Tribunal that you seem to recall that you contacted Irish Intercontinental Bank to see if they could give you any details of the payment, and you recall that they were able to see on the payment instructions; sorry, that they were able to see on the payment instructions which was of no assistance to you. The information they had was of no assistance; is that correct?

A. That's correct. When I was, what I was endeavoring to do was to be as helpful as I could to the Tribunal at that time.

Q. Yes?

A. And unfortunately, and indeed as we have now seen from the document, that it was very sparse in its detail.

Q. Yes?

A. Of where it came from.

Q. Can we take it that the information Irish Intercontinental Bank would, they would have seen it coming in through their nostral account, all - they saw it from the nostral, when we did our investigations with you we saw that it came in through the Royal Bank of Scotland who was their clearing agency. The payment into Royal Bank of Scotland didn't have the details of who made the payment.

Q. Yes, have the details of

A. Yes.

Q. I think you have informed the Tribunal that other than your conversation and dealings with Jack Stakelum, the late Mr.

John Furze and Irish Intercontinental Bank, you do not recall having any contact with any other person in relation to this particular transfer; that's the Mr. Desmond transfer?

A. That is correct. That's correct.

Q. Could I just ask you this, Mr. Collery, Mr. Stakelum asked you for information, I presume a bank account number or sort code or matters of that nature, to enable funds to be paid in; isn't that correct?

A. Yes, Mr. Coughlan, in banking terms it is called the route of the funds. What route would the funds be transferred for the ultimate recipient of the account, to which Mr. Haughey receives payments from, and therefore I would say he wouldn't have been aware, I would have told him, yes they must come in to the "pool account". I wouldn't have referred to it as the "pool account" to him, it was into the Hamilton Ross account in Irish Intercontinental Bank, and the instructions that must be given to the sender of those funds, is that the clearing agency for Irish Intercontinental Bank, I think if I recall correctly, was Royal Bank of Scotland; so the instructions would be in banking terms, "please credit Royal Bank of Scotland for the account of Irish Intercontinental Bank for further account to the account of Hamilton Ross" and of course it would give the relevant account numbers, which I can't recall at this moment in time.

Q. It would give account numbers and sorting codes for the

various banks?

A. Indeed it may well have also given swift code numbers. I can't recall. It is normal that you would give such instructions.

Q. But Mr. Stakelum didn't know the amount that was coming through, I think, if that is correct?

A. He knew it was approximately €100,000. I seem to recall.

Q. Yes; because what I just want, what I just wanted to inquire is, how did you know that this was to be applied to S8 when it came through the main call deposit account?

A. Well, as I said, there were very few receipts of payments coming in at that time. It was the one and only payment that came in on that, I would have to check, but on that month it was the only receipt of funds.

Q. Right. Now, I think the next deposit is one on the 29th of September of 1995, and it is for €168,036.81 Sterling; isn't that correct?

A. That is correct.

Q. And we can see that on the screen. And you are able to say that the source of this lodgement was a transfer of funds held in the name of Overseas Nominees Limited which was the nominee holding company of Ansbacher with NCB Stockbrokers?

A. That is correct. Those were the funds that we dealt with in our last sitting.

Q. Yes. Now, if we could turn to some debits to the S8 Sterling account. I think you have been able to inform the Tribunal that the bulk of the debits to the account were to

fund the purchase of drafts of cheques payable to BEL Secretarial Services which it appears from the report of the McCracken Tribunal, was applied by Mr. Stakelum to fund payments made for the benefit of Mr. Haughey; isn't that correct?

A. That is correct.

Q. I think that evidence has also been given to this Tribunal by Mr. Stakelum himself?

A. It has indeed, I believe.

Q. Now, I think this Tribunal has prepared a series of tables setting up details of the credits to the account operated by Mr. Stakelum, the corresponding debits to Hamilton Ross account in Irish Intercontinental Bank and in the case of funds drawn on Sterling accounts, the corresponding debits to the "S Accounts" in the Bureau system; isn't that correct?

A. Yes. We have done a schedule and the correlation of the receipts in Mr. Stakelum's books to the individual accounts, be they Deutschemarks or Sterling accounts within Hamilton Ross.

Q. And I think you are able to say this, as appears from the tables which have been prepared and which we will show presently; the S8 Sterling account was debited to meet the payments. That is the payments to Mr. Stakelum, from the end of December, 1992, to June, 1993, and again from December, 1995, to the end of December, 1996; is that correct?

