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1 THE TRIBUNAL RESUMED AS FOLLOWS ON FRIDAY, 17TH DECEMBER

2 1999 AT 10.30AM:

3 .

4 CHAIRMAN: Good morning every one.

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6 CONTINUATION OF EXAMINATION OF ROGER COPSEY BY MR.

7 CALLANAN:

8 .

9 1 Q. MR. CALLANAN: Mr. Copey, I put to you yesterday the

10 accounts for JMSE to the year ended the 31st May 1990,

11 showing a profit for the financial year of £64,768 of which

12 I think you accepted £30,000 would represent a very

13 substantial proportion --

14 A. Can I just start by saying that I got a little tetchy

15 towards the end of yesterday afternoon and for that I'd

16 like to apologies, Mr. Chairman.

17 .

18 Answering your question, no, I think I replied that if you

19 relate to figures, one of which being 60,000 and the other

20 30,000, it is very large, 30,000 is a large proportion of

21 60,000 but there's no connection between the two figures.

22 2 Q. That's because the monies, the £30,000 paid out by JMSE was

23 repaid from the ICC monies held by Mr. McArdle from the

24 sale of Forest Road. Was that the case?

25 A. Sorry, I really don't -- I mean this nicely, I don't want

26 to get into an accountancy lecture because I know it's very

27 boring but the reason that they are not related is quite

28 simply because the entry of 30,000 passed through JMSE's

29 books for cashflow purposes only. It was a loan for a

30 period of one week. It comes in, it goes out and has no

31 other effect whatsoever on the accounts. It doesn't

32 affect the profit, it doesn't affect the loss, it doesn't

1 affect the expenses, the income, the balance sheet. It
2 actually didn't affect any figure in the accounts of JMSE
3 at all.

4 3 Q. I think that's what I was endeavouring to put to you, Mr.
5 Copsey. Now, I take it from your answers yesterday that
6 you accept that the amount was ultimately debited against
7 the accounts of Grafton Construction?

8 A. That is correct, yes.

9 4 Q. And if I could ask you to turn, if you still have the black
10 book provided by the Tribunal.

11 A. They have all been taken away from me. (Documents handed
12 to witness.) I now have it.

13 5 Q. Yes, if you could turn, Mr. Copsey, to tab 10, at page
14 192. That shows the Grafton Construction Company profit
15 and loss account for the year ended the 31st May 1990.

16 A. Yes.

17 6 Q. And that shows on operating profit of the £37,286 and if
18 one then adds in interest earned and takes off taxation,
19 one is left with a profit of £95,333?

20 A. That's correct.

21 7 Q. So £30,000 represents the bulk of the operating profit of
22 Grafton Construction, isn't that so?

23 A. Yes.

24 8 Q. And it represents something of the order of 25 percent of
25 the profit?

26 A. Yes, if you were to gross it up and come back, that's
27 absolutely correct.

28 9 Q. Which is of course a very substantial proportion?

29 A. I agree entirely.

30 10 Q. And notwithstanding the magnitude of the sums involved in
31 relation to the figures for operating profit and for
32 profit, you still didn't query or check in relation to a

1 payment of £30,000 which you say Mr. Gogarty stated to be a
2 political donation?

3 A. You are absolutely right in that and of course the reason I
4 didn't is that I had no idea of what the accounts for
5 Grafton Construction Company would look like at the time of
6 the payment and these accounts themselves were not prepared
7 until six or seven months after my assignment with the
8 company had left. I never saw these accounts. The very
9 first time I saw these accounts was when I saw them either
10 in a Book of Evidence or when I sat down at this Tribunal.

11 11 Q. Mr. Copsey, you have given evidence that you spent 40
12 percent of your time dealing with these companies at this
13 time. You have referred to your expertise as a management
14 account and I want to suggest to you that it's
15 inconceivable you didn't have some idea of the order of
16 magnitude of the profits of JMSE and of Grafton
17 Construction?

18 A. No, you are entirely wrong because at that time we had
19 planned to sell the lands, they could have been 1 million
20 or £2 million profit to be shown in Grafton Construction.
21 I mean really, you are completely speculating, which is
22 something which, as an accountant, we are trained not to do
23 which might make it somewhat boring but nevertheless,
24 that's the way we think but to take yours as a premise is
25 entirely wrong.

26 12 Q. And can I ask you how, as a financial director, you could
27 justify a payment of £30,000 coming ultimately from Grafton
28 unless there was a benefit accruing to Grafton, Mr.
29 Copsey.

30 A. I, in fact, don't have to justify that there has to be a
31 direct benefit. It is a well known fact that companies
32 all over the world give political donations. Now, this is

1 large, undoubtedly in Irish terms, although I have to say
2 at that particular point of time, I genuinely wouldn't have
3 known whether £30,000 was a particularly large sum of
4 money. The only time that I ever saw any publicity on a
5 political donation would have been in the context of UK and
6 the US where these things are more public. And if you
7 read the papers and it's normally the exceptions that come
8 into the domain of the papers, that millions of pounds were
9 donated by various people. In the US, it's a whole
10 industry of donations so in that context, at that
11 particular point of time, it did not strike me as something
12 which was either wrong or should not have been done.

13 13 Q. Can I suggest to you there was a logic in this payment
14 being debited to Grafton in that Grafton was one of the
15 mainland holding companies and it was in fact going to
16 benefit or intended to benefit from the payment of £30,000
17 to Mr. Burke?

18 A. Well that's one alternative which I can't disagree that
19 that's a possibility. If you want to know why I in fact
20 did it, my explanation is as follows, which is really
21 repeating what I have said but I will try to be brief and
22 summarise it. I positively did not want it to go against
23 JMSE's accounts because of the bank borrowings so it had to
24 go against the accounts of another company. The Gaiety
25 Theatre had been closed or was being sold, there were a
26 number of companies from which I could have chosen.
27 Grafton Construction Company, I knew that the lands were
28 going to be sold and therefore from a point of view of pure
29 accounting logic, it would have been the most logical place
30 for that to go and I can just tell you, whether you believe
31 me is something up to you, I can just tell you absolutely
32 that I did not direct it there because I felt that Grafton

1 Construction Company was going to benefit by the way of
2 increased planning permission and of course in the event,
3 at the time of June when this payment was made, discussions
4 had already taken place whereby Mr. Murphy had directed
5 that these lands would be sold without planning
6 permission. There is absolutely no reason and no
7 connection with planning on this.

8 14 Q. When did you say Mr. Murphy gave that direction?

9 A. Mr. Murphy gave that direction certainly in June but he had
10 discussed this fact of selling the lands and selling the
11 lands without planning permission.

12 15 Q. When did you first become aware of that direction, Mr.
13 Copsey?

14 A. I became aware of the direction of selling the lands as a
15 long process of planning which started with a whole group
16 of companies going back to about October or September of
17 1988. The lands, as part of all of the assets of what we
18 call the Lajos Group of companies, each company's role was
19 reviewed and it was decided to sell the lands. Mr. Murphy
20 ought to contemplate selling the lands, Mr. Murphy
21 commissioned a report on the lands and in talks with him,
22 it became obvious to me that his decision, certainly not
23 advised by me, that his decision was that he was coming
24 rapidly to the conclusion that he did not want to retain
25 the lands any further with people continuously saying to
26 him if you hold on to them a little bit more, you may get
27 planning permission. And his actual -- if you want the
28 date of it, you'd have to look at the files yourself, the
29 date that he actually instructed these lands be sold
30 without planning permission was either just before the 9th
31 June or just after and it wasn't a decision which was made
32 in a moment of time. I would have been well aware of his

1 thinking at that time so if you want my state of mind, my
2 state of mind would have been very much influenced by
3 that.

4 16 Q. Just so that we are not at cross purposes, by what do you
5 date that decision of Mr. Murphy to sell the lands without
6 planning permission? Is there any specific conversation
7 that you recall in that context or particular document you
8 are referring to?

9 A. Well if you look back at the documents, there is a document
10 where he says or he gives Jim Gogarty instructions and it's
11 given to Duffy Mangan. OK? I can't remember the date of
12 the letter, it may be useful for the Tribunal to know the
13 date of that letter but that is in or about this time.
14 Now that wasn't a decision made immediately. We had had
15 discussions on these matters. When I say discussions,
16 we -- this so-called elite group, which I actually object
17 to the terminology, so we can all recognise what time I am
18 talking about, that that in fact was a group which was a
19 strategic planning group for the group of companies as a
20 whole, which met periodically to discuss what should be
21 done.
22 Now, I had some input on that and not very much on others
23 but during those conversations, it was continuously
24 discussed about the lands, as it was continuously discussed
25 about AGSE, as about the Gaiety Theatre, as all companies
26 within the group were reviewed and what should be done with
27 the assets in those companies. And it was clear to me at
28 that time so therefore it came as no surprise to me at all
29 when Joseph Murphy Senior directed that the lands should be
30 sold without planning permission.
31 .
32 Now, we can look at it now and think that oh, without

1 planning permission what is the context here? Therefore
2 there couldn't have been a bribe. That was in nobody's
3 mind. He decided to sell the lands because that was a
4 strategic decision he wanted. He wanted nothing more to
5 do with them. He wanted actually to have as few assets as
6 possible so that there was as few as worries as possible.
7 He was a retired man.

8 17 Q. Just so we are not at cross purposes, the elite group you
9 define consisted of whom?

10 A. The so-called elite group. OK, would have been Joseph
11 Murphy Snr, Edgar Wadley, myself and on certain occasions,
12 Chris Oakley, obviously for legal matters.

13 18 Q. And not including Mr. Grehan and Mr. Reynolds?

14 A. Absolutely not, no because they were concerned only with
15 JMSE so they wouldn't have been concerned with the Gaiety
16 Theatre or Lajos. In most cases they wouldn't be
17 concerned with AGSE either because they weren't directors
18 of that company.

19 19 Q. And just since you mention AGSE, if I could ask you
20 briefly, Mr. Copsey, we know that the entire share capital
21 of AGSE was transferred to JMCC Holdings?

22 A. Yes.

23 20 Q. And there was a meeting of directors on the 6th July 1989
24 put to the attention of yourself and Mr. Gogarty.

25 A. Correct.

26 21 Q. I want to put to you what appears to be a contradiction in
27 correspondence. I can hand you the relevant letters.

28 It's a letter of the 5th July to Mr. Gogarty and a letter
29 of the 17th October to Mr. Grehan and Mr. Reynolds. Mr.
30 Grehan and Mr. Reynolds made various queries in relation to
31 this transaction of which they were obviously advised by
32 Mr. Gogarty.

1 A. That's what it seemed like to me.

2 22 Q. And there was a long correspondence that has been opened

3 and re-opened to the Tribunal and I take it you feel that

4 you were providing an adequate level of information to Mr.

5 Grehan and Mr. Reynolds.

6 A. Well, again, I actually don't --

7 23 Q. I don't want to go into that correspondence.

8 A. OK, yes. The short answer to your question is yes.

9 24 Q. OK. Well can I just ask you very briefly, Mr. Copey, and

10 we can pass from it. Your letter of the 5th July 1989

11 refers to the meeting to consider the resolution to sell

12 the shares in AGSE to JMCC and you say, "This transaction

13 is part of the rearrangement of the bond for Sizewell."

14 OK?

15 A. Yes.

16 25 Q. If you look at the other letter of the 17th October 1989,

17 which is a letter from you to Mr. Grehan and Mr. Reynolds

18 at paragraph 5, in response to a query by them in relation

19 to this transaction and as to why they were not informed,

20 you say, "I was asked by Mr. Joseph Murphy to make certain

21 suggestions for tax planning within the Lajos Group." And

22 if I could just ask you, they appear to be quite

23 contradictory statements, the explanation you offered to

24 Mr. Gogarty and that which you offered four months later to

25 Mr. Grehan and Mr. Reynolds?

26 A. Yes. I would actually explain it. They are not actually

27 contradictory. I think I would say, is it the truth, the

28 whole truth? Both of them are true but I chose to give an

29 explanation to Gay Grehan and Frank Reynolds which was

30 different from the one that I gave to Jim Gogarty because

31 there are different circumstances. Quite simply, Jim

32 Gogarty was a director of Lajos, he was also a director, if

1 I recall, of AGSE as well. Now, in that capacity, he had
2 every right to know about detailed reasoning concerning
3 transactions. That's his statutory right. Gay Grehan
4 and Frank Reynolds were at that time were directors only of
5 JMSE. Their right to have any information whatsoever on
6 Lajos and AGSE or in fact on Murphy industries, Sizewell,
7 funds outside the Murphy Group etc., was very very limited,
8 very limited, and I simply chose to give them an
9 explanation which was true, because there were tax
10 considerations, and a lot of the way that bond and the
11 funding for the bond was set up was tax based. So I gave
12 them that as an explanation which really did not give them
13 very much information but was true. I did that
14 deliberately.

15 26 Q. Isn't there a distinction between saying they are not
16 entitled to information and giving them information which
17 is less than complete?

18 A. OK. If you want to accuse me -- OK, or whatever other
19 word you want to use of giving them incomplete information,
20 I did it, I did it deliberately and I did it in a measured
21 fashion and that was a decision I made and I would make the
22 same decision again.

23 27 Q. Obviously Mr. Grehan and Mr. Reynolds had concerns and I
24 quite accept they were in contact with Mr. Gogarty but
25 looked at from their point of view, there was of course a
26 significant realisation of assets in Ireland for whatever
27 reason and a transfer of assets out of Ireland, isn't that
28 so?

29 A. Yes. Again, there were two things there. Joe Murphy is
30 a very private person - Joe Murphy Senior that is - is a
31 very private person. He would not thank me for giving
32 people lots of information. If he wanted to tell Frank

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1 Reynolds and Gay Grehan, that's entirely up to Joe. I
2 actually would give a limited amount of information. Now,
3 that's me acting -- you have got to remember that whilst I
4 was financial director, I really, in essence, was a
5 practicing accountant. The only reason I took on the role
6 of director was a commercial factor of engendering
7 confidence to the banks.

8 .

