

THE HEARING RESUMED ON THE 13TH OF DECEMBER, 2000, AS

FOLLOWS:

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CHAIRMAN: Good morning everyone.

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MR. GALLAGHER: Mr. Lawlor please.

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LIAM LAWLOR RETURNS TO THE WITNESS-BOX AND CONTINUES TO BE  
EXAMINED BY MR. GALLAGHER AS FOLLOWS:

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1 Q. MR. GALLAGHER: Good morning Mr. Lawlor?

A. Morning Mr. Gallagher.

2 Q. Yesterday, in the course of asking some questions, I

inquired of you if could you itemise the sources of any  
other income you had during the period from 1977 to date.

And by "other income" I indicated that I meant income other  
than income you received as a member of the Oireachtas, and  
income you received as an organiser for the Fianna Fail  
Party during the years when you were not a member of the  
Oireachtas in that period. And you, in turn, referred me  
to some of the companies which were identified by you in  
the first affidavit which you furnished to the Tribunal on  
the 6th of November last.

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Now, I would like you to come back to that question, and to  
identify for the Tribunal, insofar as you can, based on  
your recollection, the sources of income you had during  
that period, other than the sources I have identified, i.e.  
your income as a Dail Deputy and as an organiser for the  
Fianna Fail Party?

A. If I could just, maybe to respond to your query yesterday,  
Chairman, regarding the Irish - the accounts that you --

3 Q. If you just please answer the question. We will come back  
to that in due course perhaps?

A. Fine, okay. The period you are querying?

4 Q. The period I queried was the period during which you were a  
member of the Oireachtas, from 1977 onwards?

A. '77, yes. Well, income there would have been over the  
period of time since 1977, substantial income from  
fundraising activities and political donations over eight  
general elections.

5 Q. Perhaps; sorry, if you don't mind, if you just take them  
one at a time, if you don't mind.

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The fundraising activities, what would these activities  
involve, generally speaking?

A. Just political donations.

6 Q. And would these be political donations you would solicit  
and/or donations that would be tendered to you?

A. Solicited and then at election time people would, you know,  
make contributions.

7 Q. In relation to that, the funds that were given to you in  
that way, political donations; did you keep accounts and  
records of those?

A. No, not until the statutory requirement came in to make  
returns to the, I think the Public Commissions Office.

8 Q. Did you have any records of the political donations you  
received during that period?

A. Since the statutory requirement I have, I don't have prior  
to that.

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9 Q. Well, would you tell me when the statutory period kicked in, as far as you can recall?

A. I am guestimating Chairman, I think 1979.

10 Q. 1979?

A. Sorry, 1997.

11 Q. 1997?

A. All right, I think so.

12 Q. Now, do I understand you to say that you have no records in relation to any political donations you received prior to 1997, whatever the date was, I am not going tie you to it?

A. No, I don't have itemised records, and the only way one can attempt to identify them would be from the inflows in the bank statements provided to the Tribunal, because it shows lodgements, and one could attempt to try and identify the contributions that came in over that period.

13 Q. Do you - Do you tell the Tribunal, Mr. Lawlor, that during that period you received contributions then, that you didn't keep a record of the donors?

A. No, I didn't, no.

14 Q. Did you return those donations as income or to account for them in any way in your tax returns or in your accounts, which were prepared, presumably on an annual basis?

A. It is not applicable to the --

15 Q. That is not the question, did you?

A. No, I didn't, no.

16 Q. Did you ever write back to a donor and say "thank you very much for your generous contribution"?

A. Yes, I would have acknowledged receipt of contributions normally, in the normal way.

17 Q. I see. Where are those receipts?

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A. It was a standard letter.

18 Q. And where would they find copies of those standard letters that you sent back to the various persons who, persons and individuals who are companies, entities that --

A. I can provide you with a sample.

19 Q. Pardon?

A. I can provide with you a sampler.

20 Q. I am not interested in a sample. I just want to know where the receipts are that you have kept?

A. They don't exist.

21 Q. I am sorry, I will rephrase it. Where are the copies of acknowledgments or receipts that you sent to the donors who had made political donations to you?

A. I don't have them.

22 Q. You don't have them?

A. No.

23 Q. When did you last see them?

A. The day I signed them.

24 Q. And do you say that you never kept a record, and never kept a copy of a letter of thanks or acknowledgment that you sent to a donor, however generous the donor might have been?

A. It was a standard letter I wrote. It was a standard letter that just acknowledged receipt of their contribution.

25 Q. That wasn't the question, Mr. Lawlor. The question was, do you say that you never kept a copy of a letter of thanks or acknowledgment that you sent to a donor, however generous, or indeed unexpected or unanticipated the donation might have been?

A. No, I don't have a record

26 Q. You never kept a copy of such letters?

A. No.

27 Q. Did you have a receipt book into which you entered a receipt and sent out a copy to the donor with a letter?

A. No.

28 Q. I see. Are you aware that the Fianna Fail Party, for example, in its headquarters, sent out receipts on a regular basis signed by the treasurers for the time, acknowledging what receipt has come in?

A. Yeah, I would have just acknowledged the contribution.

29 Q. And did you not keep a record in an account book or in a jotter or a journal, or in some other way, which would assist you in identifying (A) who the donors were from year-to-year or from election-to-election, and how much you received in donations from year-to-year or from election-to-election?

A. No, because the contributions went into the general accounts and I, I was just running a constituency office and my home, and other outgoings, so until the requirement statutory to identify these matters, they were just, the political contributions were put into my general account.

30 Q. So just to be clear on this, are you saying that the contributions that you received, the political donations you received during the years we are talking about, were utilised by you in running your constituency office and your home?

A. Yes.

31 Q. And other outgoings?

A. Yes. Whatever bills had to be paid.

32 Q. Can we just focus on that for a moment. What outgoings did

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you have in your constituency office, or associated with your constituency office?

A. Staff, printing, telephones, ESB, all the standard normal outgoings that an office of three or four people would incur.

33 Q. So do I take it that you had three or four persons employed?

A. Well, the Oireachtas provided a Secretary, paid for, and then I would have had additional staff to cope with the workload.

34 Q. How many additional staff did you have to cope with the workload?

A. Over the period there would have been two, possibly three sometimes, depending on campaigns and the extra work that was ensued --

35 Q. Would you mind writing down please for the Tribunal the names of the persons, the names and addresses of the persons who were employed by you in your office?

A. Well, you are asking me to write down the names of people over 20 years. I don't know that I --

36 Q. The names of the persons you can remember?

A. Yeah, sure.

(Paper handed to witness to write names.)

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(Paper handed to Solicitor to Tribunal, then to Counsel for the Tribunal).

37 Q. Mr. Lawlor, I am afraid that my sight isn't --

A. My writing mightn't be --

38 Q. If you can identify just, quietly to Miss Howard, if you tell her the names so we can be clear on it. We can turn

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off the microphone.

A. Yes, sure.

(Document handed to counsel)

Could I just say, Mr. Gallagher, there would have been other names that might have come on board for election time and so forth, for extra - extra secretarial staff and so forth.

39 Q. Sorry, just the last name there isn't quite clear to me.

Would you mind please explaining it to Miss Howard again please?

A. Sure.

40 Q. I see. Thank you. (Document handed to Registrar)

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Now, do I take it that the, as I understand it, two or three secretarial staff that you employed in addition to the Secretary who was provided for you and paid by the Oireachtas, worked for you on a full-time basis from your office?

A. Yes.

41 Q. And did they not keep for you, records of monies that were received, the source of the monies, where the monies were lodged and how they were accounted for?

A. No.

42 Q. Did your constituency party have any procedure whereby the treasurer of the constituency party was obliged to account for donations and expenditure associated with elections and electioneering, generally?

A. The procedure there, Chairman, was that after each election, and as I say I fought eight general elections, the late Brian Lenihan and myself, who were in the same

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constituency, we would attempt to clear the debt that had arisen during the running of the campaigns. And we would have contributed to that. I don't have records of the constituency organisation, obviously there would have been voluntary treasurers or Directors of Elections over those years, they would have changed fairly regularly, so the procedure operated was that the constituency itself would incur outgoings, print bills and various other outgoings during a campaign, and we would endeavour to split it 50/50 and try to clear the debt.

43 Q. When you say you would try and clear the debt, what do you mean?

A. Well, you would have substantial bills for a couple of hundred thousand canvass cards, posters, etc., and the print bills and the various other outgoings would have to be discharged. The constituency would have modest fundraising race nights and whatever other incomes, but in the main it fell to the Dail Deputies to clear the debt for the party in the constituency.

44 Q. I understand you to be referring to debts that existed after each election?

A. Yes.

45 Q. What I am asking you is what happened the monies that came in before and during the election campaign which were given to you, for example? Did you transmit those onto the constituency party as part of the election fund or the fighting fund?

A. No, I would have discharged my own campaign outgoings separate to the constituency campaign. And then in the aftermath of the election we would have to take stock of



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what bills we owed and discharged them, so it was part paying one's own campaign and then paying for the constituency campaigns.

46 Q. What record did you keep of what your expenditure was in relation to each campaign?

A. Well, what I have tried to do is reconstruct the costs over the 20 years of running my constituency office and the cost of running the campaigns. I can provide the Tribunal with that information.

47 Q. I am just wondering what you did by an election by-election basis, a year-by-year basis, a day-by-day basis? Perhaps in relation to monies that you received as political donations during that period? What records did you keep of them and what, how did you deal with the monies?

A. As I said earlier, the funds came into the general accounts and bills and every other outgoing was paid out of those accounts.

48 Q. When you say "general accounts" do you mean your own general accounts?

A. Yes. I think in the main throughout the '90s it would have been my wife's account out of AIB Lucan which you have, I have given you all the statements I have in my possession.

49 Q. Does it follow from what you say, that you did not at any time up to 1997 or thereabouts, have a separate income account into which political donations and contributions - the income from race nights and golf classics etc., was lodged?

A. No.

50 Q. Does that mean then that the income from, the profits from race nights, golf classics, political donations were

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intermixed with your own funds and with your wife's funds without being capable of being separately identified?

A. Yeah, that's correct.

51 Q. Is that normal practice, do you know, among Dail Deputies or is there any code of practice or advice given as to how members of the Oireachtas should deal with monies and account for monies that are given to them as political donations?

A. I could only make a general comment. I would have thought that until the statutory requirement arose it was pretty well the standard practice. Now, I don't know. I mean you would have to address that to other members of the Oireachtas.

52 Q. Well, did you, for your part, not consider that it would be prudent to keep a separate account, a separate record, whether it is in a notebook or a bank account or a register of all donations that you received. So that you could account to your constituency organisation, to your party, and to your tax-man, or indeed to any donor who might allege that he gave you monies that you hadn't in fact received?

A. No, I didn't.

53 Q. You didn't think that was prudent?

A. I didn't think it was necessary.

54 Q. No, you didn't think it was prudent?

A. Prudent or necessary.

55 Q. And did you not think that if you, in the absence of such records, that questions might conceivably be asked at some stage in the future in relation to the manner which such funds were dealt with, or spent or accounted for or not

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accounted for, as the case may be, that might cause you some difficulty and might pose difficulties in answering?

A. Well, it doesn't cause me any difficulty. The situation was, I don't have the detailed breakout of - and the running of one's constituency office and a campaign, I mean it was continuous. I mean you were running a very busy constituency office. You had a lot of outgoings weekly, monthly, then you had the costs of election. We had three elections within 18 months at one period. I think everybody in the Oireachtas ended up owing substantial monies and had to clear their debts and so forth. And there was never any surplus, so any monies I ever got I expended in running my office.

56 Q. I am just trying to see what records or documents might conceivably be available to the Tribunal in relation to such political donations, and I wonder, if I am you correctly when - understand you correctly to say the following, that (A) you got political donations in which you didn't segregate, but which were mixed in with your general income into different accounts perhaps; and (B) that you had expended monies personally in the course of an election; and (C) the constituency also expended monies on your behalf and on behalf of your running mates; is that correct?

A. Yes.

57 Q. Did you keep, at any stage, a record of what you personally had spent in the course of any particular election campaign so that you could account for such expenditure to your constituency colleagues, to your constituency executive, to your treasurer or anybody else?

A. No, I was accountable to myself, not to any of those people. I didn't have to account to those people. They would have had a meeting after an election, say we have "X" bills and how are we going to pay it? We would have to look at it. During some of the campaigns we would have maybe made a contribution in advance of the election so that the Director of Elections would be in funds to pay for hotel rooms and meals and other things for party activists.

58 Q. Well, was the practice for directors of elections to be in a position to report after each election to show what expenditure he, or she, had incurred on your behalf and on behalf of your running mates, in relation to each election?

A. Yes, the Director of Elections would give an after election report.

59 Q. Yes. And would show what the balance was and presumably there was a shortfall after most elections?

A. All the time.

60 Q. All the time. And would you not be asked, would your running mates not be asked what monies yee had received as, if any, as donations to the party as distinct from individual donations?

A. Well, by clearing the debt we were honouring the outgoings that the constituency had incurred. That is what we would do, to try and avoid the constituency being in debt from election-to-election, and we normally would just leave enough in the constituency outgoings to meet postage and various other - notice of meetings, hotel rooms booking and so forth. So the procedure was that we would clear the election debt, that would be the way the constituency operated.

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61 Q. I see. Do you ever recall receiving a political donation which was intended for the party rather than for yourself?

A. No. If I did I would have passed it to the party. The party had its own fundraising activities, as you will be aware.

62 Q. I see. So you - to the best of your recollection - never received a political donation for the party as distinct from a political donation for Liam Lawlor?

A. I think anybody making a contribution to the party would make it direct.

63 Q. Can you give an estimate of what the cost to you for running an election, on average; I know it is difficult in the absence of the records that you say you don't have; can you give an estimate as to what the cost of running elections would have been, on an election basis or --

A. Well, as I said Chairman, I have attempted to reconstruct that information, and I can provide it to the Tribunal in great detail. Now, I would estimate that in today's costs an election would probably cost something between maybe £10,000 and £20,000.

64 Q. So what, over the period from 1977 would you estimate that the total would have been?

A. I don't have the information but I have prepared it, I don't have the number here for you, but I would estimate that since my entering public life, the cost of elections, the cost of running my office, I am guestimating, could have been about a quarter of a million pounds.

65 Q. Now, you said that you were in the process of complying information on - where is the documentation or where are the records that you are using to compile that information?

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A. It is from my knowledge of all the bills I had to pay.

66 Q. So it is your recollection?

A. It is a pretty good recollection.

67 Q. Well, you have bills that you can identify?

A. Possibly in more recent times I might, yes.

68 Q. You might have?

A. I could - you know, I can't say I do or I don't, but I may have, maybe the last election there may be a file there still.

69 Q. Tell me, how many secretaries have you had employed in your office in the year 2,000?

A. In the year 2,000, I have, there is three people at my office currently.

70 Q. And you're only now attempting to assemble the details of the outlays that you have --

A. I have it assembled.

71 Q. You have it assembled?

A. That is what I said earlier, Chairman. I would be delighted to provide it to you.

72 Q. Is that included in any way in your affidavit that you furnished yesterday?

A. No, no.

73 Q. Why, if you had it assembled, did you not include it in the affidavit that you furnished yesterday?

A. Because to be quite honest, I didn't see it arising in the context of the affidavit, but I would be very pleased to provide it to the Tribunal. I didn't identify that that was asked for in the orders that we are dealing with here.

74 Q. Given that you have prepared this information, can you tell us what the approximate total expenditure amounts to, what

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amount have you identified over the period since 1977?

A. I think I have already answered that question. I am guesstimating a quarter of a million pounds. But it is an itemised --

75 Q. It is itemised?

A. It is, yes. I don't have it with me, it is at my office.

76 Q. And how much do you estimate you received in political donations during the same period?

A. I don't think I have actually a figure for that, but I can, again, endeavour to put it together for the Tribunal.

77 Q. You have received from various banks at your request, copies of statements and documents which they had earlier furnished to the Tribunal, isn't that correct?

A. I believe so. Well, you seem to have more bank information than I have.

78 Q. That may or may not be, Mr. Lawlor?

A. Well, you wrote to me saying that I didn't disclose 12 accounts. To be honest, I didn't appreciate the hire-purchase agreements, lease agreements, I didn't interpret them to be bank accounts, and I discovered in the documents provided to you yesterday, with information regarding those accounts, which I didn't quite appreciate were bank accounts in the terms of the Discovery.

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I haven't provided 12 because I don't have 12 accounts unaccounted for. I've provided 7 or 8, I think, yesterday. There is still a shortfall. The Tribunal seems to have bank information about my personal finances which I don't have.

79 Q. Mr. Lawlor, I suggest to you that that statement is

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incorrect, that you well recognised and realised that the accounts that you were to include, included your finance, your hire-purchase leasing agreements and other agreements; and you recognised that when you furnished the first affidavit, and before you furnished the first affidavit, isn't that right?

A. No, it is not right.

80 Q. Is it not? Well, can I refer you to --

A. Wrong.

81 Q. Can I refer you to item number 16 on the affidavit that you swore on the 6th of November of 2000?

(Document handed to witness)

You included an Irish Permanent Finance car loan.

Account number - 0800/N/00193025.

Date of agreement - the 9th of the 12th, 1998.

Monthly installments - €1,208.99

That is on page 63 of the book that was identified yesterday?

A. Yes.

82 Q. Yes.

A. Yes.

83 Q. Mr. Lawlor, did you recognise the agreement dealing with car finance, hire-purchase, leasing, were relevant and had to be identified in accordance with the order of the High Court?

A. "16" is the current loan that is available. I didn't have what I discovered to you yesterday when I was providing this information. On receipt of your lengthy letter we went trawling, and further trawling and further trawling and we provided the additional information that I have



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available to me.

84 Q. Mr. Lawlor, you said that you did not provide details of hire-purchase agreements and leasing agreements because you didn't interpret them to be bank accounts?

A. Mr. Gallagher, I have given you everything I have.

85 Q. That is not the question Mr. Lawlor?

A. I don't wish to get into an argument with you, please Chairman, but the situation is: Everything I have, I have given you, and I didn't have it in my possession, if I had it - I gave you 18 accounts. It sounds like, there is a lot of them are trivial, and the additional information provided is a mobile phone lease, photocopier --

86 Q. We are going to come to all of those in due course, Mr. Lawlor, I just want to point out to you --

A. I hear what you are saying.

87 Q. Do you accept --

A. No, I don't accept the point you are making, I don't Mr. Gallagher, no.

88 Q. Do you accept that you did identify one hire-purchase or car lease agreement in your affidavit of the 6th of November. Do you accept that?

A. It is there, number 16.

89 Q. Do you accept it?

A. It is there, number 16. Of course I accept it, I gave it to you.

90 Q. Well then, how do you say that you didn't understand that you were to disclose all hire-purchase agreements and car leases when swearing that affidavit?

A. No, I think what you will find is that the information I now provided was of historic nature which I didn't have,

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and it is only through trawling and going back and trying to reconstruct every tittle-tattle over 25 years, that I provided you with the additional information, which I didn't have the day I swore this affidavit. If I had I would have given it to you.

91 Q. Where did you get it in the meantime?

A. By turning the office upside down. Spending time that I don't have when my office should be looking after the constituency activity. I have been put to horrendous time and cost to provide banking information which this Tribunal has by orders to the banks. I take grave exception to the fact that you put in 224 orders on financial institutions and I am replicating that work. I don't see the productivity of it. I don't see the reasoning behind it.