A. That is correct.

Q. And I think you have looked at the tables which were prepared, and you confirm that the relevant entries on the tables are correct; is that correct?

A. I have reviewed the schedules and checked them back against the records and I confirm them to be correct.

Q. Now, if we just, first of all look at the I think we don't have the confidential accounts. That is the Bureau system accounts, until we come to 1992; isn't that correct? But if we look at the schedules for 1991 in the first instance? And you can see there on this particular table, this is the first one for 1991; six particular transactions recording the dates of the credit to the BEL Account and debits to the Irish Intercontinental Bank account; isn't that that is the Ansbacher Account at Irish Intercontinental Bank?

A. That is correct.

Q. Now, I will just go through those, rapidly. There is a credit to Mr. Stakelum's company account on the 20th of February, 1991, for $\text{€}100,000$. There is a debit to the Ansbacher account for 92 odd thousand Sterling; isn't it $\text{€}91,720$?

A. Correct.

Q. Then .

A. And that pattern then is followed.

Q. That pattern is followed through that page, isn't it showing the credits and then the corresponding debits to

the Ansbacher Account?

A. Correct.

Q. I will just put those pages up, I don't want to go through each one in detail. I will put the next one up, for 1991 up. You can see the same pattern is followed; isn't that correct?

A. Correct; and then we can see a total where the payments to Mr. Stakelum's account in that year then of œ327,500.

Q. I think Mr. Stakelum has already given his evidence in relation to that. Now, coming on to a time, if I now go to 1992, and we go, if we can?

A. We have a similar pattern.

Q. We have a similar pattern there; isn't that correct?

A. That's correct.

Q. Until we get to December of 1992. The 31st of December of 1992, you can see on the 31st of December, 1992, where there is a posting across or a debit represented on the Bureau or memorandum account, in memorandum form; isn't that correct?

A. Yes. What we have now here is that we have now got the records within the confidential accounts.

Q. Yes?

A. Whereby we can now see the actual entries that were reflected in the pool account being reflected in the memorandum, the confidential accounts, whereas prior to that we didn't have those records.

Q. Yes?

A. But I think it is reasonable to assume that as they were transacted across the pooled accounts, that therefore they would have been similar records maintained within.

Q. In respect of the previous ones that we drew out of the records?

A. Correct.

Q. So we can see there, item No. 3, which shows the completed transaction; isn't that correct?

A. From end to end.

Q. From end to end?

A. Correct.

Q. And?

A. Just, I suppose just for clarification purpose, Mr. Coughlan, we now see the emergence of the Deutschemarks account coming in to play here, where the Irish pound amount was debited directly to the Deutschemarks account.

Q. Yes. Now, 1993, we can just put up a particular .

A. Well, a similar pattern emerges here, and now we have the records showing in the account of Mr. Stakelum, I presume, the debit to the main account in IIB and then the corresponding debit within the confidential accounts.

Q. Yes and that is these are all Sterling accounts. This is all Sterling transactions of course?

A. The funding of the Irish pound payment, is that the point in time were the Sterling account.

Q. We then see in 1993, we can put up the rest of the tables for 1993?

A. Maybe for clarification here, to the public, what has happened here, was there was a request made for the draft to be BEL Secretarial Services and the instruction to IIB was to debit the Sterling pool account which indeed did happen with €19,100, but in fact the S8 account didn't have sufficient funds to fund that, and therefore the funding is then taken from the Deutschemarks account, subsequently.

Q. So funds when the Sterling account was shy of funds, funds were transferred from the designated individual Deutschemarks account; is that correct?

A. That is correct, Mr. Coughlan, yes.

Q. And that pattern can be seen in respect of both the different transactions?

A. It happened for a number of transactions and then the actual transfer went directly out of the Deutschemarks account there at transaction number 12, I think on the next page. You can see at transaction number 12 there, the payment has been debited directly to the Deutschemarks account.

Q. It just has been debited directly at this stage?

A. Correct.

Q. That pattern continues in to, continues through the rest of 1993; isn't that correct?

A. It does indeed, yes.

Q. And into 1994. The Deutschemarks account has been directly debited; isn't that correct?

A. That's correct.

Q. The Deutschemarks, the Deutschemarks account has been run down in this way; isn't that correct?

A. It has been drawn down on now, yes.

Q. Until we see there on item No. 3, on the 14th of February, 1994, there is a very small item?

A. œ41, yes.

Q. Yes; and that in fact is debited to the main Hamilton Ross account; isn't that correct; with Irish Intercontinental Bank, Sterling account with Irish Intercontinental Bank, and there is a transaction then across the confidential account?