9 Now, in that capacity, I deal with a lot of very
10 confidential information and I have a Chinese wall type of
11 mind where I wouldn't tell one person what I would tell
12 another because I know that I am simply -- it's simply
13 confidential. That's one thing. The other thing is on
14 this whole saga, for what it's worth, with Gay Grehan and
15 Frank Reynolds, that they probably would have got more
16 information from me and given in a slightly more helpful
17 fashion had I not thought that they were simply mouth
18 pieces for Jim who was winding them up and they chose,
19 rather than giving me a telephone call or meeting with me,
20 to write me what I thought were rather, I'll think of
21 another word, sorry if you excuse me for saying so, snotty
22 letters so they got one back so to some extent I reacted to
23 the way they did it but look, afterwards Gay Grehan and I
24 and Frank got on very well so that's just a part of
25 commercial history.

26 28 Q. I think one of the points they raised, there was £1.7
27 million owed by AGSE to JMSE which would one would thought
28 would be a legitimate concern for directors to have in the
29 circumstances?

30 A. Yes, but again the 1.7, funnily enough, was there both
31 before and after the reconstruction. I correct myself, it
32 wasn't actually there after the reconstruction but they

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1 had, before I started doing anything with the companies to
2 alter their construction, there was an amount owing by AGSE
3 of 1.7 million. The day afterwards, there's still the
4 same debt with the same security or non security was there
5 in exactly the same fashion. Nothing I did altered that
6 fact so they were getting nervous about something that I
7 was doing nothing to alter the situation except and I have
8 actually never had the information to be able to recall it
9 but I know definitively that after I had finished a series
10 of reconstructions, that JMSE was considerably better
11 financed afterwards and was financially stronger than it
12 was before.

13 .

14 So, as a matter of fact, forgetting what I explained to Gay
15 and Frank, everything I did was for the financial good of
16 JMSE. I admit that I may have been less forthcoming with
17 two considerations; one, confidentiality, and then the
18 other one, the way the two of them approached me on the
19 subject.

20 29 Q. Well if one just takes the AGSE transaction and the sale of
21 the lands, it's fair to say that for whatever reason, there
22 was a significant movement of assets out of Ireland.

23 There's a controversy as to why that was but there was such
24 a movement, is that so?

25 A. Yes, I agree with you entirely.

26 30 Q. And you clearly felt a personal obligation to Mr. Murphy as
27 the, Mr. Joseph Murphy Snr, as the ultimate owner, subject
28 to his trusts, of the companies.

29 A. Well, I think all professional people feel an obligation to
30 their clients and I felt a professional obligation to my
31 client.

32 31 Q. And that would apply particularly in relation to the

1 obligation of professional confidentiality to which you
2 have referred, it would be Mr. Murphy's confidentiality
3 with which you were concerned.

4 A. Yes.

5 32 Q. If I could pass from that, Mr. Copsey, in relation to the
6 phone call you received from Mr. Bailey in Moscow in late
7 1996 or early 1997. You haven't been able to find out the
8 date or the period you were in Moscow for?

9 A. No, I mean because I was there for about nine or ten days
10 each month regularly, it could literally have been any
11 month but I really have a strong feeling that it was at the
12 end of 1996 possibly early 1997 but it wasn't very close
13 to -- it was distanced from the phone call that I received
14 from Joe Murphy Jnr, when was it, in May.

15 33 Q. I take it that this was the first time any issue had been
16 raised in relation to a political donation or payment to a
17 politician since Mr. Gogarty had referred to the matter of
18 a donation to you on your evidence and since the accounts
19 of Grafton were dealt with. Had there been any
20 communication in the intervening period to you, were you
21 aware of any issue in the interim?

22 A. No, there was no issue. If I just -- excuse me, just pick
23 you up on two points, not in issue. The answer to the
24 question is no there wasn't. The facts of the matter, you
25 referred to the accounts of Grafton, I wouldn't have known
26 how it was treated in Grafton, I have already made that
27 clear because those accounts were done, six, eight months
28 after I had left the group so I never actually saw
29 Grafton's accounts at all to show how it had been treated
30 at all and the other thing is that my telephone
31 conversation with Michael Bailey didn't mention political
32 donations at all. It mentioned bribes and words like that.

1 34 Q. You have given that evidence. Well, can I just ask you,
2 dealing with -- taking it from the 8th June 1989, when was
3 your last involvement in relation to anything at all to do
4 with the making of a political donation of £30,000?

5 A. I mean obviously as far as I can remember, that in any way,
6 shape or form, however slight, the only thing that I can
7 think of is the funds flow statement which Tim O'Keefe
8 prepared, if you recall the document, the famous one where
9 we think it shows up as planning permission but I can come
10 back to that later but just to identify the schedule, do
11 you know the one I mean?

12 35 Q. I do know the schedule. That's the last involvement you
13 can remember?

14 A. Well I had a very slight involvement there, I was just
15 interested in the bottom line figure so I could disburse
16 funds but would be the last time in way, shape or form,
17 directly, indirectly, that that £30,000 would have really
18 have come to my notice as far as I can remember.

19 36 Q. I appreciate your evidence is you didn't connect what Mr.
20 Bailey said to you on the phone in Moscow about the
21 question of a political donation in June of 1989 but
22 nothing happened since you saw the cashflow statement and
23 that phone call from Mr. Bailey, that alerted you to any
24 difficulty or query in relation to the donation of
25 £30,000.

26 A. No, I can -- I am racking my brain, I cannot think of
27 anything at all. In fact the only contact I had with the
28 Murphys up until I phoned Joe Murphy Jnr that time was one
29 time with Joe Murphy Jnr, maybe four years, five years
30 after I had stopped acting for him, he telephoned me and
31 asked me as a favour would I go along to a meeting which
32 his present tax advisors had with the Inspector of Taxes

1 and I went along to a place in Ballsbridge and met with, it
2 was a guy from KPMG I think and the Inspector of Taxes. I
3 can't even remember what the matter was, it was obviously a
4 technical matter and I gave a little bit of advice there
5 for half an hour.

6 37 Q. When was that do you recollect?

7 A. I didn't even charge the Murphys for it. It was just
8 really a little piece of information I had to do with tax,
9 maybe four years after I left them, which would have made
10 it 1994, would it be?

11 38 Q. Did it have any direct or indirect connection with the
12 accounts of Grafton or the --

13 A. Certainly nothing to do with 30,000. Nothing to do with
14 the accounts of Grafton. I am actually trying to think
15 what it was. It was a technical point to do with JMSE.
16 It was absolutely nothing to do with anything vaguely
17 connected with this Tribunal.

18 39 Q. I see. And --

19 A. I am just trying to put it in for completeness, I didn't
20 have any connection whatsoever really.

21 40 Q. And can you recall, Mr. Copsey, how it was you became aware
22 that the, you say that Mr. -- you infer, you and Mr.
23 O'Keefe infer that he must have spoken to you about cashing
24 a cheque for £20,000. Can you recall how you became aware
25 that the £30,000 had been assembled or paid over?

26 A. No, I don't have any recollection of it but when Tim and I
27 sat down, obviously we know it had happened because when we
28 got all the proof in front of us --

29 41 Q. I am just asking you the time, can you remember casting
30 your mind back to June of 1989, did anybody confirm to you
31 that (a) that the monies had been procured effectively from
32 JMSE on a short-term basis and had been paid to their

1 intended recipient?

2 A. No, and I know people sort of think and it's been mentioned
3 several times that it's amazing that I didn't query, I
4 didn't do things. I tend to be what I would call a lazy
5 person, I do the minimum I have to do to achieve
6 something. My involvement in that transaction was simply
7 to transfer the funds across. I mean after that, it was
8 somebody else's job. Jim Gogarty was dealing with that
9 and I actually wouldn't have traced through because I
10 wouldn't have needed to know. I am afraid that's just the
11 way I work.

12 42 Q. But surely you would need to be in a position to form a
13 view as to what company's account this should ultimately be
14 debited?

15 A. No, because obviously a political donation isn't
16 something -- look, it isn't allowable for tax so
17 theoretically, it can actually within a group of companies,
18 you can direct it to any of those companies. That's
19 perfectly legal and perfectly proper by way of intercompany
20 transfers. It was never going to be allowable for tax.
21 So it really had no connotations whatsoever. That's the
22 sort of point that I would have decided eventually when I
23 did the accounts and the truth is whilst I put it to
24 Grafton at that particular point of time, something could
25 have occurred later on in the year prior to me preparing
26 the Grafton accounts had I done so, which would have
27 changed my mind and I could have put it to another company
28 for another commercial reason. So that was a decision
29 which I was going to make much later in the year or the
30 next year. So I didn't bother myself with it.

31 43 Q. We know, in fact, that in categorising the payment as land
32 enhancement payment or planning permission payment, it was

1 treated as a deductible expense in the computation of
2 profits?

3 A. Well can I just pick you up. The land enhancement is the
4 word you should refer because the planning permission
5 connotations has nothing to do with the accounts of the
6 company. I have already explained that is a working
7 paper, internal working paper of Copsey Murray & Co. which
8 had nothing to do with the accounts whatsoever. It was
9 never seen by Mr. Bates. So, in the connotations of the
10 accounts, that the only words were enhancement expenditure
11 and I have already explained that that is a simple and
12 understandable, I might add, but a simple error by Mr.
13 Bates. He made the decision to call it enhancement
14 expenditure. He didn't consult me and I had nothing to do
15 with those words.

16 44 Q. And I think you have referred to your ceasing to be
17 retained by the Murphy companies on the 14th August 1990?

18 A. Correct.

19 45 Q. Can you recall why that was or was there any particular
20 reason for that?

21 A. Yes, I can. I can. Mr. Murphy telephoned me and said
22 that Jim Gogarty found himself unable to work with me and
23 therefore he would have to ask me to resign but I think I
24 said something like "you must be joking" because after
25 everything that had gone with Jim, etc., I said, "Are you
26 dissatisfied with anything I have done?" "Absolutely," he
27 said, but he said, "I need Jim on the Sizewell contract."

28 .

29 Now, Joe Murphy had in some ways, in my view, an
30 unwarranted fear of the Sizewell contract. I did quite a
31 lot of work on that contract. It was a massive contract,
32 it was in some ways too large for the company in so much

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1 that it accounted for a dangerously large percentage of its
2 turnover. It was a contract which was signed and
3 contracted to before I was involved so once it was there
4 and there was no going back from it, that it became, in my
5 consideration, a good and profitable contract and I did a
6 lot of work on it and a lot of negotiation with the main
7 contractor as well and I was confident the company would
8 make a lot of profit from it and I believe that to be the
9 case that happened subsequent to me leaving.

10 .

11 But Joe was afraid of the contract because his business was
12 not steel erection, it was cable laying. Now, the only
13 person he had any confidence in who could actually properly
14 negotiate the extras on that contract was Jim Gogarty.
15 You have to understand that in contracting, nearly every
16 contractor makes its profit on extra, not on the price
17 quoted for the contract. That's a part of business
18 life. So Joe wanted to keep Jim on so that he would
19 negotiate the extras on the Sizewell contract which would
20 be worth millions and millions of pounds so therefore faced
21 with me or Jim leaving, he asked me to resign.

22 46 Q. Just what seems strange about that is that's a very long
23 way down the line because Mr. Gogarty's severance agreement
24 was the 3rd October 1989, the settlement of the legal
25 proceedings which took place was on the 7th June, 1990.

26 A. Correct.

27 47 Q. And it just seems extraordinary that Mr. Murphy would, at
28 that time in August 1990, be referring to some
29 incompatibility between you and Mr. Gogarty as reason for
30 terminating your firm's retainer.

31 A. Well I would actually put the emphasis slightly differently
32 than that. Jim Gogarty had phoned Mr. Murphy up and said

1 it wasn't Mr. Murphy's concern per se. Jim Gogarty had
2 telephoned or met with Joe and had put his point of view.
3 Now, I don't really think it has very much to do with the
4 Tribunal per se but my view is that Jim Gogarty has a very,
5 very long memory for people who he believes have acted
6 against his interests. He is an exceptionally vindictive
7 person in those circumstances and I think Jim bided his
8 time until he found a point at which he felt he was
9 indispensable to Joe and his condition for performing that
10 work when he knew he had Joe by his very tender parts and
11 he said Copsey's got to go. Now I think that if Jim had
12 to wait three life times, he would have found such a time
13 to wreak his revenge. That's my own personal opinion and
14 I don't think I am wrong on it.

15 48 Q. Well what particular clasp do you think Mr. Gogarty had on
16 Mr. Murphy Snr as of August 1990, Mr. Copsey?

17 A. Exactly as was explained to me by Joe Murphy at the time
18 that the Sizewell contract was, which I was very, very well
19 aware of, was at an absolutely crucial part and we had put
20 in claims, that's AGSE had put in claims worth at least £2
21 million, at least £2 million and there was nobody to
22 negotiate that, except in Joe Murphy's mind, Jim Gogarty
23 and I have already said in evidence here that the one
24 thing -- it's not the only thing -- but one of Jim
25 Gogarty's absolute strengths was the negotiation of
26 extras. He did a superb job on the ESB contract and he
27 would have done a superb job on the Sizewell contract.

28 49 Q. I'll just ask you one final question and we can pass from
29 this. Did an alternative hypothesis not occur to you that
30 Mr. Murphy might be effectively throwing the blame on Mr.
31 Gogarty or something that he had decided for other reasons
32 to do?

1 A. Look, the true reason Joseph Murphy didn't think I was
2 doing a very good job. The true reason could have been
3 Joe Murphy got out of the wrong side of the bed that
4 morning and I happened to be the next phone call he made
5 and he made that decision. It could have been for any
6 number of reasons. Certainly it came as no surprise to me
7 that Jim Gogarty was out to get me and it came as
8 absolutely no surprise to me that is what he did.

9 50 Q. Well if we could just pass from that and go back to the
10 Moscow phone call. Nothing, I take it, occurred, so far
11 as you were concerned, in relation to any issue of the
12 political donation which had been made so far as you knew
13 in 1989, nothing happened affecting that between
14 Mr. Bailey's phone call to you in Moscow in late 1996 or
15 early 1997 and the subsequent phone call you had with
16 Mr. -- phone conversation you had with Mr. Murphy in April
17 or May, your second phone conversation with Mr. Murphy on
18 the subject?