And Chairman, I appreciate what you said yesterday, it was my duty to provide discovery, but I mean, if the banks have records, I think the banks have greater resources to keep records than I have, and if they are providing you with the information, all I can do is authenticate what I haven't given you, if you have information from the banks which I don't have.

92 Q. Mr. Lawlor, it seems to me that in the vast majority of cases, what you did in relation to discovery was that you wrote to the banks and you asked them to give to you copies of the documentation they had already furnished to the Tribunal, isn't that right?

A. That is incorrect.

93 Q. It is incorrect?

A. I wrote to the banks in advance of you making the discovery

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orders asking the banks to give me every record they have.

94 Q. What banks, Mr. Lawlor?

A. Whatever banks I had, a recollection of what accounts I had

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95 Q. All right, all right. If you want to talk about those, we

can talk about those. What banks did you write to Mr.

Lawlor, and ask them to give you records so that you could then send them on to the Tribunal?

A. The Bank of Ireland, Ulster Bank, GE Capital --

96 Q. Nice and slowly. The Bank of Ireland. Tell me what Bank of Ireland did you write to?

A. I believe you have copies of the letters actually in your possession. I sent them to you.

97 Q. Did we get any single document from the banks that you identified?

A. From me?

98 Q. As a result of you writing your letters, did the Tribunal get one single document, to the best of your knowledge?

A. Well, what came into my possession was passed on to the Tribunal.

99 Q. That is not the question. To the best of your knowledge, did the Tribunal get one single document from any of the banks whose, the branches you identified before the orders were made and before the court, and the Tribunal, was forced to go to the High Court?

A. I don't know whether you did or not. Whatever I got from the banks I gave.

100 Q. Did you, for example, write to the Bank of Nova Scotia?

A. I did, yes.

101 Q. When did you write to them?

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A. I can't remember.

102 Q. Where is the letter?

A. You may have it, I don't have it. I spoke to Mr. Cliff Cinnamon down there and explained the urgency of the matter and asked him could he research his records and provide me with everything he had.

103 Q. What did you do to search your records, to go through your own accounts, to go through your files? What did you do apart - what did you personally do to assist the Tribunal?

A. Well, I set about getting everything we had and giving you --

104 Q. What did you do up to the time of the swearing of the affidavit, to procure your records, to go through your records? Did you go to your auditors?

A. My auditors wouldn't have had that information.

105 Q. Did you go to your auditors?

A. Well, I wouldn't go to them for information that I didn't think they had.

106 Q. Did you go to your auditors?

A. Go to my auditors for what?

107 Q. For any information, records, notes or accounts or receipts, or invoices, or tax returns, or reconciliations or anything whatever that they might have that might assist you and assist the Tribunal?

A. I got all the information that I could.

108 Q. Did you go to your auditors, Mr. Lawlor, yes or no?

A. I didn't go to my auditors for bank information.

109 Q. Did you go for any information to assist the Tribunal?

A. I don't believe my accountants can assist the Tribunal, so --

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110 Q. Did you go to your accountants?

A. No, I didn't, no.

111 Q. You didn't. Who are your accountants?

A. They are currently Burke Burns and Blake.

112 Q. Who were your accountants before that firm?

A. FG Blake and Co.. That is all in discovery. You have all that documentation.

113 Q. Don't worry about discovery?

A. (Inaudible) wasting time.

114 Q. Who was the accountant that you dealt with in that firm?

A. Mr. Patrick Burns - B-U-R-N-S.

115 Q. How long has Mr. Burns been your personal accountant?

A. Probably about 30 years.

116 Q. I see. You identified the firm of Coopers and Lybrand yesterday as a firm who acted as accountants and auditors for one of your companies. Did any other firm of accountants, or any individual accountant for that matter, ever act for any other company with which you were associated, that you can recall?

A. I can't recall any other accountant, no.

117 Q. Do you remember Bascal Charlton (SIC) ever acting for any company?

A. Yes, they did, they did.

118 Q. Pardon?

A. Yes.

119 Q. You do?

A. Yes, I do recall.

120 Q. What did they act in relation to?

A. I can't recall which company it was.

121 Q. I see.

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A. I think it was about 10 or 12 years ago.

122 Q. Did you ever go to Mr. Burns and say "Mr. Burns, will you please give me everything you have here, because this Tribunal is insisting that I give them information and give them documents"?

A. No, I didn't. I didn't think it was relevant. If I did --

123 Q. Did you ever go to your tax inspector and say: "This Flood Tribunal is on to me to give documents and records and I am finding some difficulty in recalling details and I don't have particular accounts. I wonder would you just give me copies of my tax returns so I can show them what monies I got, and how I accounted for all the monies I received?"

A. I thought this Tribunal was dealing with payments to politicians for planning, so I didn't see these matters as relevant at all to you.

124 Q. Indeed. But you did see that your income was relevant, did you not?

A. Not in the context of other than the Terms of Reference of which you are trying to establish.

125 Q. Oh, yes, and that is undoubtedly so. But did you - you understood that so far as the Tribunal was concerned it wanted to know about your income and about your expenditure, your various bank accounts, your various records?

A. Well, it is relevant, what I have just said. I didn't think these matters were relevant. I certainly didn't think the questioning yesterday had any relevance to the Tribunal. That could be a misinterpretation on my behalf, but that is the way I proceeded with it.

126 Q. Mr. Lawlor --

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A. I have a letter overnight from the accountant, in an effort to be of assistance and to address the questions you put to me yesterday.

127 Q. Before you swore your affidavit on the 6th of November, and before you swore your Supplemental Affidavit yesterday, did you ask your tax advisors, or your solicitors, or anybody else to provide you with documentation or records, or assistance in complying the affidavit, and in furnishing the material to the Tribunal?

A. In the two affidavits, I prepared to the best of my ability the information that you sought, and that is what I have done. And if the implication that you are attempting to make is that I swore two affidavits without fully disclosing everything, that is incorrect. I endeavoured to provide every detail.

128 Q. Did you discuss the various documents that the Tribunal, and the information that the Tribunal was looking for, with your employees to see to what extent they could assist you, or to what extent they might have records or notes or diaries or telephone records, or anything of that nature that might assist, in assisting you to assist the Tribunal to identify where monies had come from and how they had been expended?

A. That is how you have the information that I have provided you with, that my office has provided this. The staff I have had have been rooting through everything to put it together in a chronology order, which seems to be the basis of serious criticism, which I fail to understand; and I have been at this since the last couple of months.

129 Q. Can I ask you, Mr. Lawlor, if you can identify any

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documents that you have provided to the Tribunal that were not furnished to you at your request by the banks?

A. Could you repeat - what is the question?

130 Q. I am asking you, can you identify any documents which you have furnished to the Tribunal which were not furnished to you at your request by various banks?

A. Well, I took the view, Chairman, that I wrote to the banks to be capable of responding to the Tribunal. The Tribunal then made the orders, and I then took the view that the banks were going to fully cooperate with the Tribunal and provide them with everything that they had in their records. I further pursued that matter with Allied Irish Banks, which was the basis of criticism, about HALL Thermotank, Irish Refrigeration and I asked them would they give me a reply before Friday at 5 o'clock, last.

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They have come back and said they have no records in their archives of the companies that I sought the information from. So you know, I just don't know what one can do to provide what you have other than what has been done.

131 Q. Do I take it that your answer is that you haven't provided any documents other than documents that were provided to you by the banks, which you in turn forwarded on to the Tribunal?

A. I don't think there is any such other information.

132 Q. That is not the question. That is not the question. The question is: Can you identify any documents that you furnished to the Tribunal, other than documents which in turn were furnished by the banks, or financial institutions to you, and which you sent on to the Tribunal, in and with



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your affidavit of the 6th of November, and indeed the subsequent affidavit?

A. I can't identify any such documents. They may be there. I may have sent them. I mean - these are piles of files that are prepared with every shred of information I have at my disposal. I think the banks, as I have said, have the resources to hold records better than I did. I thought the best way to do it was to ask them, so that it was the fullest of information.

133 Q. Tell me this, have you, or have you at any time been registered for VAT?

A. Personally, no, I don't believe so.

134 Q. Pardon?

A. I don't believe so, personally I don't believe so. Maybe I was. The companies back over the years would have been obviously registered for VAT.

135 Q. Do you have any purchases books or any monies received book? In other words, do you have any document or book showing what monies were received by you from whatever source?

A. No.

136 Q. You don't?

A. No.

137 Q. And how then do you know what monies you have received in any given year or any given period?

A. What would I need to know for?

138 Q. Well, I would have thought that the tax returns that would be necessary to - that you would be obliged to furnish from time to time, would be based on records such as the records I referred to?

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A. Yeah, whatever records in that respect they would obviously be available, yes.

139 Q. Where are they?

A. I don't even know what you are asking me about, what records.

140 Q. The records that you said that would be available, tell me where those records are?

A. Available in the context of being registered for VAT?

141 Q. No. The records that you have already said that would be available for --

A. You asked me was I ever registered for VAT.

142 Q. No, we passed on from that, as you are well aware.

A. No, I am not well aware.

143 Q. I am asking you about what records you would have kept, which would identify what monies came in to your possession that came into your possession, or into your control?

A. What monies came into my control are on the bank statements that I have furnished to you. That's the record of them.

144 Q. Does that mean that you have no record other than the bank statements?

A. Possibly, there might be records in more recent years, but certainly not going back over the period of time we are talking about.

145 Q. What records would be available in more recent years?

A. I don't know. I would have to look.

146 Q. Mr. Lawlor, they are your books?

A. If you want to specify what you are asking me.

147 Q. I am asking you, I don't know.

A. I don't even know what you are asking.

148 Q. I am asking you, Mr. Lawlor, what records you keep of

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monies that you have received from time to time as a TD, or as a County Councillor, or in any other manner or for any other reason; whether it is as rental income or as a distribution of dividends from a company or a shareholding?

A. We have discovered all that to you, whatever we have.

149 Q. No, Mr. Lawlor, I am asking what records you keep to show what money you receive and have received from time to time, whether on a daily basis, a weekly basis, a monthly basis or a yearly basis. Now what records do you have?

A. I don't have detailed records.

150 Q. What records do you have?

A. I don't have records.

151 Q. You don't have any records?

A. No, other than what I have provided you with.

152 Q. What you have provided us with are statements furnished by your banks to you?

A. Correct.

153 Q. And some cheques and other lodgement slips?

A. Everything that I could get my hands-on.

154 Q. Everything that the bank gave to you?

A. No.

155 Q. What else did you give?

A. Didn't I give you a box of cheque books yesterday? Stubs, didn't I give you a box, a photocopied listing of every lodgement that was made?

156 Q. Despite working 15 hours a day, or thereabouts, it was just not possible to read the documentation.

A. You will appreciate that I have given it to you.

157 Q. Do you say that you didn't have a cheque journal? What about the cheques you paid? What about paying the ESB and

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paying your television license and paying your staff? What records do you keep to show what monies you pay your staff for PRSI purposes?

A. I have given you the cheque stubs I have.

158 Q. No, Mr. Lawlor, that is not the question. The question is what records do you keep in relation to paying PRSI to your staff, for example?

A. The staff of my office, the Dail Secretary?

159 Q. No, the staff in your office, the staff in your office. We will start there, now what records do you keep to show what monies you have paid to them from time to time?

A. My Dail Secretary is paid from the Department of Finance.

160 Q. I am not asking but the Dail Secretary?

A. This is my office. If you let me finish please, when you ask a question. The other people; I would have paid one partly from demographic studies, which I think you have all the details. A lot of other people would have been paid cash over the years.

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CHAIRMAN: Do you keep an account of the cash you pay people?

A. No, but that is what I attempted to reconstruct, Chairman, which is the information I provided the Tribunal with.

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CHAIRMAN: Tell me, do you pay tax yourself?

A. I do, yes, Chairman.

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CHAIRMAN: And what are the sources from which you calculate the tax which you should pay? What source do you give to the Revenue Commissioners?

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A. Well, I disclose whatever income I have had and pay whatever tax is due.

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CHAIRMAN: I see. Well, where do you find the details of the income that you have.

A. In the documentation I have provided to the Tribunal.

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CHAIRMAN: Where in the documentation you provided to the Tribunal? Do you have any books?

A. Books in the context of my current consultancy, yes.

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CHAIRMAN: I see. So that - you do understand that you can compile a list of sources of income, take the last five years; just take the last five years. I would expect that you should be able to compile a list of sources in that period at least, from which you derived income and which, like anybody else, may to an extent be liable to tax.

A. Yes, and I will provide that to you Chairman.

161 Q. MR. GALLAGHER: Mr. Lawlor, I just want you to be clear, you keep referring to the documents that you have produced to the Tribunal. The documents you have produced to the Tribunal do not account, do not include one cheque stub book; it does not include one cheque journal; it does not include one journal or record of payments or income received by you; it comprises of statements, cheques, photocopies of cheques, lodgement slips, etc., that were furnished by banks and institutions to you. It doesn't include any of your records?

A. Mr. Gallagher, you got a box of cheques, used cheque books which is what --

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162 Q. When did they come?

A. With the most recent discovery.

163 Q. Yesterday?

A. Yes.

164 Q. Why didn't you include them on the first affidavit if they are there? I am not saying they are not there. I don't know, I haven't had an opportunity to look?

A. Well, because we had to go look and root for them and try to find them. They weren't available to me when I swore the first affidavit; and on receipt of your lengthy letter highlighting all the various issues you required, we went searching and trawling and gave you everything we have. There was no attempt to withhold or otherwise. It was there, anything I can give you I have given you.

165 Q. Tell me, what books do you have in relation to your current consultancy that - the books that you mentioned just a short time ago?

A. Well, what we can do there is provide you with a financial statement of the consultancy, the income, the outgoings and so forth.

166 Q. No, I am asking you what books and records you keep to show the incomings and the outgoings?

A. The office - there would be the income and the outgoings and details of that, yes.

167 Q. When did you start to keep such records?

A. I was - I entered into a consultancy with an international mechanical and electrical organisation and they were paying me a consultancy monthly fee.

168 Q. Yes.

A. And I think we will be coming up to maybe a year and a

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half, two years now.

169 Q. Yes, I see.

A. I will provide you with that information.

170 Q. How much was that, Mr. Lawlor?

A. ú1,000 a month.

171 Q. And was that inclusive or exclusive of VAT?

A. I am not so sure that VAT applies, maybe it does. But whatever the VAT, if there is VAT on it, it is all recorded, I can provide you with all that detail.

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CHAIRMAN: Tell me Mr. Lawlor, how frequently do you make a VAT return?

A. Well, the accountants deal with it on the requirements of the VAT office, Chairman.

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CHAIRMAN: Are you not obliged to sign the VAT return?

A. Yes, yes.

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CHAIRMAN: How frequently do you do that?

A. I think the VAT office send out a standard form that one signs and attaches a cheque to it.

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CHAIRMAN: Do you keep a copy of it?

A. Yes, I think I do, yes. I would have that for you.

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CHAIRMAN: Can we have a - Can we have them delivered to us?

A. Could I just be clear though? I have agreed, Chairman, that I am going to provide you with a breakdown of all those outgoings and incomes over the years, and I have also

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agreed that I will provide you with whatever details there are regarding the current consultancy. Is that --

172 Q. MR. GALLAGHER: Mr. Lawlor, what we want are your records, your documents and your records?

A. Whatever I have I will give you, no problem.

173 Q. You say you have nothing else, is that what you are saying?

A. What I say is that anything I have I will provide the Tribunal with; whatever the details of that I have.

174 Q. But you haven't gone to your accountants to look for whatever documents and records and notes, returns, invoices, receipts or anything else that they might have?

A. I don't know if they have that information.

175 Q. The point is you haven't gone to them, isn't that right?

A. Overnight I went to them and asked them about the companies that you asked me about yesterday. Further to your request, I have checked their records and I confirm that we have no documentation relating to Irish Refrigeration, Irish Insulations or Irish Air Conditioning. My recollection is that Irish Refrigeration and Irish Insulations ceased trading in the early mid-70's and Irish Air Conditioning never traded. Generally we would not keep obsolete records for that length of time. That was overnight, they went and searched their records to get you that letter.

176 Q. Where did they search the records for - Sorry, where did you search for the records?

A. I read a letter from my accountant who searched his records and wrote me this letter by fax this morning to answer the questions that you were asking me yesterday, which I couldn't answer.



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177 Q. Mr. Lawlor, I would prefer if you didn't tell me about matters that occurred this morning, or indeed yesterday morning. You were ordered by this Tribunal and you were ordered by the High Court?

A. Correct.

178 Q. To swear an affidavit?

A. And I have sworn two affidavits on it, and I have given you everything I have.

179 Q. Mr. Lawlor, you were obliged to swear an affidavit in accordance with an order of the High Court. You swore an affidavit, you swore an affidavit which among other things identified a company which you said was non-trading. Which is, according to the records that you provided to us --

A. Sure.

180 Q. -- it showed that it had an income of something in excess of ú320,000. You cannot identify where those monies came from?

A. I will endeavour to try and --

181 Q. You --

A. I can't identify it for you, no. I don't know at this moment, I can't say whether it was A, B, C or D.

182 Q. You weren't in a position to identify that prior to swearing the affidavit?

A. No, and I am still not.

183 Q. You have been asked as far back as last June or long before that, to give information to the Tribunal and you had every opportunity over the past two years to assemble that information, to research that information, to procure whatever documents existed, and you have failed to do so, isn't that right?

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A. Mr. Chairman, my interpretation of your Terms of Reference and what you expecting from me are totally at variance.

184 Q. Don't worry about the Terms of Reference?

A. Yes, I do actually. You mightn't like to but I do, Mr. Chairman, they are very relevant to your work, and you are controlled and specified by them. You have to stay within your Terms of Reference. Going back into companies in the sixties and seventies. I misinterpreted your Terms of Reference. I didn't think they were relevant to you, Mr. Chairman. I could have had that letter for you a month ago telling you, and the difficulties that arose yesterday wouldn't have arisen if I had appreciated that companies before I entered public life were of any relevance to this tribunal. That may be an anomaly on my part, but that was the way I viewed the matter.

185 Q. Mr. Lawlor, may I remind you, that in your sworn affidavit of the 6th of November, you are the person who identified those companies as being relevant. You are the person who introduced them and brought them to the attention of the Tribunal, and now --

A. Mr. Chairman --

186 Q. Let me finish, please. When you are being asked details of those, you object and you say they are not relevant. You made them relevant, Sir, in your affidavit.

A. I regret I gave it to you then, because I shouldn't have, I didn't have to. And I did because I was trying to be helpful to the Tribunal, because your letter said "could you list any companies you ever had any involvement with". And I went back to the sixties to give you this information. So now you are saying that because I gave it

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to you, it is causing you difficulties?

187 Q. No, it is not causing me a difficulty at all.

A. It seems to be.

188 Q. I am simply looking to see what documents, if any, you have in relation to the companies that you identified as being relevant, and you have failed to do so, as yet?

A. But having sworn an affidavit I gave you everything I had. Do you think I withheld information? Is that what you are implying?

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CHAIRMAN: Mr. Lawlor, the essence of an affidavit is that it should be factually true.

A. Correct.

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CHAIRMAN: And factually accurate. I have some unease about the accuracy or factual truth of some of the averments in your affidavit. I intend to inquire into them in detail.

