

10:28:16 1 **THE TRIBUNAL RESUMED AS FOLLOWS ON FRIDAY,**

2 **30TH NOVEMBER 2007, AT 10.30 A.M:**

3

4 CHAIRMAN: Good morning, Mr. Murphy.

10:41:19 5

6 MR. MURPHY: Good morning, Chairman, good morning, members.

7

8 Mr. Chris McHugh, please.

9

10:41:24 10 MR SHAW: Good morning, Chairman. My name is John Shaw. I'm seeking limited
11 representation for Mr. McHugh. I am acting on his behalf this morning.

12

13 CHAIRMAN: Certainly. Granted.

14

10:41:34 15 **MR. CHRIS McHUGH HAVING BEEN SWORN, WAS QUESTIONED**

16 **BY MR. MURPHY AS FOLLOWS:**

17

18 CHAIRMAN: Good morning, Mr. McHugh. Good morning, Chairman.

19 Q. 1 MR. MURPHY: Good morning, Mr. McHugh.

10:42:03 20 A. Good morning.

21 Q. 2 Mr. McHugh, between 1989 and 1995, you were Finance Director of NCB I think, is
22 that correct?

23 A. That's correct.

24 Q. 3 And some time in 1995 you retired from NCB and you went to IIU, is that right?

10:42:25 25 A. That's correct.

26 Q. 4 What is IIU?

27 A. It's a company owned by Dermot Desmond.

28 Q. 5 Yes. And do you know when in 1995 you went there?

29 A. It was July, early August '95.

10:42:40 30 Q. 6 All right. And what does that company do?

10:42:42 1 A. It's basically a private company that manages his investments.

2 Q. 7 I see.

3 A. And I was finance director there.

4 Q. 8 All right. Now, I think in your last, in the last few years with NCB before

10:42:58 5 you left some time mid 1995, I think Mr. Padraic O'Connor was the head person

6 in NCB, is that right?

7 A. He was the managing director.

8 Q. 9 He was the managing director. And I think prior to him being the managing

9 director, Mr. Desmond was managing director of NCB, is that right?

10:43:15 10 A. No, he was never. He was chairman.

11 Q. 10 He was chairman.

12 A. I think prior to Padraic O'Connor was Michael Buckley.

13 Q. 11 I see. Was?

14 A. Michael Buckley.

10:43:24 15 Q. 12 And then prior to him Mr. Desmond, is that right?

16 A. I'm not sure Dermot was ever managing director.

17 Q. 13 It doesn't matter. Sorry. I see what you mean. Mr. Desmond was chairman and

18 Mr. Buckley --

19 A. Yes.

10:43:37 20 Q. 14 -- was Mr. O'Connor's predecessor.

21 A. Yes.

22 Q. 15 All right. And I think Mr. Desmond, did he, did he found NCB?

23 A. He did, yes.

24 Q. 16 All right. And did he ask you to join him in IIU?

10:43:52 25 A. He did.

26 Q. 17 All right. Now, Mr. McHugh, the reason why you've been asked to attend the

27 Tribunal to give evidence is essentially that on the 15th of December 1993, NCB

28 wrote a cheque for 6,050 pounds to Euro Workforce and you are one of the

29 signatories to that cheque. And there was a later, that cheque had to be

10:44:30 30 replaced and so on and we'll go into that in a little bit more detail shortly.

10:44:35 1 But that is essentially why you are here. You understand that?

2 A. Yes.

3 Q. 18 In connection with that cheque and how it came into existence and the how and

4 the why and so on?

10:44:43 5 A. Absolutely.

6 Q. 19 And the Tribunal is informed that that cheque for 6,050, eventually 5,000 of it

7 ends up in an account of Mr. Ahern's?

8 A. Yes.

9 Q. 20 You understand?

10:44:55 10 A. Yes, Mr. Murphy.

11 Q. 21 All right. Now, can I just ask you for a second to imagine in front of you a

12 piece of paper with two transactions. And to deal with the second transaction

13 first. The second transaction is on the right-hand side of the page. And the

14 second transaction, this transaction represents a lodgement of 22,500 pounds to

10:45:22 15 the account of Mr. Ahern on the 30th of December 1993. This is the transaction

16 on the right-hand side of the page. All right? There's a lodgement of 22,500

17 into Mr. Ahern's account. All right? And it's made up of three parts; one is

18 a cash payment of 15,000 pounds. The second is a cheque for 2,500 pounds and

19 the item that we're concerned with is a bank draft for 5,000 pounds made

10:45:50 20 payable to Des Richardson and endorsed by him. Do you follow?

21 A. I do.

22 Q. 22 All right. Now, that's that second transaction on the right-hand side of the

23 page, Mr. McHugh. And the Tribunal is told by Mr. Ahern and by Mr. Richardson

24 that that 5,000 pounds represents money that came from Mr. O'Connor and/or NCB

10:46:22 25 and just for the moment I'm not going to get into any distinction between the

26 two, but it came from that direction, do you understand that?

27 A. I do.

28 Q. 23 All right. Now, the Tribunal has recently learnt and if I could have page No.

29 24679, please, just so that can he can see it on screen. That draft for 5,000

10:46:56 30 pounds, sorry, just for one moment not looking at the screen. That draft for

10:47:00 1 5,000 pounds is dated the 22nd of December 1993. That's made payable to
2 Mr. Richardson. And that's the draft that finds itself in Mr. Ahern's account,
3 all right?

4 A. Yes.

10:47:16 5 Q. 24 All right. Now, if you look at this document on screen you will find that
6 dated. That this is an application for a draft in the Bank of Ireland. And
7 the date is the 22nd of December 1993. And what is being applied, the
8 Applicant is Roevin, R O E V I N, which is a company with which Mr. Richardson
9 has a connection, do you follow?

10:47:46 10 A. I do.

11 Q. 25 And this is seeking a draft in favour of Des Richardson in the sum of 5,000
12 pounds. All right?

13 A. Yes.

14 Q. 26 And on the same day if we look, please, at page 24742. Sorry, I should say
10:48:08 15 that this is, this is the account. Ignore the same pages for the a second.
16 This is the account of Roevin Ireland Limited and you will see at the top in
17 relation to amounts. On the 12th of October 1992, the account was opened by
18 depositing a sum of 39,000 pounds, do you see that?

19 A. I do.

10:48:32 20 Q. 27 And then if you go down to the bottom line you will see that on the 22nd of
21 December 1993, an amount of 5,000 pounds is taken out of the account. Do you
22 see that?

23 A. I do.

24 Q. 28 And with the exception of one withdrawal of 2,000 pounds on the 16th of
10:48:51 25 November 1992, there are no other transactions apart from what appear to be
26 interest transactions, do you see that?

27 A. I do.

28 Q. 29 All right. It would appear from this, combining this information, Mr. McHugh,
29 with the fact that a draft for 5,000 made payable to Mr. Richardson ended up in
10:49:11 30 Mr. Ahern's account. It would appear that the draft made payable to

- 10:49:15 1 Mr. Richardson in the sum of 5,000 pounds and endorsed by him and ending up in
2 Mr. Ahern's account was funded by 5,000 pounds withdrawn from the account of
3 Roevin. Do you see, do you follow that?
- 4 A. I follow your reasoning, yes.
- 10:49:30 5 Q. 30 Yes. And that if that is the case, that is a sum of money that has rested in
6 that account for more than a year because the only other transactions on the
7 account are a withdrawal of 2,000 pounds after the lodgement of 39,000 pounds,
8 isn't that right?
- 9 A. That's right.
- 10:50:03 10 Q. 31 Now, Mr. McHugh, as I say, Mr. Ahern and Mr. Richardson have told the Tribunal
11 that the 5,000 pounds draft that goes in to Mr. Ahern's account originally
12 starts with an NCB payment, all right?
- 13 A. Okay.
- 14 Q. 32 Now, that's transaction No. 2 on the right-hand side of the page. Now, for a
10:50:23 15 moment if you could imagine transaction No. 1 on the left-hand side of the
16 page. And you can ignore the screen. And we know that on the 15th of December
17 1993, if we could have, please, 18906.
18
- 19 We know that on the 15th of December 1993, NCB I think it's stockbrokers, is
10:50:55 20 that correct, wrote a cheque for 6,050 pounds in favour of what's called there
21 your Workforce Limited in fact it seems to be Euro Workforce Limited, isn't
22 that correct?
- 23 A. That's correct.
- 24 Q. 33 And that's a cheque to which you are one of two signatories, isn't that right?
- 10:51:13 25 A. That's right.
- 26 Q. 34 And we'll just deal with this cheque for a moment and we won't complicate
27 things with the cheque that replaces it later, is that all right? Is that
28 okay?
- 29 A. That's okay.
- 10:51:23 30 Q. 35 All right. Now, Mr. O'Connor has informed the Tribunal that he was approached

10:51:26 1 by Mr. Richardson and asked for a contribution, a political contribution
2 towards Mr. Ahern's constituency expenses, all right?

3 A. Yes.

4 Q. 36 And that -- and leave aside for the moment whether it was to be a contribution
10:51:41 5 from Mr. O'Connor or from NCB but it was coming from that direction, all right?

6 A. Fine.

7 Q. 37 And Mr. O'Connor has told the Tribunal that the route chosen for making this
8 payment was to write a cheque to Euro Workforce in the sum of 6,050 pounds, do
9 you follow that?

10:52:04 10 A. I do.

11 Q. 38 You probably know that from the papers, from the brief you have received from
12 the Tribunal and/or from what you've seen in the papers if you've been
13 following the course of the Tribunal, is that right?

14 A. Yes.

10:52:16 15 Q. 39 All right. So what I'm trying to get at here, Mr. McHugh, is that on the one
16 hand you have transaction No. 2 where Mr. Ahern and Mr. Richardson are saying
17 that the bank draft in favour of Mr. Richardson in the sum of 5,000 pounds, its
18 original source is a payment from, payment by NCB.

19 A. Yes.

10:52:44 20 Q. 40 Do you follow that?

21 A. I do.

22 Q. 41 And on the other hand, we have the evidence of Mr. O'Connor saying that he was
23 asked to and decided to make a payment, he says, as a political donation to
24 Mr. Ahern and the route he chose was to pay this cheque of 6,050 to Euro
10:53:07 25 Workforce.

26 A. Yes.

27 Q. 42 Do you see?

28 A. Yes.

29 Q. 43 So what we have is the oral evidence on both sides of this equation saying that
10:53:19 30 a sum of 5,000 pounds at some point went from NCB. Sorry, went from NCB and

10:53:26 1 ended up in Mr. Ahern's account in the form of the bank draft.

2 A. Yes.

3 Q. 44 That's the oral evidence we have.

4 A. Yes.

10:53:33 5 Q. 45 But the documentary evidence doesn't yet establish that, do you follow that?

6 A. I can see that, yes.

7 Q. 46 And as far as that goes is that in relation to the second transaction that you

8 have the bank draft in favour of Mr. Richardson, which goes in to Mr. Ahern's

9 account and would now appear to be funded by a payment out of the account of

10:54:03 10 Roevin Limited which is an account with which Mr. Richardson is connected. We

11 have that on the one hand.

12 A. Yes.

13 Q. 47 And on the other hand, we have a cheque in the sum of 6,050 pounds from NCB

14 Stockbrokers payable to Euro Workforce Limited, which is said by Mr. O'Connor

10:54:23 15 to be the source of the monies that end up as the NCB or Mr. O'Connor

16 contribution of 5,000 pounds on the 30th of December 1993. Do you follow that?

17 A. I do.

18 Q. 48 All right. Now, Mr. McHugh, what the Tribunal is enquiring into at the moment,

19 one of the specifics that it's enquiring into is whether or not there is in

10:54:51 20 fact a link between this payment of 6,050 pounds by NCB to Euro Workforce

21 Limited and the bank draft for 5,000 that ends up in Mr. Ahern's account on the

22 30th of December 1993, and if there is a link what the circumstances of this

23 payment of 6,050 are. Why it was given and that sort of thing. Do you follow

24 that?

10:55:21 25 A. I follow.

26 Q. 49 And your role in all of this is because of your involvement with this cheque?

27 A. Yes.

28 Q. 50 And whatever went on in NCB in relation to issuing that cheque and the one that

29 subsequently replaced it. And to try and help the Tribunal and to throw some

10:55:44 30 light on, as I say, what the meaning of this cheque is and whether it was a

10:55:49 1 cheque that did end up indirectly in Mr. Ahern's account or did not and if it
2 did, how that came about?

3 A. I understand that.

4 Q. 51 Do you follow?

10:55:59 5 A. I understand that.

6 Q. 52 Now, this cheque that's on screen, Mr. McHugh, is dated the 15th of December
7 1993, and you are one of two signatories, isn't that right?

8 A. That's correct.

9 Q. 53 So this is as it were, one of a few known facts into this entire transaction,
10:56:31 10 isn't that right?

11 A. That's correct.

12 Q. 54 There are a few more. We'll come to an invoice, we'll come to the replacement
13 cheque and so on. But this happened. NCB wrote a cheque to Euro Workforce for
14 6,050 and you are one of two people signing it.

10:56:47 15 A. Absolutely.

16 Q. 55 And I appreciate that this was, I think is it 14 years ago and something like
17 11 years or is it 12 since you left NCB?

18 A. 12, yes.

19 Q. 56 Isn't that right?

10:56:59 20 A. Yeah.

21 Q. 57 So it's a long time ago. Now, could I just begin, Mr. McHugh, by asking you
22 when you were first asked to recall in recent times this cheque and this
23 transaction?

24 A. Well I think Padraic O'Connor rang me up and asked me my recollection. Maybe
10:57:28 25 as long as a year ago and I can't remember the exact timing.

26 Q. 58 Yes.

27 A. And I just gave him my recollection of it.

28 Q. 59 Yes. Could you be a little bit more specific in relation to when he rang you
29 up?

10:57:52 30 A. It was certainly ... well I think I first went into the Tribunal in October or

10:57:58 1 November of last year, which is a year ago.

2 Q. 60 November, correct.

3 A. I would say it was probably a year before that maybe. I'm guessing.

4 Q. 61 All right so that would have been some time in 2005.

10:58:07 5 A. I think but ...

6 Q. 62 You think.

7 A. It could have been early 2006.

8 Q. 63 Yes. So, sorry. And should I say that. Could I say that, you know, when you

9 wrote this cheque and when you wrote. Sorry, signed and subsequently signed

10:58:21 10 the second cheque in March 1994, presumably that put the matter to bed and you

11 forgot about it?

12 A. Well I didn't remember the second cheque but I did forget about it, yes.

13 Q. 64 And then you went off to your new job the following year.

14 A. That's correct.

10:58:36 15 Q. 65 And you had no occasion to think about this until the phone call from

16 Mr. O'Connor in 2005, is that right?

17 A. That's correct, yes.

18 Q. 66 Now, would you have been in regular contact with Mr. O'Connor for whatever

19 reason in the ten years intervening?

10:58:59 20 A. Well, yeah, reasonably. I mean, yeah, meet him two or three times a year.

21 Q. 67 All right. Is it professionally or is it friendly?

22 A. Friendly.

23 Q. 68 All right. And so a phone call from Mr. O'Connor in 2005, wasn't something out

24 of the blue?

10:59:20 25 A. No.

26 Q. 69 I take it this particular phone call was out of the blue?

27 A. Yes, I think so. I don't know whether there was anything in the paper or

28 whatever but I mean I think it was out of the blue, yes.