19 A. Not that I can recall at all, no.

20 51 Q. Did you think about it at all in the interim? Did you
21 wonder about the phone call from Mr. Bailey and your
22 subsequent conversation with Mr. Murphy between that and
23 your second conversation with Mr. Murphy Jnr?

24 A. No. As I said, the emphasis of the first telephone call
25 was in fact that two men wanted to meet to shake hands to
26 make up. I mean that really was the purpose of the call
27 and anything else was a little bit of background and so the
28 answer to your question is no, I didn't think about it and
29 look, this was not a matter -- I had lots of client matters
30 to deal with -- it wasn't a matter which would have
31 exercised my mind in any case.

32 52 Q. And in April or May nevertheless, you told Mr. Murphy as

1 far as you were concerned, there was no question of a

2 payment having been made to Mr. Burke?

3 A. What I told him was there was no question of a bribe having

4 been paid in the sum of 40, 60 or £80,000 to Mr. Burke as

5 far as I knew but I did say to him that had he checked the

6 records of the company because I have been dealing with

7 accounts long enough to know that it's very easy to forget

8 things when you see an enormous number of figures and the

9 only way to be absolutely certain in these particular cases

10 is to check in detail the records of the company.

11 53 Q. And what did Mr. Murphy say when you asked him had he

12 checked the records?

13 A. He said he had checked them so I said well then there

14 couldn't have been any payment. Quite obviously

15 subsequently he admitted to me that he hadn't checked them

16 very well but that's what he said to me at the time.

17 54 Q. And when Mr. Murphy arrived in your office on the 1st July,

18 1997, did he tell you where he had come from?

19 A. Yes, I am sure he did. Yes, I am quite positive he did,

20 yes.

21 55 Q. And what your evidence to the Tribunal was that you said,

22 "So I said to Joe Junior at the time I think I recall

23 something, I think he ought to check more careful which is

24 what he did." Which is that you told Mr. O'Neill on day

25 118, page 111.

26 A. Yes, that's correct.

27 56 Q. And were you able to tell Mr. Murphy anything more about

28 the amount of the payment or the circumstances of the

29 payment or is that as far as your memory went on the 1st

30 July?

31 A. No, the evidence I gave, which was the penny dropping etc.,

32 is exactly what actually happened in my thought process

1 that day. Nothing else came to mind at all.

2 57 Q. And you didn't give him any more clues?

3 A. I didn't have any to give. What you have got, you see,

4 had I been involved with the company, even on the first

5 phone call, I just would have gone out to the books and

6 found it because I had the knowledge, I would have

7 recognised the things when they hit me when I actually saw

8 them. The problem was the people who were looking for

9 them really didn't know what to look for but had I opened

10 the page and seen 20 and £10,000 cash, Grafton, you know,

11 it would have immediately come back to me what had happened

12 but I was dealing with everything of this at a distance.

13 All I could say to Joe was go and look yourself. I mean,

14 I wasn't acting for him at this time.

15 58 Q. But you knew at this stage the order of magnitude of the

16 payment alleged to be paid to Mr. Burke?

17 A. I didn't know it was 30,000, not at that time.

18 59 Q. What figures were discussed with you?

19 A. These sort of 40s, 60s, and 80s but the first time that

20 £30,000 came into my knowledge anyway was when Joe Junior

21 either showed or related to me the correspondence and the

22 file notes of Denis McArdle.

23 60 Q. So as at the 1st July, you couldn't recall the amount of

24 the payment and you couldn't recall that it was a payment

25 initiated by Mr. Gogarty?

26 A. No, I couldn't, no.

27 61 Q. And what was Mr. Murphy's reaction to this when you told

28 him?

29 A. I rather got the impression he was going to rush back and

30 have a pretty good look.

31 62 Q. Well was he -- did he express any concern?

32 A. Sorry, can I correct myself, that I believe at that meeting

1 that I did connect a political donation with Mr. Gogarty

2 but nothing more than that.

3 63 Q. And did you say that to Mr. Murphy?

4 A. I think so. I think so. I said I think there was some

5 form of political donation and I had an idea that there was

6 some connection with Jim Gogarty.

7 64 Q. And did Mr. Murphy express any concern or dissatisfaction

8 you hadn't told him about this in the course of either of

9 your earlier telephone conversations, either the post

10 Moscow telephone call or the telephone call in March or

11 April?

12 A. Absolutely not and had he done so, I would have told him

13 that, as he was a non client, he was lucky getting free

14 time anyway but that's in the -- in the event he didn't.

15 65 Q. I see. And what was it, do you think, that triggered the

16 recollection, the dropping of the penny, Mr. Copsey?

17 A. I have already said I don't know but obviously you must

18 have -- what is it, chewed the cud or whatever. We just

19 went through everything in much more detail than we had in

20 a very cursory telephone conversation previously and I

21 don't know what -- what does jog one's memory? It's

22 sometimes odd things, it's sometimes lateral thinking

23 rather than direct thinking. I don't know.

24 66 Q. Well at that stage, why didn't you contact Mr. Copsey?

25 A. I am --

26 67 Q. Sorry, Mr. O'Keefe, Mr. Copsey --

27 A. Well actually I would have done. Oh yes --

28 68 Q. I think you didn't do that until August, on your

29 evidence.

30 A. Oh no, I would have -- after each occasion that I spoke to

31 Joe Murphy Jnr, in May and in July, I would have, in the

32 course of conversation, I would have said to Tim, did he

1 remember anything and give him further information but even
2 though he is younger than me in some ways his memory is
3 worse than mine.

4 69 Q. And Mr. O'Keefe didn't recall --

5 A. No, he didn't, and we are both amazed that he didn't but
6 the answer is he didn't.

7 70 Q. So you were in ongoing contact with Mr. O'Keefe?

8 A. Well I see him every day in the office.

9 71 Q. And whenever there was a communication made to you, a query
10 raised to you, you cross checked with Mr. O'Keefe?

11 A. Oh yes, yeah.

12 72 Q. I think you have referred then to your second face to face
13 meeting with Mr. Murphy Jnr on this subject on the 25th
14 August.

15 A. Yes.

16 73 Q. And that was a meeting at which I think you said Mr. Murphy
17 either gave you information or produced documentation?

18 A. Correct.

19 74 Q. And Mr. Murphy was on his own, he wasn't accompanied by his
20 solicitor at that meeting?

21 A. No, no, he was on his own.

22 75 Q. And that -- if I could just ask you, Mr. Copsey, when did
23 you decide to be represented by Fitzsimons Redmond at the
24 Tribunal, can you recall?

25 A. Huh? No. Presumably when I needed a lawyer.

26 76 Q. And was that on your own initiative or was it at the
27 suggestion of the Murphys?

28 A. It was either at the suggestion of Fitzsimons Redmond and
29 if that isn't professional etiquette, then they didn't or
30 Joe Murphy Jnr. I mean, I just can't remember -- something
31 suggested and I thought about it as to whether it was the
32 proper thing that I should be represented by the same

1 lawyers. We thought about it, I discussed it with my
2 partners and we felt that it would be simpler if we were
3 represented by the same lawyers.

4 77 Q. And did you have any subsequent meeting to the 25th August
5 of Mr. Murphy Jnr?

6 A. Oh I have actually, I have met with Joseph Murphy Jnr a
7 number of times during the course of meetings to do with
8 the Tribunal, yes.

9 78 Q. And I think you signed a statement, was approved by you
10 which is dated December 1998?

11 A. That's correct.

12 79 Q. And you said yesterday that you met Mr. Murphy Snr at his
13 request prior to the commencement of the Tribunal's
14 hearings but after it had been set up?

15 A. That's correct.

16 80 Q. And you said, I'll put to you exactly what you said, it's
17 page 98 of yesterday, day 119, you say, "I certainly met
18 Joseph Murphy Snr prior to the commencement of this
19 Tribunal but after the setting up of it and he specially
20 asked me to meet and categorically told me he had no
21 knowledge of that contribution but up until that point of
22 time, I have always assumed that it had been done with Joe
23 Murphy's knowledge."

24 .

25 So when -- we can take it from that, Mr. Copey, can we
26 not, that Mr. Murphy Jnr had not suggested to you on the
27 25th August 1997 when the documentation was being discussed
28 with you, that the payment had been made by Mr. Gogarty
29 without the knowledge of Mr. Murphy Snr?

30 A. Presumably not, I mean I can't remember but no, I don't
31 think the issue came up at that point of time.

32 81 Q. Thank you. Mr. Copey.

1 A. Thank you.

2 .

3 CHAIRMAN: Mr. Cush, just before you ask, I want to ask
4 three questions and you might wish to explore them, if I
5 were to ask them before you, it's a matter for you --

6 .

7 MR. CUSH: I am much obliged for that facility.

8 .

9 CHAIRMAN: I can assure you they are questions in relation
10 to information, not in relation to any --

11 .

12 MR. CUSH: Right.

13 .

14 CHAIRMAN: Mr. Copsey, you were the financial director of
15 this company?

16 A. Correct.

17 .

18 CHAIRMAN: And as I understand that term, your
19 duty/function would be to monitor the financial affairs of
20 the company?

21 A. That's correct.

22 .

23 CHAIRMAN: In other words, the inflow of money and the
24 outflow.

25 A. That's correct.

26 .

27 CHAIRMAN: In relation to the outflow of money, would I be
28 fair to you that you would be approaching your monitoring
29 on the basis that you would inquire as to the prudence of
30 any particular expenditure, dependent on who was advising
31 you that it was being made?

32 A. Yes, that's in a general term, that's even if I was aware

1 that particular expenditure was being made.

2 .

3 CHAIRMAN: Well let me take an example. If Mr. Gogarty or

4 any member of the executive staff rang you up and asked you

5 for £30,000 for entertainment, I am just taking that one --

6 A. Yes.

7 .

8 CHAIRMAN: Would you inquire from the individual concerned

9 (a) who was being entertained and (b) the likely benefit

10 that the company would acquire from that expenditure?

11 A. I don't think I would normally ask who was being

12 entertained. I might -- I might well say do we think we

13 will get a cost benefit out of the entertaining? It would

14 be more general, my query.

15 .

16 CHAIRMAN: Sorry, in relation, back from the

17 entertainment.

18 A. That's quite correct.

19 .

20 CHAIRMAN: Well now, £30,000 for entertainment in the size

21 of a company, I am talking about one unit, it would be a

22 very sizable expenditure.

23 A. It would, yes.

24 .

25 CHAIRMAN: And again, you had knowledge of this company and

26 of its activities in the political field, I think you agree

27 with whatever evidence has been given that they were all

28 relatively small payments of subscriptions to particular

29 events of that kind.

30 A. Yes, nothing exceptional.

31 .

32 CHAIRMAN: Subscription of £30,000 was by any standard, in

1 terms of the amount of cash, not necessarily involved by
2 your company, a substantial sum of money.

3 A. Absolutely.

4 .

5 CHAIRMAN: If you would have inquired as to the cost
6 benefit of entertainment, what -- why did you not inquire
7 to the cost benefit and in fact who, what party, what
8 allegiance, what benefit would come from a political
9 donation? Now I am not talking bribery, I am talking about
10 political donation.

11 A. Well, as I have explained before, my rationale for not
12 doing so was the fact that I had thought that Joe Murphy
13 had wanted to make r political donation. And immediately
14 there's a difference here because what we are talking about
15 is a group of companies which Mr. Murphy's families
16 controlled. Let's not talk about in the legal sense of
17 having trusts but he was the settlor of the trust, he was a
18 director of -- a senior director of the companies, he was
19 the founder of the companies, his children were the
20 beneficiaries under the trusts. It was in fact in essence
21 a family company and a lot of people who have family
22 companies, even quite large family companies, do, on
23 occasions, want to make what could be termed private
24 payments themselves through companies. And this -- now,
25 that has tax ramifications. In this particular case, a
26 political donation wouldn't have had a tax ramification
27 because it's not allowable for tax anyway but I mean my
28 view was that this was a political donation which for very
29 personal reasons Joe Murphy wanted to make.

30 .

31 Now, I stand back, very much as an English person living in
32 Ireland, from Irish politics and I don't want to go into

1 too much but you have to know my line of thought. I don't
2 get a vote in the general election here. I do stand back
3 and I do not question people's motivations. I have been
4 surprised on occasions of people I know that if a topic
5 comes up, I have been absolutely dumb founded at some of
6 the things they have said because their views would be so
7 contrary to mine so I keep well, well away. I might add,
8 I have always wanted a united Ireland, I want to put that
9 on record, but the facts are that I stood back, because of
10 its unusual nature, you are quite right, had it been what I
11 would call a normal business expense, yes I would have made
12 the inquiry. I deliberately consciously stood back and
13 sitting here today, I do wish I had not stood back. I do
14 wish that I had --

15 .

16 CHAIRMAN: May I interrupt your flow of thought and thank
17 you for what you said. May I ask you this further
18 question ; may I take it that in ordinary commercial
19 decisions such as the acquisition, for instance, of a piece
20 of plant, that if Mr. Gogarty made a requisition, you would
21 pass the requisition?

22 A. Without a thought and I'd make no inquiry.

23 .

24 CHAIRMAN: In other words, but this, would you find any
25 distinction between what I call a commercial activity of a
26 director, he was actually the chairman of the company, at
27 least I think he was, yes -- do you see any difference
28 between that and non commercial activity of sending a
29 political donation, at least an unusual commercial
30 activity -- I won't say non commercial --

31 A. Yes of course I would see a difference.

32 .

1 CHAIRMAN: And in those circumstances, did you ask
2 Mr. -- think it appropriate to ask Mr. Gogarty had he
3 clearance from the boss? Because all the evidence is that
4 major decisions were always cleared through the boss.

5 A. Yes, and therefore that was my absolute assumption, that
6 Mr. Gogarty had already cleared that. I could not have
7 conceived of a situation where Mr. Gogarty would be coming
8 to me and asking for such money without already having
9 cleared it and it's almost, it didn't occur to me because
10 it just would have been rather insulting to say "have you
11 cleared?" So because he is cleared, it was my state of mind
12 at the time.

13 .

14 Of course --

15 .