189 Q. MR. GALLAGHER: Mr. Lawlor, I asked you earlier were you registered for VAT and you said you were not, as I recall your question, or recall your reply, if I am incorrect in that.

A. "Demographics" I think, I registered for VAT. My current consultancy, I told you is registered for VAT. And I undertook to get you details.

190 Q. Are you personally, Liam Lawlor, registered for VAT?

A. No, no.

191 Q. Have you, Liam Lawlor, ever been personally registered for VAT?

A. Not to my recollection, no.

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192 Q. Now, you referred to a company called Demographic Studies, or a business entity called Demographic Studies; would you tell the Tribunal about that? Because it doesn't appear to have been identified in the affidavit that I have seen, the first affidavit or indeed the second affidavit, to the best of my recollection, but I may be wrong in that?

A. I think it is, it is listed as one of the companies I had an interest in, I would suggest. I just told you what it does. No. 7 on page 66, Demographic and Strategic Consultancy, that is a consultancy company involved in the electrical and mechanical contracting sector. I have undertaken to give you whatever detail I have and had regarding VAT and any other financial information associated with it.

193 Q. Yes, I was aware of that, that you had identified that, but the entity that you referred to earlier here in your evidence was Demographic Studies.

A. Demographic Strategic Consultants.

194 Q. Yes, I know that is the document, that is the entity referred to?

A. That is the consultancy.

195 Q. That is the entity.

A. If I said "studies" instead of "strategic" I apologise profusely to you.

196 Q. I just wanted to clarify.

A. You don't need to clarify, it is Demographic and Strategic Consultancy. That is my current consultancy, is that clear?

197 Q. It would be clear in one more way?

A. It is clear now.

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198 Q. Are you confirming that there is no such company or consultancy as Demographic Studies?

A. Correct.

199 Q. And you are confirming that Demographic and Strategic Consultants is registered for VAT?

A. I have already said that 20 minutes ago, Mr. Gallagher.

200 Q. I see. And is that an entity that was incorporated, that was registered as a business name in 1998?

A. Correct, yes.

201 Q. Why did you not furnish details of the accounts and records and VAT returns etc., in respect of that company which has been, or that business which has been operating since 19 - the 25th of September, 1998, when it was incorporated?

A. Because I didn't realise that electrical and mechanical contracting here and abroad had anything to do with the Flood Tribunal and its Terms of Reference, that is why I didn't.

202 Q. I see. But you referred to it in your affidavit?

A. Well, that seems to be a problem, that I have tried to disclose too much information, and I didn't believe it was relevant, but I thought it was proper to tell you about these companies, and it seems to be the basis of a problem now.

203 Q. Mr. Lawlor, I don't know whether it is necessary for me to read out to you again the form of the order which was made by this Tribunal and which was, which was the subject of an order of the High Court. You were obliged to --

A. So, is the High Court Order extending the Terms of Reference of the Tribunal? Is that the implication?

204 Q. No, the order of the High Court --

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A. Yes, I am aware of the order.

205 Q. Is one that requires you to produce to the Tribunal; to make discovery on oath and produce to the Tribunal all documents and records in your possession --

A. Chairman, arising out of today's discussion there is additional information I can provide you with that I didn't appreciate was relevant. I will be delighted to do so, that is all I can do.

206 Q. Did you inquire as to what documents you should produce and what documents might be relevant and might be caught by the terms of that order?

A. No, I made a judgement on that. If I was wrong I apologise and I will provide the information to you.

207 Q. Did you not seek legal advice from your legal advisors as to what documents were covered or caught by the terms of that order?

A. Well, I have stated my position on the matter.

208 Q. Mr. Lawlor, the position is, I am asking you a simple question, Mr. Lawlor, would you please answer it?

A. Yes, no problem; I prepared this documentation with my solicitor.

209 Q. Yes. And did you inquire as to whether or not the records and accounts of Demographic and Strategic Consultancy --

A. What I did Chairman, was I recall for, in discussions with my solicitor, as far back as I could go, every detail about every company, and we specified a list of them down there in an effort to be of assistance to the Tribunal. If I haven't provided information which I should have, I apologise to the Tribunal and I will forthwith provide it. That is all I can do.

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210 Q. Mr. Lawlor, did you inquire from your solicitor or from anybody else, as to whether or not you should furnish to the Tribunal the accounts and records and cheque lodgements and any other details that might exist, in relation to Demographic and Strategic Consultants?

A. Not in the detail which is obviously lacking in the discovery, and all I can do is, you know, again say that whatever I have related to that company listed as No. 7, I would be very pleased to try and put it together as quickly as possible and provide it to you.

211 Q. Do you say that in relation to Demographic and Strategic Consultants, you have a proper purchase book, that you have a sales book, a balance sheet, cash receipts and payments book?

A. Well, what I would have is a standard monthly invoice and cheque book and account - Yes, you know, we can provide you with a detailed, as you are outlining, we should be able to provide you with all that information.

212 Q. I take it they are readily available in your office?

A. Yes.

213 Q. You would have no difficulty in phoning one of your staff to bring those documents in?

A. I don't think they could just lay their hands - it was I was intending to prepare it properly and document it and put it in a proper file with the inflows of funds. The reason for those, the outgoings, and photostat whatever details and the VAT returns and so forth and - we will deliver it tomorrow by midday, if that is agreeable?

214 Q. Well, you could, there would be no difficulty in a member of your staff responding to a telephone call and bringing

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them in and having them in here by lunchtime, for example?

A. That would be difficult.

215 Q. Pardon?

A. It would be difficult.

216 Q. Why would that be difficult?

A. Because I just need to get it together for you, to ring now  
- is there a mad urgency for it?

217 Q. No, just to get them, to facilitate you and to ensure that  
you don't have to spend any longer answering my questions.

We can endeavour to --

A. I will deliver it to the Tribunal by 10 o'clock in the  
morning.

218 Q. I see.

A. I will get back to my office and instruct my girl to get it  
all out, put it into a proper order, photocopy it and make  
sure it's as detailed as it can. We will speak to the  
accountant. We will ask him to give us whatever  
information he has.

219 Q. Well, if the Sole Member were to take a break for a moment,  
would there be any difficulty in you telephoning your  
secretary and instructing her to bring in the records  
straightaway?

A. Yes, there would be a difficulty.

220 Q. What difficulty? Why can't you do that? Why won't you do  
that?

A. I have no problem in putting the information together. I  
see it as absolutely unreasonable. I will deliver it to  
you for 10 o'clock tomorrow morning set out, if that is  
okay, Chairman, in a proper format for you. Photocopied  
and everything.



00041

221 Q. The Tribunal doesn't want it set out at all. We will set it out ourselves, once we get the details and the books, if there any difficulties about you telephoning your staff right now, if the Sole Member decides to afford you that facility, and asking a member of your staff, who is working in your office, in Somerton, to bring in all your records in relation to Demographic and Strategic Consultants which is registered for VAT, which was incorporated some two or three years ago and which is the consultancy which you are, at present, carrying on?

A. Well, what I would like to do is also telephone the accountants and ask them to prepare a - I would assume photocopies of everything, so that we keep our records, so you know, it is just - it is only a mechanical matter, Chairman, of getting it done. There is no difficulty in doing it. I don't see the mad urgency of, you know - there is very few people in the office, they are mighty busy with what they have to do. It would be dropping everything to try and assemble this in an hour or so, when another overnight - will that not do?

222 Q. Well, I think perhaps the Sole Member might like to consider whether he wants to see those documents now, because clearly whilst your office --

A. I think this is hair splitting and time wasting to be honest, Mr. Chairman. I will give you everything I can, Mr. Chairman. I will do it as fast as I can. Now ringing up and asking somebody to come rushing in here with a bag of papers --

223 Q. Mr. Lawlor, you were obliged by order of this Tribunal and obliged by order of the High Court to produce the

documentation by, before the 7th of November. You didn't do so, you haven't done so today and now you are saying that you will compile the records and have them for us tomorrow.

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Can I suggest Sir, that you give Mr. Lawlor an opportunity to get those documents and produce them today, so that we can hopefully peruse them for what information they can disclose to us and hopefully --

A. Mr. Chairman --

224 Q. -- and possibly an examination --

A. This is a consultancy that has a thousand pound retainer for probably a couple of years, dealing with mechanical and electrical contracting. That's the only function that consultancy has embarked upon.

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CHAIRMAN: Well I take it, I take it that you have books of account? You have a bank account, you have presumably a lodgements and a book which debits, debits customers for services rendered?

A. Just one customer, Chairman.

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CHAIRMAN: I presume all those are readily obtainable? I think they should be here.

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I think also, as far as I recall, that this is, you are here on foot of a order which obliges you to produce them here. That was the direction, that was the order that was made, and I now require that order to be complied with, and complied with by 2 o'clock.

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So I will rise now to enable you to make the necessary telephone call, unless any arrangements to get that are put in hand.

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MR. GALLAGHER: Would you say 5 to 12?

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CHAIRMAN: Yes, I will say 5 to 12.

A. 10 past 12?

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CHAIRMAN: 10 past 12, all right.

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THE HEARING THEN ADJOURNED FOR A SHORT BREAK AND RESUMED AGAIN AS FOLLOWS:

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A. Mr. Chairman, I sent out to collect the material and I telephoned the office, so hopefully it will be with you within an hour or so.

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CHAIRMAN: Thank you.

225 Q. MR. GALLAGHER: Mr. Lawlor, did I understand you to say before the break, that Demographic and Strategic Consultants is your current consultancy?

A. Correct.

226 Q. And did I understand you to say that its source of income is \$1,000 per month from a company that you identify, is that correct?

A. That's correct, yes.

227 Q. Does it have any other source of income?

A. No, but could do in the future.

00044

228 Q. Yes. So, can the Tribunal take it that the records that you have in relation to Demographic and Strategic Consultants, from its formation or incorporation, registration as a business name, in September of 1998, to date, will show only that it was in receipt of €1,000 per month from the company that you have mentioned, and I think the letter "R" comes to mind?

A. "Rotary", yes, it may have, just can't be sure. It will be in the information I am providing.

229 Q. At this stage, can you recall any other income or consultancy work you did that would have involved the payment of monies to you?

A. No, I can't recall, no. But it will be in the information.

230 Q. So we can take it then that there would be no substantial payment, I take it anyway?

A. No, I don't think so, no.

231 Q. Does it therefore follow that your only sources of income since the Demographic and Strategic Consultant name was registered as a business name in September of 1998, was the monies received by that consultancy, the monies that you received as a member of the Oireachtas in salary and expenses?

A. The income since the formation of Demographic --

232 Q. Yes, that was formed, my understanding, according to my recollection in September of 1998?

A. Yes.

233 Q. It was registered as a business name. I think it is not registered as a limited liability company, isn't that right?

A. It is just a registered name as a consultancy, yes.

00045

234 Q. So do I take it that your only source of income since that business was formed in September 1998, was the monies you received; a thousand pounds a month from the Rotary Company that you mentioned, your Dail salary and allowances?

A. There could have been some other --

235 Q. Well, could you try and recall what other income there might have been and where it might be recorded? Would it be in the records of Demographic and Strategic Consultants or --

A. I think it would probably be in the Ulster Bank personal account, that I might have drawn down some additional loan from the Czech Republic.

236 Q. Sorry?

A. I said I might have drawn down some additional monies from the Czech Republic from a loan account.

237 Q. And what financial institution was this additional loan from the Czech Republic drawn down?

A. It was transferred to the Ulster Bank. I think, I can't be absolutely sure, I will check it for you and I will identify anything, if there is anything. I am just conscious of wanting to accurately answer - I just don't have the information in front of me here.

238 Q. The question I asked you is: What financial institution was this additional loan from the Czech Republic drawn down? What bank in the Czech Republic did you draw down this money from?

A. Well, I have detailed an overseas loan account.

239 Q. Mr. Lawlor, it is a very simple question, if you have difficulty understanding the question, please --

A. No, I have no difficulty.

00046

240 Q. The question is: What financial institution in the Czech Republic did you draw down this additional loan from?

A. Since 1997, I don't know whether there were drawings, there were before that, and there may have been after the '97 date, and they are highlighted in the statements you have from the Ulster Bank. They are identified in those statements.

241 Q. Whose name is that account in?

A. My name.

242 Q. In your name?

A. In the Ulster Bank, Main Street, Lucan.

243 Q. Main Street, Lucan. Now, did you drawdown drawings - sorry, in addition, what you described as an additional loan from the Czech Republic, what financial institution did you draw down a loan from, or any loan from prior to 1997?

A. The loan was drawn down from an associate partner of mine in the Czech Republic, they transferred the monies to my account.

244 Q. What is his name?

A. It is Longwater Investments. I think it is referred to in the affidavit.

245 Q. Longwater Investments?

A. Yes.

246 Q. They are not referred to in the first affidavit?

A. They are, I think.

247 Q. Where?

A. I think if you read, where it deals with the Czech Republic.

248 Q. Perhaps you will tell me?

A. It is not a company I have an interest in.

249 Q. Can you tell me where Longwater Investments is referred to in your first affidavit, please?

A. I don't have it in front of me here.

250 Q. Well, perhaps we can arrange to let you have a copy. (Document handed to witness)?

A. What page number is that? What number is it? Sorry, yes. I think it is referred to - I think in your correspondence you referred back to it. Is this yours or mine? Page 64 "with regard to items in first schedule, first part, these contain entries relating to Dail salaries, expenses, council expenses, entries relating to overseas loan guaranteed against my Czech Republic property projects and other assets, insurance claims and electoral contributions and other incomes."

That is on page 64, is that right?

251 Q. Yes, I see that. Where else, where I am going to find the reference to Longwater Investments?

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CHAIRMAN: Page 67.

252 Q. Number 10, on page 67.

A. I was nearly certain that it referred to the actual name of the company. It doesn't refer to the name of the company, it doesn't - that is the name of the company.

253 Q. When you say at page 67, and I quote "There are a number of companies I have associations with in the Czech Republic"?

A. Correct.

254 Q. Are you saying that that is Longwater Investments?

A. Yes.

255 Q. And what association do you have with Longwater

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Investments?

A. I have a joint venture, profit-sharing agreement with them.

256 Q. And where is that?

A. Where is what?

257 Q. Where is the agreement?

A. It is in the Czech Republic.

258 Q. Who are the solicitors who act for you in connection with that?

A. That has nothing to do with your Terms of Reference, the Czech Republic --

259 Q. Who are your solicitors acting for you in relation to that?

A. There is a Dr. Kavalak; there are two or three various people over the last 10 to 12 years.

260 Q. Who drew up that agreement for you and who, where is it held right now?

A. It is in the Czech Republic.

261 Q. And what attempts have you made since the order of the Tribunal was made, and since the order of the High Court was made to retrieve that information and that agreement and any other associated documentation?

A. I haven't - because I didn't see it as part of the necessity to provide to the Tribunal.

262 Q. I see. Yet you felt it appropriate in paragraph 10 of your Affidavit of Discovery to identify in a most general way, without being specific, the number of companies you have associations with, in the Czech Republic. You also talk about an overseas loan guaranteed against your Czech Republic property projects?

A. That's right, yeah.

263 Q. Now, where is Longwater Investments incorporated?



A. I think it is Jersey.

264 Q. Pardon?

A. I think it is Jersey.

265 Q. When did you incorporate that company?

A. I have nothing to do with that company, other than it is a joint venture partner of mine. I have no interest in the company.

266 Q. Would you write down the names of the principals in that company, please? Would you also write down the name of the solicitors and accountants acting for that company

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(Paper handed to witness to record names)

(Paper handed to Solicitor for Tribunal, then to Counsel for Tribunal)

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267 Q. MR. GALLAGHER: What company or entity have you used in your dealings with the Longwater Investments company?

A. Well, there is just a registered name in the Czech Republic, the Irish Consortium, it is not actually a company again, it is just a consultancy.

268 Q. The Irish Consortium?

A. Yes.

269 Q. That is a consultancy. Are you a member of that consultancy?

A. I am, yes.

270 Q. When did that consultancy, the Irish Consortium, come into being?

A. Some time in the first half of the '90s. Probably '93, '94, '95 around then.

271 Q. Does it continue to operate?

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A. Yes.

272 Q. Did you not tell me just a short time ago, Mr. Lawlor, that the only consultancy that you have had since 1998 is Demographic and Strategic Consultants?

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MR. DELAHUNT: Sorry, Mr. Chairman, if I may just cut across Mr. Gallagher? I am just looking at your order, Mr. Chairman. The order of the 8th of June, 2000, and I am presuming, perhaps Mr. Gallagher could clarify the matter for me? Paragraph B, Sir, of your order says: "All documents and records in his possession or power relating to any interest held by Mr. Lawlor in any company."  
Mr. Lawlor's evidence has been that he --

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CHAIRMAN: Would you just read the entire paragraph?

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MR. DELAHUNT: Yes Sir. "And all documents or records in his possession or power relating to any accounts held by Mr. Lawlor in any financial institutions either within or outside the State."

Mr. Lawlor's evidence has been that the particular body that Mr. Gallagher is now questioning in relation to, is not a company, Sir, it is a consultancy.

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MR. GALLAGHER: That is entirely so. That is what Mr. Lawlor has said. Mr. Lawlor has also said that he did, that Demographic and Strategic Consultants was a consultancy that he discovered in his affidavit sworn on the 6th of November. And he has sworn to you here today, Sir, that it was the only consultancy that he has been

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involved in, as I understand his evidence, no doubt I will  
be corrected if I am wrong, since the formation --

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MR. DELAHUNT: The formation --

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CHAIRMAN: Please do not interrupt your colleague.

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MR. GALLAGHER: -- since the formation of Demographic and  
Strategic Consultants as a business name in September of  
1998. I understand Mr. Lawlor now to say that this  
consultancy, Irish consultancy, continues as a  
consultancy. It has not been disclosed in, I think either  
of the affidavits, and certainly --

A. Chairman, I didn't think that the Czech Republic extended  
to your Terms of Reference?

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MR. GALLAGHER: Mr. Lawlor, you felt it appropriate and  
felt it relevant to draw it to the attention of the  
Tribunal in a most general way, that you had associations  
with the Czech Republic. You said: "There are a number of  
companies I have associations with in the Czech Republic"?

A. Correct.

273 Q. You swore that. And yet you did not swear further to  
identify those companies or the relationship or association  
you had with them; isn't that right?

A. I am not a director of the Irish Consortium.

274 Q. You are not a director, I see.

A. No.

275 Q. Well, what relationship do you have with the Irish  
Consortium?

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A. I don't propose to address this matter, it is not in your Terms of Reference.

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CHAIRMAN: Mr. Lawlor, I have already told you that it is not for you to decide what are in my Terms of Reference, it is for you to answer questions when asked. Answer the question now.

A. I want to ask you --

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CHAIRMAN: Answer the question now.

A. What has the Czech Republic got to do with your Terms of Reference? I would like you to make a statement on the matter and clarify it.

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CHAIRMAN: I didn't ask you to do that. I told you to answer the question. You are obeying a High Court Order here today.

A. And it extends to the Czech Republic?

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CHAIRMAN: And in fact the Supreme Court.

A. And the Supreme Court, yes, I am aware of the orders Chairman, very much aware of them.

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CHAIRMAN: I am directing you to answer the question. Now.