29 Q. 70 All right. Well, all right. And can you remember did he phone you in the

10:59:45 30 office or did he phone you at home or what?

- 10:59:47 1 A. No, no, he phoned me in the office, I'm pretty sure.
- 2 Q. 71 He phoned you in the office?
- 3 A. I'm pretty sure I was in the office.
- 4 Q. 72 And you think it was some time in 2005?
- 10:59:55 5 A. I think so.
- 6 Q. 73 As best you can, can you recall what he said to you or what he outlined to you
- 7 or what he asked you? Obviously, while it's not all that long ago, I'm not
- 8 expecting you to remember the exact words or anything like that. What can you
- 9 remember about the phone call?
- 11:00:21 10 A. I think he. Well I remember he asked me about the payment that we made, this
- 11 particular payment and what was my recollection. And I said I remember, I
- 12 remember him coming in to my office and saying he had an approach from Des
- 13 Richardson about making contribution to fund Bertie Ahern's constituency
- 14 office, and that this was three or four, Richardson was looking for three or
- 11:00:53 15 four contributions 15 to 20,000 and Padraic saying, I think Graham was in the
- 16 office at the time, the two of us were there, musing whether it should be done.
- 17 And that was my recollection. And that's what I told him.
- 18 Q. 74 Yes. Is there any possibility as he outlined to you first of all what his
- 19 recollection was and then asked you what you thought of that?
- 11:01:19 20 A. No.
- 21 Q. 75 He asked you your recollection?
- 22 A. Absolutely.
- 23 Q. 76 And that's what you told him?
- 24 A. Absolutely.
- 11:01:24 25 Q. 77 What you just told the members is not, because I'm not asking you what you
- 26 remember happened in '93. It is what you remember saying to him on the phone.
- 27 A. Pretty much. I'm pretty certain he didn't give me his view and I confirmed it.
- 28 Q. 78 All right.
- 29 A. I'm pretty certain I said this is my recollection Padraic and ...
- 11:01:47 30 Q. 79 All right. Did this inquiry come as a surprise to you?

11:01:59 1 A. That's a good question. I suppose Padraic had put me on notice. I was
2 surprise to get a fen call from the Tribunal but October last year but Padraic
3 had put me on notice and not entirely surprised.

4 Q. 80 Sorry. You were surprised to get a phone call from the Tribunal?

11:02:21 5 A. Yes.

6 Q. 81 Even though you had this conversation with Mr. O'Connor a year earlier.

7 A. It was a year earlier, yes.

8 Q. 82 You were surprised when you got a phone call from the Tribunal?

9 A. A little bit surprised, yeah.

11:02:35 10 Q. 83 Now, when you got the communication from the Tribunal the whole thing was out
11 in the public domain, you'd had Mr. Ahern talking to Mr. Dobson on the
12 television, you'd had Mr. Ahern in the Dail.

13 A. Not sure Mr. Ahern had been talking to Mr. Dobson at that time.

14 Q. 84 Yes because I think that was September 2006, and your interview was November
11:02:53 15 2006?

16 A. Okay, maybe.

17 Q. 85 You made a statement just shortly before that.

18 A. Okay, if you say so.

19 Q. 86 Well when all of that happened and having regard to the fact, having regard to
11:03:03 20 the fact that Mr. O'Connor had phoned you previously, would you have been all
21 that surprised at the Tribunal contacting you?

22 A. Well he had phone me at least a year before. I was surprised that the phone
23 call came through to my office. Well, surprise is maybe too strong a word but
24 ...

11:03:22 25 Q. 87 Sorry. Just for a moment, Mr. McHugh, you brought me on to when you were
26 contacted by the Tribunal. Were you in fact surprised when the Tribunal
27 contacted you?

28 A. A little bit surprised, yeah.

29 Q. 88 All right. Now, when you got the phone call from Mr. A Connor you would have
11:03:38 30 phone calls in the course of friendship over the years, but a phone call that

11:03:41 1 brought you back ten years to you working together in NCB over this matter.

2 A. Yeah.

3 Q. 89 Were you surprised when you got that phone call and inquiry about it?

4 A. Well that was a year earlier.

11:03:53 5

6 JUDGE FAHERTY: I think, Mr. McHugh, Mr. Murphy's question is; did the nature

7 of Mr. Connor's query to you in 2005, come as a surprise to you?

8 A. Judge, the nature as seeking to.

9

11:04:07 10 JUDGE FAHERTY: What he was asking you about in 2005. I think that's what

11 Mr. Murphy is asking you about.

12

13 MR. MURPHY: Yes. Thank you.

14

11:04:17 15 JUDGE FAHERTY: You get a phone call from Mr. O'Connor.

16 A. Yes.

17

18 JUDGE FAHERTY: And he asks you to recollect something, to give him your

19 recollection.

11:04:22 20 A. Yes.

21

22 JUDGE FAHERTY: Of a payment made in 1993. Isn't that correct?

23 A. That's correct, Judge, yes.

24

11:04:27 25 JUDGE FAHERTY: And that's what Mr. Murphy is asking you. Did that, did the

26 nature of what Mr. O'Connor was asking you come as a surprise to you or did it

27 surprise you that he asked you to recollect such a matter?

28 A. Um.

29

11:04:43 30 JUDGE FAHERTY: I think that's what Mr. Murphy is asking you.

11:04:45 1 MR. MURPHY: Thank you, Judge.

2 A. Judge, I just can't remember whether this was so much in the public domain at

3 that point in time but ...

4 Q. 90 MR. MURPHY: Well can I help you with that. It wasn't in the public domain at

11:04:58 5 all at that time.

6 A. Was it not?

7 Q. 91 The Tribunal had never heard of any of you before.

8 A. Okay.

9 Q. 92 Before May 2006 when the Tribunal got a report from Mr. Peelo. And in fact

11:05:09 10 even then it was after that before Mr, this draft and Mr. O'Connor's name came

11 up. But the first public domain aspect of it I think was the letter published

12 in the Irish Times which I think was September 2006, leading to the interview

13 between Mr. Ahern and Mr. Dobson. So in 2005, there is nothing at all about

14 this in the public domain.

11:05:31 15 A. No, the only thing I would say, Mr. Murphy, is I'm not sure of the timing of

16 that phone call from Padraic O'Connor. It certainly was, could have been the

17 early part of 2006. I'm not certain.

18 Q. 93 Okay.

19 A. In terms of time when he actually rang me.

11:05:46 20 Q. 94 And I'm not for a moment pinning you on that, Mr. McHugh, I'm not trying to.

21 But you've said now you thought a year or thereabouts before the interview.

22 When you came into the interview with the Tribunal, I think you said a year a

23 year and a half. So it clearly has to have been some time in 2005?

24 A. Yes, I would have put it in 2005.

11:06:06 25 Q. 95 Yes. Or even if you think maybe now that it came into 2006.

26 A. Yes.

27 Q. 96 In the early part of 2006, there is nothing in the public domain raising this

28 matter as an issue, raising this matter. And in that context, I'm asking you

29 was it a surprise to you when Mr. O'Connor said, Mr. McHugh, I'm not actually

11:06:25 30 ringing you about a social or a friendly matter I'm ringing you with an inquiry

11:06:30 1 about a matter, this cheque 10 years ago?

2 A. Well, I'm not sure it was entirely a surprise to be honest.

3 Q. 97 All right. Would that have been because Mr. O'Connor would have raised the

4 matter with you on a previous occasion on the phone or when you were together?

11:06:53 5 A. No, I don't think so.

6 Q. 98 All right.

7 A. I'm not saying he absolutely didn't but I do remember a specific phone call

8 where he asked me my recollection.

9 Q. 99 Yes.

11:07:02 10 A. Of this payment. And I gave it to him.

11 Q. 100 Yes. And did he tell you why he was asking you this?

12 A. I'm not sure, I can't remember that part but he did ask me my recollection of

13 it.

14 Q. 101 Yes. But did he ask, did he tell you why 'listen Chris I want to ask you this

11:07:29 15 about our involvement in this cheque ten years ago' and the reason is whatever,

16 you know, for example, that he had a contact from Mr. Richardson or whatever?

17 A. He may have, Mr. Murphy, but I don't recall.

18 Q. 102 You don't recall that?

19 A. No.

11:07:41 20 Q. 103 Well do you recall asking him what do you want to know for?

21 A. I may have but I ... the only thing I remember really about the phone call is

22 that he asked me my recollection of the payment.

23 Q. 104 Sure.

24 A. And the circumstances and I gave him the circumstances and I think he said

11:08:06 25 something like that's my recollection as well or whatever but ... but I was

26 pretty clear that I remembered it and that was my recollection.

27 Q. 105 Sure. You must have been enormously curious as to why Mr. O'Connor was asking

28 you this at this remove?

29 A. I just don't remember whether I asked him why but I may well have but I didn't.

11:08:28 30 I don't remember that part of the conversation.

- 11:08:29 1 Q. 106 Mr. McHugh, when you recall, when in this conversation you told him your
2 recollection of events?
3 A. Yeah.
- 4 Q. 107 Surrounding this cheque you would have recalled at the same time that it was a
11:08:42 5 cheque that was written as a vehicle of getting 5,000 as a political donation
6 to Mr. Ahern and involved, what was, a false invoice, isn't that right?
7 A. Yes, Mr. Murphy, yes.
- 8 Q. 108 So you would have recalled all of that as well?
9 A. Yes.
- 11:09:02 10 Q. 109 Now, that would have to make you, Mr. McHugh, in 2005, seeing receiving this
11 phone enormously curious as to why your former boss, former managing director,
12 former head of NCB was making this inquiry out of the blue at a time when there
13 is nothing, nothing in the news, in the media about it?
14 A. Well I may have asked him why but I'm, I certainly can't recall his answer.
- 11:09:33 15 Q. 110 And do you not think it a bit surprising that if you asked him why and he told
16 you or if he volunteered why he was asking you, do you not find it surprising
17 that you would forget his answer to that?
18 A. Well I have, I'm not forgetting it deliberately. He may well have said that he
19 had some inquiries or whatever. I just cannot say that I know specifically
11:10:00 20 whether we got into that part of the conversation. The part of the
21 conversation that I remember very distinctly was, he asked me my recollection.
22 I gave him my recollection. You know, I may well have been curious and said in
23 what context it was but I can't say I remember he said A, B or C because I'm
24 not trying to be evasive here, I've nothing to hide.
- 11:10:29 25 Q. 111 And what, Mr. McHugh, do you think, I appreciate he was asking you. Sorry.
26 What did you say in fact? What did he ask you, what was his question to you?
27 A. I think he asked me did I remember the circumstances of the payment the 5,000
28 payment going back ten years or whenever it was and I gave him the
29 circumstances that I recalled them; that it was it do with funding Bertie
11:11:00 30 Ahern's constituency office that. Bertie Ahern had been made Minister for

- 11:11:03 1 Finance and he would not be able to fund it, that he had an approach from Des
2 Richardson and they were looking for three or four contributions and Padraic
3 agreed to make that, make a 5,000 contribution and that's the background and
4 that's what I told him.
- 11:11:21 5 Q. 112 And were you able to give him all of that information without saying I'll have
6 to ring you back and think about it or hold on now and I'll think about it or
7 I'd have to see some documentation?
- 8 A. No, I think I remembered it.
- 9 Q. 113 Right. And was there anything in particular that made you remember all that
10 after an interval of ten years?
- 11 A. No, I just remembered it. It was unusual and I remembered it.
- 12 Q. 114 It was unusual?
- 13 A. Yes.
- 14 Q. 115 And you remembered it?
- 11:11:48 15 A. Yes.
- 16 Q. 116 What was unusual about it?
- 17 A. Because we hadn't made political donations.
- 18 Q. 117 All right. But you did make political donations didn't you, Mr. McHugh?
- 19 A. Well reading the transcripts I believe we did, we did take a table at O'Donovan
11:12:08 20 Rossa Cumann.
- 21 Q. 118 Yes.
- 22 A. But ... I was not aware of that and I was not ...
- 23 Q. 119 I see. Could we have 24488, please. Do you see that? That's a cheque dated
24 24th of November 1994, "paid Cumann O'Donovan Rossa 1,000 pounds for or on
11:12:36 25 behalf of NCB Stockbrokers Limited" it's an AIB cheque Grafton Street, isn't
26 that right?
- 27 A. That's right.
- 28 Q. 120 Who are the signatories on that?
- 29 A. I signed it.
- 11:12:47 30 Q. 121 All right. So you knew that NCB made political donations?

11:12:50 1 A. Well, Mr. Murphy, I didn't actually make the connection as a political
2 donation. This cheque was written three weeks before we sold NCB.
3 Q. 122 All right. At that time I was working 20 hours a day going through legal
4 documentation. NCB was sold on the 20th of December. Yes.

11:13:11 5 A. With a massive amount of due diligence.
6 Q. 123 But you gave that as the reason that it was unusual. Now ...
7 A. Yes.
8 Q. 124 It clearly from this cheque, it wasn't unique?
9 A. I accept that.

11:13:38 10 Q. 125 So can it be that that was the reason that you remember it, that it was unusual
11 to make the payment, to make a political donation?
12 A. Yes, it was unusual because ...
13 Q. 126 Because what?
14 A. It was unusual because it was, I remember a specific discussion about it.

11:14:02 15 There was no discussion about this. I presume Padraic approved this. This was
16 just sent down. I signed it in a batch of cheques.
17 Q. 127 All right.
18 A. And ...
19 Q. 128 Mr. McHugh, apart from Mr. O'Connor asking you for your recollection in
11:14:43 20 relation to this matter, was he particularly concerned about any aspect of the
21 matter do you think, do you recall?
22 A. I don't recall, Mr. Murphy.
23 Q. 129 Yes. For example did he want to know from you in particular that it was, and
24 I'm not suggesting he was saying this to you, but did he want to know from you
11:15:08 25 that it was a matter of constituency or political expenses, as opposed to a
26 payment to Mr. Ahern personally, did that come up in the course of your
27 conversation?
28 A. I don't think so.
29 Q. 130 Right. The other person who was party to all of this was Mr. O'Brien, is that
11:15:32 30 right?

- 11:15:32 1 A. That's correct.
- 2 Q. 131 Did you suggest to him that he contact Mr. O'Brien about it?
- 3 A. I may have but he would be, he would be in contact with Mr. O'Brien anyway.
- 4 Q. 132 All right. Now, when this matter came in to the public domain and whether via
11:15:55 5 the interview on television or whether via the Dail discussion, Mr. McHugh, and
6 whether you watched these or whether you read about them in the paper. Did you
7 become aware of Mr. Ahern's account of matters and in particular this lodgement
8 and this dig out, as it's called, and the role of Mr. O'Connor?
- 9 A. I did become aware.
- 11:16:20 10 Q. 133 And when you heard or read that account what was your reaction, what do you
11 remember that account to be of Mr. O'Connor's role?
- 12 A. Well I only know Mr. O'Connor told me in the office.
- 13 Q. 134 No, no, no, no I beg your pardon. I'm talking now in 2006. September, October
14 2006, when Mr. Ahern is explaining either on television or in the Dail about
11:16:49 15 these sums of money and about donors making a contribution and he refers to
16 Mr. O'Connor?
- 17 A. Yes.
- 18 Q. 135 And do you recall that?
- 19 A. I do recall that, yes.
- 11:17:02 20 Q. 136 And do you recall having any reaction to what he was saying about
21 Mr. O'Connor's and NCB's role in it?
- 22 A. Well, as I said, my only conversation on the matter was what Mr. O'Connor told
23 me on the day he came in to my office with Graham O'Brien, that this was the
24 approach. So Mr. Ahern obviously was in conflict with what Mr. O'Connor was
11:17:27 25 saying.
- 26 Q. 137 Yes, that's what I'm getting at, Mr. McHugh. It was obvious to you immediately
27 that Mr. Ahern, his version of events conflicted with that of Mr. O'Connor,
28 isn't that right?
- 29 A. It was different.
- 11:17:38 30 Q. 138 Isn't that right?