16 CHAIRMAN: Thank you very much. Sorry, I hope that
17 covered -- I hope I put it in the right place so you could
18 inquire into it if you wish.

19 .

20 MR. CUSH: I take it you weren't intending to break at
21 this stage?

22 .

23 CHAIRMAN: It might be a good idea to take ten minutes.

24 .

25 MR. CUSH: I might discuss with Mr. O'Neill briefly if I
26 was to hurry Mr. O'Neill, Mr. O'Neill might also hurry and
27 finish, where is that if that isn't the case, we might go
28 about it a different way.

29 .

30 CHAIRMAN: We will take ten minutes, a ten minute break.

31 .

32 THE TRIBUNAL THEN ADJOURNED FOR A SHORT BREAK AND RESUMED

00030

1 AS FOLLOWS:

2 .

3 CHAIRMAN: Mr. Cush, when you are ready.

4 .

5 THE WITNESS WAS CROSS-EXAMINED AS FOLLOWS BY MR. CUSH:

6 .

7 .

8 82 Q. MR. CUSH: Mr. Copsey, I am going to run through what I

9 describe as some of the more minor matters quite quickly

10 before coming to what I describe as the more central

11 matters and on those I will take a little more time so that

12 you understand me.

13 .

14 The first minor matter that I want to touch upon is your

15 involvement in the land holding companies and first I want

16 to ask you, when one used the expression land holding

17 company within the Murphy Group, was one including within

18 that description Wexburn, the owner of Baggot Street?

19 A. No.

20 83 Q. Why not?

21 A. Well that was a building out of which rent was received and

22 it was an operational piece of property, the others were

23 just fallow land basically.

24 84 Q. I think that's a company which it just so happened you did

25 have a particular interest, is that right?

26 A. That's correct, because it was connected with the Gaiety

27 Theatre. Gaiety School of Acting, for instance, operated

28 from that premises.

29 85 Q. And you were at one stage chairman of that organisation of

30 the Gaiety School of Acting?

31 A. And of the Gaiety Theatre.

32 86 Q. And another small matter touched upon by Mr. O'Neill was

1 your involvement in ground rent issue at Martello Estate in
2 Portmarmock, do you recall?

3 A. Yes, that would have passed through my office being
4 financial matters and as far as possible, I would have got
5 more junior staff to deal with that sort of transaction.

6 87 Q. Can you think why it might have in fact passed through your
7 office?

8 A. I think simply because it was checks and it didn't actually
9 fit into the JMSE which was the only checking account
10 within the group so it would have been just funneled to us,
11 prior to me it would have been funneled to Brendan Devine.

12 88 Q. And speaking then aside from those two particular
13 instances, Wexburn we know to be slightly different and
14 that ground rents issue, at an operational level, who dealt
15 with the land owning companies?

16 A. Mr. Gogarty, Jim Gogarty.

17 89 Q. And when you say he dealt with them, in what way did he
18 deal with them?

19 A. Well, if there was ever any information needed and history
20 regarding the lands for whatever reason, one would revert
21 to Jim Gogarty. If there are any negotiations regarding
22 the sale of these lands, the valuation of the lands,
23 dealing with the land agents, Duffy Mangan, Jim Gogarty
24 would have done all of that.

25 90 Q. And I take it, Mr. Copsey, you are not suggesting that Mr.
26 Gogarty could actually effect a sale of the lands on his
27 own authority. He would of course have to go to Mr. Murphy
28 Snr for the ultimate so say, is that right?

29 A. Yes.

30 91 Q. But below that ultimate say so level, he was the man who
31 dealt with the lands?

32 A. That's correct.

1 92 Q. Now, at a financial level, which is where you came in, you
2 had certain dealings with the financial side of the land
3 holding companies, isn't that so?

4 A. That's correct.

5 93 Q. You or your office?

6 A. Correct.

7 94 Q. Yes. And you have never sought to suggest otherwise,
8 isn't that so?

9 A. No, and I think I corrected any misapprehension there may
10 have been in my affidavit.

11 95 Q. I just want to move particularly to the Forest Road sale,
12 Mr. Copsey. The Tribunal has heard evidence of a
13 so-called moral commitment felt by Mr. Gogarty. Now, do
14 you know anything of the basis upon which he felt that
15 moral commitment?

16 A. No. That was a matter between Jim Gogarty and the
17 purchaser and in fact I assume that Mr. McArdle would have
18 known about it because Mr. McArdle attended the meetings
19 rather than me.

20 96 Q. When you say the moral commitment was based upon dealings
21 with Mr. Gogarty and the purchaser, you are of course
22 referring to dealings between Mr. Gogarty and Mr. Bailey,
23 is that so?

24 A. Mr. Bailey, or his companies, yes.

25 97 Q. And isn't it the case, Mr. Copsey, that if that moral
26 commitment, as Mr. Gogarty described it, had been seen
27 through, the effect of it, it would have been to sell the
28 Murphy lands for a price below that ultimately achieved for
29 the lands?

30 A. Well, yes. If the original deal which Mr. Gogarty had
31 been negotiating had gone through, but I think the decision
32 to sell, even at the higher price, was made, was keeping in

1 mind that Jim felt he had a moral commitment.

2 98 Q. Yes. But the original expression of a moral commitment

3 was referable to a price below that for which the lands

4 were ultimately sold, is that so?

5 A. Yes.

6 99 Q. Now, I think you said you followed the transcripts in this

7 proceeding, Mr. Copsey, and you will be aware then, I take

8 it, in respect of the subsequent sale of the north Dublin

9 lands, we had the same purchaser, namely Mr. Bailey or some

10 of his companies, and this is a transaction in which Mr.

11 Gogarty also conducted negotiation, is that so?

12 A. That's correct.

1 100 Q. And you will be aware also that there were movements in the

14 price in the course of those negotiations, isn't that so?

15 A. I actually wouldn't have been aware at the time --

1 101 Q. No.

17 A. But through the transcripts, yes, I have seen various

18 figures mentioned.

1 102 Q. And the price at which those lands were mutually sold as we

20 know and you know from the transcripts is lower than prices

21 mentioned earlier in the negotiations, isn't that so?

22 A. Yes, I mean that may have had something to do with terms of

23 the contract, the answer is yes.

2 103 Q. Now, when Mr. Callanan was asking you some questions about

25 your involvement in Forest Road, I think he used the

26 expression that you were line ball with Mr. McArdle's

27 statement in this regard?

28 A. That's correct.

2 104 Q. I just want to show you now Mr. McArdle's statement or page

30 6 of it if I may. And I'd be grateful if the Tribunal

31 could assist me with a copy in this regard. Just while

32 that's coming, Mr. Copsey, Mr. Gogarty has described Mr.

1 McArdle as a man of the highest integrity. You have had
2 dealings with Mr. McArdle. Would you agree with that
3 description?

4 A. Yes, a very particular, very meticulous person, and very
5 pleasant.

105 Q. I am sorry about the delay...

7 A. I have got it on screen here.

106 Q. Excellent, page 6, I am sorry. Here, Mr. McArdle is
9 referring to various paragraphs in the affidavit sworn by
10 Mr. Gogarty for the benefit of this Tribunal, isn't that
11 so?

12 A. That's correct, yes.

1 107 Q. And Mr. McArdle, in his statement, is going down through
14 those paragraphs and taking issue with various statements
15 made by Mr. Gogarty, isn't that so?

16 A. That's correct.

1 108 Q. I have misled you slightly, it's not in respect of his
18 affidavit but it's in respect of a transcript of his
19 evidence actually given to the Tribunal. If you see the
20 reference if says at question 83, he says on the
21 transcript --

22 A. OK.

2 109 Q. Not referable to that, I am sorry, Mr. Cosey. Now at the
24 top of the page, he says, on page 22, he says, and the he
25 is Mr. Gogarty, "He and I had understood from Senior that
26 we had authority to sell the lands, to sell for..." And
27 then to that, Mr. McArdle responds, "Mr. Gogarty is
28 mistaken in this. At no stage did I ever have authority
29 from Mr. Murphy Snr to sell any of his property in
30 Ireland."

31 .

32 Now, insofar as you had knowledge of Mr. McArdle's

1 authority, would that accord with your understanding of the
2 position?

3 A. Yes, very much so.

110 Q. It goes on, "In question number 83 on page 22, Mr. Gogarty
5 says that I organised a meeting in Smith Foy & Partners
6 offices to explain contracts and Mr. Gogarty and I went to
7 the meeting and I brought maps and contract documents."

8 .

9 And then Mr. McArdle responds, "Mr. Gogarty is mistaken in
10 this. I am assuming that the meeting Mr. Gogarty refers
11 is the meeting I mentioned in the preceding paragraph here
12 of which is that that occurred on the 25th July 1988.

13 That was the only meeting I ever attended. Mr. Smith,
14 Bailey and Gogarty were also present in relation to the
15 Forest Road Swords land. Mr. Gogarty is mistaken when he
16 says the purpose of the meeting was to exchange
17 contracts. It would not be possible to do it... the
18 purchase price established and a purchasing solicitor
19 having had the opportunity to investigate title but what
20 Mr. Gogarty says in this regard is not accurate."

21 .

22 Now, had you any involvement at that stage, Mr. Copsy?

23 A. No, I might have been aware that a meeting was going to
24 take place but no, I had no other knowledge.

2 111 Q. And does it follow then that in relation to the next
26 exchange between Mr. Gogarty and Mr. McArdle, that you are
27 not able to comment on that as to whether or not contracts
28 were exchanged?

29 A. No, other than to say subsequent to that, that Mr. McArdle
30 definitively told me that there wasn't a legally binding
31 contract.

3 112 Q. Yes. The statement goes on, "Mr. Gogarty further says

1 that we went back to my office and he said that I should
2 ring Roger Copsey to tell him what happened because he was
3 the financial controller and I rang Mr. Copsey and he went
4 for me saying, 'you had no authority to sell them lands at
5 all. That I am dealing with it them'." And Mr. McArdle
6 to that responds, "I say that Mr. Gogarty again is mistaken
7 in this. The meeting to which I referred did not conclude
8 until around seven o'clock in the evening. I would not
9 have telephoned Mr. Copsey at that hour because I believe
10 he would not be in his office at seven o'clock and when I
11 further say Mr. Gogarty says Mr. Copsey went for him, he is
12 mistaken."
13 Now, Mr. Copsey, who is right here, Mr. McArdle or Mr.
14 Gogarty?

15 A. Well I am sometimes in my office after seven o'clock.
16 There's no question of me going for Jim Gogarty on that
17 basis at all.

1 113 Q. And the next exchange between the two is that Mr. Gogarty
19 says, "I left down the phone and said "Jim, we are in
20 trouble, we are shaken on the contract." This did not
21 happen and again Mr. Gogarty is mistaken, no contract was
22 in existence on the 25th July 1988 and could not be in
23 existence for the reasons set out below."

24 .
25 Now, did you have a telephone conversation with somebody
26 ringing you arising out of which you had shaken the
27 contract?

28 A. No. And sorry if I could just correct myself, I hadn't
29 quite realised that what was being said here I was supposed
30 to have gone for Denis McArdle. I mean in different
31 circumstances, and I mean in different circumstances, I can
32 imagine myself going for Jim Gogarty, but Denis McArdle,

1 absolutely no way, so no, no conversation took place like
2 that at all.

114 Q. And then on page 23 of the same transcript, Mr. Gogarty
4 alleged that, "Sometime later, I said an interesting thing
5 has happened, that Copsey has sold the lands to a different
6 firm, Princess Homes," and Mr. McArdle says that Mr.
7 Gogarty is mistaken in this. Is that something you are
8 able to comment on?

9 A. Yes, I mean I simply didn't sell the lands to Princess
10 Homes and I believe that I have actually seen notes of Mr.
11 McArdle which show that, attendance notes that he had with
12 Jim Gogarty which clearly show that Jim Gogarty was the one
13 negotiating for a higher price with Bailey and Bailey was
14 complaining that he couldn't trust Gogarty so quite apart
15 from that, it didn't take place. I believe there's
16 absolutely proof in Mr. McArdle's handwriting that it
17 didn't take place, my negotiation.

1 115 Q. I want to pass from that, Mr. Copsey, and turn now to what
19 I describe as another minor matter, being the various
20 concerns expressed by Mr. Grehan and Mr. Reynolds in
21 relation to, amongst other things, the accounts and then a
22 suggestion that there weren't sufficient meetings of
23 directors being held. Do you recall that?

24 A. I do.

2 116 Q. And Mr. O'Neill put together a series of documents
26 reflecting those concerns and recording the communications
27 back and forth between those persons on the one part and
28 yourself on the other part, isn't that so?

29 A. Correct.

3 117 Q. And those documents stretched, as we saw, from the month of
31 May in 1989 right up to October of 1989, isn't that so?

32 A. Correct.

118 Q. And it just so happens then that whilst they are not in
2 themselves concerned with the payment, they do nonetheless
3 cover that period in time, namely June of 1989, isn't that
4 so?

5 A. Yes.

119 Q. Now, leaving aside for the moment the substance of the
7 issues with which those documents were concerned, would it
8 be fair to say that the documents give a fair impression of
9 who was actively involved in the affairs of the company at
10 that time?

11 A. I am not necessarily sure that I agree with you. The
12 documents there show that Gay Grehan and Frank Reynolds
13 only were involved in the company but as I have said
14 previously, I believe that most of the correspondence
15 between myself and them was either written or extremely
16 heavily influenced by Jim Gogarty so I have no doubt that
17 Jim Gogarty was heavily involved and it doesn't show up in
18 that correspondence directly.

1 120 Q. I see. Well let's say the correspondence shows Messrs.
20 Reynolds and Grehan on the one side, you on the other, and
21 to that threesome, you would add Mr. Gogarty?

22 A. I would indeed.

2 121 Q. Now, the documents which we have seen make no mention
24 whatsoever of Mr. Murphy Jnr, isn't that so?

25 A. That's correct.

2 122 Q. And what I want to know from you, Mr. Copsy, in that
27 period, what was the level of involvement of Mr. Murphy
28 Jnr?

29 A. As near to nil as I can remember. I mean there may have
30 been an odd occasion where he had an involvement but I
31 can't actually remember any. I believe he went to a
32 couple of meetings in AGSE but they would have only been a

1 couple. I actually can't remember him being involved at
2 all in JMSE.