276 Q. MR. GALLAGHER: Mr. Lawlor, what is your relationship with the Irish Consortium?

A. I have advised them.

277 Q. Pardon?

A. I have advised them.

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278 Q. You have advised them. Are you a member of the consortium?

A. No, the legislation of the Czech Republic is that you must be registered as a Czech native or have a Czech domicile there to be, so I just advised them.

279 Q. Have you received payments from them?

A. I have received recovery of expenses for air flights and various other matters.

280 Q. Have you received salary?

A. No.

281 Q. Have you received fees for your consultancy?

A. No, it was a cost recovery over a lengthy period.

282 Q. And approximately how much have you recovered from them for air flights and various other matters, as expenses?

A. I have a detailed record.

283 Q. Where is that?

A. Probably in the Prague office.

284 Q. What Prague office?

A. In the office of the Irish - well they used, they had an office, and they terminated their use of the office.

285 Q. And are you saying that you would not have your own personal records in relation to your expenses and your outgoings on behalf of the Irish Consortium in your own office or under your control or procurement?

A. I split some records, yeah, but in the main, whatever records there are, they are retained at the Prague office, I don't use them in my own office.

286 Q. Did you attempt to get any of those records from the Prague office or elsewhere?

A. No, I didn't. I didn't see them relevant to the Tribunal.

287 Q. I see. Is Somerton, Lucan, the Irish office of the Irish

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Consortium?

A. No. It sorts of acts as an office. I think there are other participants in it and their officers were used or identified also, and the Rotary Group that I referred to earlier, they had an office in Prague. We used to partly use that office at the time. They have now closed that office. So --

288 Q. Now, the question I asked you is: Is Somerton, Lucan the Irish office of the Irish Consortium?

A. Not in effect, if I am, you know, doing business in the Czech Republic, obviously correspondence or faxes would come into my office.

289 Q. But that is as a consultant?

A. Advising the Irish Consortium, that is what I told you.

290 Q. In return for expenses and outlays, isn't that right?

A. That's correct, yes.

291 Q. But would you --

A. And I think, was it €12,000 one year and €9,000 for year of recovery of expenses and so forth.

292 Q. And how about other years apart from that? What year are you talking about now, the €12,000?

A. I can't recall which year it was.

293 Q. And what year did you, what year - €9,000, what year did you get that?

A. I can't recall the year.

294 Q. Where are the records in relation to the 12,000 and the 9,000?

A. They would be in Prague.

295 Q. In Prague?

A. Yes.

296 Q. You don't have copies of them?

A. No.

297 Q. Did you ever send a receipt to them and say "Thanks very much, I received your cheque for ú12,000, or received a draft or money order or whatever in reimbursement for expenses"?

A. It would have been done at the Prague office.

298 Q. It would be done at the Prague office?

A. Yes.

299 Q. By whom?

A. By me.

300 Q. So you have material in the Prague office that relates to the Irish Consortium, that is available to detail the monies you have received and the expenditures you have incurred?

A. Just expense recovery.

301 Q. Yes, I know.

A. Yes.

302 Q. But that material is in the Prague office?

A. Oh, I would say so, yes.

303 Q. And it hasn't been discovered?

A. No, it has nothing to do with you.

304 Q. Did you telephone, make any inquiry from anybody --

A. No, I didn't do any such thing at all. I didn't see it as a part of your Terms of Reference, so I did absolutely nothing regarding the matter.

.  
CHAIRMAN: May I interrupt or intervene here? I have a note here, I have a handwritten note and I will check the actual transcript if necessary, you were dealing with your

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current income, which is €1,000 a month from Demographic, your Dail salary; you then went on, I have under "3" Ulster Bank account, could have drawn down additional money from Czech Republic. I have "- loan transferred from Longwater Investment."

Now that is my shorthand note, if necessary I can go back to the actual transcript?

A. That's correct, Sir.

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CHAIRMAN: Tell me more about that? Fill out that note for me.

A. Sorry?

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CHAIRMAN: Fill it out?

A. What do you mean "fill it out"?

305 Q. MR. GALLAGHER: Will you tell the Tribunal what you, what your involvement with Longwater Investments is and what monies were advanced to you, why they were advanced, when they were advanced, how they were dealt with by you, for what purpose they were advanced, when they were to be repaid etc. etc.?

A. There is about 7 or 8 projects which I have an arrangement with that investment company. I had a lot of bank debts in the mid'90s and they advanced two loans and they are due for repayment, and they are also partners in a number of these property projects that are at various stages of negotiation

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CHAIRMAN: How great were the loans?

306 Q. MR. GALLAGHER: Was this a loan to you as a consultant?



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A. No, it was a loan to "Liam Lawlor" and it was guaranteed against my assets here in Ireland, and the participation in the property projects in the Czech Republic.

307 Q. I see. Where are those agreements?

A. They would be in the Prague office.

308 Q. And did you have advices from any Irish solicitor in relation to those matters?

A. No.

309 Q. No? Where - who is the solicitor in the Prague office that dealt with these matters?

A. Well, at the time it would have been a Dr. Kavalak.

310 Q. Doctor?

A. Dr. Kavalak.

311 Q. I see. K-A-V-A-L-A-K; is that correct?

A. That's correct, yes.

312 Q. Where is Dr. Kavalak to be located?

A. He is in Prague.

313 Q. What is his address in Prague?

A. Winchester Square.

314 Q. Pardon?

A. Winchester Square.

315 Q. I see. Now, do I understand it that Dr. Kavalak, through his company Longwater Investments, advanced to you personally monies?

A. No.

316 Q. On two occasions?

A. No, he is just a Czech lawyer that --

317 Q. All right.

A. -- that I had took advice from in the Czech Republic over the years.

318 Q. All right. Who are the principals of Longwater

Investments, you wrote their names down?

A. The Morgan family.

319 Q. The Morgan family. Who did you deal with specifically in relation to this matter?

A. In the early 1990s, Mr. David Morgan, he had property activities in the Czech Republic.

320 Q. David Morgan, M-O-R-G-A-N?

A. That's right.

321 Q. Where is Mr. Morgan?

A. Mr. Morgan, I think passed away in '97 or '98 and his family trust is on-going.

322 Q. I see. So did you get the loans that you have referred to from Mr. Morgan or from his family trust?

A. From, I believe from his family trust, yes.

323 Q. When?

A. From his company.

324 Q. When did you get the first loan?

A. It would be in the mid 90's.

325 Q. When in the mid 90s?

A. I think about '95.

326 Q. Yes. How much was that?

A. It was in the region of ú300,000.

327 Q. I see. What was the purpose of that loan?

A. To pay off banks here.

328 Q. To pay off banks. I see. And when, when was it taken into the country?

A. It was scheduled in the National Irish Bank's statements that you have. You will see the entries there.

329 Q. Do you say it was lodged to the National Irish Bank?

A. Yes, in Naas.

330 Q. In Naas?

A. Yes.

331 Q. Well, what documents or records existed, exist in relation to that loan?

A. Well, they are the entries in the bank statements there.

332 Q. Oh, yes. But you got a loan from somebody, presumably a loan is to be paid back?

A. Correct, yeah, and it is - there is a recall on it to be paid back now.

333 Q. Where is the call?

A. Where is the call?

334 Q. Yes?

A. Well, it is if the Prague office,.

335 Q. The Prague office, whose Prague office?

A. It is in the Prague office of Dr. Kavalak who advises me on Czech matters of law, leases, and all other dealings with the property projects.

336 Q. I see. So Dr. Kavalak would have available to him detailed information and documentation relating to your dealings in the Czech Republic?

A. Yes, he would, yes.

337 Q. Have you asked him to give you any of this information or any of those documents before you swore any of the affidavits that have been furnished to this Tribunal?

A. No Chairman, I didn't see it relevant.

338 Q. Are you prepared to do so now?

A. I don't see the relevance of it.

339 Q. Does that mean that you are not?

A. Well, if it can be clarified as being relevant, that it is

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relevant.

340 Q. How about the second loan from NIB, or sorry from Longwater Investments?

A. It is just the same, it is an extension of the first one.

341 Q. How much was that for?

A. Approximately the same figure.

342 Q. How much is that?

A. About 300 odd thousand.

343 Q. I see. Where was that lodged?

A. It came into, probably National Irish in Naas and Ulster Bank, my personal account in Lucan.

344 Q. Your personal account in Lucan. When was that approximately?

A. It would be there, I think about '98, 97/'98. The lodgements are all identifiable on the bank statements.

345 Q. Did they come in as two distinct loans?

A. No, they came in over a period of time in different amounts.

346 Q. I see. What is the explanation for that Mr. Lawlor?

A. It is just as I required it, I didn't want to be drawing it all down and incurring interest, so as I require the finance to clear debts here, I drew down the loan.

347 Q. Where did you draw it down from?

A. Well, it was transferred to the two bank accounts I have referred to.

348 Q. Is that not the question? Where did you draw it down from?

A. Longwater transferred it.

349 Q. No, where did you drawn it down from?

A. No, I didn't draw it down, they transferred the funds into my accounts.

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350 Q. You say that you had no hand, act or part into transferring these monies into these accounts? In other words, did you authorise them or request, make formal request that the monies be transferred into your account?

A. Yes, I would have requested the amounts, yes.

351 Q. To whom did you make the requests?

A. To Longwater Investments.

352 Q. Did you have a copy of that correspondence?

A. It would probably be in the Prague office.

353 Q. The Prague office again?

A. Yes.

354 Q. I see. Who looks after your business in the Prague office, apart from the solicitor you have mentioned, the attorney/lawyer you have just mentioned?

A. Nobody else.

355 Q. Can you tell us what bank the money was transferred from into your account in NIB, Naas?

A. I think Longwater Investments transferred it through a Liechtenstein account.

356 Q. A Liechtenstein account?

A. Yes, I think so, yes.

357 Q. You didn't have anything to do with transferring the money?

A. No, I did. I would have asked Longwater Investments to make the transfer.

358 Q. Do I understand that you didn't make contact directly, or give anyone instructions to any Liechtenstein account or any Liechtenstein bank to transfer monies into your account?

A. I think Longwater would have given, would have given instructions. Probably, possibly I would have after

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consultation with Mr. Morgan --

359 Q. What authority would you have to authorise a Liechtenstein bank which held monies for Mr. Morgan to transfer them to Ireland?

A. I think it would be just that I would have to authenticate that it was actually myself, and inform Mr. Morgan at the time when he was alive, and the monies were transferred.

360 Q. This is the deceased Mr. Morgan we are talking about now?

A. Yes.

361 Q. And the question that puzzled me is this: How would you have an entitlement, or a right to direct a bank in Liechtenstein which holds money for Mr. Morgan or for his company or family trust, to transfer monies from that account into your account?

A. He transferred it into that account for transferring on to me.

362 Q. I see. Where is the documentation in relation to that?

A. Well, every - all the information that is in the Prague office, or with Longwater Investments.

363 Q. And what authority did you get from him - Did you get a written authority from him to say "Dear Liam" or "Dear Mr. Lawlor, I hereby authorise you to drawdown from my account in Liechtenstein the monies which I have agreed to advance to you, ú300,000."

A. You know, I can provide you with whatever information that is available.

364 Q. I am sorry?

A. I can provide you --

365 Q. I asked you a simple question. Did he give you that information?

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A. What information?

366 Q. Did he give you the authority to authorise you to drawdown from his account in Liechtenstein the monies which you say you were receiving from Longwater Investments?

A. He transferred the monies into a Longwater account and the loan account transferred it into my National Irish Bank in the first instance and the Ulster Bank in the second instance.

367 Q. Was the Liechtenstein account in your name?

A. No.

368 Q. Was it in a joint - was it in joint names with you or anybody else?

A. I really would have to get the details from Longwater Investments.

369 Q. Mr. Lawlor, you get €600,000, you tell us?

A. Yes.

370 Q. Two separate loans, you say it came into a Liechtenstein, in through Liechtenstein from a man who is unfortunately dead, and you have --

A. His family carries on his trust.

371 Q. I see; and you say that you have to check and you are not quite sure whether the accounts were in joint names or otherwise?

A. I made the calls to Mr. Morgan or his office and he made the transfers and they came into my accounts in the Ulster Bank and the National Irish Bank. They are there on the statements for you.

372 Q. I asked was it a joint account or was it in joint names with you or anybody else?

A. I don't have the details of his Liechtenstein account.

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373 Q. Mr. Lawlor, I am not asking you for details, I am asking you a simple question; was it in your name?

A. No, it wasn't in my name.

374 Q. Was it in your name and anybody else's name?

A. No.

375 Q. Was it in the name of any entity or company which you had an interest in, or which you controlled?

A. No.

376 Q. No. So you had no --

A. I drew down the loan as per the agreement I had, guaranteed by my assets in this country and by the on-going profit-sharing arrangement in the Czech Republic.

377 Q. What assets in this country were guaranteeing that loan?

A. My home and the surrounding lands.

378 Q. I see. And what value did you put on those for the purpose of guaranteeing the repayment of this, the ú600,000?

A. I suppose my home now is worth in today's market 2, 3 million pounds.

379 Q. You are talking about now - I am talking about what value did you put on the property when you borrowed the ú600,000?

A. Back in '95 it probably would have been around ú1 million.

380 Q. I see, I see. Did you have a mortgage on the property at that time?

A. Yeah.

381 Q. I see. And had you sold off 23 acres at that stage?

A. I couldn't be absolutely sure, of the date. '95, I think.

382 Q. Did you charge, or give as security, your house and 23 acres, or was it your house and the six acres that remain?

A. Correct, the house and the six acres. The 23 acres we charged to Irish banks.



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383 Q. How about the house and six acres, was that charged?

A. The house was mortgaged for Irish Nationwide with quite a modest mortgage, because I bought the house back in 1974. I increased the mortgage in 1976 or 77. So the mortgage was - there was probably about 10,000 or ú15,000 remaining on the mortgage now, possibly ú20,000.

384 Q. So what was the value of the property so far as you were concerned, as security for the loan of ú600,000?

A. I would say the value at that time would have been around ú1 million.

385 Q. I see.

A. I am not sure of the exact value, it was more to do with the joint venture profit arrangements on the Czech projects.

386 Q. This is about 1995?

A. I think the land was sold in 1995 at public auction.

387 Q. Did you subsequently advise your bank that the value of your house and the six acres was something of the order of ú500,000?

A. I could have, yeah.

388 Q. Well now, it seems that if you subsequently advised your bank that the value of the house and six acres --

A. Sorry, did I advise?

389 Q. I am asking you did you?

A. Did I advise who?

390 Q. Your bank?

A. Which bank?

391 Q. Did you advise any bank, Mr. Lawlor, that your house and six acres were of the value, roughly, of ú500,000?

A. When was that?

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392 Q. Subsequent to 1995?

A. I said to you here this morning €1 million, probably because of the inflated values now, back in mid '90s, half a million might have been a guesstimated figure, and there was always a very small mortgage on the house relative to its value. So it was a good security for the loan.

393 Q. Tell me, has the charge against your property, security that you have offered, has that been registered as a charge?

A. No, it was - no, it was a personal guarantee.

394 Q. Pardon?

A. A personal guarantee that I wouldn't dispose.

395 Q. Where is the personal guarantee?

A. It would be with Longwater Investments.

396 Q. I see. So your house isn't secured in that sense, you have given a personal guarantee?

A. Well, a guarantee that I wouldn't dispose of it.

397 Q. A personal guarantee that you wouldn't dispose of that.

Where is that to be found, that personal guarantee?

A. That is the guarantee that Longwater Investments has.

398 Q. Where is the written guarantee that --

A. They would have it there, yes. They would have an undertaking from me that I wouldn't dispose of my home and the surrounding six acres without discharging their loan.

399 Q. Was that done with the approval of the financial institution that holds a charge over your property for the mortgage?

A. No, it wasn't necessary, because the amount owed on the house was quite small, so in the first instance they were aware that there was a mortgage of the house, I would have

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informed them that that mortgage would have to be discharged first.

400 Q. Why did you borrow monies amounting to €600,000 from this company in the Czech Republic? What was it for?

A. It was to pay off banks here.

401 Q. What bank did you have to pay off?

A. Allied Irish Banks, Bank of Ireland.

402 Q. What was your indebtedness to that bank?

A. I think at the time it was about 70 odd thousand.

403 Q. I see.

A. The Bank of Ireland, Lucan would have been 20,000 or €30,000. Those figures are available. There was a specific, there was an agreement reached with the various institutions to clear off those debts at the time, on the strength of a loan because they were pressing for repayment. So I had to take some action, that is what I did.

404 Q. I see. Did you pay all of those? Did you not pay all of those debts out of the proceeds of sale of your 23 acres at

--

A. No, it only discharged the debt to the ACC.

405 Q. I see.

A. Yes, and there wasn't - the funds raised all went to ACC.

406 Q. I see.

A. From the auction.

407 Q. I see, I see. Now, you have identified for me just two amounts that had to be paid out. That is €70,000 to AIB, and €20,000 to Bank of Ireland, Lucan, that is 90,000?

A. There was a number of other debts - Cambridge Finance.

408 Q. Cambridge, yes?

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A. Let me see.

409 Q. How much was that approximately?

A. I think it was about ú15,000.

410 Q. Yes.

A. There was a loan to what is now GE Capital, it was Woodchester, of about ú20,000. There was various other debts that were being pressed at the time. I had to borrow the money to clear off the banks. The Irish Nationwide would have been in arrears. They at one stage got a court order actually for possession, the banks were pressing for repayment, so I had to take some action.

411 Q. How much was that?

A. How much was what?

412 Q. How much was that amount that was required to discharge the Irish Nationwide, approximately?

A. There was just arrears, maybe 10,000 or ú12,000 they would have reduced it.

413 Q. Say 12,000. What other monies did you owe that required the expenditure of ú600,000?

A. There was a number of other outgoings and then there was the on-going cost - so the monies were drawn down over about a five or six year period. It cleared day-to-day outgoings as well.

414 Q. I see. I understood that you said that you drew these down to payoff debts, ú600,000?

A. Part debts, yes.

415 Q. Part debts?

A. Yes. Part debts, yes.

416 Q. The debt that you have identified for me at the moment comes to something of the order of 147 as I calculate them,

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say ú150,000?

A. Yes.

417 Q. Now, what other debts, what other reason did you have for drawing down say ú450,000 approximately from --

A. Well, over the period there was other outgoings that were met from the drawdown of the loan.

418 Q. Yes. But you had, you had income also during that period. I mean, you were a full-time --

A. Dail Deputy.

419 Q. A public representative?

A. Exactly, yeah. So the loan was used --

420 Q. Do you have any records in relation to the payment of those figures?

A. Yes, I think there are, and I think they show up on the statements where, out of the National Irish Bank account, there were drawings to pay off the banks.

421 Q. I see.

A. Yes. I think they are identifiable. I think the banks are referred to on the statement. I know one of them is any way.

422 Q. Can you say at what stage you, you managed to clear off all your indebtedness to these institutions?

A. '95 or '96.

423 Q. I see. Was that before you sold your property, the 23 acres?

A. It was all around the same time, because I was endeavoring to clear all of the debt because each of the institutions here were pressing for repayment and they had taken it to various stages, Chairman, of getting judgements and so forth. So I had to take some action and clear it.

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424 Q. I see.