- 11:17:40 1 A. That's right.
- 2 Q. 139 All right. And it also was different from your version, isn't that right?
- 3 A. That's correct.
- 4 Q. 140 All right. Did you do anything on foot of that?
- 11:17:49 5 A. No, I didn't.
- 6 Q. 141 Did you phone Mr. O'Connor and say what's that all about?
- 7 A. I don't recall phoning Mr. O'Connor, no.
- 8 Q. 142 Does that mean that you didn't?
- 9 A. I didn't. Pretty sure I didn't.
- 11:18:02 10 Q. 143 All right. Would you have met him that time socially in a friendly capacity
11 around that time after his name suddenly became public in the whole matter?
- 12 A. What day was that again, that was?
- 13 Q. 144 If we take it as September/October 2006?
- 14 A. Um.
- 11:18:22 15 Q. 145 The end of September and the beginning of October I think.
- 16 A. I'm not sure I met him. I may have met him. I would have met him a couple of
17 times possibly but I know I had lunch with him in April.
- 18 Q. 146 Of?
- 19 A. With two other people.
- 11:18:38 20 Q. 147 April of 2006?
- 21 A. April/May 2007.
- 22 Q. 148 That's this year?
- 23 A. Yeah.
- 24 Q. 149 Well could we go back to the time. Your inter interview was around this time
11:18:49 25 last year, your interview with the Tribunal?
- 26 A. Yes.
- 27 Q. 150 He was also interviewed around that time. And that's you know some weeks after
28 the whole thing has become public.
- 29 A. Yes.
- 11:18:58 30 Q. 151 Did you meet him as friends around the time?

11:19:04 1 A. Well I may have bumped in to him because he has a house in Kilkenny and I have
2 a house in Kilkenny.

3 Q. 152 Yes.

4 A. But we weren't discussing this.

11:19:12 5 Q. 153 Do you play golf?

6 A. I do.

7 Q. 154 Do you both play golf together?

8 A. Well, we haven't played in about four years I'd say, five years.

9 Q. 155 All right.

11:19:21 10 A. Maybe.

11 Q. 156 All right. But all right. Well can I ask you just to tell the Tribunal for a
12 second what the first conversation you had with Mr. O'Connor about this matter
13 was after it became public in the autumn of 2006?

14 A. After it became public in autumn 2006, well I think I was in the Tribunal, I
11:19:52 15 was in for evidence for a statement around October.

16 Q. 157 Your statement is the 31st of October 2006. Your interview with the Tribunal
17 is the 8th of November 2006.

18 A. I'm not sure we had any discussion on it other, any serious discussion at all
19 in that period.

11:20:12 20 Q. 158 All right. That really wasn't what I asked you. What I asked you was what --
21 what was your first discussion of this matter with Mr. O'Connor after it became
22 public?

23 A. After October 2006?

24 Q. 159 After Mr. O'Connor's name came into the public domain in connection with this
11:20:32 25 payment. Which was, you know, either the end of September or early October
26 2006.

27 A. You mean around that specific time?

28 Q. 160 Yes.

29

11:20:40 30 CHAIRMAN: Well at any time after.

11:20:43 1
2 MR. MURPHY: Yes.
3
4 CHAIRMAN: I mean, you say that you met Mr. O'Connor occasionally.
11:20:50 5 A. Yes.
6
7 CHAIRMAN: You said you met him in May of this year or April this year.
8 A. Yes, Chairman.
9
11:21:03 10 CHAIRMAN: Presumably you would have met him once or twice before or since?
11 A. Yes, I met him three weeks ago.
12
13 CHAIRMAN: Yes. And what Mr. Murphy is asking you is after all of this affair
14 became public in the autumn of last year and Mr. O'Connor's name became, was
11:21:18 15 mentioned publicly by Mr. Ahern and in the newspapers and so on. Did you ever,
16 did you have any conversation with him even brief conversation with him on this
17 topic?
18 A. I may have had, Chairman, but there was nothing substantive. Because I was
19 under the impression that I was not allowed speak to Mr. O'Connor or in
11:21:40 20 relation to these matters because I had made my statement to the Tribunal and
21 he was making his statement.
22
23 CHAIRMAN: But was there any effort by Mr. O'Connor to raise the issue with
24 you?
11:21:52 25 A. No.
26
27 CHAIRMAN: All right. Okay.
28 Q. 161 MR. MURPHY: Mr. McHugh, were you not told at your meeting by counsel for the
29 Tribunal that you couldn't discuss your contact with the Tribunal, that was the
11:22:15 30 respect in which you were required to be confidential?

- 11:22:21 1 A. As distinct from anything else?
- 2 Q. 162 Yes.
- 3 A. But if I discussed this matter with Mr. O'Connor it was the substance of our
- 4 discussion with the Tribunal. How can ...
- 11:22:34 5 Q. 163 Okay. Well Mr, can I just summarise the context. The events are in 1993. You
- 6 say they are unusual. In 2005, Mr. O'Connor rings you out of the blue as far
- 7 as this matter is concerned and asks you for your account of matters. And you
- 8 give it. And the following year the matter goes public and you find that
- 9 Mr. Ahern is giving a different version of events to your version and to
- 11:23:10 10 Mr. O'Connor's version. And are you telling the Tribunal that you never raised
- 11 this matter subsequently with Mr. O'Connor, even in a short way to say what was
- 12 all of that about, we had our chat on the phone, I confirmed my account and you
- 13 said it accorded with his, he said it accorded with his. And now what is
- 14 Mr. Ahern talking about? I mean, something like that.
- 11:23:40 15 A. It's possible but I don't remember any specific conversation.
- 16 Q. 164 Yes. Mr. McHugh, you couldn't, I want to suggest to you, you couldn't
- 17 reasonably forget that.
- 18 A. Well all I can say is that after I came in to the Tribunal I was under the
- 19 impression that I was not to speak to other witnesses and I think we
- 11:24:11 20 deliberately, I would have met Mr. O'Connor a couple of times, there would have
- 21 been, you know, I met him three weeks ago and I said to him I believe you're in
- 22 the Tribunal for two days and that was the extent of the conversation. So I
- 23 can't, Mr. Murphy, say there was any ...
- 24 Q. 165 All right. Mr. McHugh, as far as I'm aware the appearance of Mr. Ahern in the
- 11:24:33 25 Dail was in the first week of October. And your interview was the 8th of
- 26 November. So there's in or around a month.
- 27 A. Uh-huh.
- 28 Q. 166 And is it your evidence that you didn't either intentionally go out of your way
- 29 to meet or speak to Mr. O'Connor in that month period or even without,
- 11:24:52 30 unintentionally that you didn't have a communication with him which would have

- 11:24:56 1 involved raising this matter with him?
- 2 A. I'm pretty sure I didn't have a conversation with him in that period.
- 3 Q. 167 Yes.
- 4 A. But, you know, I didn't see him that often and we certainly didn't meet to
- 11:25:09 5 discuss it.
- 6 Q. 168 Have you ever met to discuss it?
- 7 A. No.
- 8 Q. 169 Have you had a conversation with him since about this matter?
- 9 A. Since what period, Mr. Murphy?
- 11:25:24 10 Q. 170 Since your meeting with the Tribunal in November 2006.
- 11 A. As I say, I met Mr. O'Connor. I had lunch with Mr. O'Connor in April with two
- 12 other people, there was four of us, and it was a long lunch and I'm not sure
- 13 the matter came up. And I met Mr. O'Connor three weeks ago and there was a
- 14 brief conversation, Mr. O'Connor didn't want to engage any of his conversation
- 11:25:51 15 on it, I didn't want to engage any conversation on it.
- 16 Q. 171 So this means that since the phone call in 2005, you haven't discussed this
- 17 matter with Mr. O'Connor?
- 18 A. No, I don't think I said that, Mr. Murphy. I said that there may have been
- 19 some conversation. Certainly since the Tribunal I'm pretty -- certainly since
- 11:26:17 20 the Tribunal called me and I made my statement to the Tribunal we've had very
- 21 little conversation on the matter, all right.
- 22 Q. 172 Well now can I stop you there for one second, please. Because will you please
- 23 tell the Tribunal precisely what that little conversation is since the 8th of
- 24 November 2006?
- 11:26:34 25 A. Since the 8th of November 2006. Okay I would have met him on at least two
- 26 occasions since then. The first occasion was a lunch where I'm not sure it was
- 27 discussed. And I would have met him.
- 28 Q. 173 When was that lunch?
- 29 A. Pardon.
- 11:26:53 30 Q. 174 When was that lunch?

- 11:26:54 1 A. The lunch I think was early May. Early May I think it was like the 5th of May
2 or something like that. 5th of May 2007.
- 3 Q. 175 And I think it might have been publicly known at that point that the Tribunal
4 was going to, that this was going to come into the public arena in the
11:27:14 5 Tribunal, isn't that right?
- 6 A. Yes.
- 7 Q. 176 And are you saying that at a long lunch no chat with Mr. O'Connor about the
8 Tribunal and these matters?
- 9 A. What I'm saying is that there were two other people there, there was four of
11:27:26 10 us. I don't recall any specific. I mean we may well have discussed it
11 Mr. Murphy but I don't remember any specific conversation or -- on the matter.
12 May well have been brief conversation but ...
- 13 Q. 177 All right. And the other occasions since the 8th of November, when you might
14 have had a little conversation about it?
- 11:27:51 15 A. As I say, I may have met him once or twice in Kilkenny. I certainly met him
16 three weeks ago and again as far as I was concerned I had given my statement to
17 the Tribunal. I was likely, to the Tribunal, I was likely to be called in and
18 there was no attempt to engage on the matters.
- 19 Q. 178 Well then why might there have been some conversation about it during the long
11:28:18 20 lunch? I mean, how come at the long lunch there might have been but you don't
21 recall but there was no attempt to engage three weeks ago?
- 22 A. Because, Mr. Murphy, there was four of us at the lunch and there may have been
23 a little bit of gentle conversation between some of the people there and but
24 there was nothing, certainly there was no specific conversation as far as I can
11:28:35 25 remember on the ...
- 26 Q. 179 Were the other two people at the lunch, have they anything to do with any of
27 this?
- 28 A. Have they anything to do with any of this? Well unfortunately one of them is,
29 one of them was Nigel McDermott.
- 11:28:58 30 Q. 180 Yes.

11:28:59 1 A. And the other had nothing to do with it.

2 Q. 181 All right. And was there any discussion with Mr. McDermott?

3 A. I don't recall any specific discussion.

4

11:29:15 5 CHAIRMAN: Perhaps this issue might be. If I just ask a couple of questions
6 of Mr. McHugh. In the period over the last year or so did you have any
7 discussion with, between yourself and Mr. O'Connor such as reminding each other
8 of the, of what went on in 1993, in relation to this issue prompting each other
9 as to?

11:29:41 10 A. No, Mr. Chairman.

11

12 CHAIRMAN: I don't mean prompting in any bad sense but prompting each other's
13 memory?

14 A. My recollection, Mr. Chairman, is that that happened in the previous year and,
11:29:56 15 but there may have been some but I was pretty clear on my recollection so I
16 don't recall any kind of further conversation on it.

17

18 CHAIRMAN: Do you think your memory of events in 1993, has been helped in any
19 shape or form by anything you may have discussed with Mr. O'Connor over the
11:30:18 20 past couple of years?

21 A. I don't think so, Mr. Chairman.

22

23 CHAIRMAN: All right.

24

11:30:23 25 Q. 182 MR. MURPHY: Mr. McDermott was in NCB with you at this time, isn't that right?

26 A. Yes

27 Q. 183 And even still so three of the four people at the lunch were in NCB and had he
28 an involvement in this transaction?

29 A. Well according to Mr. O'Connor he had, because Mr. O'Connor said he'd consulted
11:30:44 30 Mr. McDermott but I have never, I never had any conversation with Mr. McDermott

11:30:48 1 about it.

2 Q. 184 But notwithstanding that, three of the four of you at the lunch still you can't

3 recall any conversation about it?

4 A. It was a coincidence that the three of us happened to be there. There was a

11:30:59 5 fourth person was leaving NCB and we were having a lunch for him.

6 Q. 185 All right. And that was asking you in relation to after your interview on the

7 8th of November. Between the phone call in 2005, and the 8th of November 2006,

8 did you have a further conversation with Mr. O'Connor about this matter?

9 A. Sorry, Mr. Murphy, could I have those dates again, between?

11:31:30 10 Q. 186 The phone call between yourself and Mr. O'Connor and your meeting with the

11 Tribunal on the 8th of November?

12 A. I don't recall any specific conversation.

13 Q. 187 All right. Did you have a conversation with Mr. Graham O'Brien at any time

14 about matters?

11:31:51 15 A. I may have had a conversation with Mr. O'Brien but I'm not sure of the timing

16 of it or the date.

17 Q. 188 Did you never ring Mr. O'Brien at some stage or did he never ring you to say

18 listen what about all of this, do we?

19 A. Well I think he did ring me.

11:32:08 20 Q. 189 Yeah. You think he did ring you?

21 A. I think he did.

22 Q. 190 When?

23 A. I can't recall the time. I have a vague recollection he rang me.

24 Q. 191 All right.

11:32:21 25 A. But I'm not certain. He may have rang me about something else. He may have

26 rang me about something else.

27 Q. 192 Now, he was involved with the cheque, isn't that right?

28 A. Yes.

29 Q. 193 All right. But did you have a discussion, have you discussed this matter with

11:32:31 30 Mr. O'Brien at any point on the phone or in person?

- 11:32:35 1 A. I have briefly.
- 2 Q. 194 Please tell the Tribunal about that discussion?
- 3 A. I can't remember the specific details of the discussion but it was something to
- 4 do with trying to, I think the Tribunal were looking to find the cheque or
- 11:33:03 5 something like that. There was some discussion. I can't remember
- 6 specifically, Mr. Murphy, what the discussion was.
- 7 Q. 195 Did Mr. O'Brien at some point phone you, was this a phone call?
- 8 A. I'm just trying to remember when I met Mr. O'Brien. I certainly met him at a
- 9 funeral about three months ago.
- 11:33:23 10 Q. 196 Don't mind. We're not interested in the funeral, Mr. McHugh. Just your
- 11 meeting with Mr. O'Brien in recent years, to when he phoned contacted you or
- 12 you phone contacted him in relation to this episode?
- 13 A. No, I don't think we had a meeting. I don't think that I said that we had a
- 14 meeting.
- 11:33:43 15 Q. 197 Sorry, discussion.
- 16 A. Sorry, Mr. Murphy, I think he may have rang.
- 17 Q. 198 He rang you?
- 18 A. You may have rung me, I'm absolutely not certain.
- 19 Q. 199 Well what may he have rung you about?
- 11:33:54 20 A. He may have rung me about something else and I may have mentioned this and we
- 21 may have had a brief conversation and I believe I suspect it was something to
- 22 do with the Tribunal looking to find the invoice or the payment or the cheque
- 23 and I think, I think I have a vague recollection it was some conversation like
- 24 that.
- 11:34:21 25 Q. 200 Mr. McHugh, he may have rung you about something else and you may have
- 26 mentioned this?
- 27 A. Yeah.
- 28 Q. 201 You may have had a brief conversation and you believe you suspect it was
- 29 something to do with the Tribunal looking to find the invoice?
- 11:34:35 30 A. Yeah.