A. Correct.

Q. For the rest of 1994 it is the Deutschemarks account which is being directly debited; isn't that correct?

A. That is correct.

Q. And I think if we just keep putting them up, that particular method of payment continues until item number 19 in 1995; isn't that correct; which was on the final page of the 1995?

A. That is correct. By then obviously funds had now come back in to the Sterling account and it in turn was now able to fund, as previously, as it had done so earlier.

Q. I think you know that there has been evidence of the introduction of funds by Mr. Desmond and transfer of funds from NCB as well?

A. Correct.

Q. So what is happening here now is that BEL are being paid

from the Hamilton Ross main Sterling account, the pooled account, and the transaction has been posted on the Bureau system then?

A. That is correct.

Q. And that, I think, continues through 1996; isn't that correct?

A. It does indeed, up to the end of December of 1996.

Q. Up to the end of December of 1996.

A. With the exception of one payment, which is number 16A.

Q. Well, I think we have had evidence of a direct payment by Mr. Desmond to

A. Yes.

Q. Now, I think you have confirmed that the tables are correct and I think that you have informed the Tribunal that apart from those debits there appear to have been the following further debits to the account; is that correct?

A. That is correct.

Q. That on the 30th of September, 1991, there was a debit of €20,000 Sterling and that is on the monitor now. You see the debit of €20,000?

A. I do indeed.

Q. And it appears from the entry on the account that this was used to fund the purchase of €20,000 Irish; is that right?

A. From the annotation on it, it appears that that was what was done. There must have been Parity with the Irish pound at that time.

Q. You have no further details in relation to the application

of these funds?

A. Regrettably not.

Q. I think that on the 30th of September, 1992, €65,500 Sterling, approximately, that these funds were used to purchase Deutschemarks; is that correct?

A. That's correct. That €65,479.71 effectively closes that account at that point in time and moves all the funds into Deutschemarks.

Q. And these were lodged to the S8 Deutschemarks account; is that right?

A. That is correct.

Q. And then on the 10th of December of 1992, there is a debit of €26,500 Sterling and it appears from the details of the account statement that these funds were used to purchase €25,000 Irish; is that correct?

A. That is correct.

Q. But you have no knowledge as to the application of the funds other than that?

A. Unfortunately I could get no records to show me what happened there.

Q. Yes. Then on the 10th of December 1992, there is a debit of €10,600 Sterling and it appears that this was used to purchase €10,000 Irish, but you have no further information; is that correct?

A. Correct.

Q. Then on the 31st of December, 1992, there is a debit of €11,180 Sterling and this was used to purchase €10,400

Irish?

A. From the annotation on the statement, yes.

Q. But you have no knowledge as to how these funds were applied?

A. Unfortunately not.

Q. And then I think on the 1st of March, 1993, there was a debit of £2,052.21 Sterling and this, from the account statement, appears to have been to purchase French Francs; is that correct?

A. That is correct.

Q. On the 5th of April, 1993, there is a debit of Sterling £1,005 and it appears that this sum was transferred to the "S account" which you had indicated was a control account operated by Mr. Traynor?

A. Yes. That's an internal transfer within the confidential accounts.

Q. It is an internal transfer within the confidential accounts. When you say the "control account" was where many transactions took place?

A. Where funds moved out or inwards from an external source.

Whereas if you were to look at the front of the control account or the pool account, you would not necessarily see that transaction reflected.

Q. Yes. I think on the 12th of October, 1993, there was a debit of £959 Sterling and it appears from the account statement that it was used to purchase £1,000 Irish, which you assume was a cash drawing?

A. Correct.

Q. Now, I think you were asked then about credits to the S8 Deutschemarks account, Hamilton Ross number 04/39231/81; is that correct?

A. I was, yes.

Q. And I think you have informed the Tribunal that this was a Deutschemarks call deposit account held by Hamilton Ross directly with Irish Intercontinental Bank; is that correct?

A. Correct.

Q. The opening lodgement of 165,957 Deutschemarks on the 9th of October, 1992, with a value dated the 30th of September, 1992, arose from the sale of $\text{£}65,479.71$ Sterling from the S8 Sterling account; is that correct?

A. That's correct.

Q. I think we have just seen that particular account?

A. Yes. We are now seeing the other side of that foreign exchange deal, where Sterling has been sold and we are now seeing the Deutschemarks side of the transaction.