CHAIRMAN: Does it follow from what you have told counsel, that at the end of this clearance of debt, in the light of receipt of ú600,000 that you were, would have had a net amount somewhere in some of your accounts of the order of anything from 200,000 to ú400,000, is that - would that be the end product of this drawn down of the loan? That is to say - I appreciate of course the loan will have to be repaid back, but is that the result, because that is the impression you give me? I may be wrong?

A. I think you will find in the statements, Chairman, that the drawing down of the loan was discharged and the outgoings are in the statements there, there was no great surplus, because the loan was drawn down over a period, the various payments, and they went to outgoings; so there wasn't any surplus on deposit at any time, because obviously I didn't want to be accruing interest.

425 Q. Well tell me, what rate of interest did you agree to pay back on this loan?

A. It was reasonably high at the time. I think it was - I am guessing about 12 or 14 percent, which was the sort of going rate.

426 Q. I see. Does that continue to be the position?

A. Yes.

427 Q. And did you not renegotiate on the basis that --

A. Well, we are in the process of that. We are in the process of, you know, at the moment the repayment is overdue.

428 Q. How much of a repayment - how much have you repaid, Mr. Lawlor?

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A. I think there was a repayment of 30 odd thousand.

429 Q. And out of what account did that come?

A. I cannot recall now. It was --

430 Q. Mr. Lawlor, you would have to surely make arrangements to transfer ú30,000 back to Liechtenstein, or into the Czech Republic?

A. We will get the details for you.

431 Q. How would that have been done?

A. I am not sure that there was actually - there was as far as I know one repayment, probably - it was really probably paying back some of the monies I had drawn down, because it was sent back - but I will get the details for you.

432 Q. Well, you have paid back ú30,000 out of a total of ú600,000?

A. Correct.

433 Q. Excluding interest at 12 percent?

A. Yes.

434 Q. Over five years?

A. Yes. That is about it, yes, that's right. Maybe even, the loan now would stand, you know, higher than that, obviously with interest rolled up and so forth.

435 Q. Have you any demands from the beneficiary, from the donor of this - sorry not the beneficiary, but from the person who granted you this loan? Have you any demands?

A. I think they provided a demand to the Prague office. I haven't been there in the last couple of months.

436 Q. You talk about a "Prague office" Mr. Lawlor, am I correct in anything that you have a permanent address in Somerton, Lucan?

A. I live there.

00072

437 Q. You live there. Have you any other property or address in Ireland?

A. No.

438 Q. You don't have any other interest, any other property or any lands or anything of that nature?

A. I might have guaranteed a loan from a building society for my son who has an address and - no, I think that would be about --

439 Q. Who has an address where?

A. In Lucan.

440 Q. In Lucan. What that is address?

A. It is Finestown, 13, as far as I know.

441 Q. Pardon?

A. Finestown, just an estate where my son has an address.

442 Q. Finestown is a townland?

A. Yes. Well no, well no it is not, it is a housing estate.

443 Q. What is the address of the housing estate in the address?

A. As far as I know it is 13 Finestown Meadows or Grove, it is there.

444 Q. I see. And that's, that is the only interest you have in any lands within this jurisdiction, or houses or properties within this jurisdiction?

A. To the best of my knowledge, yes.

445 Q. Well now Mr. Lawlor --

A. Well you know, you are asking me, I don't know of any interests I have other than my --

446 Q. You live in Somerton --

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MR. DELAHUNT: I am sorry, Mr. Chairman, on the basis of the order as it stands, my client is not here to answer



questions in respect of his land interests. In relation to Mr. Gallagher's questions, I would seek a ruling from you in relation to that --

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CHAIRMAN: The questions are certainly relevant in relation to his credibility, and they are now relevant.

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MR. DELAHUNT: In relation to the orders under which Mr. Lawlor was compelled to attend here, there is no mention of his possessing lands within this jurisdiction.

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CHAIRMAN: They are - this examination is quite clearly relevant. It relates to bank accounts, it relates to finances and addresses, quite definitely necessary.

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MR. DELAHUNT: But not interests in land, Sir. That is not a bank account, Sir.

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CHAIRMAN: I am making a ruling here and now that they are relevant.

447 Q. MR. GALLAGHER: Mr. Lawlor, you live in Somerton?

A. Correct.

448 Q. And you have lived there for many years?

A. '74 or '73.

449 Q. I take it that you don't live anywhere else?

A. No.

450 Q. Do I take it that you have no other lands or houses or property in the jurisdiction?

A. No, I don't own any lands or houses other than what I have already said to you.

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451 Q. Do you have any interest in any lands or house or property within the jurisdiction, apart from the property which you say you have guaranteed for your son in Finestown?

A. No, I don't have any interest in any other lands.

452 Q. Do you have any beneficial interest then?

A. No.

453 Q. So the only properties within this jurisdiction that you have an interest in, beneficially or otherwise --

A. Sorry, I declared it, I have an interest in Menolly Homes, a 20 percent interest.

454 Q. That is a company?

A. That is a company, I am claiming a 20 percent interest, sorry, apologies.

455 Q. Is there any other company? I am not in any way trying to lull you into any sense of, in relation to your affidavit, into any trap or anything of that nature; I just want to know is there any other lands or property owned by you, beneficially or otherwise, personally or through an individual or through a company which you haven't told this Tribunal about here today, that is --

A. No, I don't have any interest, no.

456 Q. And did you at any time since 1977, to the best of your recollection, have any interest in any house, lands, or other property within the jurisdiction, other than Somerton and other than the interest that you say that you have in the Menolly Homes lands?

A. No, I can't recall having any beneficial interest or ownership, other than the 30 acres in Lucan and so forth.

457 Q. When you say the "30 acres in Lucan" you are talking about the lands that surrounded the Somerton, the 23 acres that

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were sold and the six acres approximately?

A. Yes.

458 Q. You didn't have any beneficial interest, whether as a share holder or as a partner or in any other capacity, a Company Director or in any other capacity, in any lands or property within the jurisdiction, other than in what you have told us, is that correct?

A. To the best of my recollection.

459 Q. That is the position that obtains since 1977, to the best of your recollection?

A. Maybe, to the best of my recollection. I remember, I have declared here, Menolly, Demographics - anything that I could recall is declared.

460 Q. Now, do you have any property, as you own - do you have any residence or do you have any permanent office in the Czech Republic?

A. No. We did have in the '90s and then the principal there who formed the activities out there in '89 just after the Velvet Revolution, Mr. Conor McElliott took up residence in Prague and I then joined up with him and he was permanently residing there, and he had an office/apartment and he returned here, I think about 1996 and fell ill and passed away. He was an architect by profession. We had an address at that time in Prague when he was in residence there, and used the apartment as an office as well.

461 Q. Well, I take it that since he too unfortunately died, that the papers and documentation that you had and that were relevant to your business interests and involvement there, were transferred to the office of the attorney that you have referred to, Dr. --

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A. Yes, there was a problem because he came home ill with the hope of recovering, and went into Saint Vincent's Hospital and unfortunately - and then the office or apartment was vacated and there was, whatever information was to hand was passed over.

462 Q. Well, in any event, your attorney in Prague has all the documentation in relation to this loan, of the two loans of ú300,000, and you are undertaking to --

A. Well, the full detail of that would be with the Morgan Trust rather than with my lawyer in Prague. He would have, you know, that is the point of contact in Prague.

463 Q. He would have copies of all the documents as, then presumably?

A. Yes, he would, or the Morgan Trust.

464 Q. Can you get him to, please, can you write to him or telephone him to arrange for him to courier on copies of all such documents to this Tribunal, as a matter of extreme urgency?

A. No.

465 Q. Sorry?

A. I don't see the relevance. I will get whatever details I can, you know.

466 Q. You see, Mr. Lawlor, you are obliged to produce here documents, including --

A. Related to any companies I have interests in.

467 Q. The issue of relevance, Mr. Lawlor, was dealt with by the High Court and indeed by the Supreme Court?

A. I am aware of that.

468 Q. You were required to produce to this Tribunal, on the 10th of October last --

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A. Sure.

469 Q. This was on foot of an Order that was made in June of this year, all documents and records in your possession and power; these would include the documents in Prague, relating to any accounts held in any financial institution, they would include the documents you have referred to here. Either within or outside the State, in your own name, either individually or jointly, or for your benefit?

A. Sure.

470 Q. Or into which you made lodgements of money, or into which you caused or procured lodgements of money to be made or into which lodgements of money were made for your benefit.

Now, all of these accounts and all of these records and documents in Prague, I suggest, are covered by that order.

You were obliged to furnish those documents and you have failed to do so. And now you are telling this Tribunal --

A. I don't have it in my possession, I can't give it to you.

471 Q. You have it in your power to get them. They are your documents, Sir?

A. What I can do is I can get the lawyer to provide details as --

472 Q. I don't want details. I want copies of the documents. The Tribunal wants copies of the documents and they want you to communicate with the lawyer immediately, i.e. today, as soon as we break here, to require him, on your instruction to remit to this Tribunal, copies of every single document?

A. Yeah.

473 Q. Pardon?

A. Yeah, I will discuss the matter with him and I will

communicate with him.

474 Q. No, I am not asking to you to communicate with him. I am asking you, perhaps subject to what the Sole Member says, I am asking you to convey to him that you are obliged on foot of an order to the High Court, to produce all those documents. That you are in breach of the order of the High Court, well subject to what the High Court obviously says, but potentially you are in breach of the order of the High Court by not producing those documents, and that the High Court might conceivably take a dim view of the fact that you didn't either disclose the existence of those documents or indeed make any effort to communicate with the solicitor in Prague, and telling him that he should forward to you the documents in question, so that you, in turn, could forward them to the Tribunal.

A. Well Chairman, I raise these matters in the documentation I provided you with, not knowing that the specifics of what you are outlining was part of the Terms of Reference of this Tribunal.

475 Q. Mr. Lawlor, I suggest to you that you know exactly that is specifically what we are looking for and we are not getting it.

A. I don't know.

476 Q. Well, you know now.

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CHAIRMAN: We will deal with this matter --

A. That is matter for interpretation.

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CHAIRMAN: We will deal with this matter after lunch. As you are about to produce substantive amount of documents,

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perhaps the best thing to do is we will have my solicitor attend here at a quarter past two, to receive those documents.

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MR. DELAHUNT: Sorry Sir, are you resuming at a quarter past two, Sir?

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CHAIRMAN: The Tribunal will be in session again, and we may not be actually sitting at a quarter past two.

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MR. GALLAGHER: Sorry, can I ask you in the meantime, that the Tribunal be informed of the account out of which the €30,000 repayment was made and when it was made, and whatever other material exists in relation to that payment, including any covering letter that might convey that it was being repaid as part of the agreement?

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CHAIRMAN: Very good.

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MR. GALLAGHER: That should be done, be capable of being done at 2:15 because we have the bank statements produced by Mr. Lawlor.

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CHAIRMAN: Very good. We will do that.

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THE HEARING THEN ADJOURNED FOR LUNCH

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THE HEARING RESUMED AS FOLLOWS AFTER LUNCH:

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MR. GALLAGHER: Mr. Lawlor please.

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MR. LIAM LAWLOR RETURNS TO THE WITNESS-BOX AND CONTINUES TO  
BE EXAMINED BY MR. GALLAGHER AS FOLLOWS:

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477 Q. MR. GALLAGHER: Mr. Lawlor, thank you for producing the

file in relation to Demographic and Strategic Consultants.

I take it you have no objection to the file remaining with  
the Tribunal secretary, or Tribunal solicitor for a short  
time?

A. No, none at all, Chairman.

478 Q. Thank you very much.

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Before lunch I asked you if you would mind please,  
identifying when and in what manner you repaid the 35 - the  
ú30,000 that you say was repaid in respect of the loan of  
approximately ú600,000 received from the Czech Republic?

A. It was to provide you, Chairman, with a detailed notice to  
the dates and when it was repaid.

479 Q. Can you tell me the date on which it was repaid?

A. No I can't, I don't have the date here in front of me, but  
I - I can get it for you.

480 Q. Can you tell me the bank through which it was paid?

A. No, I don't know what bank.

481 Q. Can you tell me the year in which it was paid?

A. If I can explain how it was repaid, Chairman, it might  
help? I sold the 23 acres. It was purchased by a company



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called Sheer Water Limited at public auction and the -  
well, my assumption is that the beneficial owner of that  
company is a Mr. Harry Dobson, and in order to make a first  
payment back and to lift the lis pendens off the sale of  
the land which I placed on the sale of the land, Mr. Dobson  
made the payment to the loan by agreement, and I just need  
to get you the day of that payment?

482 Q. Where did he pay the loan to?

A. Back to Longwater Investments, the loan account.

483 Q. And was that the sum of ú30,000?

A. My recollection is, I think it was 30 or \$35,000 possibly,  
I just can't be absolutely accurate, but I - I would be  
able to get that information.

484 Q. Where would that be recorded?

A. I think it is probably recorded in the schedule of  
withdrawals and then the repayment.

485 Q. Re - withdrawals from whose account and where?

A. Well, when the transfers were made into the Ulster Bank and  
the National Irish Bank there is a schedule of those, and  
the repayment, as far as I recollect the schedule in that  
and I can provide you with that schedule.

486 Q. So do I understand you to say that you received either  
ú30,000 or 30 or \$35,000?

A. It is some years ago now.

487 Q. Yes. In well - the Sheer Water sale was closed sometime  
in 1998 or thereabouts, isn't that right, about two years  
ago?

A. I thought it was earlier than that, no.

488 Q. Well, 1997 then?

A. I actually assume it is '95 to be honest, but you might be

00082

right, yeah.

489 Q. No, I think that the sale of your property to Sheer Water closed on the 9th of February of 1996?

A. Yeah.

490 Q. Now, the Sheer Water - Sheer Water then sold the property on to Maple Wood Homes?

A. Correct, that's the third party that they had transactions with.

491 Q. That I think, that sale was closed I think sometime late in '96 or in 1997. Was it in connection with that sale that the lis pendens was registered?

A. No, the lis pendens was registered immediately after Sheer Water purchased the land.

492 Q. I see.

A. And I have no detail of the on-going transactions with Sheer Water Limited and Maple Wood Homes, they - that was a transaction at arms length between those two companies.

493 Q. Yes. You had, you were involved in litigation with those two companies or certainly --

A. No, I was with Sheer Water Limited.

494 Q. I see.

A. Yeah. And to lift the lis pendens that payment was made off the loan.

495 Q. I see. And that payment, as I understand from your evidence, was made within this jurisdiction?

A. No, it was paid back to Longwater Investments, they were pressing for some sort of repayment on the loan.

496 Q. Do you say you didn't pay it, it was paid by somebody else?

A. Yes.

497 Q. Do you say it was paid into the account of Sheer Water --

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A. Longwater Investments.

498 Q. Of Longwater Investments out of this jurisdiction?

A. Yes.

499 Q. Where? Into what bank account was it paid out of this jurisdiction?

A. It was paid back to Longwater Investments.

500 Q. That's not the question. Into what bank was it paid on your behalf?

A. I don't know which bank it was paid, but it was paid back to Longwater Investments Limited, they were pressing for the - they were pressing for repayment of the loan.

501 Q. Where is the documentation showing they were pressing for repayment of the loan?

A. Well, that's something I will have to get for you.

502 Q. Yeah. Do you have it here?

A. No, it is in Prague or in, with their lawyers.

503 Q. And how were you able to tell somebody where the monies should be paid?

A. To the best of my recollection they dealt with that matter.

504 Q. Who is "they"?

A. Longwater Investments.

505 Q. Longwater Investments had nothing to do with the selling of your property?

A. No, they didn't, but I had a loan from them and I was anxious to make some sort of repayment to them.

506 Q. You didn't make a repayment at all, somebody else did, and I wonder how would the somebody who has no involvement good, bad or indifferent with Longwater Investments would know where to put money on your behalf?

A. Well, Sheer Water Limited wanted the lis pendens lifted.

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507 Q. I appreciate that. How would they know where to put the money on your behalf, this 30 or ú35,000 or Dollars that you are referring to?

A. They paid back the loan to where the funds had been drawn from, into the National Irish and Ulster Bank, they paid the payment back.

508 Q. Into what bank did they pay it?

A. Into the bank in Liechtenstein.

509 Q. Into what bank in Liechtenstein?

A. I think Lans Bank.

510 Q. Into what account number or into what account in Lans Bank in Liechtenstein did they pay it?

A. That was Longwater's account.

511 Q. Longwater's account?

A. They opened to facilitate the loan.

512 Q. Who gave them the Longwater account number in Liechtenstein?

A. Probably the lawyer for Longwater Investments, because I have --

513 Q. Who is the lawyer for Longwater Investments?

A. I have the details in the Prague office, Payne and Squire I think is their name.

514 Q. Where are they based?

A. Either in Jersey or Guernsey, and they had an involvement for a lengthy time in the Czech Republic.

515 Q. I see. With whom have you dealt with on behalf of Longwater Investments other than their solicitors?

A. No, I dealt with Mr. Morgan who is now --

516 Q. Deceased?

A. No, his family trust.

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517 Q. What's the name of the family trust?

A. I think it is the Morgan Trust.

518 Q. Where is that based?

A. That's based in Jersey or Guernsey, one or the other.

519 Q. Where is Mr. Morgan based?

A. I think he is based in Jersey.

520 Q. What's his Christian name?

A. Nicholas Morgan.

521 Q. And what dealings have you had with Nicholas Morgan?

A. It was his father had a lengthy relationship in the Czech Republic, and he has just been pressing for a repayment of the loan and that's the up-to-date situation.

522 Q. Is Mr. Morgan a solicitor?

A. He is a lawyer, yes.

523 Q. I see.

A. And he has major trusts, large amounts of investments to the best of my knowledge.

524 Q. I see.

A. And he, his father before him had a lot of connections in the Czech Republic.

525 Q. Does he have a money lending license or entitlement banking license or anything of that nature, or does the company who advanced €600,000 have such a license?

A. I presume so.

526 Q. Tell me, had you gone to any Irish bank looking for the €600,000 that you eventually secured from the investment company in --

A. No, I didn't, Chairman, because I already had substantial debts, as I outlined to you this morning, and as I also mentioned some of the banks were pressing for judgements to

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clear their loans, so I had to take that action and put on line my home and my surrounding lands and other property activities I have in the Czech Republic in order to secure the loans.

527 Q. You say that the money was paid at your request into the Lans Bank in Liechtenstein, isn't that right?

A. Correct, yes.

528 Q. And you say that this arose as a result of the lifting of a lis pendens in circumstances where you had brought proceedings against --

A. Correct, yes.

529 Q. -- a purchaser of your lands?

A. Yes.

530 Q. Would you please write down the name of the person to whom you gave the instruction or made the request to lodge monies into this Lans Bank in Liechtenstein - just a minute, just write it down please?

A. I don't have the name of who --

531 Q. The person, somebody lodged on your behalf, 30 or ú35,000 or 30 or \$35,000, you can't remember?

A. Um.

532 Q. First of all, would you try and remember whether it is Pounds or Dollars?

A. I told you, I will get you that information, you know. I am just trying to be, if I say it is ú30,000 it may be Dollars.

533 Q. To the best of your recollection, Mr. Lawlor?

A. I think it was Dollars, that's what I said earlier to you.

534 Q. You told me earlier in the morning, as far as I can recall, that you repaid ú30,000?

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A. The ú30,000 was paid on the lifting of the lis pendens,  
that's exactly what happened.