- 11:34:35 1 Q. 202 Can we say, can you say that he did or he did not or does it continue to be
2 that he may have rung you about that matter?
3 A. Well, Mr. Murphy, I'm not trying to be evasive. I'm trying to be as accurate
4 as I can here. I certainly do think that he called me. I certainly do think
11:34:53 5 that we did discuss it. But I think if you ask Mr, maybe Mr. O'Brien can
6 confirm.
7 Q. 203 All right. How many times have you met Mr. O'Brien since 1995, or talked to
8 him on the phone?
9 A. Since 1995.
11:35:06 10 Q. 204 Yes.
11 A. Relatively few.
12 Q. 205 All right. And I suggest to you, you could not forget if Mr. O'Brien, one of
13 three people involved in this.
14 A. Yeah.
11:35:15 15 Q. 206 Rang you seeking your assistance in relation to a search he was doing to help
16 the Tribunal.
17 A. No, I don't think he was seeking my assistance. I think he rang me about
18 something else and this came up.
19 Q. 207 I beg your pardon.
11:35:28 20 A. As a follow on and we had a brief conversation.
21 Q. 208 Yes. But did you think that he was looking for something?
22 A. No, I don't think he was looking for something from me.
23 Q. 209 All right. Sorry. That he was looking for a document. Was he searching for
24 the invoice, is that?
11:35:43 25 A. I'm not sure exactly what he was doing at the time but we had a brief
26 conversation. He was not looking for my views or anything on anything.
27 Q. 210 Yes, I didn't mean that. Do you know what you said to him about whatever he
28 may have been looking for?
29 A. I can't remember what we said other than I remember, than I remember the
11:36:03 30 transaction and as I said to you earlier, I remember the transaction.

- 11:36:09 1 Q. 211 Just on that. Mr. McHugh, I think in relation to the documentation to back up
2 this transaction, this payment of 6,050 to Euro Workforce. I think your view
3 has been I think you informed the Tribunal at private interview, it was always
4 a very accessible documentation was your view, is that right?
- 11:36:31 5 A. That would have been my view, yes.
- 6 Q. 212 Now, you got the phone call from Mr. O'Connor in 2005, and we've discussed
7 Mr. O'Connor. We've discussed Mr. O'Brien. And leaving aside your legal
8 advisors, have you discussed this matter with anybody else?
- 9 A. I think I discussed it briefly with Mr. Desmond or mentioned it to Mr. Desmond.
11:37:01 10 He didn't know anything about it. He hadn't been involved. I haven't
11 discussed it with anybody else.
- 12 Q. 213 Do you know when you discussed it with Mr. Desmond?
- 13 A. It may have been some time after I received the call from Mr. O'Connor.
- 14 Q. 214 I see.
- 11:37:22 15 A. More than likely or ...
- 16 Q. 215 More than likely or?
- 17 A. More than likely it was some time after that date.
- 18 Q. 216 All right. And when you say you discussed it with Mr. Desmond, you'd have had
19 to go to him to raise it with him, is that right?
- 11:37:42 20 A. I mentioned it to him. I didn't go to him specifically to raise it with him.
21 I mentioned it to him.
- 22 Q. 217 All right. And this is obviously when you're with IIU, isn't that right?
- 23 A. Yes.
- 24 Q. 218 Because this is 2005.
- 11:37:51 25 A. Yes.
- 26 Q. 219 And why did you mention it to Mr. Desmond?
- 27 A. Because I worked for him and I'm not sure he was aware. In fact I wasn't sure
28 whether he was aware of this transaction and I wanted him to know.
- 29 Q. 220 Why?
- 11:38:08 30 A. Because at some stage it was probably going to come in to the public domain and

11:38:14 1 I wanted him to know and that this had had happened.

2 Q. 221 Well what would it have to do with Mr. Desmond?

3 A. Well, Mr. Desmond at the time it happened I think was, was chairman of the

4 company although I'm sure he may have been stood aside at that point. But I, I

11:38:34 5 don't know whether Padraic had discussed it with him but I doubted it. And

6 Padraic said he hadn't. So I just wanted to say it to Mr. Desmond, look, this

7 is coming up.

8 Q. 222 But was it not the position that he wasn't involved with the company in

9 December 1993 when all of this happened, Mr. McHugh?

11:38:52 10 A. In what sense he wasn't involved with the company?

11 Q. 223 He wasn't involved in the running of the company?

12 A. No, he wasn't involved in the company but he still owned the company.

13 Q. 224 All right.

14 A. He was still the owner of the company and the chairman of the company.

11:39:05 15 Q. 225 All right. What did he say to you when you mentioned it to him?

16 A. He said that he knew nothing about it.

17 Q. 226 Yes. He couldn't have known anything about it sure he couldn't because

18 A. No, because Padraic didn't tell him so he didn't know.

19 Q. 227 And he wasn't involved back in 1993?

11:39:44 20 A. He wasn't involved, no.

21 Q. 228 All right. Now, Mr. O'Connor, (Sic) can I just ask you to go back now for a

22 moment to 1993. Sorry, Mr. McHugh. And what is your first recollection, what

23 do you recall as being the first thing that happened in relation to this

24 matter?

11:40:25 25 A. Well I recall Mr. O'Connor coming in to my office and Mr. Graham O'Brien I'm

26 pretty sure was in the office at the time and he said that he had this approach

27 from Des Richardson, who was a Fianna Fail fundraiser. And he, Richardson was

28 looking for three or four parties to donate 5,000 pounds each I think, to fund

29 Mr. Ahern's constituency office because Mr. Ahern had been made I think it was

11:40:58 30 national treasurer but I thought it was Minister for Finance and wouldn't have

- 11:41:03 1 the time to do fundraising.
- 2 Q. 229 Yes. You had said earlier about being Minister for Finance. Sorry, what do
- 3 you mean about that, is that what Mr. O'Connor said?
- 4 A. No, when Mr. O'Neill interviewed me I thought it was because he had been made
- 11:41:17 5 Minister for Finance but Mr. O'Neill pointed out it wasn't, he had actually
- 6 been made national treasurer.
- 7 Q. 230 Yes. But what I'm asking you is what you recall of this event. What do you
- 8 recall of Mr. O'Connor saying to you in 1993 about, as the reason for
- 9 Mr. Richardson wanting this money?
- 11:41:39 10 A. Because Mr. Ahern had been made I presume it's national treasurer now and that
- 11 because he was made national treasurer he wouldn't have time to raise funding
- 12 specifically for his constituency and consequently he was looking for three or
- 13 four parties to donate 5,000 each to fund that office.
- 14 Q. 231 Yes.
- 11:42:01 15 A. That's what Mr. O'Connor told me.
- 16 Q. 232 Yes. And he said that to you and you think in the presence of Mr. O'Brien?
- 17 A. Absolutely.
- 18 Q. 233 And can you give us an idea of the date?
- 19 A. Well I presume it was December 1993.
- 11:42:23 20 Q. 234 Do you?
- 21 A. Yeah.
- 22 Q. 235 All right. All right. The invoice that we'll come to is the 14th of December
- 23 and the cheque is the 15th of December.
- 24 A. Yeah.
- 11:42:34 25 Q. 236 So does that help you in relation to saying how long before you'd had this
- 26 conversation?
- 27 A. Well my recollection is that he went off. My recollection is that there was
- 28 some period of time so I would have thought, my recollection is a couple of
- 29 weeks or something before.
- 11:42:50 30 Q. 237 Yes.

- 11:42:50 1 A. But I'm not certain. I thought that there was a gap --
- 2 Q. 238 All right.
- 3 A. -- between the conversation in our office and my office and when the Padraic
- 4 gave us the invoice and we processed it.
- 11:43:07 5 Q. 239 And why was Mr. O'Connor coming in to discuss this with you, Mr. McHugh?
- 6 A. Because he wanted to talk to some senior people in the firm about their views
- 7 on it and I presume that's why he talked to me.
- 8 Q. 240 All right. And what do you think it was about it, who ultimately made the
- 9 decision on it?
- 11:43:30 10 A. Mr. O'Connor.
- 11 Q. 241 All right. And why do you think he wanted to discuss it with you, did he want
- 12 to discuss it with you and Mr. O'Brien or do you think it was just you?
- 13 A. No, I think Mr. O'Brien just happened to be in my office at the time.
- 14 Q. 242 All right. Could we just have your first statement. 18098, please, on screen
- 11:43:48 15 for a second. You think he spoke to another director, is that right?
- 16 A. Yes.
- 17 Q. 243 Who was that?
- 18 A. I think that was Nigel McDermott.
- 19 Q. 244 I see?
- 11:43:57 20 A. But I never spoke to Nigel and I think Padraic said that he had spoken to
- 21 Nigel.
- 22 Q. 245 All right. And you say there just the last line of the first paragraph in your
- 23 first statement. And this statement is dated 31st of October. "I believe
- 24 Padraic spoke to at least one other director of NCB but he did not consult
- 11:44:20 25 Dermot Desmond".
- 26
- 27 Why do you add in there "he did not consult Mr. Desmond"?
- 28 A. Well just on the basis that you might think it was the other director was
- 29 Mr. Desmond.
- 11:44:33 30 Q. 246 And how many other directors were there at the time?

- 11:44:36 1 A. There was a lot.
- 2 Q. 247 So why would you identify, why would you?
- 3 A. Well Mr. Desmond owned the company. You know, I'm pretty sure Padraic didn't
- 4 speak to him. So I don't know why I specifically said that but I'm just
- 11:44:52 5 pointing it out.
- 6 Q. 248 All right. So, you don't think that Mr. O'Connor wanted specifically to speak
- 7 to Mr. O'Brien you think it was more to you?
- 8 A. Yes.
- 9 Q. 249 And Mr. O'Brien happened to be in the office.
- 11:45:07 10 A. Yes.
- 11 Q. 250 And what was it about the request from Mr. Richardson do you think, that made
- 12 Mr. O'Connor want to discuss it with you and perhaps someone else?
- 13 A. Well there was unusual. It was a political donation.
- 14 Q. 251 All right.
- 11:45:19 15 A. And I think he just wanted to decide whether we should do it.
- 16 Q. 252 All right. And do you know for how long you discussed it in your office?
- 17 A. A few minutes.
- 18 Q. 253 All right. And was there a discussion as to the pros and cons?
- 19 A. I'm not sure that there was a discussion of pros and cons. I do recall Padraic
- 11:45:42 20 saying something like there was some kind of competitive thing, if we don't it
- 21 you know some one ever the other stockbrokers would do it but it was some
- 22 element of that discussion.
- 23 Q. 254 Yes. And what impression did you get of what Mr. O'Connor's view was in
- 24 relation to it?
- 11:46:07 25 A. I think he was inclined to do it.
- 26 Q. 255 Right. And did he ask you for your opinion?
- 27 A. I'm not sure he asked specifically for my opinion but he was inclined to do it
- 28 and, you know, he was going off to speak to other senior people and, you know,
- 29 I got the impression, you know, that he would make up his mind.
- 11:46:28 30 Q. 256 All right. But if he was saying it to you. Presumably he wanted to hear from

- 11:46:33 1 you as to what you thought about it?
- 2 A. Yes.
- 3 Q. 257 What did you tell him?
- 4 A. Well I told him, you know, if he wanted to do it, fine, that was his decision.
- 11:46:41 5 Q. 258 That's hardly much assistance is it, Mr. McHugh?
- 6 A. Well I certainly didn't object to it.
- 7 Q. 259 And did you tell him, did you tell him you weren't objecting to it?
- 8 A. I'm not sure we got to that specific. I was inclined to be supportive. If
- 9 Padraic wanted to do it. Padraic had the relationship with Mr. Ahern. If
- 11:47:07 10 Padraic wanted to do it, fine, that was his decision.
- 11 Q. 260 What was his relationship with Mr. Ahern, as you saw it?
- 12 A. I was not involved in that relationship so I can't, I can't really tell you
- 13 what the relationship was. I know he had been giving him some advice in
- 14 relation to currency matters but beyond that I can't ...
- 11:47:31 15 Q. 261 Did Mr. O'Brien offer any view or make any contribution to the conversation?
- 16 A. I don't recall.
- 17 Q. 262 Yes.
- 18 A. He may have because it was an open discussion.
- 19 Q. 263 So Mr. O'Connor appeared to be in favour and you think he mentioned something
- 11:47:52 20 about if NCB don't do it other stockbrokers, rivals would do it, is that right?
- 21 A. Something like that. Yes, I think so.
- 22 Q. 264 Did anybody say, did any of the three of you have any reservation about it or
- 23 say anything that would have been against the idea?
- 24 A. Well, Padraic was concerned about confidentiality. It was unusual but nobody
- 11:48:17 25 objected to it.
- 26 Q. 265 And what did he say about confidentiality?
- 27 A. I think he said he wanted to keep it confidential.
- 28 Q. 266 So he didn't have any reservation of making the payment it was just as long as
- 29 it was confidential?
- 11:48:51 30 A. Well I'm not sure I'd go that far. He was certainly thinking about whether we

- 11:48:51 1 should do it and he wanted to, if he was going to do it he wanted to keep it
2 confidential, so ...
- 3 Q. 267 Did he say to you something like I'm thinking of doing it but I'm not really
4 sure whether it's the right thing to do or not or whether we should do it or
11:49:03 5 whatever?
- 6 A. I'm sure he probably did.
- 7 Q. 268 All right. Well then did he say why we mightn't do it or why we shouldn't do
8 it?
- 9 A. Mr. Murphy, I don't recall it's 14 years ago, I don't recall the full
11:49:15 10 conversation. All I can say is that he was inclined to do it, it was Pdraig's
11 call, I went along with it.
- 12 Q. 269 And you recall him saying that it was to involve Mr. Richardson's approach was
13 involving, did you say three or four contributors at 5,000 each?
- 14 A. That was my recollection.
- 11:49:39 15 Q. 270 That's your recollection of what Mr. O'Connor said to you?
- 16 A. Yes.
- 17 Q. 271 All right. And do you recall Mr. O'Connor saying anything about what the
18 contribution was for?
- 19 A. It was my understanding it was specifically for funding Mr. Ahern's
11:50:01 20 constituency office.
- 21 Q. 272 Yes.
- 22 A. That's what he told me.
- 23 Q. 273 Yes. Did he say anything like it was a collection from Mr. Ahern personally,
24 that was what he was approached for by Mr. Richardson?
- 11:50:15 25 A. No.
- 26 Q. 274 How do you know?
- 27 A. Because I remember the conversation and I remember three or four 5,000; 20,000
28 to fund a constituency office. I didn't make it up. I remember the
29 conversation. It was ...
- 11:50:33 30 Q. 275 You didn't, I take it, make any record of the conversation?