123 Q. I think -- we know and I think you probably recall this
4 yourself, that he had some involvement at the time of
5 what's been described as the take back of the company,
6 isn't that so?

7 A. Yes, I mean very much as a body who was voting.

124 Q. Yes. And in this period that I am concerned with, May to
9 October, am I correct in understanding you to say that his
10 involvement in the affairs of the company was next to nil?

11 A. As far as I can remember, nil. I mean I could be
12 corrected for a very minor, something that I have
13 forgotten.

1 125 Q. Now, just turning for a moment to the substance of those
15 Grehan Reynolds concerns, taking first of all the
16 accounts. We have been over this many times and I won't
17 delay you with this, Mr. Copsey --

18 A. Thank you.

1 126 Q. But we have seen from the documents that it's an issue that
20 arose at the beginning of July and perhaps the end of June
21 and it was all over by the 24th August, isn't that so?

22 A. If that's the date we all signed or agreed the minutes of
23 the meeting, yes.

2 127 Q. Yes.

25 A. And approved the accounts.

2 128 Q. Just to be absolutely accurate, the 24th August is the day
27 on which there was a board meeting at which the directors
28 unanimously approved the accounts?

29 A. If that date is correct, that's when it all ended.

3 129 Q. Yes. Now, at the beginning, when Mr. Gogarty first
31 expressed his concerns about the accounts, you yourself
32 took the position that you weren't going to sign them until

1 those concerns had been investigated, isn't that so?

2 A. Yes.

130 Q. And indeed that has been the evidence from Mr. Grehan, that

4 he said that until the concerns were investigated, he

5 wasn't going to sign but they were in fact investigated,

6 isn't that so?

7 A. Yes. I mean that fact -- the fact of me not signing the

8 accounts etc. is recorded in the minutes of the meeting

9 anyway but yes, you are quite right, they were not signed

10 until full investigation had been carried out which

11 included a report from Bates & Company and also an

12 investigation by Gay Grehan and Frank Reynolds themselves

13 in specific areas.

1 131 Q. And when those sessions had been completed Mr. Gogarty's

15 concerns were found to be unfounded, isn't that so?

16 A. That's correct.

1 132 Q. And then everybody, except perhaps Mr. Gogarty, was

18 satisfied to move on from that issue, isn't that so?

19 A. Yes, of course he was no longer a director so it didn't

20 matter but as I have said previously, even if he had been a

21 director, he would have been out voted at the board meeting

22 and they still would have been approved.

2 133 Q. Yes. Now, there was in fact, for good commercial reasons,

24 a certain urgency in relation to signing the accounts?

25 A. Absolutely, yes.

2 134 Q. Would you explain that to the Tribunal please?

27 A. I mean, there is the issue of law, which is that you have

28 to file accounts with the Companies Office. Now we all

29 know that in Ireland until recently, most people didn't

30 file their accounts on time. Certainly in the UK, even at

31 that time, there were actually quite severe penalties for

32 not filing accounts and they did chase up so that was one

1 issue and AGSE was inextricably linked with JMSE in that
2 context. However, much more importantly, that AGSE/JMSE
3 bought all of their steel from British Steel. They had a
4 very large credit limit with British Steel and British
5 Steel could not obtain insurance against AGSE or JMSE
6 because the contract was with both, unless audited accounts
7 were given to their insurers and we were under intense
8 commercial pressure to have these accounts signed off in
9 that respect. That's quite apart from the fact that under
10 law, that we had to have these accounts signed anyway.

1 135 Q. And is that the reason why perhaps there was a certain
12 amount of frustration on the part of Mr. Murphy Senior as
13 to non signing of the accounts?

14 A. Yes, I think on that occasion, it was Mr. Murphy Snr who
15 got tetchy, not me.

1 136 Q. Yes. The other issue which the Grehan/Reynolds had raised
17 was the question of lack of directors' meetings and I think
18 we have already established as an issue that petered out
19 when the Gogarty involvement diminished?

20 A. That's correct, and I have described to you we had
21 management meetings and they have been referred to in
22 letters instead of board meetings which is a perfectly
23 legal and acceptable way of running a company.

2 137 Q. I want to turn now, Mr. Copsey, to the ESB issue, touch on
25 that briefly, if I may. I just have a small booklet of
26 papers to circulate, it's very small, Mr. Chairman.
27 (Documents handed to witness.) If you just leaf through
28 that little booklet if you could, Mr. Copsey, and find the
29 agreement of the 3rd October, I think it is, 1989.

30 A. Yes, I have it.

3 138 Q. This is Mr. Gogarty's severance package in total?

32 A. That's correct.

139 Q. One element of it is the ESB payment?

2 A. That's correct.

140 Q. And if you turn over to the pages and find paragraph 3,

4 roman numeral 5?

5 A. Yes.

141 Q. This agreement reads: "Companies shall pay to the director

7 a commission equivalent to the sum of 50 percent of the net

8 sum received by way of settlement of the claim but only in

9 respect of such sum as is over and above the current offer

10 in settlement made by ESB. The current offer in settlement

11 is £130,000."

12 .

13 Do you see that?

14 A. Yes.

1 142 Q. That agreement was dated the 3rd October 1989, isn't that

16 so?

17 A. That's correct.

1 143 Q. And signed by Mr. Gogarty?

19 A. Yes.

2 144 Q. Now subsequently, a very short time subsequently,

21 proceedings issued in relation to that agreement, isn't

22 that so?

23 A. That's correct.

2 145 Q. And in December, on the 18th December, Mr. Gogarty swore an

25 affidavit in those proceedings, isn't that so?

26 A. That's correct.

2 146 Q. And one of the exhibits to those proceedings was a letter

28 of the 11th October 1989 from his solicitors to the ESB, do

29 you see that?

30 A. To Maurice O'Sullivan.

3 147 Q. Correct. "Dear Mr. O' Sullivan, on the instructions of

32 Mr. Gogarty of JMSE, I enclose an invoice dated the 11th

00043

1 October in respect of the agreed final payment relating to
2 the company's work for the ESB at Moneypoint. I look
3 forward to receiving your cheque in settlement of this
4 account at your earliest convenience." The previous page,
5 Mr. Copsey, is the invoice.

6 A. That's correct.

148 Q. And the invoice is dated the 29th September 1989, isn't

8 that so?

9 A. That's correct.

1 149 Q. In other words, it's dated four days prior to the

11 agreement, isn't that so?

12 A. That's correct.

1 150 Q. And it shows as the amount now due exclusive of VAT, I

14 think £560,000?

15 A. Correct.

1 151 Q. In other words, that the ESB already owed £560,000 plus VAT

17 to JMSE as of late September, isn't that so?

18 A. They did.

1 152 Q. And doesn't it therefore follow, Mr. Copsey, that when on

20 the 3rd October, Mr. Gogarty put his name to an agreement

21 which said the same currently on offer is £130,000, he

22 could not have been right.

23 .

24 CHAIRMAN: Surely that is a question for me to determine

25 and not for the witness.

26 .

27 MR. CUSH: May it please you, Mr. Chairman, and I

28 understand the point you are making, Mr. Chairman.

29 .

30 CHAIRMAN: I understand the point you are making but I

31 think it's perfectly clear one would have to determine

32 it.

1 .

2 MR. CUSH: I understand. Could I just move on, Mr.

3 Copsey, there should be a letter, perhaps loose at the back

4 of this booklet, of the 10th January 1990?

5 A. Yes, I have a letter that's loose.

153 Q. And this is from Mr. Oakley, the solicitor, isn't that so?

7 A. That's correct.

154 Q. And it's to Mr. Gogarty's solicitor, isn't that so?

9 A. That's correct.

1 155 Q. And presumably this 18th December affidavit with

11 exhibits -- the affidavit of the 18th December I presume

12 came in just before Christmas and sometime perhaps after

13 Christmas people had a chance to look at it properly and

14 then Mr. Oakley writes that letter, I am presuming.

15 A. That's correct.

1 156 Q. In the last paragraph it says, "We have read with interest

17 the exhibit to the affidavit of Mr. Gogarty, letter

18 G "-- that's the letter I have just opened to you with the

19 invoice - "and in particular invoice dated the 11th October

20 submitted by you on the instructions of Mr. Gogarty on

21 behalf of our clients, JMSE to the Electricity Supply

22 Board. We note with particular interest that Mr. Gogarty

23 had in fact concluded a settlement of the claim against the

24 ESB arising out of the Moneypoint project and had received

25 agreed final offer from them on the 29th September 1989

26 prior to the execution of the settlement agreement of the

27 3rd October 1989. By reason of Mr. Gogarty's breach of

28 duty and/or misrepresentation and/or fraud in failing to

29 disclose prior to the execution of that agreement that he

30 had already concluded a settlement with the ESB, we have

31 instructed our clients' Dublin lawyers to issue further

32 proceedings against Mr. Gogarty in this regard."

1 A. That's correct.

157 Q. Did that statement from Mr. Oakley represent the feeling of

3 the Murphy interests and I am including you in that, Mr.

4 Copsey, as of that time?

5 A. Yes, I mean obviously we all had slightly different views

6 as you tend to on these things but Mr., sorry, Chris Oakley

7 felt very, very strongly on the matter. I certainly felt

8 that Mr. Gogarty had at best misrepresented the situation

9 to us and both Chris and I and Mr. Murphy were very

10 suspicious of what had been going on as between Mr. Gogarty

11 and Mr. Sheedy and the way they had conducted the

12 negotiations.

1 158 Q. May I just say this, Mr. Copsey, I think you shouldn't

14 speak from the witness-box for Mr. Oakley. He will come

15 and give his own evidence in due course so if you just

16 confine it to your own position at the moment.

17 A. Sorry, I would just say that that is what he told me.

1 159 Q. OK. Very good. Those proceedings in fact were

19 ultimately settled, isn't that so?

20 A. That's correct.

2 160 Q. Now, we have seen in some of the documents that have been

22 put to you by the Tribunal and I think briefly by Mr.

23 Callanan, that Mr. Wadley was a person who addressed

24 various considerations to be taken into account in respect

25 of these proceedings?

26 A. That's correct.

2 161 Q. And were they the factors that were in fact taken into

28 account in assessing whether these proceedings should be

29 compromised or fought?

30 A. Yes, we had a legal opinion from Chris Oakley and then

31 we --

32 .

1 CHAIRMAN: Mr. Cush, I don't want to interrupt you. If a
2 matter has been compromised, surely the matter is
3 concluded? What went before it has nothing to do with
4 it. You are competently advised, Mr. Gogarty was
5 competently advised the matter was compromised in the
6 document, and once that document was executed, I don't
7 think anybody can go behind it.

8 .

9 MR. CUSH: No, well if I could -- I was actually about to
10 finish with the issue but if I might just explain, Mr.
11 Chairman, on a previous occasion a long time ago in fact,
12 you yourself mentioned that you would draw a conclusion
13 from the basis upon which there was settlement as to where
14 effectively the rights and wrongs lay. If that's the case
15 or if I have misunderstood it --

16 .

17 CHAIRMAN: My approach at this moment in time unless you
18 show me that I am wrong is that when two parties to
19 litigation reach a compromise and the litigation is struck
20 out or whatever is the consequential order, that matter is
21 now at an end.

22 .

23 MR. CUSH: Very good.

24 .

25 CHAIRMAN: And it's not my function to work out why they
26 gave X pounds why they received Y pounds.

27 .

28 MR. CUSH: If that's the case --

29 .

30 CHAIRMAN: As a judge, the approach I think -- as a
31 barrister I would approach it on the same basis.

32 .

1 MR. CUSH: I may have misunderstood.

2 .

3 CHAIRMAN: But certainly that would be my attitude because

4 it's also my attitude in relation to -- I might as well

5 canvass this with you, in relation to the 60s, there was a

6 decision of a court of competent jurisdiction and that's

7 the end of the matter as far as I am concerned --

8 .

9 MR. CUSH: The only reason I touched on it, I

10 misunderstood -- I will pass from it.

1 162 Q. Mr. Copsey, I want to come now to what I think are the more

12 central issues and first of all is your involvement in the

13 organisation of that payment of the money.

14 A. Yes.

1 163 Q. Now, before this Tribunal ever began, before any sittings

16 of the Tribunal, you furnished a statement to the Tribunal,

17 isn't that so?

18 A. That's correct.

1 164 Q. And in it you confirmed that you had indeed been asked for

20 a political donation, isn't that so?

21 A. Correct.

2 165 Q. And you described your involvement in it in that statement,

23 isn't that so?

24 A. Correct.

2 166 Q. So I mean there's no revelation in what you told the

26 Tribunal from the witness-box about your involvement in the

27 political donation, isn't that so?

28 A. One small correction, which has been recorded, is that I

29 think that I mistakenly said that Jim Gogarty had phoned

30 Denis McArdle, whereas in fact it was me.

3 167 Q. Right. There is a substantial difference, Mr. Copsey, a

32 very substantial difference, between your version and Mr.

1 Gogarty's version and I wanted to put the two to you. As
2 I understand it, and please correct me if I am wrong, you
3 say that the initial request for this money came from Mr.
4 Gogarty?

5 A. That's correct.

168 Q. That a subsequent instruction or request came from him to
7 forget about that particular method of securing the money?

8 A. That was in fact an instruction, yes.

169 Q. And both his initial request and his subsequent instruction
10 were communicated to you, by you to Denis McArdle's office?

11 A. That's correct.

1 170 Q. Now, leaving aside some of the detail of what transpired in
13 those two communications with Mr. Gogarty, are you clear
14 beyond doubt that it was Mr. Gogarty, that Mr. Gogarty was
15 the person with whom you had those communications?