535 Q. So ú30,000, all right?

A. No - I - Mr. Chairman, I am going to tell you exactly and  
get the detail and provide it to the Tribunal.

536 Q. Just tell us what you recall at the moment, was it \$35,000  
or \$30,000 or ú30,000?

A. My recollection is it was \$35,000 but I cannot be  
absolutely certain.

537 Q. Would you write down the name of the person or persons who  
paid that into the Lans Bank in Liechtenstein at your  
request?

A. It was the purchaser.

538 Q. Just write it out.

A. It was Sheer Water, I presume.

539 Q. There was an individual, sir. Would you mind writing down  
the name of the individual to whom you spoke and to whom  
you gave that instruction or made that request? When did  
you make that request?

A. Obviously around the time of the lifting of the lis pendens  
by way of agreement.

540 Q. All right. And how did you identify the bank into which  
the money should be paid?

A. I didn't, Longwater Investments did that.

541 Q. Do you say that --

A. I gave them the name of the person I have just given you,  
and they requested that the transfer be made off the loan.

542 Q. Did you have solicitors acting for you in that set of  
proceedings?

A. Oh, yes I did.

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543 Q. Why did you not arrange to have the settlement noted by them and processed by them in the normal way?

A. Because I intervened directly with the individual, we both agreed that and that's the way we concluded the matter.

544 Q. This isn't the question. Why did you not process it through your solicitors to ensure that everything was recorded, that the money was paid and that you had a receipt and that you could show the lenders of the money that the money had in fact been deposited on your behalf to --

A. I had the schedule, and the repayment is listed there, I am going to provide you with that.

545 Q. That's not the question.

A. I didn't need to. I came to an agreement with the said individual and that's what was agreed, and it is up to the solicitors then to lift the lis pendens. I didn't need a solicitor to do anything for me in that regard.

546 Q. Did you not write to your solicitors to say "I have settled this because of - the gentleman in question has agreed to pay me \$35,000 and I have directed him to pay the monies into a bank in Liechtenstein."?

A. I think I informed them obviously, that I had reached agreement, maybe I did write but obviously informed them because they had been pursuing the litigation.

547 Q. I see. And you have told them the terms of the settlement, I take it?

A. I told them, yeah, whatever the payment that was being made.

548 Q. Did you convey this information to your accountant so that your accounts could be adjusted in whatever reason or



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whatever name might be necessary resulting from the repayment of this money to the investment company?

A. No I didn't, it was just a repayment to the loan.

549 Q. Surely that was important, so that his calculations and his returns on your behalf would show that of the money that you had borrowed and which had been shown on earlier returns as a loan, was now reduced by 30,000 or \$35,000?

A. Yeah, he would have the schedule that I referred to, that I will provide to the Tribunal, and that identifies the repayment of the amount.

550 Q. I see. I see. So he would have a schedule showing the loans that were advanced to you in the sum of approximately ú600,000 also?

A. Mr. Chairman, I said I would provide this list to the Tribunal.

551 Q. No, I am not asking you --

A. That's the schedule that we have.

552 Q. You are saying he would have had the record and records showing the advance of ú600,000 to you in the mid 1990s or thereabouts?

A. He has the record of the full schedule of drawdowns and repayments, that's the schedule I was proposing to provide to the Tribunal.

553 Q. But you hadn't asked him to provide that information to the Tribunal before you swore either of the affidavits that have been furnished to date, isn't that so?

A. I'm assuming a loan wasn't applicable, so that is - yeah, now it provided --

554 Q. Isn't that the position?

A. The position is that I am providing you with the loan

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arrangements, I wasn't aware when swearing the affidavit that that was applicable to the affidavit, because it was to do with the Czech Republic which I didn't believe was part of your Terms of Reference, and I would be delighted to provide you with detail of it, there is no problem with providing that.

555 Q. The question I was seeking to ask was this: Prior to the submission of the affidavit on the 6th of November and the affidavit which you furnished yesterday, did you approach your accountant to ask him to give you the documentation that you have referred to in relation to lodgements, disbursements and withdrawals, etc. in relation to those cheques that you have referred to?

A. In the preparation of my affidavits I didn't appreciate that was applicable, therefore I didn't seek the information. I will now do so and provide it to you, even though I still make the comment that I am at a loss to know what it has to do with planning in County Dublin?

556 Q. Tell me, did Mr. Morgan ever act for you as a solicitor or act for anybody or any group or company or partnership or any legal entity or --

A. Not to my knowledge, no.

557 Q. Was he ever involved in any company, group, partnership, entity, in this jurisdiction that you are involved?

A. I don't know --

558 Q. That's not the question, just answer the question I asked.

A. I am not aware, no.

559 Q. You are not aware, no?

A. No.

560 Q. Did I understand you before though to say that you did not

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have any drawings from the Irish Consortium, and that drawings in the sense of income, remuneration, fees and that the only monies you received from the Irish Consortium was reimbursement of outlays and expenses, travel expenses?

A. Yeah, well it doesn't come directly from the Irish Consortium.

561 Q. I see.

A. The funds that funded the Irish Consortium was a company called Ambrose Kelly Eastern Europe, and that was the company that funded the Irish Consortium's office rent in Prague, payment for Mr. McElliott when he was there, and disbursed whatever the outgoings were, and it was through that company that the Irish Consortium and its outgoings were met.

562 Q. That's, is that a limited company, Ambrose Kelly Eastern Europe Limited?

A. I am not sure.

563 Q. Are you a director of the Irish Consortium or were you ever a director?

A. No, it is a registered name in the Czech Republic, and a non-native is not entitled to hold a directorship.

564 Q. Do you hold any shares in that consortium?

A. I would, in future profitability, have an arrangement if it does, property projects - and makes profits that I will have a shareholding or be the beneficial - I would, you know, on a consultancy basis get paid, whatever, it was thirty-three and a third of whatever profits would remain after all the outgoings were met, that was the arrangement that was back a number of years, it hasn't actually completed and profited --

565 Q. I am confused, Mr. Lawlor, I am sure you will forgive me, but I had understood you to say that you had not received any fees or any income from the Irish Consortium, was that correct?

A. The Irish Consortium, when Conor McElliott was based in Prague.

566 Q. Sorry, am I correct or not, have you or have you not received fees or other income, excluding expenses, from the Irish Consortium?

A. That's correct.

567 Q. Sorry, what's correct? Have you received it or have you not received it?

A. I received the cost of all my outgoings, travelling back and forth to the Czech Republic from - and again have the accounts for Ambrose Kelly Exports and we can provide you with that information.

568 Q. So you received no fees or other payments or other salary from the Irish Consortium, the only monies you received or benefits you received from the Irish Consortium was the reimbursement of expenses and outlays, is that correct?

A. Yeah, and probably correct, yes, but I received --

569 Q. What do you mean "probably correct", is it correct or not?

A. Over a period of time there was quite a lot of outlay, quite a lot of expense, and I have the full details of the amounts I have received from Ambrose Kelly Eastern Europe during that period of time when I was advising the Irish Consortium in Prague.

570 Q. Are you continuing to advise the Irish Consortium in Prague?

A. Yes.

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571 Q. Yes. Now, the question I want you to answer is: Have you ever received any salary, remuneration or fees or monies or benefits of any kind whatsoever other than the reimbursement of expenses and outlays from or on behalf of the Irish Consortium?

A. I think over a period of about 8 or 9 years there would have been reimbursements and payments for office overheads and so forth for my office and the costs associated with it, so it would have been reimbursed over a period of about 8 or 9 years, and those amounts are disclosed in the returns here of Ambrose Kelly Eastern Europe and are identified.

572 Q. Mr. Lawlor, it may be my problem, but I had understood you to say very clearly today that you had not received any fees or salary from the Irish Consortium, that the only monies you received was reimbursement of expenses and reimbursement of outlays. Did I understand you correctly to say that this morning?

A. What I said was --

573 Q. Did I understand you correctly - did I understand you correctly to say that this morning on oath here today?

A. On oath I am telling you that I received from Ambrose Kelly Eastern Europe repayment of all my outgoings over the period, that's exactly what I received.

574 Q. I am asking you from the Irish Consortium?

A. The Irish Consortium never paid me any monies, it didn't have --

575 Q. The Irish Consortium never paid you?

A. No, but the company that funded the Irish Consortium made the payments.

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576 Q. I see. So you were correct this morning and accurate this morning when you said the Irish Consortium never paid you fees, never paid you a salary?

A. Correct.

577 Q. But the company that owns the Irish Consortium paid you monies, is that what you are now saying?

A. I am saying, telling you now that I got repayment over a period of time in the Ambrose Kelly Eastern European accounts, that was for recovery of time, of office outlay in Dublin, in Prague, airline tickets, hotels, etc., etc..

578 Q. So recovery of time is payment for time you spend working for the Irish Consortium, isn't that right?

A. Well, when you look at the figures it really only covered most of the expenses and outlay.

579 Q. Payment for time?

A. And I detailed for you in great detail, so --

580 Q. How were you paid for time? What do you call "a payment for time"?

A. -- the number of trips I made, 25 or 30.

581 Q. How do you call it "payment for time" when you are working for somebody?

A. Sorry?

582 Q. When you are paid for time?

A. In this context it would have been consultancy and expenses.

583 Q. Consultancy?

A. From the Ambrose Kelly Eastern European.

584 Q. So you confirm now that you didn't get paid from the Irish Consortium but did you get paid from Ambrose Kelly Eastern - sorry, what was --

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A. Eastern Europe Limited, I think it is "Limited", yes.

585 Q. And where are those payments recorded?

A. They are recorded in the accounts, and they are recorded in a schedule that I have which I can provide you with.

586 Q. What accounts do you have that you didn't produce to us?

A. No, I don't have the accounts, they are the accounts of that practice or company.

587 Q. You said that it is in the, a schedule that you have which you can provide us with?

A. The schedule, which schedule?

588 Q. You said in answer to a question just now, "They are recorded in the accounts and they are recorded in the schedule that I have, which I will provide you with." Where is that schedule?

A. The schedule that I have received from Ambrose Kelly Eastern Europe.

589 Q. When did you receive it?

A. When did I - I have it at the office.

590 Q. When did you receive it?

A. Sometime ago.

591 Q. When did you receive it, approximately?

A. I don't know exactly.

592 Q. Approximately?

A. Probably about a week or ten days ago.

593 Q. I see. Did you disclose it in your first affidavit?

A. I didn't have it.

594 Q. You didn't have it. Did you know about the payment of fees?

A. Mr. Chairman, anything to do with the Czech Republic I didn't disclose to this Tribunal because I was of the

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opinion, Mr. Chairman, that it had nothing whatsoever to do with this Tribunal.

595 Q. You, sir, have --

A. In questioning today, if you want this information I have no problem providing it to you, none whatsoever. I don't see in the Terms of Reference of this Tribunal what the Czech Republic and Prague and any associated activities has anything to do with the Tribunal?

596 Q. So, so far as you are concerned the Tribunal was not entitled to any explanation for the ú600,000 which you were so capable of borrowing from a company in the Czech Republic some five years ago or thereabouts?

A. On the assumption it had nothing to do with the Terms of Reference that's correct, I wasn't so aware it was any business of this Tribunal.

597 Q. I see. Were you aware, Mr. Lawlor, that there have been claims in the press that you received monies from various sources over the years, for example in relation to or from Mr. Gilmartin and Arlington, for example?

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MR. DELAHUNT: Sorry, Sir, I must object in relation to this particular line of questions. This is in no way covered whatsoever by the Order, Sir, of the 8th of June of 2000.

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MR. GALLAGHER: I am not suggesting it was, I am suggesting

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MR. DELAHUNT: The order in relation to this is in relation to the documentation furnished by Mr. Lawlor. With



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respect, Sir, I don't believe that is covered.

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MR. GALLAGHER: I am not at the moment going to elaborate very much further on that, except to --

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MR. DELAHUNT: Sir, I seek no elaboration, it is one for another day and I accept that, perhaps not in this context.

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MR. GALLAGHER: You see, I am inquiring as to why the source of all funds which were lodged to Mr. Lawlor's accounts in the last five or ten-years were not disclosed to the Tribunal, given that Mr. Lawlor was aware, if not from newspaper reports from correspondence from this Tribunal, as to precisely what the Tribunal is inquiring into.

A. Who says they were?

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CHAIRMAN: There is no doubt about that.

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MR. DELAHUNT: Just by way of clarification, if yourself, Sir, or Mr. Gallagher could direct me to which of the paragraphs under the Order --

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MR. GALLAGHER: It is the letter of the 19th of --

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MR. DELAHUNT: We are here on foot of the Order, Sir

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CHAIRMAN: No, we are here because - we are not limited to - Mr. Lawlor is a witness here.

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MR. DELAHUNT: Yes, Sir, but we are here on foot of the subpoena which pertains to the Order of the 8th of June, and I would respectfully submit, Sir - I would like to be pointed in the direction of which part of the Order in question is applicable to this particular line of questioning by Mr. Gallagher? If it isn't, Sir, then I would have to object to the line of questioning.

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MR. GALLAGHER: This arises because there is an Order requiring all sorts of accounts into which monies were paid by Mr. Lawlor and on behalf of Mr. Lawlor. That includes accounts in this jurisdiction in his name and in respect of which he says he didn't think he had a duty to inform the Tribunal, although the - the accounts on Mr. Lawlor's evidence would show that a sum of ú600,000 which would otherwise be unaccounted for --

A. Chairman, with due respect that's discovered to the Tribunal in the bank statement you have, it is there in the bank statement, all you have to do is read them and add them up and find the amounts transferred in.

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598 Q. MR. GALLAGHER: I just want to know what other documents exist in relation to those, to show how the monies came to be, to be advanced?

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If you go to a bank or I go to a bank and ask for a loan of ú600,000 or indeed ú600, we will have to sign some sort of documentation and we will get a pleasant letter from the bank manager confirming the --

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A. I got plenty of them, and that's why I took out the loan to clear them.

599 Q. Irrespective of who gave it to you --

A. Is that understood?

600 Q. -- one would expect that there would be documentation to support the loan, relating to the loan, setting out the terms of repayment, why the generosity was being extended to you?

A. There was no generosity being extended to me, Chairman, it was an arms length commercial transaction and I wasn't aware that the Terms of Reference of which I, as a member of the Oireachtas, gave to the Tribunal, that the Tribunal was looking into the Czech Republic. Now, if that's what you are suggesting you are now doing, well fine, I disagree with it, it is not within your Terms of Reference and maybe you would like to state a case to the High Court that it is within your Terms of Reference and then I can give you everything that I have.

601 Q. That has already been determined, Mr. Lawlor.

A. No, it hasn't been.

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MR. DELAHUNT: No, Sir, with respect I think that hasn't been.

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CHAIRMAN: Please, gentlemen, we must not have three people talking.

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602 Q. MR. GALLAGHER: We are looking into accounts of Mr. Lawlor within this jurisdiction which I say shows, among others - we will come to the accounts in due course. At this stage,

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without having opened up the account, he has told us there are €600,000 approximately --

A. Approximately.

603 Q. Approximately - all right - lodged there, in respect of, simply as a statement of a lodgement, with no back-up documentation whatsoever, no agreement, no letter of application, no letter of --

A. I know, sure we know that because I didn't think it was relevant. How would you have it if I didn't think it is relevant?

604 Q. It is in your account.

A. Because I volunteered to give you the fullest possible picture. If I hadn't mentioned the Czech Republic you wouldn't be wasting the Tribunal's time questioning me about it. I put it in voluntarily. I didn't think, Chairman, it had anything to do with it.

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CHAIRMAN: Just a moment please, the question in which this arose from was a question in relation to payments made by Mr. Gilmartin, that's where that, where we started from.

A. Let me make a comment on Mr. Gilmartin?

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CHAIRMAN: Excuse me please.

A. Work away.

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CHAIRMAN: At this point in time, the Order we are discussing here, the Order of the 8th of June directs you to "Make discovery on oath and to produce to the Tribunal all documents and records in your possession and power

relating to any account held in any financial institution, either within or without, outside the State." In his own name, or to which he made lodgements of money or caused lodgements of money to be made.

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Now, as I understand the situation, there is an allegation, it is no more and no less, at this moment in time, that Mr. Gilmartin says that over a period of time I think, either monthly, sums were paid --

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MR. GALLAGHER: Mr. Lawlor has been publicly quoted as having confirmed there were certain payments.

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CHAIRMAN: Yes.

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A. Mr. Chairman, I am not publicly quoted, I wrote to this Tribunal and gave that information. So why doesn't Mr. Gilmartin come here and stand up whatever perceived allegations, supposed allegations or otherwise and I will address them? And I just make that point, Chairman.

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There are people giving evidence for three-days and you don't hear about them again, they are supposed to have made allegations. Mr. Gilmartin is making his allegations through the Sunday Business Post every second week.

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MR. GALLAGHER: This witness or indeed any other witness should not make a speech.

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A. I am not making a speech, I am saying if you want to ask me

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about Mr. Gilmartin, call him here as a witness when he comes and gives evidence.

605 Q. MR. GALLAGHER: I am not talking about him.

A. You did mention him.

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CHAIRMAN: Gentlemen please, one person at a time.

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606 Q. MR. GALLAGHER: Mr. Lawlor, to come back to the Irish Consortium again?

A. Yeah.

607 Q. Am I correct in thinking that you have said that you hope to have a share in the profits that that consortium makes, hopefully makes?

A. It is none of your business and I am not answering it. If I make profits in the Czech Republic it has nothing to do with this Tribunal, and I don't see the purpose of wasting the time and money of the taxpayer dealing with the Czech Republic.

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CHAIRMAN: Mr. Lawlor, I am the person who determines whether a matter is relevant or not, it is not your function to make that statement. I am now directing you to answer the question which has been put.

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Did you hope to enjoy a benefit from the activities of the consortium? There is nothing wrong with it, it may be perfectly legitimate for all I know. I want to know did you hope to make a benefit?

A. I am entitled to an opinion on the Terms of Reference of this Tribunal.

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CHAIRMAN: You are not.

A. Am I not? And why did Judge Kearns in the Supreme Court decide that I was?

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CHAIRMAN: You are not entitled to express a view. This matter has been determined by the High Court, by the Supreme Court and it is not open to further discussion.

A. There is no reference in either of our courts in this land to the Czech Republic or anything related to it. Now, as regards the question, your question Mr. Gallagher --

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608 Q. MR. GALLAGHER: The question was, did I understand you --

A. Yes, I hope to make a profit from my activities in the Czech Republic, most definitely, yes.

609 Q. And that you expected to have a share of the profits in the Irish Consortium amounting to one-third of the profits, that is what I understood you to say?

A. Exactly, yes.

610 Q. Yes. Do you have a shareholding in the Irish, in the consortium?

A. Because of Czech law it is my understanding that it is an arms length consultancy benefit that would arise from profit developments, that if in making a profit I would benefit from. The actual legalistic registration, directors, etc., etc., is the necessity of a Czech native or somebody permanently working there. So I have an indirect interest on-going in the Irish Consortium or any other profit company that I am advising or have been associated with, or maybe in the future, and it would be my

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intention that yes, I would hope to make a profit from that, obviously.

611 Q. Do you now or did you at any time in the past, have a shareholding in the Irish Consortium in Prague?

A. The - I have told you, I have a third of any after tax profits, if arising. I will benefit to that percentage if that company or consortium proceeds with profitable property developments in the Czech Republic.