Q. And I think you have informed the Tribunal that with the exception of the application of interest of 930.99 Deutschemarks when the account closed on the 8th of November of 1992, there were no other lodgements to the account; is that correct?

A. On the 18th, that is correct.

Q. Sorry, on the 18th, yes. Now, dealing with debits to that particular account, I think you are able to say that there were four, there were in all four drawings from this

account which were as follows; 52,550 Deutschemarks on the 8th of October 1990, and from evidence given at the Tribunal you believe that this was used to fund two Irish pound cheques, one in the sum of €15,000 payable to Dr. John O'Connell and one in the sum of €5,000 payable to Mr. Sean Haughey; is that correct?

A. That is correct.

Q. On the 20th of October of 1992; 52,623 Deutschemarks and it would appear that this debit was used to fund a payment to BEL Secretarial Services?

A. That is correct.

Q. I think that was, in fact, reflected on the tables?

A. I believe it was, yes.

Q. That you have seen?

A. Yes.

Q. Then on the 12th of November, 1992, 53,150 Deutschemarks and again it would appear that this debit was used to fund a payment to BEL Secretarial Services Limited and you can see that reflected on the tables as well?

A. Correct.

Q. Then on the 18th of November of 1992; 8,552.01 Deutschemarks, and you believe from evidence that this was used, that this debit was used to fund a payment of €15,000 to Mr. Conor Haughey?

A. I believe it was, yes.

Q. Now, I think you were asked to deal with credits to the S9 Sterling account; is that correct?

A. I was indeed, Mr. Coughlan, yes.

Q. And I think you say that there is only one statement available for the S9 Sterling account which appears to be page 24 of the account statement; is that correct?

A. Yes. This statement shows the closing transactions on that account.

Q. Yes; and I think you have informed the Tribunal that the usual practice of Ansbacher was to issue statements on a monthly basis. It is probable that the S9 account was opened approximately in mid-1990; is that correct?

A. Yes, as I referred to earlier, the Bureau system produced statements on a monthly basis and therefore if this is statement number 24 .

Q. Yes. Just put it across to the left for a moment and we can just see that? This is page number 24?

A. Yes, which would indicate that there were 24 previous statements.

Q. Yes. Two years previous statements?

A. Approximately, yes.

Q. And I think the account statement shows five transactions, all of which were posted to the account on the 1st of October, 1992, but each of which had a value date, the 30th of September, 1992?

A. Correct.

Q. And you inform the Tribunal that this means that the actual banking transactions entered on the account were carried out on the 30th of September, 1992; is that correct?

A. Correct.

Q. You are able to say that the three credit transactions to the account were a credit of £490,033.25 Sterling on the 30th of September, 1992. This transaction simply brought forward the then existing balance and that this suggests that the previous balance on the account was Sterling £490,033.25; is that correct?

A. That is correct, as I indicated previously what this transaction is reflecting is the movement of the funds from Ansbacher now into Hamilton Ross.

Q. Right. There is a credit of £10,600.68 Sterling on the 1st of October 1992, and you say that this, the description of this transaction on the account statement signifies that the credit related to a transfer of funds from the account designated "S"?

A. That is correct. As I referred to earlier in the previous part of my evidence, this was, this type of movement account or control account which was used here and this is funds coming from "S" into this particular account.

Q. So when you say the "control account", that was Mr. Traynor's, that was controlled by Mr. Traynor?

A. That was controlled by Mr. Traynor, yes.

Q. And what happened through that control account was that monies coming from externally would go through that, could go through that?

A. Could go through that.

Q. Monies going, monies going out can go through it; is that

correct?

A. That is correct, yes.

Q. And could adjustments be made within the accounts through it as well?

A. It could be, yes, Mr. Traynor being an accountant had a methodology whereby he had, I suppose, what you would call a daybook, reflecting all the transactions that he had instructed and given across a particular account, and this was his method of ensuring that those transactions, once the instructions were given, were indeed carried out. I suppose from an accountants background you would understand that the meticulous mind of ensuring that all transactions took place. This is such a transaction, I believe.

Q. That particular vehicle of the "S account" was to facilitate that, those three types of movement; is that correct?

A. That is correct.

Q. And on top of that, he may have used it for himself as well?

A. He may well have done so.

Q. For anybody else?

A. Yes, or for other payments, yes.

Q. Or for anybody -?

A. What I would suppose, I suppose it was what you and I would classify as a "current account".

Q. Yes. Then I think there is a credit of Sterling œ703,500 on the 1st of October, 1992, and the description on the

account statement signifies that this was a transfer of funds from the account designated "S7"; isn't that correct?