16 A. One hundred percent absolutely.

1 171 Q. OK. Now I want to show you what Mr. Gogarty says and that
18 little book that you should still have, I have extracted
19 what Mr. Gogarty said in his affidavit firstly, at
20 paragraph 48 there and then subsequently what he said in
21 evidence to the Tribunal. And if I could just read in
22 paragraph 48, Mr. Copsy. It says, "After that letter
23 dated 8th June 1989 had been received" -- that's the
24 Bailey letter -- "by him, Frank Reynolds telephoned me at
25 my then home in Sutton and summarised the contents of the
26 letter to me. Frank Reynolds asked me to come into the
27 JMSE office in Santry that afternoon to meet Joseph Murphy
28 Jnr and himself. At that time I was in the main working
29 from home and if I had occasion to be in Santry, I would
30 sit at the desk in the managing director's office if
31 available or another available desk nearby. When I
32 arrived in the afternoon at the JMSE offices, I met Joseph

1 Murphy Jnr and Frank Reynolds in the managing director's
2 room and Frank Reynolds gave me the original or a photocopy
3 of the Michael Bailey letter in an envelope. Joseph Murphy
4 Jnr said that his father wanted me to go along with him
5 (Joseph Murphy Jnr) to a meeting which Michael Bailey was
6 arranging with Ray Burke who (according to Michael Bailey
7 to Joseph Murphy Jnr) was pressing Michael Bailey for
8 money. I said I would be available to attend but that I
9 would be talking to Joseph Murphy Snr. Joseph Murphy Jnr
10 also said that it had been agreed that they (the Murphy
11 Group) and Michael Bailey would each give £40,000 to Ray
12 Burke making a total payment to Ray Burke of £80,000.
13 Joseph Murphy Jnr further said that Frank Reynolds could
14 only get £30,000 in cash that day, which was in a brown
15 envelope on the table and which Joseph Murphy Jnr asked me
16 to check. I check counted some of the bundles which were
17 in £100 and £50 notes and wrapped in paper bands in bundles
18 of £5,000s and £1,000s. I believe that all the wrapped
19 bundles were correct and the total of the bundles came to
20 £30,000. Joseph Murphy Jnr then asked Frank Reynolds to
21 get a cheque for £10,000 made out to cash and Frank
22 Reynolds left the room and came back with a cheque so drawn
23 which he (Frank Reynolds) and I then each signed, as
24 required by the bank mandate. I believe that cheque was a
25 JMSE cheque drawn on the AIB branch in Talbot Street Dublin
26 and was dated 8th June 1989. I then put that £10,000
27 cheque into the envelope with the £30,000 cash and left the
28 envelope on the table in the managing director's office
29 when I left that day."
30 .
31 Now, that is at least silent as to any contact between
32 yourself and himself in relation to the £30,000, is that

1 so?

2 A. That's correct.

172 Q. And any inference that might be drawn is not for the
4 Chairman but if one turns to his affidavit, things become
5 more explicit, Mr. Copsey, because now he is being
6 cross-examined by Mr. Cooney -- sorry, to his evidence, he
7 is now being cross-examined by Mr. Cooney and your version
8 is being put to him. Do you follow me, Mr. Copsey?

9 A. Yes I do.

1 173 Q. I want to just, if you see page 70 of the extracts from the
11 transcript?

12 A. Yes, I have it.

1 174 Q. At question 429.

14 A. Yes.

1 175 Q. "Mr. McArdle will give evidence that on the -- wait until I
16 get it now, yes -- that on the 8th June 1989 he got
17 instructions from Mr. Copsey that £30,000 was wanted on
18 that day, if possible, a £10,000 cheque and £20,000 in
19 cash. He also noted the election was taking place on June
20 15th, he puts the word 'contribution' with a question mark
21 after it and then Mr. McArdle records himself as telling
22 Mr. Copsey, "I could not get cash but it would be in the
23 form of a bank draft. Now I want to pause there and put it
24 to you that Mr. Copsey made this request for this payment
25 out of the funds of ICC at your request."

26 .

27 Now Mr. Cooney has there put what you were going to say in
28 evidence and what you have said in evidence, isn't that so?

29 A. That's correct.

3 176 Q. And the response from Mr. Gogarty was, "Now we are hearing
31 things now." And Mr. Cooney says, "Just answer my questions
32 now, sorry. Did you request Mr. Copsey to direct Denis

1 McArdle to obtain a sum of £30,000 from the funds which
2 were in the Industrial Credit Corporation Bank?"

3 "Answer: I wouldn't direct that man to do anything because
4 of his earlier conduct. I had no trust in that man and
5 that's it. It will come out in evidence."

6 Mr. Cooney says, "I take it that's a no answer to MY
7 question, is it? Do you mean you didn't talk to Mr. Copsey
8 and direct him or ask him to obtain a sum of £30,000, is
9 that right?"

10 Answer: I did not at all, I wouldn't do that.

11 Question: All right, did you have any dealings whatsoever
12 with the taking out of £30,000 in the account in ICC?

13 Answer: No, I didn't, no.

14 Question: You know nothing about it?

15 Answer: Well only what I hear now, you know, and what I
16 read on Mr. Copsey's statement, you know."

17 .

18 Now, if I suggest to you that Mr. Gogarty is not agreeing
19 with you, Mr. Copsey, that would be fair?

20 A. I think that's clear.

2 177 Q. In fact really, as Mr. Callanan was bound to do, he put it
22 to you that you are fabricating this contact with Mr.
23 Gogarty, is that so?

24 A. That's certainly what Mr. Callanan and Mr. Gogarty are
25 saying in effect.

2 178 Q. Is it true?

27 A. No.

2 179 Q. Now, not only are they suggesting -- sorry, leave Mr.
29 Callanan out, not only is Mr. Gogarty saying that you are
30 lying, but he appears to be saying, Mr. Copsey, that you
31 had the presence of mind ten years ago to lay the basis for
32 this lie by telling Mr. McArdle that it was Jim Gogarty who

1 made the request of you, isn't that so?

2 A. Yes and I'd also go further, that his stating that I had
3 the presence of mind to make sure that Tim O'Keefe and
4 Frank Reynolds also lied.

180 Q. Yes. And it is the fact, is it not, that shortly after
6 this, Mr. McArdle did in fact write not one but two letters
7 to Mr. Gogarty referable to this payment, isn't that so?
8 We saw those yesterday.

9 A. We did but did you want to continue the academic argument?
10 If you had asked me to, of course that could be because of
11 my Machiavellian mind in getting Denis to do that. But of
12 course I would utterly refute that.

1 181 Q. Now, you haven't worked for the Murphys for almost ten
14 years, isn't that so?

15 A. That's correct.

1 182 Q. Have you any reason, Mr. Copsy, to lie about your
17 involvement in this transaction?

18 A. I actually felt sometimes when I was telling the truth, I
19 in fact would have sounded more convincing had I lied, if
20 that's a convoluted way of answering your question. I
21 have never lied.

22 .

23 CHAIRMAN: I think the answer is a simple no.

24 A. It is no.

25 .

26 CHAIRMAN: Well let's just stick to simple answers.

27 .

28 MR. CUSH: Has anyone in this Tribunal, to your
29 recollection, suggested to you a reason why you might be
30 lying?

31 A. I can't actually remember that they have, no.

3 183 Q. I want to move on, Mr. Copsy, to the manner in which this

1 payment received treatment, firstly in the books and
2 records of the company and secondly, in the audited
3 accounts of the company. Do you follow me?

4 A. I do.

184 Q. And of course you would be the first to be careful to make
6 the distinction between books and records of the company on
7 the one hand, the audited accounts of the company on
8 another hand and perhaps working papers of an auditor
9 leading up to the audited accounts, isn't that so?

10 A. And papers which didn't fall into any of those categories
11 well.

1 185 Q. Yes indeed. Now, we are concerned in fact with two
13 companies, isn't that so, JMSE and Grafton?

14 A. Correct.

1 186 Q. Now, JMSE is an active trading company with a significant
16 turnover, isn't that so?

17 A. Correct.

1 187 Q. And the books and records of such a company would be
19 written up pretty much contemporaneously by the staff of
20 the company, isn't that so?

21 A. Yes, some of the transactions would be written up on a
22 daily basis, some on a monthly basis.

2 188 Q. Right. This payment of the £30,000 insofar as it's
24 connected with JMSE, how is it recorded in the books and
25 records of the company, in short?

26 A. In short it's recorded as an intercompany loan which lasted
27 for one week.

2 189 Q. In what book or record is it recorded?

29 A. It would be recorded in the cash book as a payment and it
30 would be recorded in an intercompany account showing a loan
31 from Grafton.

3 190 Q. Is it in the cheque journal?

1 A. It would be in the cheque journal, yes.

191 Q. Is it correctly described in those books and records?

3 A. Yes, absolutely correctly.

192 Q. Should any other description be added to it or deleted from

5 it?

6 A. No, none at all.

193 Q. When you go to the accounts of the company, how is it

8 described?

9 A. It isn't described at all because it doesn't appear in the

10 accounts. It's an in and out transaction. The accounts

11 of the company -- the balance sheet item, that's the

12 intercompany account, is not a profit and loss item so

13 balance sheet item and the balance sheets reflects the

14 balances of the company at a specific date. By the time

15 that specific date had been reached, that balance was zero

16 and therefore would not be included in the list on the

17 balance sheet.

1 194 Q. Now, I know you didn't in fact audit these accounts but

19 should there have been any different treatment of it in the

20 audited accounts?

21 A. Absolutely not, it was one hundred percent correct.

2 195 Q. Speaking generally for a moment, what is the impact of this

23 payment on the profits of JMSE?

24 A. Absolutely none whatsoever.

2 196 Q. And what was the impact on the cashflow of JMSE?

26 A. Well the actual cashflow, that's the amount of cash washing

27 through the company would have been between 20 and 30

28 million pounds. It was very small.

2 197 Q. Grafton is a company of slightly different nature, is that

30 so?

31 A. Absolutely different.

3 198 Q. Would you explain what is that difference, Mr. Copsy?

1 A. Well it's what I would call a non active company, that's
2 not to say it was dormant because during that particular
3 year, it actually sold some land. Previously it would have
4 got maybe 2, 3, £4,000 worth of ground rents but it was
5 very small, very minor and almost non active but not
6 dormant company.

199 Q. And how did that state of affairs impact upon the manner in
8 which the books and records were written up?

9 A. Well because there was so few transactions, they would, it
10 would only be written up after the year end when the time
11 of the audit came.

1 200 Q. Now, when the time for the audit came in respect of this
13 company for the relevant year, when was that?

14 A. That's the year ended 31st May 1989 so that would have
15 included June 1988. They were written up -- I can't say,
16 I didn't write them up but certainly from the evidence that
17 I have seen, they were written up early in 1991.

1 201 Q. I think maybe, correct me if I am wrong but you may have
19 missed a year, Mr. Copsey. The relevant time within which
20 we want to watch is June 1989?

21 A. June 1989, that the accounts would start 1st June 1989 and
22 end 31st May 1990.

2 202 Q. Correct. So when were they written up?

24 A. They were written up, I believe -- certainly written up
25 after August the 14th, 1990 because I hadn't written them
26 up when I left and therefore, and from evidence I have
27 seen, they were either written up very late in 1990, say
28 December or January/February, 1991.

2 203 Q. And who wrote them up?

30 A. John Bates.

3 204 Q. And you referred there to the 14th August 1990. What's the
32 significance of that date?

1 A. That was the date my assignment with the company

2 terminated.

205 Q. You are no longer involved. And did Mr. O'Keefe's

4 assignment also terminate?

5 A. When I say my assignment, I mean my firm's assignment.

206 Q. Was Mr. Gogarty, to your knowledge, still involved in the

7 company at this time?

8 A. I don't think actively but I am not quite certain, I think

9 there was some fuss and bothers over his expenses, I am not

10 quite sure what time he started to phase out completely.

1 207 Q. You have given evidence, Mr. Copey, had you been writing

12 up these books and records, that is for Grafton, you would

13 have described this £30,000 as political donation?

14 A. Yes. I mean the only reason that John Bates in fact wrote

15 them up rather than audited them, the only reason he wrote

16 them up was simply because we didn't do it because we

17 weren't there. Had I been writing them up I would have

18 had the knowledge and I would have put down political

19 contribution.

2 208 Q. And that's because you had the knowledge, isn't that right?

21 A. Absolutely, yes.

2 209 Q. So when you gave evidence to the Tribunal, in answer to the

23 following questions from Mr. O'Neill you said, "Is there

24 any explanation why a political donation to a politician

25 would find itself in as the enhancement of the value of the

26 lands to your knowledge?" You answered "none whatsoever."

27 A. That's correct.

2 210 Q. You then referred to a motivation behind that answer.

29 A. Well no, I mean -- I am sorry, I think you have to ask the

30 question again because I missed the point.

3 211 Q. Mr. O'Neill asked you, "Is there any explanation why a

32 political donation to a politician would find itself in as

1 the enhancement of the value of lands to your knowledge?"

2 And you answered "none whatsoever."

3 A. Correct.

212 Q. So far as you are concerned, that's correct, isn't that so?

5 A. Oh absolutely.

213 Q. And it's correct, I suggest to you, because you did have

7 knowledge, is that so?

8 A. Yes, I mean I knew that it shouldn't have been done, yes.

214 Q. But you weren't the person writing up the books?

10 A. I wasn't.

1 215 Q. And you for one had never told Mr. Bates that this was a

12 political donation, isn't that so?

13 A. That's correct. Just on a word of explanation, I

14 understand now that Mr. Bates did phone my office, I wasn't

15 in and Tim O'Keefe wasn't in.

1 216 Q. I think Mr. Bates should give his own evidence as to what

17 was his own state of knowledge but you can say you

18 didn't --

19 A. I definitely didn't tell him.

2 217 Q. So in summary, would it be fair to say that this payment

21 within JMSE, both in the books and records and in the

22 audited accounts is properly recorded and described?

23 A. As far as JMSE is concerned, absolutely correct.

2 218 Q. Within the books and records of Grafton, it is properly and

25 the audited accounts, it is properly recorded but

26 imperfectly described, is that fair?

27 A. That's fair, yes.

2 219 Q. I want to move now to the document which Mr. O'Neill asked

29 you some questions about, which is the Copsey Murray

30 document. Now -- do you have the black folder, Mr.