612 Q. Do you now or did you at any time in the past have a shareholding in the Irish Consortium in Prague?

A. I just answered the question.

613 Q. No, you haven't?

A. Well, that's my answer.

614 Q. Do I take it that you are refusing to answer the question or --

A. I am not refusing to answer any question, I am baffled as to its relevance to what we are doing here today.

615 Q. It is a simple "yes" --

A. You might elaborate on it. I am after telling you, I will benefit one-third of any profit the Irish Consortium makes on-going.

616 Q. So you have a one-third shareholding?

A. A one-third beneficial profit out of any after tax profits.

617 Q. Because --

A. That's an arms length arrangement that hasn't yet come to pass, hopefully it will and then I will be in that position of registering or whatever else I have to do.

618 Q. Can I have the FF 19-210 please? Mr. Lawlor, this is a copy of the, the Dail Declaration Register of Interest of members pursuant to Section 6 of the Act of the Ethics in



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Public Office Act 1995 in respect of the period 1st of February, 1998, to the 31st of January of 1999?

A. Correct, yeah.

619 Q. And your declaration and that Act shows that you have shares, and you describe it as thirty-three and a third percent shareholding, the Irish Consortium SRO - I won't attempt to pronounce the address - in Prague in the Czech Republic, isn't that right?

A. What that actually means is thirty-three and a third profit share arrangement, I don't hold actual shares in the Irish Consortium. And in order to ensure that I declared any interest I had, it was so worded. It probably is inaccurate the way it is worded, it really should be a thirty-three and a third profit sharing arrangement, but I put it in as "shareholding".

620 Q. When did you acquire that interest?

A. Mid-'90s sometime.

621 Q. Why did you not declare it in any year up to then?

A. Whenever it was declared was when I got it agreed.

622 Q. I see. Where is the documentation to confirm that interest?

A. It would obviously be in the Prague office where all material related to my Czech activities are.

623 Q. Have you made any attempt to procure or recover any of that material for the purpose of the affidavits?

A. No, no, I didn't, because I wasn't so aware it was necessary.

624 Q. Tell me, Mr. Lawlor, what was the approximate level of political donations that you received per annum in the period say 1977 to date, on average?

A. Varied from year-to-year.

625 Q. I am sure, but what was the average approximately?

A. I suppose the average would be 20, 30, ú40,000, depending, well since the declarations which are fairly identifiable there. I think I had a golf classic, to which I declared, and there was possibly 25 or 30 teams paying a thousand pounds a team and that would have been 35,000 less outgoings and so forth. It would have varied over the years.

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Could I make a point to you, Chairman, maybe in clarification? On the more current declaration, in the Dail, there is another company listed which I declared myself a director which I am not, again it was advising the company but in the, in an effort to ensure I declared an interest that's the way - it is incorrectly worded on the declaration.

626 Q. What's that company?

A. The last declaration?

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CHAIRMAN: What is the name?

A. Sorry, just a point of clarification, Chairman.

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627 Q. MR. GALLAGHER: Is that Demographic --

A. No, it is on the declaration there, it may be not relevant and I don't wish to divert from your questioning, but I just wish to make a point.

628 Q. Demographic and Strategic Consultants?

A. No, it is Atesta 14 as far as I know on the last declaration, the current declaration.

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629 Q. I see. In any event, I was asking you about the approximate level of political donations which you have received on an annual basis say since 1977, that's --

A. Obviously 1977 --

630 Q. Well say --

A. It would have been three, four or five thousand, all relative today on a sliding scale upwards.

631 Q. I see.

A. In order to try and continue supporting the outgoings since the declaration. You can see the level of political contributions.

632 Q. Well, in fairness, if we take the first ten-years from 1977 to '87, what would you say was the average level of political donations to you?

A. As I say, it varied from year-to-year, 20, 30, 40, ú50,000.

633 Q. At that time, 1977?

A. No, you are asking me from 1977 until now?

634 Q. No, no, sorry the last declaration, yes, was for the ten-year period from '77 to '87, because I recognise that the other period is a longer period and that might be unfair to you, so I will ask you to break it down, give me the --

A. I can't break it down for you now, I will endeavor to provide it.

635 Q. Do the best you can, sir, do the best you can. Your salary at that time would have been in the order, as a Dail Deputy, of something of the order of 12, 14, 15,000, ú15,000 say?

A. Yeah.

636 Q. Wouldn't that be right?

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A. I think it was 16 when I was elected in '77.

637 Q. 16. All right. What - given that your annual salary was  
ú16,000, how much do you think you would have earned or  
received by way of political donations?

A. May I suggest to you that in '77, '78, '79, those four,  
five or six years, it would be 10, ú15,000.

638 Q. I see.

A. Possibly on a rising scale.

639 Q. Is that in total now or per annum?

A. I am guesstimating per annum. Now, if there was an election  
it could be considerably higher because you would be  
fundraising during the campaign.

640 Q. And then in the following ten-years, from say '87 to '97?

A. Well, the more recent years it is 40, ú50,000. Then there  
was the odd year when there was substantially more, so it  
varies over the years.

641 Q. I see. When you say "more recent years", what do you  
mean?

A. Well you see thankfully, maybe a pity, but we wouldn't have  
a tribunal if, as I always believed, we should always have  
had the Declaration of Income. Since we have it, it is  
always there, clarified, registered, proper and everybody  
can see it on the public record, prior to that it wasn't  
the case, and --

642 Q. Well, can I take it that whatever your income as from  
donations has been in the last number of years, they would  
be approximate to the type of level of donations you would  
have received in the preceding years?

A. It would have varied.

643 Q. I am sure they would have varied, but in general speak - in

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general terms we know you unfortunately didn't keep any records and that the donations you received --

A. It is not unfortunate I didn't have to so.

644 Q. It is unfortunate in terms of trying to get records of what you received and how they were expended. What I want to know is what was the approximate level of income by way of donations in the years say since 1990?

A. It would vary free 20, 30, 40, ú50,000.

645 Q. That's a range of ú30,000 in just one year, what's the average?

A. Sure, I am trying to tell you what the average is. I am saying it could be 20, could be 30, could be 40, could be 50, and in the early 90s it was - there were two very large contributions from a particular organisation.

646 Q. Did you - what organisation was that?

A. National Toll Roads.

647 Q. Oh, I see.

A. And you have it recorded. You wrote to me about it, so you are aware of it. In a letter you wrote months ago you referred to it.

648 Q. And where are those contributions recorded?

A. In the statement you have.

649 Q. Yeah, but where are they, where were the monies lodged?

A. In the bank accounts of which I have the statement.

650 Q. Can you tell me which bank account?

A. No I can't, I don't know which account it went into. There was serious debts I had at that time and it would have probably gone into a number of accounts, just to try and address various debts, Chairman, with various banks.

651 Q. When was that money received?

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A. I think about '92 or '93. I am aware you had this information, Mr. Gallagher. If you have it then, sure you have it. What is the purpose of wasting time questioning --

652 Q. I am just wondering from you when you received the money?

A. On the dates that you have in your file there, I don't have it in front of me, you can put it up on the screen and --

653 Q. And you don't know what bank account that was put into?

A. No, I don't. And there were two separate payments.

654 Q. You don't know what bank account either of them was put into?

A. I don't know, no, and maybe one of them was, cash might have been lodged, maybe the cash was lodged into two or three different accounts to try and keep the banks happy. It is difficult, Chairman, as you know, from time to time.

655 Q. Tell me, Mr. Lawlor, do I take it that in so far as the accounts are concerned, that you have identified in the first affidavit as 18 accounts, that nobody other than yourself and your family was lodging money to that account, i.e. nobody was earning money that was lodged to that account, it was your account and your wife's account?

A. That's correct, yes.

656 Q. Am I correct in thinking that your wife was a full-time housewife and not employed outside the home?

A. That's correct, yes.

657 Q. So you were the only salary or income earner in the home, is that correct?

A. Correct, yes.

658 Q. Tell me, did you employ any accountants outside this jurisdiction or solicitors outside this jurisdiction apart from the solicitor you have mentioned today in Prague?

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A. I would have in Prague, I would have had contact with four or five different legal practices who were acting for various property owners and so forth.

659 Q. Do you have any or did you at any time have any bank accounts outside this jurisdiction?

A. No.

660 Q. Do you know or did you at any time have control of or a right to give instructions in relation to the operation of any bank outside the, bank account outside the jurisdiction?

A. No, the on-going situation of advising various Czech property companies, I might have advised them that they to pay certain outgoings relative to their activities and instructed them to pay certain fees to various professional people. I was advising, Brno, Pilsen, Prague.

661 Q. Did you make contact with the bank in Liechtenstein from which the monies were transferred into the Irish accounts and give instructions in relation to the transfer of monies into the Irish accounts from Liechtenstein?

A. The monies were transferred on the instructions of Longwater Investments into the accounts, as I mentioned this morning.

662 Q. The question was: Did you make contact with any bank in Liechtenstein from which the monies were transferred into Irish accounts, and did you give instructions in relation to the transfer of monies into the Irish accounts?

A. Having agreed with Longwater Investments, the account in Liechtenstein would have been informed because I had to authenticate my account number here in Ireland and confirm that they were transferring the monies to my accounts. So

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there would have been contact on the transfers.

663 Q. The question I asked --

A. So that's how all the transfers were made.

664 Q. But I asked you did you make contact with the bank and give them instructions?

A. When --

665 Q. To transfer monies to bank accounts?

A. When I asked for the transfers from Longwater Investments I would have authenticated that it was my account the monies were transferred into. Therefore, I would have made a call and confirmed that my account was the Ulster Bank, the account number and sorting code number.

666 Q. Why was that not done by the holder of the account in Liechtenstein?

A. Longwater Investments would have issued the instructions and I would have confirmed, yes, that was to be transferred into whichever account.

667 Q. Why would you have to give instructions if Longwater --

A. It wasn't instructions, it was to ensure it was coming into my bank account. They needed to know and needed to have it authenticated on each transfer, and I would telephone and confirm the instruction and give the account number in which the monies were to be transferred into, and they are all in your, the accounts provided to you.

668 Q. I want to be clear about this, Mr. Lawlor, and I would appreciate if you think carefully about this. Did you ever give an instruction to any bank or bank official in Liechtenstein requiring the transfer or directing the transfer or authorising the transfer of monies from the bank account in Liechtenstein into a bank account in



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Ireland?

A. Once the funds --

669 Q. First of all is the answer to that "yes" or "no"?

A. I would have authenticated the transfer each time, yes.

670 Q. Is the answer --

A. I would have been in contact and confirmed the account.

671 Q. Mr. Lawlor, I asked you specifically to listen carefully and answer the question. Do I understand your answer to that question to be "yes"?

A. Yes, on each transfer.

672 Q. All right. When and to whom did you give such instruction?

A. Each time there was, as listed on the schedule.

673 Q. Well, will you tell me whom you, the individual or individuals to whom you contacted with whom you made contact and what instructions you gave them?

A. Well, as far as I recall the executive that operated the loan account was a Mr. Kiber, and it is to him that any instructions to transfer the funds would go.

674 Q. Would you spell Kiber?

A. K-I-B-E-R I think it is.

675 Q. And what bank was he Manager of? What bank was he Manager of? Was he Manager of the Lans Bank, this bank? Are you saying you would make contact with Mr. Kiber?

A. No, I would make contact with Longwater Investments, with Mr. Morgan or whatever, and request the amount to be drawn down, and authenticate that with the bank accounts to have it transferred to, and to the best of my recollection the inflows from that loan account came into both the Ulster Bank and the National Irish, and their schedules are

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identifiable on the statements.

676 Q. Now, did you give instructions to Mr. Kiber or to anybody else to transfer monies from an account in their bank to an Irish account?

A. That's to the, as I have already said four or five times today.

677 Q. Is that - is that the answer?

A. National Irish Bank and Ulster Bank transfers were made in from the loan account.

678 Q. So you confirm that you gave instructions to Mr. Kiber to transfer monies from an account in his bank in Liechtenstein into an account held in your name or operated by you --

A. Longwater Investments made the instruction to the bank and I authenticated that and in it came, and it is there and I can't elaborate any further for you on it.

679 Q. I am not worrying about authentication, I am worrying about what contact --

A. You have no need to worry about it. I am telling you exactly what happened, so what more do you want to know? I didn't know it was even part of your Terms of Reference. They are all there in my bank statements and I really don't see the purpose of this question.

680 Q. Mr. Lawlor, you will forgive me but --

A. I may not.

681 Q. -- but I just want you to be clear on what happened. I understand you to tell this Tribunal on oath that you made contact with Mr. Kiber on one or more occasions, and on each occasion that money was transferred, and that you instructed him to transfer monies from an account in his

00115

bank to an account, to one of your accounts in the Irish Republic, is that right?

A. Correct, on the approach of Longwater Investments.

682 Q. Are you in a position to produce any contemporaneous correspondence, documentation, faxes or otherwise, or other documents to show these transactions and the --

A. No, other than the sums were transferred into my accounts which I have disclosed to the Tribunal.

683 Q. You see, in the absence of documents it raises a number of questions perhaps as to how Longwater Investments could be certain that you would repay the €600,000 plus interest that they had agreed to advance. Isn't that right?

A. Well, if you have assets in this country worth - I don't know - in today's market my home and the six acres around it is worth X pounds. They had excellent security on a personal undertaking.

.

CHAIRMAN: I wonder might I intervene here? This is a matter of interest and inquiry. You told us earlier this morning that the loans were two loans of 300,000 each, totalling 600,000?

A. Approximately, Chairman, yes

.

CHAIRMAN: As I understood them, they were made to you sometime in the 1994/'95 period?

A. I would say the first section of 300 plus, Mr. Chairman, was in '95, I recollect, and going forward from then.

.

CHAIRMAN: All right. As I understood you, I hope I have taken you up correctly, the only payment which you recall

00116

paying to anybody in relation to those is a sum of ú30,000 until the not too distant past?

A. It is my intention, Chairman, to give you the date and detail of that.

.  
CHAIRMAN: I understand that. I happen to be calculating here. You told us that the interest rate was 12/13 percent. On my calculations I took 12 because it is easier to multiply than 13, it comes out at 72,000 per annum, and the total interest rate on that, and 12 times that which is approximately - sorry, I beg your pardon - six times that is 42, so we are talking about ú420,000 worth of interest has built up. Am I understanding you correctly?

A. That's correct.

.  
CHAIRMAN: So that the original loan which was 600,000, give or take pennies, is now a debt due of the order of one million pounds, give or take?

A. Yeah.

.  
CHAIRMAN: So that's what you want me to understand, that you have made no payments but more important to me, is that you have had no correspondence from your, the grantor of the loan in inquiring when you would make a payment of interest and/or when you would make a payment in production of the loan?

A. Well, the loans --

.  
CHAIRMAN: Am I to understand that that is the situation?

A. And it is my intention, Chairman, to assist you in being

00117

accurate in the calculations you just made, that I will request from the Longwater Investments the spreadsheet of the calculable interest and the amount due as of today.

.  
CHAIRMAN: Tell me this, just as a matter of interest: Do you know many people who lend money, 4 or 600,000, and who don't require the payment of interest or any repayment for periods in excess of six years and don't correspond with the debtor?

A. No, that's not correct, Chairman. The situation is that I have a profit sharing agreement with Longwater Investments. It shows a 75/25 percent split on any on-going future property project in the Czech Republic, and that underpins as well as my own personal assets, the security on that loan. And one of the projects that I am proceeding with is the Grafton Street of Prague, it would show a very, very substantial profit, if it comes to fruition.

.  
So Longwater Investments has a very sound investment in advancing that loan, rolling up the interest and also going to share the profits of any of those, and in the worst case scenario, they would probably force the sale of my home and surrounding lands to foreclose on the loan if they so wished.

.  
CHAIRMAN: All of that happy situation is not reflected in any documentation, any correspondence or any proof, what I call "written" or "solid proof" other than what you say here. Is that the situation that I have been asked to

00118

believe?

- A. You are not being asked to believe it, but if you read my bank statement, you will see exactly every penny that came in from the loan, identified in discovery, provided by me to the Tribunal.

.  
CHAIRMAN: No, you misunderstand me. I have no doubt - at the moment I am prepared to accept it came in, the 300,000 came in. What I am more interested in is how it is going to be discharged? It seems to be building up at an uncommon rate of knots, in my humble opinion, however we will keep --

- A. So the future profitability of the Czech Republic and the - at least some of it would have been a big boost to that, the profit activity in the Czech Republic, particularly Prague while the market has been depressed for a couple of years. Obviously gaining entry to the European Union, anybody involved in profit developments in the Czech Republic will see a handsome increase in values of anything they are dealing with.

.  
684 Q. MR. GALLAGHER: Mr. Lawlor, do I understand that you have not to date received any payment, any remuneration, any fee income or any share of profits from the company that you have referred to?

- A. No, we haven't divided any profits on any project yet.

685 Q. "We haven't."?

.  
CHAIRMAN: Sorry, may I intervene again to make two comments? One, that calculation that I have done is a

00119

simple interest calculation. If it is compounded, as it must be compounded, it gets much higher. And secondly, you are talking about an investment, this isn't an investment inwards, this is a loan outwards. I can't see where the benefit is going to the Czech development. Perhaps I am wrong, but I would just like to, you know, work out --

A. I will explain it for you, Chairman, very easily. You are wrong. The situation is that one project, the Alpha Building, it is fully developed out and is let in central Prague at the moment, and with the projected possibilities forward, would probably yield on a sale to a pension fund or insurance company, costing about 15 million Irish and probably a sale of between 25 and 30 million pounds Irish, as already discussed. I would benefit from a third of that profit, if it arises, and out of my third, relative to a sharing with the Longwater Investments Company, they will benefit to the tune of 25 percent, and that's just one of a schedule of projects that I am pursuing in the Czech Republic, and they are also backed-up, as I repeat myself, by an asset now worth probably 3 or 4 million in this country on a personal guarantee. I won't dispose of that property unless I discharge the loan.

686 Q. MR. GALLAGHER: Tell me, did you inform the Manager of NIB of your guarantee not to dispose of that property when dealing with him?

A. It is nothing to do with him.

687 Q. Nothing to do with him?

A. National Irish Bank.

688 Q. Yes.

00120

A. No, the mortgage of about 20,000 now on the property is with Irish Nationwide Building Society.

689 Q. Did you tell him that you had borrowings of ú600,000 from an investment company?

A. No I didn't, he has first call on the property so his mortgage is secured, so --

690 Q. I see, I see.

A. It was a personal guarantee, if it is to be disposed of, that they will be second to the clearing of the mortgage, obviously.

691 Q. Did you tell him about the anticipated windfall in the event of the upturn in the economy of the Czech Republic?

A. For the purpose of what?

692 Q. For the purpose of your dealing with him?

A. So - I wasn't borrowing from him, so I didn't have any reason to be discussing the matter with him.

693 Q. I see.

A. Why, do you assume I should?

694 Q. Can I refer you to a letter of the 28th of January of 1997. It is LL DISC 2.3-338. This is a document you have discovered to the Tribunal, Mr. Lawlor.

(Document handed to witness.)