11:50:37 1 A. No.

2 Q. 276 No. And so Mr, and this was a short chat, a short discussion?

3 A. Yes, Mr. Murphy.

4 Q. 277 And Mr. O'Connor was going to talk to another person or other people?

11:50:54 5 A. I'm not sure. He was going to talk to at least one other senior person.

6 Q. 278 How soon before this did he say he had met, he had discussed this with

7 Mr. Richardson?

8 A. I don't know but I got the impression he was, you know, just within the

9 previous day or two.

11:51:13 10 Q. 279 And had Mr. Richardson phoned him or visited him?

11 A. I'm not sure exactly. I got the impression. He said that he had been

12 approached from Mr. Richardson.

13 Q. 280 Yes.

14 A. But I didn't go in to detail of how that approach came about or ...

11:51:32 15 Q. 281 And do you know Mr. Richardson yourself, Mr. McHugh?

16 A. No, never met him.

17 Q. 282 You never met him. Did you ever have any dealings with him?

18 A. No.

19 Q. 283 All right. And Mr. O'Connor seemed to be in favour but he had a concern about

11:51:49 20 confidentiality, is that right?

21 A. Yes.

22 Q. 284 What did you understand that concern to be, what was the confidentiality he was

23 concerned about?

24 A. Well I wasn't sure but I presume he just didn't want there to be a specific

11:52:06 25 payment to, you know, to Bertie Ahern's constituency office being that direct

26 and I presume that he was his concern for political donation.

27 Q. 285 Right. But did he not say to you what he meant by he was, that the payment

28 would have to be confidential if it was to be made?

29 A. No, I just recall him saying that it had to be confidential and he was

11:52:36 30 concerned about confidentiality. I don't think we got beyond that.

11:52:40 1 Q. 286 Uh-huh. And did he seek your advice as to how it might be kept confidential.
2 How the payment might be made confidential at that time? I'm just talking
3 about this first discussion.

4 A. No, I don't. I'm not certain that he had decided in his own mind to do it when
11:53:00 5 he left my office.

6 Q. 287 No, no before we come to that. I just want to know insofar as he was concerned
7 that it would be confidential. Did he ask Mr. McHugh how, if we want, if I
8 decide to make this payment, how does how do we make it confidential?

9 A. I don't think -- We didn't go in to that.

11:53:16 10 Q. 288 All right. And was it to be a made from Mr. O'Connor, a person payment from
11 him or was it to be a payment from NCB?

12 A. Well, it was to be a payment from NCB because I don't think that he would ask
13 me about a personal payment that he was going to make.

14 Q. 289 All right.

11:53:33 15 A. Why would he asking me about ...
16
17 CHAIRMAN: Mr. Murphy, it's ten to twelve so we are just going to take a break
18 for ten minutes.
19

11:53:43 20 MR. MURPHY: Yes, Chairman.
21
22 CHAIRMAN: All right.
23

24 **THE TRIBUNAL THEN ADJOURNED FOR A SHORT BREAK**
25 **AND RESUMED AS FOLLOWS:**
11:53:50 26
27 CHAIRMAN: All right.
28

29 Q. 290 MR. MURPHY: Mr. McHugh, just how did that brief meeting with Mr. O'Connor, how
12:13:28 30 did that end up, he'd come to you to discuss this, you'd had a bit of a chat

12:13:34 1 about it and how was it left?

2 A. The meeting in my office?

3 Q. 291 Yes.

4 A. I think, I think he left still thinking about it or musing over it and he said

12:13:49 5 that he was going to speak somebody else I think, another senior person. And

6 he just walked out.

7 Q. 292 All right. And was there any discussion between you as to how it might be paid

8 if he was to decide to make the payment?

9 A. No, we had no discussion.

12:14:09 10 Q. 293 All right. So what was the next thing you knew about it?

11 A. The next thing I knew about it was I think, I think I received an invoice, I

12 think Graham O'Brien brought the invoice in to my office and showed me the

13 invoice and said this is the payment, this is the 5,000 payment and I looked at

14 it and I said okay, if that's the way Padraic wants to handle it, process it.

12:14:40 15 Q. 294 Yes. Do you think you had anything to do with the decision to go down the

16 route of this invoice?

17 A. No.

18 Q. 295 Did Mr. O'Connor raise the question of an invoice with you that we'll get an

19 invoice from somebody and we'll pay it?

12:14:58 20 A. No.

21 Q. 296 All right. Could we have 18534, please? This is -- this is Mr. O'Connor at

22 private hearing, Mr. McHugh, at question 150 where he is asking "You didn't

23 want that aspect of it to appear that is any aspect of it that identified

24 Mr. Ahern as being the recipient or perhaps a political party of which he was a

12:15:32 25 member?

26 A: Well I think all of that to be quite honest. And that is helpful thank you

27 because it's not about, it was just that we never did this before. We were

28 asked to do it. We said we were going to do it. We don't like doing it. We

29 want to do it discreetly and it's not exactly whatever it takes but that would

12:15:53 30 have been we said okay we will we're going to do it discretely, is this the way

12:15:56 1 you should do it? You know we were using Des Richardson as the conduit, that's
2 because he was the guy who approached us. The practicalities then were
3 probably determined by Chris McHugh but I would, if he may have told me what he
4 had done. I don't recall. And if he did I would share that responsibility. I
12:16:11 5 don't want to, I don't want to say that you know the execution, while the
6 execution would have been for him and he would have done it and I don't want to
7 wash my hands of the responsibility of it".
8
9 I think Mr. O'Connor's position, Mr. McHugh, is that it would have been his
12:16:32 10 decision to make the payment and really after that, while he accepts
11 responsibility for it, he wouldn't be the person who would decide what the
12 route would be.
13 A. Well, in terms of making the payment. We actually made the payment but I
14 didn't speak to Mr. Richardson so, Mr. O'Connor brought me in. Mr. O'Connor
12:16:53 15 had the invoice, you know.
16 Q. 297 Yes.
17 A. We processed the invoice. We executed the invoice by processing it through the
18 books.
19 Q. 298 And I follow that. But you had no input into the decision about this invoice,
12:17:03 20 this particular invoice?
21 A. No.
22 Q. 299 All right. So and after you had that first short meeting your next thing was
23 you think it was Mr. O'Brien coming in with the invoice and saying this is the
24 way to make this payment?
12:17:18 25 A. I think it was Mr. O'Brien but I'm not absolutely certain.
26 Q. 300 All right. All right. Now, if we look at that invoice for a second, 18904.
27 You will see that's dated the 14th of December 1993. This is the invoice in
28 question, isn't it?
29 A. Yeah.
12:17:56 30 Q. 301 All right. Euro Workforce Limited and it's addressed to NCB Group for the

12:18:01 1 attention of Mr. Padraic O'Connor and it's signed by Padraic O'Connor, isn't
2 that right?
3 A. Yeah.
4 Q. 302 And it's for 5,000. And 1,050 net making a total of 6,050, isn't that right?
12:18:14 5 A. That's correct.
6 Q. 303 And it says "to prepare health and safety survey of premises at Mount Street
7 Dublin 2 of 5,000 pounds" isn't that right?
8 A. That's correct.
9 Q. 304 And it's invoice No.2789.
12:18:26 10 A. That's correct, yeah.
11 Q. 305 Now, all you know is that you're presented with it. You had nothing to do with
12 the generation of that invoice or the suggestion that it should be generated.
13 A. No.
14 Q. 306 All right. That was whose idea as far as you're aware?
12:18:38 15 A. I don't know whose idea it was.
16 Q. 307 Pardon?
17 A. I don't know whose idea it was.
18 Q. 308 Oh, all right. You don't know if it was Mr. O'Connor's for example?
19 A. No, I don't know.
12:18:46 20 Q. 309 All right. Had you ever heard of, at that time did you know, were you aware of
21 Euro Workforce?
22 A. No, never heard of them.
23 Q. 310 You'd never heard of them. Did NCB have any dealings with Euro Workforce?
24 A. Not that I'm aware of.
12:19:01 25 Q. 311 Yes. And would it be fair to say if they had dealings with them you would have
26 been aware?
27 A. Well I wouldn't be necessarily aware of everything but ...
28 Q. 312 All right. All right. Now, the preparation of a health and safety survey of
29 premises at Mount Street Dublin 2 at a cost of 5,000 pounds, was a health and
12:19:25 30 safety survey of those premises, was it prepared by Euro Workforce on behalf of

12:19:32 1 NCB?

2 A. I don't think so, Mr. O'Connor says it wasn't, so ...

3 Q. 313 And do you have any awareness of it having been done?

4 A. No.

12:19:43 5 Q. 314 So this is a false invoice?

6 A. That's correct.

7 Q. 315 Are you satisfied about that, Mr. McHugh, that it is a false invoice and that

8 no such work was done to earn 5,000 pounds plus VAT?

9 A. Well Mr. O'Connor says the work wasn't done.

12:19:59 10 Q. 316 Yes.

11 A. Then it is a false invoice.

12 Q. 317 Yes.

13 A. So I am satisfied.

14 Q. 318 Yes. And do you know why this route was chosen by whoever chose it?

12:20:14 15 A. I presume it was to do with confidentiality.

16 Q. 319 All right. And does that mean that to protect the company from the fact that

17 it is making a political contribution, a political donation?

18 A. Correct.

19 Q. 320 Is that right?

12:20:32 20 A. Yes.

21

22 CHAIRMAN: Sorry, just one thing. Mr. McHugh, you said that Mr. O'Brien or

23 somebody came in to you with the invoice and you remember that.

24 A. Yes.

12:20:43 25

26 CHAIRMAN: So you, would you have known at that time that this was, that this

27 wasn't a genuine invoice or at least it wasn't an invoice for work actually

28 done?

29 A. Yes, yes, Mr. Chairman.

12:21:00 30 CHAIRMAN: Because I assume that would help you even now remember it.

12:21:04 1 A. Well I think Mr. O'Brien brought it in because I think if Padraic had have
2 brought it in to my office we would have had a discussion on it.
3
4 CHAIRMAN: Yes.

12:21:15 5 A. Because I would have discussed it with Padraic. So my recollection I think is
6 that Graham brought the invoice in and he'd received it from Padraic. Because
7 I don't recall discussing with Padraic. If Padraic had brought it in, handed
8 it to me, I think we would have discussed it but ...
9

12:21:29 10 CHAIRMAN: But would you have known then that this was for work not done?
11 A. No, not for work not done. I think Graham would have said to me this is the
12 payment, this invoice represents the payment to, to for the 5,000 political
13 contribution.
14

12:21:49 15 CHAIRMAN: But is that not another way of saying this is, this is a false
16 invoice?
17 A. Yes.
18

19 CHAIRMAN: But it will be, it will look in the books as a payment to Euro
12:22:00 20 Workforce.
21 A. Yes, Mr. Chairman.
22

23 CHAIRMAN: You would have known that at the time?
24 A. I would have known that, yes, Mr. Chairman.

12:22:07 25
26 Q. 321 MR. MURPHY: What was your reaction to that when you were presented request
27 that by Mr. O'Brien?
28 A. I was a bit uncomfortable with it.
29 Q. 322 Yes. Had you ever done that before?
12:22:17 30 A. No.

- 12:22:17 1 Q. 323 Had the company ever done that before that you were aware?
- 2 A. No.
- 3 Q. 324 Did you convey your discomfort to Mr. O'Connor?
- 4 A. No.
- 12:22:31 5 Q. 325 When you got it had he signed it?
- 6 A. That's a good question. I'm not certain. I have a vague recollection. I
- 7 can't be certain of this, that I sent Graham up to get Padraic to sign it.
- 8 Q. 326 Yes.
- 9 A. Vague recollection.
- 12:22:47 10 Q. 327 All right. You didn't raise it with Mr. O'Connor at all. You are
- 11 uncomfortable about this, you are finance director but you didn't discuss it
- 12 with him, is this a good idea or whatever?
- 13 A. No, my recollection is Graham came in with the invoice, he showed it to me, he
- 14 said this is the payment. I was, I looked at him and said that's the way
- 12:23:07 15 Padraic wants to handle it, fine. And then whether I asked him to take it up
- 16 to Padraic to approve it, I have a vague recollection I may have done that but
- 17 I can't be certain of that.
- 18 Q. 328 All right.
- 19
- 12:23:20 20 JUDGE FAHERTY: Just on that question. Were invoices brought to you
- 21 Mr. McHugh on a routine basis for authorisation if a creditor had sent in an
- 22 invoice? Was it one of your functions to look at invoices and to authorise the
- 23 payment?
- 24 A. Judge, only ones related to, that I would have sign off related to activity
- 12:23:45 25 that, for example, IT department activity. Senior people would sign off their
- 26 own invoices in the organisation.
- 27
- 28 JUDGE FAHERTY: Yes, in various sections. But you had, did you attach your
- 29 signature to an invoice then if you had to sign off an on an invoice
- 12:24:05 30 A. Sometimes. But not very often. Most of the individual, most of the individual

12:24:10 1 invoices were signed by the people who were consuming the service.
2
3 JUDGE FAHERTY: That's the question I'm asking. This invoice bears a
4 signatures.
12:24:18 5 A. Of Padraic, yes.
6
7 JUDGE FAHERTY: Yes.
8 A. He was ...
9
12:24:30 10 JUDGE FAHERTY: But in the ordinary way, if you were authorising a payment for
11 the IT section or whatever it was.
12 A. Yes.
13
14 JUDGE FAHERTY: And somebody a junior person brought in an invoice that had
12:24:31 15 come in and you said yes that's agreed.
16 A. Yes.
17
18 JUDGE FAHERTY: Was part of that agreement authorisation the fact of you
19 applying your signatures to it?
12:24:39 20 A. Yes.
21
22 JUDGE FAHERTY: That's what you did?
23 A. Yes, I think so relatively routine but I'm not sure all invoices.
24
12:24:47 25 JUDGE FAHERTY: Mightn't necessarily bear a signature.
26 A. Yes.
27
28 JUDGE FAHERTY: But the signature here, you can't, you have a vague
29 recollection that you actually, you may have sent to Mr. O'Brien to
12:24:59 30 Mr. O'Connor?

12:25:00 1 A. Yes, yes.
2
3 JUDGE FAHERTY: For to, for the signature, is that right?
4 A. Yeah, prior to presenting, yes.
12:25:07 5
6 JUDGE FAHERTY: And do you recall seeing the invoice with the signature,
7 Mr. McHugh?
8 A. Judge, I'm not sure that when I got the invoice the signature was already on it
9 or whether I then sent it.
12:25:20 10
11 JUDGE FAHERTY: Yes.
12 A. To, asked Graham to take it to Mr. O'Connor. So I can't say.
13
14 JUDGE FAHERTY: I see.
12:25:28 15 A. He wouldn't have brought it back to me, he would have just processed it.
16 Sorry. Just to clarify on that, when I signed the cheque I would have seen the
17 invoice again.
18
19 JUDGE FAHERTY: I see. Sorry, Mr. Murphy.
12:25:39 20 Q. 329 MR. MURPHY: Why is it coming to you at all at this point? Sorry. Am I right
21 this thinking that the person who authorises this invoice is Mr. O'Connor?
22 A. Yes.
23 Q. 330 Why does it come to you at all?
24 A. Well I think Graham just brings it to my attention.
12:25:53 25 Q. 331 And you think if it wasn't signed by Mr. O'Connor you asked him to bring it up
26 to Mr. O'Connor?
27 A. I have a vague recollection, Mr. Murphy, that that happened but I can't be
28 certain of that.
29 Q. 332 And after that you wouldn't see it again until you get a bundle of documents to
12:26:06 30 sign the cheque, is that right?