31 Copsey?

32 A. I have a black folder.

220 Q. Sorry, the leverarch file, I beg your pardon.

2 A. Yes, I do.

221 Q. And behind tab 10 --

4 A. Yes, OK.

222 Q. And page 190.

6 A. Yes.

223 Q. Do you have the document?

8 A. I have it.

224 Q. And this is a Copsey Murray document, is that so?

10 A. That is correct.

1 225 Q. Now let's just go through the categories, is it a book or

12 record of the company?

13 A. No.

1 226 Q. Is it an auditor's working paper?

15 A. No.

1 227 Q. It's clearly not the audited accounts, is that so?

17 A. That's absolutely correct.

1 228 Q. It's a Copsey Murray internal document?

19 A. Correct.

2 229 Q. And it's prepared for a particular purpose, isn't that so?

21 A. That is correct.

2 230 Q. Will you just outline again please in short that purpose,

23 Mr. Copsey?

24 A. Well, the particular purpose for which it was compiled, was

25 so that I could find out how many, the quantum of the funds

26 available after disbursements had been made in respect of

27 the sale of the Forest Road lands.

2 231 Q. Is it fair perhaps to suggest that your real interest in

29 this document is in the bottom line or in the right-hand

30 side?

31 A. Yes, correct. I mean this was the document prepared by

32 Tim O'Keefe. My interest in it would have been the bottom

1 line of £246,000, how much money did I have as financial
2 director to apply to other companies?

232 Q. Now. The real significance of the document of course is
4 that it appears to record the payment of £30,000 as being
5 attributable to planning permission?

6 A. Certainly as far as the Tribunal is concerned.

233 Q. Yes, well and indeed as far as you were concerned when you
8 gave your evidence in relation to it, isn't that so?

9 A. Yes, absolutely.

1 234 Q. Did that surprise you that the document appeared to so
11 record that payment?

12 A. Yes, I think I said at the time it was incorrect. There
13 is no way that it was planning permission and I couldn't
14 give an explanation as to why it had been described as
15 planning permission. I think that was my evidence.

1 235 Q. OK, if it did surprise you, what did you do subsequent to
17 the conclusion of that day's evidence?

18 A. I waited for the hall to clear and I made a mobile call to
19 Tim O'Keefe and said to him that something of exceptional
20 importance had cropped up at the Tribunal and that I had a
21 schedule in front of me of his which described the £30,000
22 payment as planning permission. His reply to that was
23 that's impossible. I reminded him I was actually looking
24 at the document and he said, "Well, that can't be correct."

2 236 Q. Did he say why it couldn't be correct?

26 A. He said at that point of time, when that document was
27 prepared, he did not know what the purpose of the payment
28 was. Remember, he didn't know actually until around about
29 August of 1997 after the meeting with Joe Murphy Jnr. He
30 didn't know the purpose of the £30,000 payment.

3 237 Q. Did you subsequently show him the document?

32 A. I did, yes. I mean obviously I said to him, "Well I'll

1 come back to the office with the document" which is this
2 photocopy.

238 Q. OK. And just be careful, did he give you an explanation
4 in relation to it, Mr. Copsey?

5 A. He did, immediately he --

239 Q. Sorry I want to be careful here, Mr. Chairman, because I
7 know Mr. O'Keefe is the next witness and he obviously is
8 the person who should give firsthand --

9 .

10 CHAIRMAN: That's what I would have thought.

11 .

12 MR. CUSH: I am only being careful that the witness
13 doesn't stray --

14 .

15 CHAIRMAN: I think Mr. O'Keefe should give his own
16 explanation. I am not saying it would be deliberate but
17 there could be a spin on it.

18 .

19 MR. CUSH: I am seeking to shorten the witness in this
20 respect but he did give you explanation when he saw the
21 document?

22 A. He did.

2 240 Q. And he will give his own evidence but having seen the
24 document, did he remain of the view that it didn't record
25 £30,000 as being attributable to planning permission?

26 A. Well he had never been of the view that it recorded that.
27 It was me who had the view that it recorded it but in
28 answer to your question that he said he did not record it
29 in that fashion.

3 241 Q. I want to move on, Mr. Copsey, to another issue and it's a
31 crucial issue. It's an issue about which you have been
32 asked nothing at all. And it relates to the question of

1 panic. Now, I want to go back in time to when you first
2 came back to the group, as it were, in 1988. Do you
3 follow me?

4 A. Yes, I just want to say I came back in an entirely
5 different capacity.

242 Q. Yes. I understand. Is it fair to say that when you
7 became involved again at that time, there was considerable
8 upheaval in the group generally?

9 A. I don't think there could have been more upheaval.

1 243 Q. Yes. And one of the things that was in hand was the
11 consideration of a reorganisation and restructuring of the
12 group generally, is that so?

13 A. That's correct.

1 244 Q. And part of the reorganisation involved at least the
15 contemplation of disposals and perhaps actual disposals,
16 isn't that so?

17 A. Yes, it was one of the, as it were, think-tank points is
18 that should all of the assets in Ireland be sold?

1 245 Q. So disposal is one possible reorganisation and another is
20 restructuring of companies, isn't that so?

21 A. That's correct.

2 246 Q. Now, in short, Mr. Copsy, would you outline what were the
23 motivations behind that reorganisation at that time?

24 A. Right. Now, I think we should define at that time, that
25 was October, November, December of 1988 we had gone in, had
26 a look at the companies, seen the situation, stabilised
27 them as far as we could and put in systems very, very
28 quickly. So that was stage 1.

29 .

30 Stage 2 was then consider what we had and what we had were
31 a group of companies which were not core companies to the
32 Murphy interests.

247 Q. Can I just ask you to pause there for a moment, Mr.

2 Copsey. I understand that distinction that you make and I

3 will come back to it but I want to know what were the

4 motivations behind those deciding that there should be a

5 reorganisation. What, was Mr. Murphy Snr's --

6 A. I see your point. Mr. Murphy Snr had come out of

7 retirement, wanted basically the least problems as possible

8 and it appeared after the first few months that the

9 greatest problems that he had were in Ireland/AGSE in the

10 U.K.

1 248 Q. What age was Mr. Murphy at this time?

12 A. 72, 74.

1 249 Q. How was his health?

14 A. It actually, it wasn't that great at the time and I believe

15 also that Una, his wife, had just been diagnosed with

16 cancer.

1 250 Q. Were they factors that he appeared to take into account in

18 his approach?

19 A. Very much. Joe Murphy at that particular juncture had

20 slowed down quite a bit from the guy that I had known

21 previously.

2 251 Q. And in addition to those factors, there were, as you say,

23 problems in some of the Irish companies particularly?

24 A. Particularly, yes.

2 252 Q. Now, if those were the motivations, you went on then to say

26 something of a distinction between core and non core and

27 perhaps you'd elaborate on that.

28 A. Mr. Murphy had made his money in its broadest sense through

29 cable laying in the UK and he made a lot of money at

30 that. He then, being Irish, started to take an interest

31 in some Irish businesses which were far removed from his

32 centre of expertise and in fact he had no expertise in

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1 structural steel at all. At meetings and whatever, he
2 never discussed anything technical about structural
3 steel. I never heard him at all. And then he had land
4 and then he had the Gaiety Theatre. I mean Mr.
5 Murphy -- I don't know if he ever went to the theatre, it
6 wasn't that he was uneducated, funnily enough, he just
7 wasn't a theatre goer.

253 Q. From that answer, do I understand you to mean cable laying

9 is core, structural steel is non core?

10 A. So is theatre non core.

1 254 Q. And so is land holding?

12 A. That's correct.

1 255 Q. Now, an approach then was taken to the group in terms of

14 core and non core, is that so?

15 A. Correct.

1 256 Q. What was that approach. Take -- I think perhaps separate

17 considerations applied to each of the non core, they

18 weren't all of the same nature?

19 A. That's correct.

2 257 Q. Take the structural steel, take JMSE and AGSE?

21 A. I just go back one stage, they all had one thing in common,

22 the non core businesses, they were situated in Ireland with

23 the exception of AGSE and the geographical difference was

24 important.

2 258 Q. OK. What then was the approach to JMSE and AGSE?

26 A. Well non core, number 1. Number 2, a lot of the

27 management was in Ireland which meant a day's travelling

28 etc., and if he was in Jersey or Guernsey, I mean you are

29 talking about nearly two days but anyway, it takes a very

30 long time to get from there to Ireland and then the other

31 consideration was of course the complexity and the sheer

32 size of the lanes contract.

259 Q. Well, isn't the case that disposal of those companies was
2 considered, Mr. Copsey?

3 A. Oh yes.

260 Q. In particular proposals were considered, the one from
5 Marcus Sweeney for example?

6 A. Well, when it must have come out that he was thinking of
7 possibly selling, Marcus Sweeney came in and made an offer,
8 yes.

261 Q. Mr. Gogarty made an offer?

10 A. He did but that wasn't seriously considered.

1 262 Q. And there was talk also of an offer from South Africa, is
12 that so?

13 A. South Africa was a contact of Edgar Wadley's and it never
14 got off the ground.

1 263 Q. Speaking of Mr. Wadley, he was somebody who advised serious
16 consideration to the Marcus Sweeney proposal, is that so?

17 A. Yes.

1 264 Q. But ultimately the decision was taken not to dispose of
19 JMSE and AGSE?

20 A. Actually I advised it should be sold to Marcus Sweeney.

2 265 Q. The consideration of disposal or non disposal, this was a
22 consideration that went on over a protracted period of
23 time, is that so?

24 A. I think it was between October and December and I think by
25 January we had decided not to dispose - January 1989.

2 266 Q. Yes. And similarly, the Gaiety, the Wexburn property,
27 that was also -- sorry, Wexburn is Baggot Street, that was
28 sold in or around this time, is that so?

29 A. Yes, I have actually now forgotten when it was sold, but
30 yes it was sold. I think the sale -- I think the
31 consideration of sale there because that wasn't giving
32 problems in 1989 rather than 1988.

267 Q. And then looked into the land holding companies generally

2 and the ones which held the north Dublin lands, within the

3 same context I suggest to you, consideration was given to

4 off-loading those lands, isn't that so?

5 A. That's correct, yes.

268 Q. And is it the case that there had been no movement in the

7 planning status of those lands for sometime, many years?

8 A. As far as I am aware, yes. The only one was the Forest

9 Road land. That must have got some planning but anyway, I

10 think in broad context, yes.

1 269 Q. And one change had occurred, they had been mortgaged during

12 Mr. Conroy's stewardship, is that so?

13 A. That's correct.

1 270 Q. Was Mr. Murphy happy about that?

15 A. He was decidedly unhappy and that was as much emotional as

16 actually factual. From a financial point of view, I

17 didn't see it so badly as he did.

1 271 Q. But ultimately a decision was taken to sell those lands,

19 isn't that so?

20 A. That's correct.

2 272 Q. They were ultimately sold and in fact one of the sales

22 wasn't completed until September of 1991, isn't that so?

23 A. Yes. Well, so I am told, yes.

2 273 Q. Now, aside from those disposals, either considered or

25 actually effected, there was a restructuring of companies,

26 isn't that so?

27 A. There was, yes.

2 274 Q. And that was something that went on right up to late 1989 I

29 suggest?

30 A. Yes.

3 275 Q. In fact we saw a document, Mr. Copsey, one of your

32 documents yesterday behind tab 6 at page 26, it referred to

1 your ongoing instruction to the company. I won't trouble
2 you. Now, throughout this period, this entire period, you
3 were in contact with Mr. Murphy Snr on a regular basis, is
4 that so?

5 A. That's correct.

276 Q. As was Mr. Wadley?

7 A. As was Mr. Wadley.

277 Q. And you were in contact with Mr. Wadley?

9 A. Not nearly as frequently as he would have been with Joe.

1 278 Q. Mr. Oakley was involved to a lesser extent but he was
11 involved?

12 A. He was indeed.

1 279 Q. It just so happens that there are other issues which
14 involved communications between the three or perhaps four
15 of you because Mr. Gogarty's severance package dispute had
16 arisen in 1989, is that --

17 A. Yes.

1 280 Q. And that's another reason why you were in communication?

19 A. That's correct.

2 281 Q. Another issue which had arisen, although it appears you are
21 not so centrally involved, is the Conroy litigation in the
22 Isle of Man?

23 A. I was very peripherally involved in that.

2 282 Q. I think you answered some queries posed to you by Mr.
25 Wadley in relation to particulars?

26 A. Simply on a reactive basis.

2 283 Q. All of this, Mr. Copey, is going on over a protracted
28 period?

29 A. Correct.

3 284 Q. So far as you are concerned, that reorganisation and
31 restructuring, was that a considered or hurried one?

32 A. Considered. The reconstruction was very much to

1 strengthen AGSE and JMSE once we had made the decision not
2 to sell but it was a very deliberate and sometimes slow
3 policy but it achieved the correct results.

285 Q. Would you describe it as orderly or panicky?

5 A. I think it was exceptionally orderly.

286 Q. Was the disposal of the lands part of that process?

7 A. That was part of the process which had been started with
8 the review of the Lajos group of assets, yes.

287 Q. You see, Mr. Gogarty has given evidence to this Tribunal

10 that in or about mid June a bribe is paid to secure
11 planning permission for the lands.

12 A. Yes.

1 288 Q. And that on the 3rd July, and he is very specific about

14 this, of the same year, some weeks later, a decision is
15 taken to give up that bribe and sell the lands for
16 agricultural values and his explanation for that change of
17 heart is that Mr. Murphy Snr panicked in the face of the
18 Conroy proceedings in the Isle of Man. You have read the
19 transcripts, you know that.

20 A. Yes.

2 289 Q. Now, in your detailed and regular contact with Mr. Murphy

22 Snr, did you see any evidence of panic on his part?

23 A. Absolutely none whatsoever and I think it's relevant to say
24 that sort of Edgar Wadley was also in contact with him and
25 through my contact with Edgar Wadley, there was never any
26 suggestion whatsoever of panic and then also at that time,
27 I was in contact with Chris Oakley, who had regular contact
28 with Joe. Again, absolutely no question of panic.

2 290 Q. Did anybody suggest to you that there was panic involved in

30 the disposal --

31 A. No. In fact, it was entirely the opposite because the
32 proceedings against Mr. Conroy were going quite

1 exceptionally well so there was euphoria rather than panic.