A. Thank you.

695 Q. Do you see that letter, Mr. Lawlor?

A. I do, yeah.

696 Q. Is that letter written by you and signed by you?

A. Correct, yes.

697 Q. It is addressed to the bank in question in NIB Naas on the 28th of July, 1997?

A. That's correct, yes.



00121

698 Q. It is a two-page letter, isn't that right?

A. I have just one, sorry.

699 Q. And this is - I don't want to go into detail on this, it is not going to be put up on screen, but it is a letter in which you were seeking relatively small accommodation from the Manager, isn't that right?

A. Which wasn't forthcoming I recall.

700 Q. In that letter you told him about your financial income, your Dail salary and expenses per month, which you recorded as ú2,500, isn't that right?

A. Yes.

701 Q. And you have consultancy work per month, ú2,500?

A. Well, I had been hoping to conclude, and possibly had with the Rotary Group, and I think the information provided to you, I think it was reduced, it was a thousand pounds, I think it might have been a thousand pounds for me, the consultancy.

702 Q. I just want to stay with what you wrote.

A. Yeah.

703 Q. Can you remember what you told the Manager on the 28th of January of 1997? You told him that you had consultancy work which gave you an income of 2,500 per month, with a total net income per month of ú5,000?

A. I think that was in an expectation of negotiating the 2,500.

704 Q. If it was you didn't make it clear. What you indicated was your total net income per month was ú5,000?

A. And I was looking for a temporary facility.

705 Q. Don't worry about that, just for a moment stay with page

1. Your total net income was ú5,000 per month, isn't that

right?

A. Subject to the agreement of the income.

706 Q. There is no subject to anything, your total net income as described - if you wish I will put it up on the screen?

A. You can put it on the screen if you want to. I am saying I am not sure whether I was acting as consultant to the Rotary Group at the time or that I had the expectation of negotiating that sort of income, and I was looking for the €5,000 temporary facility.

707 Q. Mr. Lawlor, you told the Bank Manager on that occasion that your total net income per month was €5,000, isn't that right?

A. There was a projection of that, that I may not elaborate fully on, that was the intent. I am not sure what the consultancy per month accurately was, it could have been €2,000, maybe - I think I might have been hoping to secure a higher figure. I am not sure if that two and a half thousand actually materialised, but I did have, as I recall with the Rotary Group, an arrangement at that period of time which I identified there, and on-going one could secure other consultancy work.

708 Q. Mr. Lawlor, I will ask you again. Did you on this occasion tell the Bank Manager without qualification, and I quote "Total net income per month - €5,000." Yes or no?

A. Yes, it is there but may not have actually been in being, because it was subject to negotiations. And the expectation of that amount possibly, but as far as I know it could have been €2,000 from Rotary with the expectation of other consultancy work, €500 a month was no great hill of beans.

00123

709 Q. What did you tell him your outgoings were, Mr. Lawlor?

A. My outgoings?

710 Q. Your outgoings, yes?

A. I don't know --

711 Q. Just under your net income, outgoings?

A. My total income, well the borrowing --

712 Q. Bank borrowings?

A. Bank borrowings?

713 Q. Nil.

A. Sorry?

714 Q. Nil?

A. Bank borrowings, the mortgage.

715 Q. No, you say "Bank borrowings - nil", isn't that right?

A. Correct, yeah.

716 Q. And you say "Mortgage - ú40,000. Totally cleared."

A. The mortgage --

717 Q. Sorry, is that what you tell him?

A. No, what happened - I think there was, the ACC insisted that I transfer a mortgage from the lodge to the house, when I was disposing of the land, so I think I had cleared the original mortgage and I think I had to take on to myself, by negotiation with ACC, the mortgage for what was a lodge, which is a little cottage and small acreage around the lodge and had to transfer that eventually back to the main house, and I had a loan account, but it wasn't relevant to my dealing with the bank in that context.

718 Q. Did you tell the Bank Manager in that letter that your outgoings were as follows: "Bank borrowings - nil.

Mortgage - ú40,000. Totally cleared." Yes or no?

A. Yes, it is there, that's exactly what I put in the letter

00124

to him, yes.

719 Q. And did you also tell him that the house and land valuations was ú500,000?

A. And that would have been my estimation. Now, a professional valuer could value it at twice that. It was just to give an indication of the substantive security associated with the request for the temporary facility for ú5,000.

720 Q. Why did you not tell him about the ú600,000 you owed to your benefactor, or the company, investment company in Czechoslovakia?

A. It was guaranteed against the Czech interests.

721 Q. Guaranteed against the property?

A. A personal guarantee.

722 Q. You didn't tell him about the personal guarantee?

A. No, I didn't tell him about the personal guarantee.

723 Q. You didn't --

A. I didn't see it as relevant to the correspondence.

724 Q. You didn't think it would be relevant to the bank manager to know you owed ú600,000, plus interest?

A. I might have discussed the Czech Republic with him, I am not sure.

.

CHAIRMAN: Tell me, as matter of interest, did you expect the bank manager to act upon that matter?

A. I was requesting a temporary facility --

.

CHAIRMAN: Did you expect him to act on it? I.e. that you had given information that you were a good mark, which is what you were conveying to the Bank Manager under that

00125

letter?

A. Yeah, and I don't owe him a shilling today, thankfully.

725 Q. You told him that you were due in the region of the  
ú50,000, which would become available at the latest in  
mid-February of 1997?

A. That didn't happen.

726 Q. Where was that to come from?

A. Hopefully if we concluded one of the Czech properties.

727 Q. Which was it?

A. The Alpha Building, the Zether Plant; there was about seven  
or eight projects that I was pursuing at that time.

728 Q. Has that not come to a fruition?

A. None of them are at an advanced stage.

729 Q. You have got no money from any of them?

A. No, not just at this juncture.

730 Q. And where is the documentation that would show the monies  
that you were expecting to be payable to you in  
mid-February of 1997?

A. It was an estimated possibility of income which I didn't  
have details of, but if I put my mind to it, I am sure I  
would earn it.

731 Q. Now Mr. Lawlor, would it be fair to suggest that the Bank  
Manager, on receipt of that letter and anybody else who was  
asked to act on foot of it, would have been led to believe  
that your total income from your salary and income as a  
member of the Oireachtas, and from your consultancies,  
amounted to ú60,000 net, per annum?

A. Yeah; and if he was going to grant that, I presume I would  
have signed a personal guarantee for him and he would be  
good for the money.

00126

732 Q. And that was - sorry, if you just bear with me for one second, I am just getting - that's the 28th of January of 1997?

A. 28th, yeah.

733 Q. I want to return Mr. Lawlor, if I may please, to the note contained on page 64 of your first affidavit? That's the schedule of documents at page 64?

A. I don't have that.

734 Q. Sorry, do you have the affidavit?

A. Sorry, I think you gave it to me this morning. Sorry --

735 Q. Perhaps you can see it maybe on the screen in front of you? The reference I want to make, do you see that, that's --

A. We read that out this morning.

736 Q. Its a total entry on page 64.

A. Yeah.

737 Q. And that is a note that follows the identification of 18 accounts as set out in - 18 bank accounts as set out in the schedule of documents in your affidavit of the 6th of November of this year?

A. Could I make a point, Chairman, on the 18 and 10 or 12 bank accounts? Just because - I mean, they are a lot more than just - they are not all bank accounts by any stretch of the imagination.

738 Q. They are accounts with financial institutions?

A. Yeah, but the public perception is that I have a tremendous number of bank accounts, but they are loans on photocopiers, mobile phone lease agreement, etc., etc..

739 Q. We will come to those in due course?

A. Sure.

00127

740 Q. I want to ask you about this note, because this note refers back specifically to the 18 accounts in financial institutions which I read into the account yesterday, isn't that right?

A. Yes.

741 Q. Now, you said these contain, these statements etc. contain entries relating to your "Dail salary, expenses, council expenses, entries relating to an overseas loan guarantee against my Czech Republic property and other assets, an insurance claim and electoral contributions and other incomes"; isn't that right?

A. Yeah.

742 Q. Now, have you any documents which would assist the Tribunal in identifying the entries that relate to your Dail salary, other than the documents which have already been furnished, i.e. the bank statements?

A. It is my understanding that either the Dail financial section, I thought provided me, or the Tribunal, I think in confirming that it sent all the information to the Tribunal.

743 Q. I am asking you do you have any other records?

A. Yeah, I may have a schedule of all the inflows since my election in 1977.

744 Q. How would that schedule be prepared if you didn't have records of payments that were received by you?

A. I was trying to calculate the total income, and as far as I know the Dail provided a complete up to date - I know I wrote and I think the Tribunal wrote to the Fingal Council looking for the council expense information, and I think they wrote back saying that they didn't have it.

00128

745 Q. What I want to do now; do you have anything over and above what the appropriate office in the Oireachtas might have in relation to payments; do you have any records?

A. From my Dail salary?

746 Q. Of your Dail salary, or any other salary or any other income?

A. I can check and see if I have any details. I am of the opinion that I may have a complete income since 1977, totalling up the Dail salary and expenses paid by the Dail.

747 Q. And why have you not produced that to the Tribunal, and why have you not included it in the affidavits that you have sworn here?

A. It is my understanding that either the Tribunal has it or I am not sure that it is relevant, because I mean, it is public knowledge what your Dail salary is and your expenses and so forth; so if I have the detail, for simplicity, I will be delighted to forward it to the Tribunal.

748 Q. Have you not looked for it before you swore the affidavit?

A. I am not sure whether I did or not - I didn't see it as relevant. I thought it was identifiable and calculable, expenses the Dail also, there is expenses. I don't know that I have the expenses from the council period, I think they wrote to the both the Tribunal and myself and said that they didn't have it.

749 Q. Would you not have inferred your accountant at the appropriate time of what the portion of your income which was; which formed part of your council expenses or Dail expenses so that you would be paying income tax on them, for example?

A. But your annual return, PAYE, you don't have to pay on



00129

expenses.

750 Q. That's precisely the point. You need to be able to identify them as expenses so you don't have to pay tax on them, isn't that right?

A. Mmm, if you are asking me to get you a schedule of all --

751 Q. I would have thought that as a prudent public representative you would have had some records to show what you were claiming for expenses, what expenses had been paid?

A. I believe I may have and I will forward the itemised schedule of my Dail salary and any expenses, as paid to me by the Oireachtas; I don't think I have the council's, and then I referred you to the inflows, and I have secured insurance claims, electoral contributions, and I have no problem - I will provide that to the Tribunal in whatever detail I can.

752 Q. But why didn't you do that before you swore the affidavit, why didn't you make the effort?

A. I don't see it as relative to the Terms of Reference.

753 Q. Is it possible that --

A. The public record of my Dail salary and expenses, what's the - I don't know where the implication could be in the work you are trying to do, Mr. Gallagher.

754 Q. Well, you will understand, Mr. Lawlor, that you get a number of statements, bald statements?

A. Yeah, and to assist you I will provide the breakdown or the gross amounts, or totals over the period, and maybe that will be of some assistance to you certainly.

755 Q. The order of the High Court was that you would do that and that should have been done some weeks ago, and I am

00130

wondering why you didn't make the effort to identify particular payments, outgoings, income, lodgements etc. to assist the Tribunal.

A. Chairman, it wasn't anything to do with not making the effort. I thought I made a major effort, but it appears there was additional information I can provide the Tribunal with which is of assistance, and I will very gladly do so. If I had appreciated in my affidavit that I could have provided that, I would have been glad to provide it, because I feel, in what I have provided, it is most extensive; I was criticised yesterday, but, you know, I will provide it if I have it.

756 Q. What did you mean by the words "Entries relating to overseas loan guarantees against my Czech Republic property projects and other assets" ?

A. Well with respect Chairman, I think we have gone over that ground line by line earlier on. It is exactly what it says, it is the Longwater Investments, the property projects in Prague, my other assets here, does it not --

757 Q. Tell me, how did you fund your acquisition of those assets in Prague and elsewhere?

A. Well, when you say assets.

758 Q. No, sorry you said "assets" this is your word?

A. But it may not be the absolute on-going profitability from property projects; it is property projects, "probability" is the word, and other assets; what I meant by "other assets" is my home and the lands around it.

759 Q. Very good. Just to take it piece by piece if we may.

First of all, there is an overseas loan that you have got and you say in your sworn affidavit, that "That loan is

00131

guaranteed against my Czech Republic property projects"?

A. Correct.

760 Q. Now, I am asking you what those projects are first of all?

Would you identify them for the Tribunal, please?

A. I can't, but I will seek the information from the Prague office and provide it to you and give you a schedule.

761 Q. Mr. Lawlor, you are involved in them, Sir?

A. Yeah, Alpha Building, Breno, Pilsen.

762 Q. Slowly?

A. Alpha Building in Prague.

763 Q. What interest do you have in that?

A. The Irish Consortium has signed an agreement.

764 Q. What interest do you have within it, Sir, you?

A. I have explained at great lengths that if that project goes forward and makes a profit I will benefit, and my interest in it is 33 and a third, as identified earlier in our discussion. So anything that Irish Consortium profits from in the Czech Republic, I will benefit to the percentage of 33 and a third percent.

765 Q. You described, as your "Czech property projects" --

A. Mr. Gallagher, we can go around, up down, in and out. I have explained it to you, I cannot elaborate further for you, I can try and identify --

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CHAIRMAN: I may intervene at this point, first of all Mr.

- would you tell me, first and foremost when this project started? When was it? When did you enter into it?

A. I think about the '95/'96 time.

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CHAIRMAN: Has this building started yet?

00132

A. No, it is an existing building, Chairman.

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CHAIRMAN: When is the project likely to mature to the point at which you talk about?

A. Probably about 18 months from now.

.

CHAIRMAN: And you say that this is a building which is an existing building, which presumably had a value and you say it has now got a value of whatever number of million pounds you say. Can you produce, anywhere, a competent and reputable valuation by a Czech, or whoever, auctioneer or his equivalent in Prague, giving that valuation?

A. Yes, no problem.

.

CHAIRMAN: Have you got it on your files?

A. No, but I can get it in Prague for you.

.

CHAIRMAN: Right. So that's one project. Now, tell us about the other projects? When they start, if they are new buildings; first of all, when you entered into them, when - what is the state of the planning permission or otherwise, where are they going to start and when are they going to mature to the value you claim they are now?

A. I would suggest, Chairman, over the next two to three years.

.

CHAIRMAN: I see.

A. At various stages, there is the Hambuck site in Pilsen; the Zether site in Breno; and there is a number of other properties around Prague that I have done some negotiations

00133

on. I haven't brought them to fruition, and it is on going at the moment.

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CHAIRMAN: And in any one of these projects, have you put a fiver down in cash to acquire them?

A. No, but the shareholders in the Irish Consortium have invested \$300,000 US in the signing of the agreement which wasn't my money. It was the various, then shareholders, of the Irish Consortium.

.

CHAIRMAN: Now, may I also go on to one other matter. You have been referred by counsel to a letter of the 28th of January of 1997, to the bank, which you said you expected him to act on.

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I will pass you the file because --

A. I have it here, Chairman, in front of me.

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CHAIRMAN: Would you like to read to me, the next succeeding three letters?

A. From the bank?

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CHAIRMAN: No, from you to the bank, from the bank to you.

A. 338 you mean, Chairman?

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CHAIRMAN: Well I am actually looking at - 338 was the one we were talking about. I am looking at 340. I am looking at 341, and I am looking at 342, and I am looking at 343, and I don't want to go any further for the moment.

00134

A. 340 is the letter from the bank.

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CHAIRMAN: That's right.

A. "Further to recent communication with regret to advise you that we are not in a position to grant overdraft facilities at this time."

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CHAIRMAN: As a matter of fact, if you start I think by going backwards to 336 you will see the context in which the correspondence is.

A. "Thank you for your letter of the 21st inst., in order for the bank to consider the temporary overdraft, we would require you to forward financial details as soon as possible."

.

And then I responded on the 28th: "Dear Eoin, thank you for your letter.

.

Financial income:

Dail salary- ú2,500.

Consultancy work - ú2,500.

Net income - ú5,000.

Bank borrowings - nil.

Mortgage - ú40,000. Totally cleared.

House and land valuation - ú500,000.

.

I am due in the region of 50,000 which will become available latest mid-February'97. My requirement is a temporary facility of the amount of ú5,000 for approximately four weeks. I trust the above outlines the

00135

situation, and obviously a personal guarantee for the temporary facility would be your requirement."

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"Regret to advise that we are not in a position to grant overdraft facilities at this time. Please note, cheques presented for payment on 28th of January, 1997, will be returned unpaid unless provided for by close of business on 29th of January. In order to regularise the account we require immediate lodgement of not less than ú1,277.27."

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"Dear Eoin, I have signed the necessary documents this afternoon to transfer ú15,897 to my current account. It may take three or five days to go through the International Section. Appreciate if you could ensure that the small outstanding cheques, if any, are discharged."

.

CHAIRMAN: The first thing I want to know about that section is, where was the International Section through which the sum had to be cleared?

- A. This - it would have been in one of the transfers from the overseas loan account.

.

CHAIRMAN: I see. So you had overseas accounts, of which you could draw?

- A. No, the Longwater Investments loan, and it was expected to take three to five days for the amount to come in.

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CHAIRMAN: I see. The next two letters?

- A. 342?

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00136

CHAIRMAN: 342?

A. Is that correct? Yeah.

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"I am arriving in Dublin from Albania after close of business this evening and then travel on to the US at 8 in the morning. I require \$2,000 US. Ann Polat, my Personal Assistant will call you to discuss the necessary arrangements."

.

And: "I confirm that I have lodged ú800 in cash into my account through your branch in Blanchardstown. Would appreciate if you could honour any cheque presented."

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CHAIRMAN: Well now, I want to read you a passage from the Tribunals of Inquiry (Evidence) (Amendment) Act of 1979, and I want you to listen to me very, very carefully.

.

That section provides: "If a person on being duly summonsed" - as you are - "willfully gives evidence to a Tribunal which is material to the inquiry to which the Tribunal relates, and which he knows to be false and does not believe to be true, by any act or omission obstructs or hinders the Tribunal in the performance of its functions, that person shall be guilty of an offence."

.

Section 2(a) says: "A person guilty of an offence under this section shall be liable for conviction on indictment to a fine not exceeding ú10,000, and at the discretion of the Court to imprisonment for a term not exceeding two years, or both, such fine and such imprisonment."



00137

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I want you to go home this evening and bear very carefully the terms of that section in mind.

.  
I have, to put it neutrally, at this moment, a degree of unease, about the quality of your evidence and the frankness of your evidence to date.

.  
Now, I am going no further than "unease". So I suggest that you carefully reflect upon the evidence you have given and the evidence you are likely to give to this Tribunal in the light of those provisions in the Act.

A. Related to this correspondence?

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CHAIRMAN: It relates to your evidence to date. My unease, that's what I am saying as of this moment, and I am going to conclude the hearing at this point in time to enable you to reflect overnight and to be careful, not only to correct any perhaps misapprehension which I may have got, or to endeavor not to give me cause for further unease, because I might be forced to take certain decisions.

A. Chairman, I don't know specifically what you refer to at all?

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CHAIRMAN: Think about it overnight.

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MR. GALLAGHER: Sorry, are you adjourning until 10:30 tomorrow?

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CHAIRMAN: I'm adjourning until tomorrow morning at half  
past ten.

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MR. GALLAGHER: Thank you.

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THE HEARING THEN ADJOURNED UNTIL THE FOLLOWING DAY, 14TH  
DECEMBER, 2000, AT 10:30 AM.