- 12:26:07 1 A. Or specifically that. I'm not sure if it came in, in a bundle or it might have
2 came in individually with a cheque requisition.
- 3 Q. 333 Yes. Do you know for a fact that Mr. O'Brien got it from Mr. O'Connor?
4 A. Do I know for a fact that Mr. O'Brien. I said, I think I said that I wasn't
12:26:29 5 certain whether Mr. O'Connor had given me the invoice or whether Mr. O'Connor
6 had passed it down to Graham.
- 7 Q. 334 Of course.
8 A. Consequently my view is, I think Graham brought in the invoice. I think -- I
9 think then I asked him to get Padraic to approve it and I didn't see the
12:26:46 10 invoice again until the requisition and the cheque was presented.
- 11 Q. 335 All right. And you were uncomfortable with this.
12 A. Yes.
- 13 Q. 336 And you had never done something like this before.
14 A. That's correct.
- 12:27:03 15 Q. 337 And nor had the company that you were aware of.
16 A. That's correct.
- 17 Q. 338 And you think that the purpose of this is to get confidentiality?
18 A. I think so, yes.
- 19 Q. 339 So that it wasn't be obvious that NCB is making a political donation to
12:27:16 20 Mr. Ahern.
- 21 A. That's correct.
- 22 Q. 340 All right. Which could be done simply by a cheque written by NCB to
23 Mr. Richardson, isn't that right?
24 A. That's correct.
- 12:27:28 25 Q. 341 So why do you think this route was chosen?
26 A. I don't know.
- 27 Q. 342 But I mean as finance director, Mr. McHugh, would you not have had a role here
28 to say to Mr. O'Connor there's no need to create false invoice, the company can
29 write a cheque to Mr. Richardson?
12:27:49 30 A. Well I probably should have done that but you know I wasn't aware of what was

12:27:53 1 going on between Mr. O'Connor and Mr. Richardson. Maybe Padraic was sensitive
2 about Mr. Richardson as well.

3 Q. 343 I see. Well wouldn't there have been some other way of dealing with it without
4 having to go through this?

12:28:11 5 A. Well ...

6 Q. 344 A false invoice?

7 A. Absolutely.

8 Q. 345 Does any other way occur to you that wouldn't have involved creating a false
9 invoice?

12:28:21 10 A. Well based on the cheque to O'Donovan Rossa we could have just paid 5,000 to
11 O'Donovan Rossa.

12 Q. 346 Yes. And why not do that?

13 A. I wasn't aware that we had, we paid money to O'Donovan Rossa for ...

14 Q. 347 Now, to be fair that's a cheque that you signed but that's later in time?

12:28:42 15 A. Yes.

16 Q. 348 All right.

17 A. Yes, sorry, yes.

18 Q. 349 But there is no difference. You say Mr. O'Connor is worried about
19 confidentiality here.

12:28:51 20 A. Yes.

21 Q. 350 If you write a cheque. If NCB write a cheque to the Cumann and they take a
22 table.

23 A. Yes.

24 Q. 351 There is nothing confidential about that that's very public, isn't it?

12:29:02 25 A. That's correct.

26 Q. 352 Is there any difference because of the result of both is a political donation
27 next effectively, isn't that right?

28 A. There is, yeah, yeah. I do see a difference though.

29 Q. 353 What?

12:29:17 30 A. Well one is taking a table that, you know, you invoice ten people to and it's

12:29:18 1 quite public. And the other is a private donation.

2 Q. 354 But aren't they for the same purpose? I mean apparently. You say that

3 Mr. Richardson -- according to Mr. O'Connor Mr. Richardson was looking for a

4 political donation for Mr. Ahern, isn't that right?

12:29:33 5 A. That's correct.

6 Q. 355 And isn't that what take a table at the Cumann dinner is for, that's a payment

7 to raise money for the Cumann, isn't that right?

8 A. Is that Mr. Ahern's constituency office.

9 Q. 356 Yes.

12:29:46 10 A. Is O'Donovan Rossa Cumann.

11 Q. 357 Yes sorry I didn't realise you didn't know that. It's their annual

12 fundraising dinner.

13 A. So the constituency office is called Cumann O'Donovan Rossa.

14 Q. 358 The office is called St. Luke's but O'Donovan Cumann Rossa?

12:30:04 15 A. I didn't know that they were one and the same.

16 Q. 359 I see. I beg your pardon. Taking the table is supporting St. Luke's

17 constituency office.

18 A. I agree.

19 Q. 360 So the result is the same in both cases, isn't that right?

12:30:18 20 A. Correct. Yes.

21 Q. 361 So I mean taking a table and writing a cheque to Cumann O'Donovan Rossa is a

22 public statement, isn't it?

23 A. Yes.

24 Q. 362 So where is the sense in making the political donation in December '93, where

12:30:33 25 is the sense in not making that out to the Cumann or to Mr. Ahern or to

26 Mr. Richardson?

27 A. Well we probably should have made it to the Cumann.

28 Q. 363 And why didn't you?

29 A. To be honest, I don't know. This was the way Padraic wanted to handle it and

12:30:53 30 maybe he felt it was more directly related to Mr. Ahern being Mr. Ahern's

12:31:00 1 constituency office and specific funding of that.

2 Q. 364 When you were saying there more directly to Mr. Ahern, is it possible,

3 Mr. McHugh, that your recollection is wrong and that in fact the payment that

4 is being made here is payment to Mr. Ahern as opposed to his office?

12:31:20 5 A. No. I'm very clear of that. The conversation with Padraic was about funding

6 Mr. Ahern's, St. Luke's and I remembered St. Luke's because I would have no

7 idea what the name of Mr. Ahern's constituency office was. So I remember

8 specifically St. Luke's.

9 Q. 365 Yes.

12:31:37 10 A. So, and I have no way of knowing ...

11 Q. 366 All right. There is another complication in going down this route I think, in

12 that the political donation of 5,000 pounds is going to cost NCB 6,050, isn't

13 that right?

14 A. Yes.

12:31:54 15 Q. 367 Can you explain that?

16 A. Well because this company charged VAT.

17 Q. 368 Yes.

18 A. And VAT on the invoice and the invoice presumably NCB did not cover the VAT.

19 Q. 369 Yes. But you can go to choose a different route and just make a payment of

12:32:15 20 5,000 pounds. You could pay cash or you could make a cheque out to

21 Mr. Richardson or you could make it out to the Cumann. But instead of this

22 it's an invoice that involves VAT so the 5,000 costs 6,050, isn't that right?

23 A. Well I'm not sure Padraic was even aware that we couldn't recover the VAT.

24 That it was -- I'm not sure Padraic was aware that it was going to cost us

12:32:38 25 1,000.

26 Q. 370 Weren't you VAT exempt?

27 A. Yes I'm aware of that.

28 Q. 371 But sure Mr. O'Connor would have been aware of that, wouldn't he?

29 A. I don't know. Did you ask Mr. O'Connor?

12:32:48 30 Q. 372 Well I'm asking you, Mr. McHugh. Is there any possibility that Mr. McHugh

- 12:32:51 1 wouldn't have known that?
- 2 A. Well I certainly knew it. I'm not sure what Mr. O'Connor knew.
- 3 Q. 373 All right. Do you not think that he would have?
- 4 A. Even if he did, I'm not sure this would make a big difference to him.
- 12:33:03 5 Q. 374 As signatory of the cheque, you you not think you would bring it to him. You
6 are now uncomfortable about this process at this junction and now the fact that
7 it's going to cost an extra 20 per cent, 21 per cent. Was that not a good
8 reason to go to the managing director and say this isn't a good idea or point
9 it out to him?
- 12:33:19 10 A. Well I didn't, Mr. Murphy.
- 11 Q. 375 Why not?
- 12 A. Well maybe I should have but I didn't.
- 13 Q. 376 Why do you think this route was chosen?
- 14 A. I presume because Mr. O'Connor wanted confidential.
- 12:33:39 15 Q. 377 Now, after this invoice and you don't believe it's possible that that's a
16 legitimate invoice. Sorry. You don't believe that that is a legitimate
17 invoice for work legitimately done by Euro Workforce on behalf of NCB, is that
18 right?
- 19 A. Well I never asked Mr. O'Connor did Euro Workforce carry out a health and
12:34:06 20 safety survey of NCB. So I think Mr. O'Connor has said that they didn't.
- 21 Q. 378 But as far as you were concerned when you think, you think it was Mr. O'Brien
22 who gave it to you?
- 23 A. Yes.
- 24 Q. 379 Saying that it was the payment?
- 12:34:19 25 A. Yes.
- 26 Q. 380 That meant that there was no work done, isn't that right?
- 27 A. Absolutely.
- 28
- 29 JUDGE FAHERTY: Mr. McHugh, can I ask you. When you saw the invoice and you
12:34:29 30 saw on the top of the invoice there was a company Euro Workforce, a limited

12:34:33 1 company. And on the bottom of it there was a VAT number, isn't that correct?

2 A. Yes, Judge.

3

4 JUDGE FAHERTY: And Mr. O'Brien tells you this is the vehicle by which you are

12:34:43 5 going to pay the?

6 A. Yes, Judge.

7

8 JUDGE FAHERTY: What you thought the contribution as you say to the

9 constituency expenses. And I think you just said to Mr. Murphy you must, you

12:34:56 10 would have known then that if this was the vehicle, obviously two payments were

11 being made. So if the payment was going to constituency expenses it wasn't

12 going to Euro Workforce, is that correct?

13 A. Sorry, Judge, I didn't follow that.

14

12:35:12 15 JUDGE FAHERTY: I'm just asking you. When you saw this invoice with this

16 company name on it and a VAT number. And Mr. O'Brien tells you this is the

17 vehicle by which the payment was being made for the constituency expenses.

18 A. Yes.

19

12:35:25 20 JUDGE FAHERTY: That's as I understands your evidence.

21 A. Yes.

22

23 JUDGE FAHERTY: Just on that. Did you make any inquiry as to the involvement,

24 if at all, this is now on the day, the invoice is presented to you of Euro

12:35:43 25 Workforce or how the invoice was acquired by Mr. O'Brien?

26 A. No, I didn't.

27

28 JUDGE FAHERTY: Yes.

29 A. I had presumed that it came in to Padraic.

12:35:53 30 JUDGE FAHERTY: Yes. Did that give you any concern at the time, Mr. McHugh?

12:36:00 1 A. Well I was concerned that it wasn't a real invoice. And I probably should have
2 raised my concerns but I recollect saying to Graham.
3
4 JUDGE FAHERTY: You didn't know at that time what role if any this company was
12:36:17 5 playing other than you saw a document.
6 A. Yes.
7
8 JUDGE FAHERTY: With their name on it, isn't that correct?
9 A. Yes.
12:36:25 10
11 JUDGE FAHERTY: I see.
12
13 Q. 381 MR. MURPHY: And Mr. McHugh, just in relation to whether or not Mr. O'Connor
14 would have known whether or not VAT was payable on. It. The invoice it itself
12:36:37 15 shows that there is VAT payable on it and it's signed by Mr. O'Connor, isn't
16 that right?
17 A. Mr. Murphy, that isn't the point I was making. I was trying to make the point
18 that I was not sure that Padraic was aware that -- conscious of the fact that
19 NCB was, could not reclaim the VAT on its inputs.
12:36:55 20 Q. 382 I see.
21 A. And consequently by approving this, it was actually going to cost us 6,050.
22
23 JUDGE KEYS: Mr. McHugh, if I could just ask you. Who do you say organised
24 the mechanics of the payment? That means the picking a company, that would be
12:37:14 25 on the invoice, and organising the invoice to be shown to you?
26 A. In terms of the payment.
27
28 JUDGE KEYS: Yes.
29 A. On the invoice.
12:37:26 30 JUDGE KEYS: There were three senior members involved altogether; yourself,

12:37:31 1 Mr. O'Connor, Mr. O'Brien. Nobody else, isn't that correct?

2 A. Yes, Judge.

3

4 JUDGE KEYS: So one or all of ye three were involved in the mechanics of the

12:37:40 5 payment.

6 A. Yes.

7

8 JUDGE KEYS: Who do you say was it the three of ye together or was it yourself

9 and Mr. O'Brien or was it Mr. O'Connor?

12:37:49 10 A. No, myself and Mr. O'Brien organised the payment of the invoice which was.

11

12 JUDGE KEYS: And did you pick the company? Who picked the company?

13 A. No, no, no, I didn't pick the company.

14

12:37:59 15 CHAIRMAN: O'Brien came in with the invoice and we processed it through the

16 books by asking.

17

18 JUDGE KEYS: Yes but what I mean by the mechanics. Who chose the company? I

19 mean, an invoice was going to be used. Who chose what company invoice was

12:38:15 20 going to be used?

21 A. I had no part in that.

22

23 JUDGE KEYS: Did Mr. O'Brien have any part in that?

24 A. I don't think so.

12:38:24 25

26 JUDGE KEYS: Well do you know who had any part in it? I mean, out of the blue

27 an invoice is put before you with Euro Workforce Limited across the top of it.

28 Now, somebody had to be involved in producing that invoice with that name on

29 top. Do you know who would organise that` ?

12:38:44 30 A. That wouldn't be our company. But when Mr. O'Brien came in with the invoice I

12:38:54 1 presumed that this was a company connected with Mr. Richardson and because he
2 said Graham said this is the means by which we're making the 5,000 pounds
3 payment.
4

12:38:59 5 JUDGE KEYS: You see the reason I ask that is. This work wasn't done. It was
6 created. This invoice was created.

7 A. Yes, Judge.
8

9 JUDGE KEYS: Some company name was used. Somebody had to be instrumental in
12:39:12 10 doing that. And I'm just asking you who you say was instrumental in doing
11 that?

12 A. Well, it wouldn't. Well the invoice came in externally, in to IIU or sorry in
13 to NCB.
14

12:39:27 15 JUDGE KEYS: But who organised it to come in externally because this work was
16 never done as I understand it?

17 A. Well ...
18

19 JUDGE KEYS: And there's only three people who were involved in the whole
12:39:37 20 matter. Well maybe the fourth Mr. Richardson was the person who approached the
21 company but there's yourself and there's Mr. O'Brien and Mr. O'Connor.

22 A. That's correct.
23

24 JUDGE KEYS: And none of ye at all discussed anything among yourselves about
12:39:52 25 who was instrumental in Euro Workforce being named on the invoice which we're
26 going to use.

27 A. Well we didn't discuss it among ourselves. My recollection is, the invoice
28 must have come in to Mr. O'Connor. Mr. O'Connor --
29

12:40:08 30 JUDGE KEYS: Yes but somebody had to cause that to happen. Somebody had to

12:40:12 1 ask Euro Workforce for their notepaper or something.

2 A. I presume that was Mr. O'Connor.

3

4 JUDGE KEYS: I see. So you don't know?

12:40:19 5 A. I don't know.

6

7 JUDGE KEYS: But you are presuming it was Mr. O'Connor?

8 A. I presumed it was.

9

12:40:24 10 JUDGE KEYS: Okay. Thank you.