291 Q. Now, Mr. Gogarty is very specific about the 3rd July and

3 that of course is the day of a board meeting, isn't that

4 so?

5 A. That's correct.

292 Q. You attended that meeting as did Mr. Gogarty and Mr. Murphy

7 Snr?

8 A. That's correct.

293 Q. Did you see any evidence of panic at the meeting?

10 A. No. I saw evidence of irritation and frustration but not

11 panic.

1 294 Q. The minutes don't record any panic, isn't that so?

13 A. No, no, there wasn't any panic. As I say, there was

14 whatever word you want to use, tetchiness, irritability or

15 whatever, on Mr. Murphy's part and that was simply because

16 of Jim Gogarty's attitude to the signing of the accounts,

17 which we thought was unreasonable because he wouldn't give

18 any specific reason for not signing them, or proof.

1 295 Q. Yes. Now, do you recall yesterday, Mr. Copsey, that Mr.

20 Callanan put to you a handwritten letter of Mr. Copsey's --

21 A. I am Mr. Copsey.

2 296 Q. I beg your pardon, of Mr. Gogarty's written to you dated

23 the 6th July?

24 A. Yes, I do recall, I can't remember the contents but I

25 recall the letter, yes.

2 297 Q. If you don't recall the contents --

27 A. Tell me, it will probably spring to mind.

2 298 Q. Well I can't tell you. I am sorry, Mr. Chairman, I just

29 don't have it to hand, it is of course in the transcript

30 from yesterday and if I could -- if I might remind you by

31 suggesting that it's a letter in which he was expressing

32 concerns about Mr. Murphy's, what he felt was agitation in

1 respect of --

2 A. Yes, I remember the letter now, yes.

299 Q. That's the 6th July, that letter?

4 A. Yes.

300 Q. There's no mention of panic in that letter, Mr. Copsey,

6 isn't that so?

7 A. No, there isn't, no.

301 Q. Now, it's a very important thing, Mr. Copsey, in this

9 Tribunal, but from any source that was available to you at

10 the time of your involvement, can you say that there is any

11 truth in the suggestion of panic on the part of Mr. Murphy

12 Snr?

13 A. None whatsoever.

1 302 Q. I want to return then finally, Mr. Copsey, to the accounts

15 in the books and records of both JMSE and Grafton. Now,

16 within JMSE we have the perfect audit trail, is that so?

17 A. Correct.

1 303 Q. Grafton, we have an audit trail, proper recording but

19 improper or imperfect description, isn't that so?

20 A. That's correct.

2 304 Q. Now, in addition to that, we have a trail that goes into

22 the company's solicitor, isn't that so?

23 A. That's correct.

2 305 Q. A man about whom, there seems to be a consensus, of the

25 highest integrity?

26 A. Correct.

2 306 Q. Touching again on something you said yesterday, Mr. Copsey,

28 if you had wanted to make a bribe and conceal it, would you

29 have gone about it this way?

30 A. I mean if you are asking me to imagine myself turning from

31 poacher to game keeper, I will do so. I can think of ways

32 of making a payment to somebody so that it would be next to

1 impossible for anybody to find, and extremely difficult for
2 a Tribunal to find. Look, there are ways of doing these
3 things and certainly in those days they were even more open
4 than they are now. Had one been of that mind, the last
5 way they would have done it is this way.

307 Q. Well, is it fair to say then that this recording in the
7 books and records of JMSE and the recording in the books
8 and records of accounts of Grafton and the trail into the
9 solicitor's office, it's just entirely inconsistent with
10 attempts to conceal a bribe?

11 A. Yes, and the only confusion -- I will just add the
12 confusion in the accounts of Grafton Construction but was
13 really an accident whereby I in fact was no longer acting
14 for the company. Had I been acting for the company at that
15 time, they would have been properly described, so in answer
16 to your question, everything, as far as I was concerned,
17 was done perfectly.

1 308 Q. Thanks. Mr. Copey.

19 .

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

21 .

2 309 Q. MR. O'NEILL: Mr. Copey, in the course of your
23 cross-examination yesterday by Mr. Mohan, one of the
24 counsel who was questioning you, reference was made to a
25 document that is in the tabs at page 190. It's the
26 document prepared by Mr. O'Keefe about which we have spoken
27 earlier today and you were being asked about that
28 particular document. It's page 15 of the transcript of
29 Thursday and question 83. Sorry in the answer to question
30 83, your answer was as follows: "I think if we actually go
31 on the page numbers, I find it simpler, if you don't mind,
32 they appear to be pages. What I am referring to is page

1 170 to page 189 were in fact John Bates working papers, we
2 then exclude page 190 and then go on to page 191 to 198,
3 they are the accounts of the company which Mr. Bates
4 audited. The only reference to the word planning
5 permission are on page 190." And the question was then put,
6 "That's Mr. O'Keefe's writing." And your answer was: "That
7 is not part of Mr. Bates' working papers. I have actually
8 confirmed that. There was confusion yesterday. I think
9 that Mr. O'Neill implied mistakenly that the page 190 which
10 is Mr. O'Keefe's working papers formed part of Mr. Bates'
11 working papers. That is incorrect." And I just want to
12 draw your attention then to your evidence in response to my
13 query of the previous day and the questions put to you by
14 me are at page 80 at question 280, as follows: The
15 question was put to you, "The next document I would refer
16 you to is document 190 and that document I think, unlike
17 the document beforehand, which comprise the pages from 172
18 to 189 is a Copsey Murray document rather than a document
19 prepared by Mr. John Bates the auditor.

20 Answer: That is absolutely correct."

21 .

22 Now, if you accept that as a record, I take it you equally
23 accept that there was no implication by mistake put to you
24 that this document comprised Mr. O'Keefe's -- sorry, Mr.
25 Bates' working papers. It was specifically put to you
26 that that document, unlike the other document, was a Copsey
27 Murray document, not a Bates document and you agreed with
28 that by stating this is absolutely correct.

29 A. Yes. I am not taking issue. I had thought that even
30 whilst it was recognised as Copsey Murray, I thought you
31 had implied, obviously I was mistaken but I thought you had
32 implied that John Bates had made use of it when he was

1 preparing his accounts but I must have been mistaken in
2 that.

310 Q. Just so that we understand that because your answers to the
4 series of questions that followed upon that might depend to
5 some extent on my having put the matter accurately to you
6 or implied it mistakenly.

7 .

8 MR. CUSH: Mr. Chairman, I don't think anything turns on
9 it and I am very anxious not to have a row on Friday lunch
10 time with Mr. O'Neill but there is the next question and I
11 think it was the next question/answer that may have given
12 rise to the confusion about Mr. Copsey but I would
13 respectfully suggest it be passed from. I don't think
14 anything turns on it.

15 .

16 MR. O'NEILL: I just wanted the record accurate.

17 .

18 CHAIRMAN: Mr. O'Neill appears to have been correct in the
19 manner which he put the question to the witness.

20 .

21 MR. CUSH: It's question 281. Question 281 is the
22 question that causes confusion, Mr. Chairman. I really am
23 happy that I think Mr. Copsey has passed from it.

24 .

25 MR. O'NEILL: The next matter I want to deal with Mr.
26 Copsey, is the question of the documentation that was
27 available to you and this is by reference to the transcript
28 at page 112 on Wednesday. I asked you as follows "You had
29 prepared an amount of documentation, I take it not in
30 anticipation of this particular Tribunal, but rather in the
31 course of your functions as financial director of the
32 company and you had given those papers to the Murphy

1 companies on cessation of your role as director, is that
2 right?

3 Answer: Yes, on the cessation of my firm's assignment, yes
4 yes, in August 1990. Yes, I think it was the 14th August
5 which happens to be my birthday, that's why I remember.

6 Question: Were you ever or did you ever have sight of this
7 documentation in the form in which it was provided by you
8 to the Murphys?

9 Answer: No, no. By the time -- this has been a very
10 confusing factor to me, that I have got this information
11 back in an entirely different form from the one that I
12 delivered to them. I never saw it in the form that I gave
13 it back to them.

14 Question: Had you ever seen all of the documentation or can
15 you say whether you have seen all of the documentation that
16 you provided to them?

17 Answer: Well no. I mean, for instance, quite an amount of
18 information we have gone through over the last few days, I
19 mean some of it I haven't seen before, I don't believe."

20 .

21 Now, it would appear from that, Mr. Copsey, that you had
22 prepared your documentation, you had given your
23 documentation to the Murphy companies, when I mean you, I
24 mean the Copsey Murray documentation, in 1990 and at a
25 later stage, documentation was provided to you but not in
26 the form, as far as you were concerned, that it had left
27 you, isn't that right?

28 A. That's correct.

2 311 Q. Now, your solicitors, Messrs. Fitzsimons Redmond, provided
30 the Tribunal with documentation which comprised five
31 volumes of documentation which were described as the Copsey
32 Murray files. And that was in April of this year. Had

1 you seen those in that format in April of this year prior
2 to them being sent to the Tribunal?

3 A. I can't honestly say because I don't know when I got the
4 information and when it was given to Tribunal. I am
5 really not in a position to answer that.

312 Q. Well, can you tell me when this was that you first saw the
7 documentation, it having come to you from the Murphys in a
8 form distinct and different from that in which you had seen
9 it and had left your firm?

10 A. No, I mean -- I possibly have notes at home or in the
11 office which may allow me to but I don't know. I have had
12 an awful lot of information, I couldn't put it down to
13 dates.

1 313 Q. Right. I do have and will be giving you five volumes of
15 documentation which were described as the Copsey Murray
16 files which were provided by your solicitor to the Tribunal
17 and I would like you to consider those and see whether or
18 not they are in the form in which they left you.

19 A. Can I just say that I certainly have been given files.
20 Your question was when I was given, was it before or after
21 they came to the Tribunal? And I said I couldn't answer
22 that. Even without looking, whatever you show me, I know
23 absolutely definitively that the way they left my office in
24 August of 1990 was not the way I have ever seen them and
25 certainly what you are going to show me will not be the
26 manner in which they left me. They were in manila files,
27 which is the filing I use, with a spring spiral in it and
28 they were filed in date order according to subject matter,
29 which was convenient to our firm.

30 .

31 Now, you have, being the Tribunal, have re-sorted them.

3 314 Q. Not so, Mr. Copsey. The documentation which has been

1 provided Tribunal has been photocopied exactly in the
2 format in which it was received by the Tribunal. There
3 has been no resorting and I would like you to consider this
4 documentation because it will be material to establish
5 exactly the state of this documentation?

6 A. OK.

315 Q. And hopefully you will be able to do that before you
8 resume. Sir, I will be sometime and since we are almost
9 at half past one, I think that we should now pass the
10 documents to Mr. Copsy so that he might be able to
11 consider them with Mr. O'Keefe over the weekend and be in a
12 position to confirm or otherwise that these files were the
13 files which left his office and which ultimately were
14 provided to the Tribunal by his solicitors.

15 .

16 There's one further matter, Sir, that I feel I must address
17 and it's this: The Tribunal, as you know, received a
18 statement from Mr. O'Keefe undated but in December of last
19 year. It would appear that following the examination in
20 direct of Mr. Copsy, that there is certainly a material
21 change in or certainly new information which requires to be
22 furnished to the Tribunal in relation to this particular
23 document which was prepared apparently by Mr. O'Keefe and
24 in which the reference to planning permission, £30,000 is
25 contained.

26 .

27 Now it's perfectly right and proper that this witness was
28 not asked for a verbatim account of what Mr. O'Keefe will
29 say about this, however, it is information which apparently
30 has been within the knowledge of this witness for the past
31 two days and certainly within the knowledge of Mr. O'Keefe
32 but the Tribunal itself does not know what the explanation

1 for this is and I am inviting Mr. O'Keefe's solicitors to
2 provide this explanation today so that it might be
3 considered by the Tribunal and be in a position to be dealt
4 with fully on Monday. I think it would be inappropriate
5 that it would have to await calling the witness to
6 determine what exactly the explanation is very important
7 and I will take is the explanation (a) is relatively short
8 and (b) has been communicated to the solicitors as soon as
9 it was learned of by this witness.

10 .

11 MR. CUSH: I can see why Mr. O'Neill might ask for that
12 and I think that's not at all unreasonable but it won't
13 happen today, with respect, Mr. Chairman, and I think
14 that's not unreasonable from our point of view but if we
15 said -- the explanation is short and it can be documented
16 and furnished to the Tribunal on Monday morning, if that's
17 sufficient?

18 .

19 MR. O'NEILL: I certainly would like to know it now before
20 I provide five volumes of --

21 .

22 MR. CUSH: I am happy to explain my understanding to Mr.
23 O'Neill in private so he knows before the weekend if he is
24 taking the witness, he has the benefit of that
25 explanation.

26 .

27 MR. O'NEILL: I am happy with that, Sir.

28 .

29 CHAIRMAN: I am not trying to discommode the Tribunal but
30 it's not realistic on the Friday afternoon before Christmas
31 to suggest there's going to be a written document from
32 somebody who --

1 .

2 CHAIRMAN: No, there's cooperation has been offered, that's
3 what I want. I am quite happy with that. Does that
4 conclude business for today until Monday morning?

5 .

6 MR. O'NEILL: Yes, Sir.

7 A. Excuse me can I just, does that obviously mean I am going
8 to be here on Monday?

9 .

10 CHAIRMAN: Yes.

11 A. I have an appointment which is, it's a private one but it
12 was quite important to me on Monday, Monday afternoon. Do
13 I cancel that?

14 .

15 MR. O'NEILL: No, I would expect certainly from my point
16 of view, that we would conclude the re-examination of Mr.
17 Copey in the morning.

18 .

19 CHAIRMAN: Well, Mr. O'Neill is usually very accurate and
20 provided the appointment is in Dublin and not some other
21 part of the world, that you will make it and possibly have
22 a good lunch beforehand.

23 A. I will thank you in advance, Mr. O'Neill.

24 .

25 MR. O'NEILL: Thank you, I will hand over the documents
26 now, Sir.

27 .

28 CHAIRMAN: Right. Thank you.

29 .

30 THE TRIBUNAL THEN ADJOURNED UNTIL MONDAY, 20TH DECEMBER
31 1999 AT 10.30AM.

32