A. That's correct.

Q. I think we have already seen that particular?

A. We have indeed; and this S7 was the account which was referred to as the "portfolio account".

Q. That is the portfolio account, and then that, that could have been the proceeds of an investment?

A. It possibly could, yes. That seemed to be again another control account, where if investment shares were purchased, so that the investment was invested in there, dividends received were credited in there and ultimately when this, when these shares were sold the movement went out of that.

So again it reflects the methodical nature of the man in keeping the records of what was done.

Q. So that monies of that $\approx 703,500$, would appear, or does it appear to represent the proceeds of an investment by the shares; that the shares are been disposed?

A. Unfortunately we don't have the records, sorry for cutting across you, unfortunately we don't have the records back there. All we can assume is that because it was in that portfolio account and what we see of the nature of that account, that it was, it would have certainly gone in there, and perhaps been used to make investments, or perhaps this was the proceeds coming out of those investments.

Q. Yes. I think you are able to say that as these transfers

from the S7 account were all movements of Sterling funds held in a single pooled account, they would not have been reflected in any movement of the funds held to the credit of the Sterling account in Irish Intercontinental Bank; is that correct?

A. That is correct. As I made reference earlier if it was an internal transaction, it wouldn't appear on the

Q. That is right. So the money, that money was just part of the Ansbacher money in Irish Intercontinental Bank, the pooled account?

A. That is correct.

Q. And as far as Irish Intercontinental Bank were concerned, there was no movement taking place?

A. Absolutely not.

Q. And the only movement taking place on the record, sorry the movement taking place was taking place here in Dublin, on the instructions of Mr. Traynor; isn't that correct?

A. Those particular movements were indeed, yes.

Q. Yes; and the only way that Cayman ever knew or might have known that such a movement had taken place was when they received their copy of the statement which was generated in Dublin; isn't that correct?

A. That's correct. That is correct.

Q. And as far as you know, Cayman would not even have been aware for whose benefit the movements would have taken place. They would have had it in coded form as well; isn't that correct?

A. Well, I don't know if they would actually know the individual benefit, but presumably when - and I am presuming here - that within the Cayman accounts, that from the trust perspective; i.e. The Ponsiana Fund that those transactions must be reflected in an account in their books, which I believe would be, perhaps, the Ponsiana Fund.

Q. Yes. All the instructions seem to be given by Mr. Traynor; isn't that correct?

A. In relation to these, yes, that is correct.

Q. Now, I think you were asked about debits to the S9 Sterling account; isn't that correct?

A. I was, yes.

Q. And there were the two debits. One on the 1st of October, 1992, for £738.70?

A. Yes. This was an interest adjustment for whatever reason.

It is not apparent from the face of the statement there, as to why that interest adjustment took place. But indeed, yes, that has taken place and that is the amount reflecting that interest adjustment.

Q. And then the substantial debit for the 1.2 odd million, that was to purchase Deutschmarks; isn't that correct?

A. Yes. We saw in the Deutschmarks account where it purchased 3,049,981.14 Deutschmarks.

Q. And I think we can then?

A. And I think .

Q. We can show the Deutschmarks account then and show the

that is the Deutschemarks account; isn't that correct; and that is showing the corresponding side of the debit from the Sterling account, the foreign exchange deal being done and Deutschemarks being purchased and ending up in this particular account; isn't that correct?

A. That is correct.

Q. I think the account statements are available from the 8th of October, 1992, to the 31st of December, 1996, in respect of the Deutschemarks account; isn't that correct?

A. That is from the date of the, that the account opened to December of 1996, correct.

Q. And I think that you are able to say that the first entry on the account statement is the lodgement of the 3 odd million Deutschemarks, with a value date of the 30th of September, 1992, and as you have explained this means that the actual transaction occurred on the 30th of September, 1992, although it was not posted to the account statement until the 8th of October, 1992; is that correct?

A. That is correct; and I think it may show on the right-hand side there, that is statement No. 1 of that statement, of that account.

Q. Yes; and the source of the money was the debiting of the Sterling account - or sorry .

A. That is correct.

Q. Within Ansbacher, was the reflection on the memorandum or on the Bureau system, but that it was the transfer out of the main Ansbacher account, of Sterling 1.2 odd million;

isn't that correct?