11

12 Q. 383 MR. MURPHY: Mr. McHugh, this is an absolutely unique occasion because leaving

13 aside the Cumann Donovan Rossa for a second. The cheque for 1,000 you thought

14 it was the only time a political donation was made and you for the first time

12:40:39 15 are caught up in a business whereby a false invoice is created for the purpose

16 of keeping confidential a political donation, isn't that right?

17 A. That's correct.

18 Q. 384 I mean, doesn't it follow from all of that, the uniqueness that there must, you

19 must know, there must have been some discussion, you must know who was the

12:41:01 20 person who was responsible father for the idea behind the invoice?

21 A. Well I think there was. I can't remember but I thought there was some time

22 lapse between the original conversation and in my office with Padraic and

23 Graham and when the invoice appeared. And I didn't speak -- to the best of my

24 knowledge I didn't speak to Padraic about it. I didn't speak to

12:41:24 25 Mr. Richardson. I was surprised when the invoice appeared. When Graham came

26 in with the invoice and that's my recollection of what happened.

27 Q. 385 Why were you surprised?

28 A. I was surprised because basically it was an invoice. It was an invoice from a

29 company and it was more than likely for work which was not going to be carried

12:41:48 30 out and it was the mechanism by which 5,000 pounds would be paid.

- 12:41:51 1 Q. 386 So having had the initial conversation in your office with Mr. O'Connor and he
2 went away, no decision made but you knew he was still thinking about it and you
3 thought that he was inclined to go with it?
- 4 A. Yeah.
- 12:42:04 5 Q. 387 What did you as finance director, think that the route chosen would be or that
6 if you were asked what you would be suggesting?
- 7 A. I didn't think any more about it.
- 8 Q. 388 Mr. McHugh, you are saying now that when you got this invoice now that you are
9 surprised. You know, having had the chat with Mr. O'Connor in the office a
10 little time earlier and in the interim. I don't mean and a little time having
11 passed a week or two or whatever it was. You must have had some idea in your
12 head as to how we get the payment to Mr. Ahern and keep confidential from
13 Mr. O'Connor's point of view.
- 14 A. Well I'm not sure what the time gap was but I didn't think much more about it.
15 Padraic said that he wanted it to be confidential. I wasn't absolutely certain
16 he was going to make the payment when he left my office. He didn't speak to me
17 again about it.
- 12:42:42 15 Q. 389 If Mr. O'Connor on that first day had said to you, Mr. McHugh, if he had asked
18 you how will we do this, I want to keep it confidential, what would you have
19 said to him about it?
- 12:43:00 20 A. Well it's easy to ask that now but I'm not sure what I would have said to him.
- 21 Q. 390 But sure you must know. And as I say, at the time it was something that was
22 going to come up. You must have given it some thought.
- 23 A. I didn't give any thought to him. You know, we could have Padraic could have
24 made the contribution himself and we could have Padraic, you know reimbursed
12:43:23 25 him. That would be one way of doing it.
- 26 Q. 391 So that was one way of doing it.
- 27 A. Yes.
- 28 Q. 392 And then he'd be happy you think because NCB would not be seen to be making a
29 political donation?
12:43:48 30

- 12:43:49 1 A. That's correct.
- 2 Q. 393 Well then if you, can you think of any other way?
- 3 A. Well as I said before, we could have just paid it to O'Donovan Cumann because
- 4 obviously we had paid 1,000 pounds for other things.
- 12:44:06 5 Q. 394 And having regard to your discomfort with all of this and the fact that it was
- 6 costing the company an extra 21 per cent, can you explain to the Tribunal why
- 7 you didn't raise this with Mr. O'Connor either at the first discussion or
- 8 particularly when the invoice comes through?
- 9 A. All I can say is I didn't raise it with him. I more or less said to Graham if
- 12:44:30 10 that's the way he wants to handle it fine. And I regret that I didn't and I
- 11 probably should have but I didn't.
- 12 Q. 395 Was it very much, Mr. O'Connor, (Sic) this was not something that you'd
- 13 approach Mr. O'Connor on, if he makes the decisions it wouldn't be your role to
- 14 be interfering with that?
- 12:44:51 15 A. No. No I don't think that's a fair representation.
- 16 Q. 396 You would be happy to discuss it with him?
- 17 A. He was very easy to ...
- 18 Q. 397 He was approachable?
- 19 A. Absolutely.
- 12:44:59 20 Q. 398 Now, you did say just a moment ago that you assumed. I think you said assumed
- 21 or presumed that Euro Workforce was a company that Mr. Richardson was involved
- 22 in or had connection with?
- 23 A. In some way, yes.
- 24 Q. 399 Why did you think that?
- 12:45:10 25 A. Because Graham said to me this is the mechanism for which the political
- 26 donation will be made to, to fund the constituency office.
- 27 Q. 400 Well why would you assume that that meant that there was a connection with
- 28 Mr. Richardson?
- 29 A. I just assumed. Since Mr. Richardson had approached Mr. O'Connor looking for
- 12:45:33 30 the payment, I presumed it was some connection there.

- 12:45:44 1 Q. 401 So what happens after this, I'm just not quite. I appreciate that you are not
2 100 per cent sure, Mr. McHugh, but Mr. O'Connor sign it is at some point. It
3 has come in to you at some point and then a requisition form has to be filled
4 in. That's after you see the invoice, is that right?
- 12:46:02 5 A. I think so, yeah.
- 6 Q. 402 All right. So the invoice leaves you does it?
- 7 A. Yeah.
- 8 Q. 403 And it has to be processed?
- 9 A. Graham takes it out.
- 12:46:07 10 Q. 404 Graham takes it out?
- 11 A. Yeah.
- 12 Q. 405 All right. And if we look at 18905, please. This is the NCB non-creditor
13 cheque requisition form. Can you tell me and it's requested by Graham. Is
14 that all Graham's handwriting would you know?
- 12:46:28 15 A. Yeah, I think that looks like Graham's handwriting, yes.
- 16 Q. 406 Now, sorry. I beg your pardon, Mr. McHugh. The writing. I think it says
17 company NCB S, is it?
- 18 A. Yes.
- 19 Q. 407 There is a cheque number then AIB then ADM. Blank screen sorry. 18905,
12:47:11 20 please. All right. Thank you. And then it says payee description and "Euro
21 Workforce Limited survey of premises 6,050, requested by Graham and approved
22 by" do you know whose initial?
- 23 A. Me.
- 24 Q. 408 That's you. And date of issue is the 15th of December, I think it's December
12:47:45 25 though it seems to be written over something. 15th of December 1993, is that
26 right?
- 27 A. 15th of December '93.
- 28 Q. 409 Yes.
- 29 A. I think so, yeah.
- 12:47:54 30 Q. 410 And then number of cheques is that one?

- 12:47:57 1 A. I don't know, I don't know what that is.
- 2 Q. 411 Okay. Whose writing is that? Leave out the counsel for a second. Whose
3 writing is that?
- 4 A. I think it's Graham's.
- 12:48:05 5 Q. 412 You think?
- 6 A. Yeah.
- 7 Q. 413 All right. It may be we have just received I think now a statement from
8 Mr. O'Brien.
- 9 A. Uh-huh.
- 12:48:18 10 Q. 414 Where he is asked about the instructions he received in relation to the
11 preparation of the cheque requisitions and cheques and from whom such
12 instructions were received. And he answers "I did not prepare any of the
13 documents nor did I receive any instructions from anybody that I recall. The
14 cheque requisitions and cheques were prepared by an accounts clerk, Maura
12:48:40 15 Caufield and I had no role in their preparation.
- 16
17 The usual practice was to pass invoices that had been approved for payment to
18 the accounts clerk. That person would prepare the cheque requisition form and
19 was responsible for forwarding the payment to the correct general ledger
12:48:57 20 account based on the invoice narrative using a chart of accounts listing".
- 21
22 I just want to draw your attention, Mr. McHugh, to the fact that Mr. O'Brien is
23 telling the Tribunal that he didn't fill this in.
- 24 A. If he says that's Maura's writing that's fine.
- 12:49:14 25 Q. 415 You're not sure?
- 26 A. No.
- 27 Q. 416 But it would leave you in any event to get a requisition form filled out, is
28 that right?
- 29 A. Um.
- 12:49:25 30 Q. 417 After the invoice, the invoice had been taken away from you and then would be

12:49:27 1 processed?

2 A. Yeah, he went out with the invoice and I presume that he handed it to Maura and

3 said prepare cheque requisition form.

4 Q. 418 But would it be Graham requesting it, as it says there?

12:49:37 5 A. Requesting on behalf of. I'm not trying to blame Graham on it but I certainly

6 didn't give it to Maura. I'm sure Graham gave it to Maura and said prepare a

7 cheque requisition and a cheque.

8 Q. 419 All right. We can come back to the cancelled because that's later in time. I

9 mean, what happens then? Do you expect that to come back to you for signature?

12:49:57 10 A. If I'm there and you know there's things for signature I'll sign them. So it

11 would come back to me for signature with the requisition. That's when I signed

12 the requisition at the time of the, when it comes back with the cheque.

13 Q. 420 All right. So the cheque would come back with the requisition and the invoice,

14 is that right?

12:50:16 15 A. Yes.

16 Q. 421 And anything else?

17 A. No, that would be it and then I obviously approved the requisition there and

18 signed the cheque.

19 Q. 422 All right. We'll come on to the cheque in a second but you've approved the

12:50:29 20 requisition there, is that right?

21 A. Yeah.

22 Q. 423 All right. And if we look at 1906, please, which is the cheque. 18906.

23 And Mr. McHugh, this is the cheque we've seen it before. This is your

24 signature in the lower right hand corner of the cheque, is that correct?

12:50:57 25 A. That's correct, yeah.

26 Q. 424 And the other signature is?

27 A. I think that's Graham.

28 Q. 425 All right. You're not certain?

29 A. Well I wasn't certain last time but it doesn't look like Sheilia O'Dwyer's.

12:51:08 30 Q. 426 It doesn't look like?

- 12:51:10 1 A. Sheila O'Dwyer was the other person, the head of settlements who did most of
2 the signatures -- signing.
- 3 Q. 427 All right. So is that just a formality that it comes back to you and you would
4 sign the cheque at that point, isn't that right?
- 12:51:23 5 A. Yes.
- 6 Q. 428 And did you have any further discussion with. And then what happens, does it
7 go back to Graham, does he send it out?
- 8 A. It would go to Graham. It was I think Graham's. I think Graham was requested
9 that it went to Graham.
- 12:51:35 10 Q. 429 All right. Was there any special direction coming from anybody as to how it
11 should go back to Euro Workforce having regard to the unusual nature of the
12 whole thing?
- 13 A. Not from me, Mr. Murphy, no.
- 14 Q. 430 Not from you. Do you recall how it left?
- 12:51:49 15 A. No.
- 16 Q. 431 Would it have been hand-delivered or would it have been posted?
- 17 A. I presume it was posted by but I know nothing of what happened after I signed
18 it.
- 19 Q. 432 Was there any ever any urgency attaching to this that you were aware, was that
20 ever discussed?
- 12:52:05 21 A. Not that I was aware of, no.
- 22 Q. 433 All right. And you don't know how it left the premises?
- 23 A. No.
- 24 Q. 434 Do you know if it went break to Mr. O'Connor for example?
- 12:52:14 25 A. It's possible but you'd have to ask Mr. O'Connor but I doubt it. It would be
26 just sent out in the post I presume.
- 27 Q. 435 In the order way?
- 28 A. Yes.
- 29 Q. 436 And would it be going back to Euro Workforce who had no connection with NCB or
12:52:28 30 would it be going to Mr. Richardson?

12:52:30 1 A. Well unless, unless Mr. O'Brien had instructions to sends it somewhere I
2 presume it was sent to Euro Workforce.

3 Q. 437 All right. And that cheque is dated the 15th of December 1993, isn't that
4 right?

12:52:44 5 A. Yeah.

6 Q. 438 All right. Now, Mr. McHugh, isn't that the end of the matter as far as you're
7 concerned then?

8 A. Yes.

9 Q. 439 Not finally. We have to come to March '94, when the cheque is returned and so
10 on. I mean, as far as you were concerned now, what had started a number of
11 weeks earlier has now been finalised and the payment has been made, the
12 political donation to Mr. Ahern in this confidential way. Is that right?

13 A. Yes.

14 Q. 440 And the matter is put to bed.

12:53:22 15 A. Yes.

16 Q. 441 And did you discuss it further around that time with Mr. O'Connor?

17 A. I don't know, I don't recall ever discussing it with Mr. O'Connor.

18 Q. 442 Yes. Yes. All right. Did you discuss your reservations with Mr. O'Brien?

19 A. I don't think afterwards, no. I think just in that one moment when he's in my
12:53:45 20 office.

21 Q. 443 All right. Anybody else I mean you had this concern about it?

22 A. No.

23 Q. 444 All right?

24 A. Nobody else, no.

12:53:54 25 Q. 445 All right. And would Mr. O'Brien have been aware of your reservations about
26 this?

27 A. Well I mean I think the conversation was just if that's the way he wants to
28 handle it fine I don't think that it went beyond that.

29 Q. 446 All right. Did you mention it to Mr. Desmond?

12:54:09 30 A. No. To Mr. Desmond.

12:54:25 1 Q. 447 Yes.

2 A. No, certainly not.

3 Q. 448 No.

4 A. Mr. O'Connor was. Mr. O'Connor worked for Mr. Desmond. I worked for

12:54:26 5 Mr. O'Connor.

6 Q. 449 Yes. Okay. If we could move, Mr. McHugh, then please to your next

7 recollection of --

8 A. Yeah.

9 Q. 450 -- this particular matter. What is it?

12:54:39 10 A. Well I don't remember any second cheque.

11 Q. 451 All right.

12 A. And that was surprising.

13 Q. 452 All right. Okay well if we just quickly look at what happened and that cheque

14 that's on the screen there. You can see, can you see just across from AIB I

12:54:59 15 think it has the word "mutilated" can you see that? I think you know as a fact

16 that this is what happened?

17 A. Yes, I did, yeah.

18 Q. 453 And can you see down more or less at the left hand corner which I think would

19 be the number of the cheque seems to be missing?

12:55:13 20 A. Okay.

21 Q. 454 Do you see that?

22 A. Yeah.

23 Q. 455 Do you know for a fact from like your brief the papers you've got from the

24 Tribunal that that cheque wasn't presented until March?

12:55:25 25 A. Yes.

26 Q. 456 And that it was, it was, it wasn't honoured by AIB because as it states it was

27 mutilated?

28 A. Yes.

29 Q. 457 All right. Have you any knowledge as to why it wasn't presented until March?

12:55:40 30 A. No.

12:55:42 1 Q. 458 All right. Now, anyway, that is what happened. And if we look at 18918,
2 please. We'll see a cheque requisition form similar to the previous one.
3 Sorry. I wonder could I just go back for one second to 18905, please. This
4 was the first requisition form because between parallel lines I think you have
12:56:12 5 the word "cancelled" with the date the 16th of March '94, is that right? Is
6 that right? Can you make out? You see the two parallel lines under it?
7 A. Yeah.
8 Q. 459 And can you make out the date?
9 A. 16th of March '94.
12:56:31 10 Q. 460 What is it?
11 A. 16th of March '94.
12 Q. 461 And what's the word?
13 A. Cancelled, is it?
14 Q. 462 Well I mean I think but what. Whose writing is that?
12:56:41 15 A. On the 16th of March '94.
16 Q. 463 Yes. Just simply the date and the word cancelled if that's what the word is?
17 A. I don't know whose writing that is.
18 Q. 464 Is it yours?
19 A. No.
12:56:55 20 Q. 465 You seem a little unsure?
21 A. No, no, I'm certain. Cancelled, no, no, I don't think so.
22 Q. 466 Wait now you're sure you don't think so?
23 A. No, no, it's not my writing.
24 Q. 467 We know that that requisition form went out like had to be cancelled because
12:57:09 25 there was going to be a new one. We know that from the documents isn't that
26 right?
27 A. Yeah.
28 Q. 468 All right. And you are going to be a signature on the next cheque?
29 A. That's correct.
12:57:16 30 Q. 469 So would it make sense that you would be the person who would write cancelled

- 12:57:21 1 on this one?
- 2 A. No, I don't think so. This baffled me.
- 3 Q. 470 Yes.
- 4 A. Because if a second cheque was issued then the first, there must have been some
- 12:57:30 5 communication to say that the first cheque.
- 6 Q. 471 Yes.
- 7 A. Did we receive it back. There must have been some communication to say that
- 8 the first cheque didn't go through.
- 9 Q. 472 All right. Now, do you recall nothing about that? Do you recall anything
- 12:57:41 10 about that?
- 11 A. No. Well Graham may have said to me. May have said to me we have to issue the
- 12 cheque again. I presume he did when he brought it in.
- 13 Q. 473 Yes.
- 14 A. But somebody must have communicated to Graham or somebody that the first cheque
- 12:57:54 15 was lost or mutilated or ...
- 16 Q. 474 Yes. Do you recall this ever happening in your career wherever, Mr. McHugh, a
- 17 cheque not being honoured because it was mutilated?
- 18 A. No but I wouldn't necessarily be involved in that. But if a cheque, if
- 19 somebody lost a cheque then we would have to write to the bank to cancel the
- 12:58:17 20 old cheque.
- 21 Q. 475 Uh-huh.
- 22 A. And we wouldn't issue a second cheque until the first cheque was cancelled.
- 23 Q. 476 All right.
- 24 A. So either with got the cheque back or someone said the cheque is, can't be
- 12:58:30 25 presented right. Cancel the first cheque and then issue the second cheque.
- 26 Q. 477 Yes. Have you ever come across this before that in your experience that you've
- 27 had to re-issue a cheque for a cheque being mutilated?
- 28 A. I can't recall specifically but we certainly had to re-issue cheques for people
- 29 who lost them.
- 12:58:49 30 Q. 478 All right.

- 12:58:50 1 A. Mutilation possibly I don't know.
- 2 Q. 479 All right. But do you recall any, do you recall any communication with you,
3 Mr. McHugh, by anybody outside the company. I'm thinking of Mr. Richardson or
4 Euro Workforce or anybody inside the company saying, Mr. McHugh that cheque that
12:59:08 5 bent to Euro Workforce which is a cheque that you would have remembered well I
6 think, is that right?
- 7 A. Yeah.
- 8 Q. 480 That cheque is now has not been honoured and we're going to have to go through
9 it again?
- 12:59:17 10 A. Graham must have said that to me.
- 11 Q. 481 Must have said that to you?
- 12 A. Otherwise I wouldn't have signed a second cheque.
- 13 Q. 482 All right. So that must have happened?
- 14 A. Yeah.
- 12:59:31 15 Q. 483 But you have no recollection?
- 16 A. No, I wasn't aware that a second cheque had been issued.
- 17 Q. 484 All right. Can I just come back to cancelled?
- 18 A. Yes.
- 19 Q. 485 All right. Who wrote that?
- 12:59:34 20 A. Well it's definitely not me because it's not my writing. That could have been
21 Maura or, Maura Caufield, you know, it could have been Graham.
- 22 Q. 486 All right. Anybody else it could have been?
- 23 A. It could have been anybody in the accounts payable. Maura was the main
24 accounts payable person.
- 12:59:52 25 Q. 487 All right. I mean, there is nothing strange about this if a second cheque had
26 to be requisitioned the writing of the word cancelled is that right on this
27 one?
- 28 A. Um.
- 29 Q. 488 You are a bit puzzled by this, are you?
- 13:00:06 30 A. This I'm just surprised that it went back to the requisition. But the cheque

13:00:09 1 would have to be cancelled in the books because in the cheques payments book
2 have to be cancelled because it would be reversed and put in again.

3 Q. 489 You are surprised that the acquisition form would ...
4 A. I'm surprised that somebody went back and cancelled the requisition.

13:00:23 5 Q. 490 In any event you didn't do it?
6 A. No.
7 Q. 491 And you can't identify the writing on it?
8 A. No.
9 Q. 492 All right. Back to 189 please. Now, can you say previously. This is the
13:00:40 10 second requisition form again Euro Workforce Limited survey at premises and
11 requested by Graham, do you know whose writing this is?
12 A. Well ...
13 Q. 493 Would this be Graham or Maura Caufield or do you know?
14 A. Well it looks different from the other writing.

13:00:57 15 Q. 494 Is it yours?
16 A. No, it's not mine.
17 Q. 495 And who?
18 A. Definitely not mine.
19 Q. 496 And who approved it?
13:01:02 20 A. I approved it.
21 Q. 497 All right. So that's your initial?
22 A. Yeah.
23 Q. 498 All right. And if we come on to the cheque which is 18919, please. And I
24 think we can go to a better copy which is 18926. Now, this is the cheque on
13:01:36 25 foot of that second requisition, is that right?
26 A. That's right, yeah.
27 Q. 499 An AIB cheque. Is the date the 16th of March, I think 1994?
28 A. I think so, yeah.
29 Q. 500 All right. And it's made out to Euro Workforce Limited for 6,050 NCB
13:01:50 30 stockbroking account and your signature in the bottom right hand corner.

13:01:53 1 A. Yeah.

2 Q. 501 The other signature?

3 A. Sheila O'Dwyer, I think. Sheila O'Dwyer.

4 Q. 502 You think?

13:01:59 5 A. I'm pretty certain.

6 Q. 503 I thought you said I think and I just wanted to ask you?

7 A. I'm pretty certain it's Sheila O'Dwyer's.

8 Q. 504 And Sheila would sign a lot of cheques?

9 A. She was head of settlement so she could sign.

13:02:14 10 Q. 505 All right. Now, Mr. McHugh, just in relation to that now. We see you having

11 approved the requisition form, this second one and we see you signing this

12 cheque, and in the circumstances of all that has gone before in December '93,

13 in relation to this cheque it now pops up again. And must have been quite

14 unwelcome, I presume, would that be right?

13:02:43 15 A. Well, Mr. Murphy, I can't remember specifically but I presume Graham came to me

16 and said the cheque is cancelled or mutilated, we've to issue another cheque

17 and this is the result of that.

18 Q. 506 Yes. And would that be a formality at that stage?

19 A. Yes.

13:03:02 20 Q. 507 Yeah.

21 A. As long as the other cheque was definitely cancelled and hadn't gone through

22 the bank account.

23 Q. 508 All right. You wouldn't look for an explanation as to why the first cheque

24 hadn't been cashed earlier or anything like that?

13:03:17 25 A. No, well he may have said it was mutilated or something I don't recall.

26 Q. 509 Yes. Graham may have said it?

27 A. Yes.

28 Q. 510 All right. But you actually don't have a memory of the cheque coming back

29 again?

13:03:29 30 A. I don't have.

- 13:03:30 1 Q. 511 I beg your pardon. Of it having been necessary to write a cheque second
2 cheque?
- 3 A. I don't have a memory but Graham must have said to me that the cheque is lost
4 or the cheque is mutilated and we have to issue a second cheque is this is what
13:03:44 5 happened.
- 6 Q. 512 Yes and do you think you would have mentioned it to Mr. O'Connor?
7 A. No, I don't think so.
- 8 Q. 513 You don't think so. All right. 1921, please. 18921, please. We just see in
9 the company's bank account there on the left margin 23rd March 1994. And if
13:04:09 10 you go down a few lines you see a sum of 6,050 coming out of your account, the
11 NCB account, isn't that right?
- 12 A. That's correct.
13
- 14 CHAIRMAN: Mr. Murphy, it's gone one o'clock so are you just finished?
13:04:28 15
- 16 MR. MURPHY: I'm almost finished, Chairman.
17
- 18 CHAIRMAN: That's fine.
19
- 13:04:31 20 Q. 514 MR. MURPHY: Sorry. In relation to those documents that we've just seen,
21 Mr. McHugh. How easily would they have been located locatable in the NCB
22 offices do you think in their records?
- 23 A. Which particular documents? The banks or the invoices?
- 24 Q. 515 I beg your pardon. Yes, the invoice, the requisition form, the cheque and then
13:05:01 25 subsequently the second requisition form and the cheque?
- 26 A. Well I would have thought relatively easily if they hadn't been, if they were
27 still in existence and most of the stuff was filed off-site in a storage,
28 unless they. The only thing that could have caused the problem is that they
29 were misclassified.
- 13:05:22 30 Q. 516 Yes. As far as you were aware, was Mr. O'Brien aware of the unusual nature of

- 13:05:26 1 this payment?
- 2 A. Yes.
- 3 Q. 517 And that it was a payment of, it was a payment that involved 5,000 and VAT
- 4 going to Euro Workforce in respect of work that wasn't done?
- 13:05:39 5 A. Yes, absolutely, yes.
- 6 Q. 518 All right. And as far as you are concerned, Mr. McHugh, this is how
- 7 Mr. O'Connor managed to have NCB pay 5,000 pounds political donation to
- 8 Mr. Ahern?
- 9 A. To Mr. Ahern's constituency office.
- 13:06:09 10 Q. 519 Sorry. I mean I said political donation to Mr. Ahern.
- 11 A. Yes.
- 12 Q. 520 In that sense, is that correct?
- 13 A. Yes.
- 14 Q. 521 Excuse me for one moment, please.
- 13:06:53 15
- 16 I just want to put up very quickly the page two of the statement that's just
- 17 come in if that's possible. This is a statement from Graham O'Brien, which has
- 18 just come in to us, Mr. McHugh. And if we could go down to the last paragraph
- 19 on that page where Mr. O'Brien says "I do recollect that some time after the
- 13:07:20 20 initial cheque had been issued Padraic O'Connor informed me that Mr. Richardson
- 21 had been in touch with him and stated the cheque he had received had been
- 22 damaged. And that Mr. Richardson had requested a replacement. A replacement
- 23 was issued and signed by me and I thought no more of it at the time."
- 24
- 13:07:38 25 Do you know anything about that?
- 26 A. That's Mr. O'Brien's statement.
- 27 Q. 522 Yes.
- 28 A. Well obviously he was the one who communicated that the replacement cheque was
- 29 needed.
- 13:07:50 30 Q. 523 Yes. He says that Mr. O'Connor informed him that Mr. Richardson had been in

13:07:56 1 touch with him and stated that the cheque that he had received had been damaged
2 and that Mr. Richardson had requested a replacement. A replacement was issued
3 and signed by me which it isn't I think is that right the replacement cheque
4 isn't signed by Mr. O'Brien. As we just saw a moment ago.

13:08:17 5 A. That's correct, it was me and Sheila, yeah.

6 Q. 524 All right. And Mr. O'Brien had communication from Mr. O'Connor about this and
7 about Mr. Richardson getting in touch with him but there was no communication
8 with you about it, is that right?

9 A. No, I presume that's the way it happened. Graham came in to me and said the
13:08:36 10 cheque had been lost and we need to issue a replacement cheque. But that
11 explains now how he knew about it.

12 Q. 525 All right. All right. But you didn't discuss it with Mr. O'Connor?

13 A. Mr. O'Connor, no.

14 Q. 526 Yes. Thank you, Mr. McHugh.

13:08:52 15
16 CHAIRMAN: All right. Mr. Shaw, do you want to ask your client any?

17
18 MR. SHAW: Yes, Chairman, it won't take very long.

19
13:08:59 20 CHAIRMAN: All right.

21
22 **THE WITNESS WAS QUESTIONED BY MR. SHAW AS FOLLOWS:**

23
24 Q. 527 MR. SHAW: I think a point raised by Judge Keys. In relation to the
13:09:05 25 preparation of the false invoice, if we can call it that. Clearly three people
26 within NCB who could have arranged that, that was yourself, Mr. O'Connor and
27 Mr. O'Brien. And there was one other person involved and that was Mr. Des
28 Richardson but he wouldn't have any ability within NCB to approve a payment of
29 that invoice, is that correct?

13:09:23 30 A. That's correct but I think Judge Keys issue was slightly different.

- 13:09:28 1 Q. 528 It is slightly different. In this respect only. You had given evidence to the
2 Tribunal that you had no conversation with and never met Mr. Richardson, is
3 that correct?
- 4 A. That's correct.
- 13:09:38 5 Q. 529 And I think in your statement to the Tribunal which we prepared on your behalf
6 you went further than that and said that you had no contact with Euro Workforce
7 Limited either directly or indirectly, is that correct?
- 8 A. That's correct.
- 9 Q. 530 So it follows therefore from that, that you had no involvement in either the
10 preparation of this invoice?
- 11 A. That's correct.
- 12 Q. 531 And I think Mr. Richardson has confirmed at page 18621 for the Tribunal.
13 Excuse me. At line 16 thereof that Mr. Richardson remembers he dealt with
14 Mr. O'Connor only. So it did require a person within NCB to liaise with
13:10:17 15 Mr. Richardson or with Euro Workforce. The only person who was connected with
16 Mr. O'Connor, sorry with Mr. Richardson was Mr. O'Connor, isn't that correct?
- 17 A. I presume so.
- 18 Q. 532 The only other matter that I want to raise is the question of the conversations
19 you may or may not have had with Mr. O'Connor and Mr. O'Brien. And I think
13:10:39 20 your evidence to the Tribunal was that after the meeting with the Tribunal in
21 November, you did not have any meaningful discussion with Mr. O'Connor or with
22 Mr. O'Brien because of the warning that was given to you by Mr. O'Neill during
23 that meeting?
- 24 A. That's correct, yeah.
- 13:10:51 25 Q. 533 And just to bring to the attention of the Tribunal. That warning is contained
26 at page 18101. Just to read it into the record.
- 27
- 28 CHAIRMAN: Uh-huh.
- 29
- 13:11:01 30 MR. SHAW: there was a formal warning given that Mr. O'Neill wanted to

13:11:05 1 protect the confidentiality and the integrity of the process. I just wanted to
2 bring that to the Tribunal's attention.

3
4 CHAIRMAN: Thank you, Mr. Shaw. Thank you. That concludes your evidence.
13:11:14 5 A. Thank you, Chairman.

6
7 **THE WITNESS THEN WITHDREW.**

8
9 CHAIRMAN: And we are sitting on Tuesday at half past two.

13:11:20 10
11 JUDGE KEYS: Yes.

12
13 CHAIRMAN: For Mr. Dunlop. We are sitting between half two and half four on
14 Tuesday. All right.

13:11:27 15
16 **THE TRIBUNAL THEN ADJOURNED UNTIL THE FOLLOWING DAY,**
17 **TUESDAY, 4TH DECEMBER, 2007, AT 2:30 P.M.:**

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