A. Well, in fact at this point in time we would have been in Hamilton Ross, but yes; yes, it is out of the pool account, so the Sterling amount would have come out of the pool account and the Deutschemarks equivalent is now credited in here to this particular account.

Q. Now, I think you were asked to deal with the debits to the S9 Deutschemarks account. The Hamilton Ross account number 04/39236/81. They are reflected on the tables which we have put up and you have confirmed they are correct?

A. I have reviewed all the transactions in the account and they are reflected in the tables.

Q. Now, I think all of the debit transactions on the account with the exception of a debit of Deutschemarks 118,875, we can put that particular statement up; it can't be read very easy; it can't even be read in the copy I have, I am afraid. This shows that the Deutschemarks was converted to US dollars and placed in the "S9A" blocked account and it relates to the sale of Deutschemarks in exchange for Irish pounds; is that correct?

A. That's correct. Yes. We referred in the earlier evidence of this blocked account at Irish Intercontinental Bank, and the funding of that account came out of this Deutschemarks account.

Q. I will just put it up. It is not very clear on the statement. I think everything else is covered in the tables; isn't that correct?

A. They are indeed, yes.

Q. It is coming now. You can't really see it, but it shows that it is for the purchase of US dollars; isn't that correct?

A. Yes. The foreign exchange deal and when we tracked it through onto the dollar account for the 75,000 opening balance on the dollar account reflects that same foreign exchange deal number.

Q. Yes. Now, I think you were asked about the balances on the "S Accounts", is that correct?

A. That is correct.

Q. And you are able to inform the Tribunal that as of the 30th of September, 1992, the total sum held to the credit of the "S Accounts" for what appears to have been for the benefit of Mr. Charles J. Haughey, was Sterling €1,286,661.70, being Sterling €83,266.47 held to the credit of the S8 Sterling account and Sterling €1,203,395.23 held to the credit of the S9 Sterling account?

A. That is correct.

Q. And apart from the accrual of interest on these accounts, a further sum of €460,847.50 Sterling was lodged to the S8 Sterling account between the 1st of October, 1992, and the 31st of December, 1996; is that correct?

A. That is correct.

Q. And I think the details are that on the 30th of October, 1992, there was a credit of Sterling €108,017.69; is that correct?

A. Correct.

Q. On the 10th of December, 1992, a credit of Sterling
€84,800?

A. Correct.

Q. On the 31st of October, 1994, a credit of Sterling €99,993?

A. Correct.

Q. And on the 29th of December, 1995, a credit of Sterling
€168,036.81?

A. Correct.

Q. And I think you understand that the Tribunal may wish to
hear further evidence from you in relation to the details
of the operation of the S7 portfolio account from which a
sum of Sterling €703,500 was transferred to the Sterling S9
account on the 30th of September, 1992; is that correct?

A. That is correct; and I have gone into some detail in it,
but we may wishing to go into further detail.

Q. And in relation to the S account from which a sum of
Sterling €10,600.68 was transferred to the same S9 Sterling
account on the 30th of September, 1992?

A. Correct.

MR. COUGHLAN: Thank you Mr. Collery.

MR. CONNOLLY: I have no questions, Mr. Chairman.

CHAIRMAN: Mr. Murphy?

MR. MURPHY: No questions.

CHAIRMAN: Thank you very much for your assistance today,

Mr. Collery.

A. Thank you, Mr. Chairman.

THE WITNESS THEN WITHDREW.

MR. HEALY: There won't be any further witnesses, Sir, in the public sittings, or at least the opening public sittings. It is envisaged that there will be a short sitting at two o'clock from which the, it is anticipated the public will be excluded, to hear evidence to identify persons to whom notification should be given of applications to third party institutions for documents concerning their affairs, and that won't take very long, but obviously there is a little - there is little point in the public being here if they are going to be excluded. It is a matter for themselves.

CHAIRMAN: Yes. What you then anticipate is that after that, application will be made, I think it relates to a passage of evidence already heard some considerable time back, and assuming that to be the case, if the public were then to be excluded on foot of the appropriate sections, there would remain no further evidence in open session for the remainder of these sittings.

MR. HEALY: That is correct.

CHAIRMAN: Very good. An announcement I take it, then will be made on foot of what I said earlier as to the

earliest feasible resumption that we can undertake in
January.

MR. COUGHLAN: Yes.

MR. HEALY: That's correct.

CHAIRMAN: Very good. Thank you very much.

THE HEARING THEN ADJOURNED.