

THE TRIBUNAL RESUMED AS FOLLOWS ON THURSDAY, 16TH DECEMBER
1999, AT 10.30AM:

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MR. WALSH: I think, Mr. Chairman, I think it falls to me
on behalf of Mr. Burke to ask a number of questions in
cross-examination. I have discussed it with my colleagues
and I think they are in agreement with that course.

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CHAIRMAN: If you are agreed among yourselves, that's a
perfect order, as far as I am concerned.

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ROGER COPSEY WAS EXAMINED AS FOLLOWS BY MR. WALSH:.

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1 Q. MR. WALSH: Mr. Copsey, I want to ask you a number of
questions arising out of your evidence and I am appearing
for Mr. Burke.

A. Good morning.

2 Q. It's clear from your evidence that you have some 27 years'
experience as a chartered accountant and sometimes as a
financial consultant, isn't that correct?

A. That is correct.

3 Q. And therefore it would be obvious to state that you would
know your way around a set of books of a company, a profit
and loss account, a balance sheet and so on?

A. That is correct.

4 Q. And you have seen and examined all the relevant accounts
and books of accounts dealing with JMSE and with the Lajos
company and also with the two companies, the subject matter
of the political donation, that is Grafton and Reliable,
isn't that correct?

A. I actually only dealt with the accounts for the two-year
period in which I have –

- 5 Q. I should clarify, just for the two-year period in question. I am not talking about generally.
- A. Yes, which would actually have only been the, I believe the 1988 accounts was the only ones that really fell into my period.
- 6 Q. But you are familiar with the accounts from the documents before the Tribunal dealing with the month of June of 1989?
- A. I have actually looked at them. I haven't studied them particularly.
- 7 Q. But isn't it clear from them and from the information you gleaned from Mr. Gogarty and from Mr. McArdle in the month of June of 1989, that the amount of the political contribution or donation to Mr. Burke is £30,000, always was £30,000 and never was anything else but £30,000?
- A. Oh absolutely.
- 8 Q. And such accounts and records as there are reflect that the figure is £30,000 made up of the two cheques which had been traced through the various bank accounts. One for 20 which was converted into cash in Talbot Street and the second one a cheque for £10,000, was it made payable to cash?
- A. And negotiated through the --
- 9 Q. Through the building society and then a bank.
- A. Yes, that's my belief.
- 10 Q. So just on the pure question of the figure, it seems that Mr. Gogarty's evidence was inaccurate when he suggested it was £40,000 or £80,000 or any other figure?
- A. From any evidence or knowledge that I have, he would be incorrect if he mentioned any other figure than the total of £30,000.
- 11 Q. And from an examination of your evidence yesterday and the written statements you submitted to the Tribunal, you at

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all times maintained that the figure James Gogarty requested you to obtain for him was £30,000?

A. That's absolutely correct.

12 Q. And indeed that's confirmed by the late Mr. Denis McArdle's memoranda and attendances because the figure he refers to is also £30,000?

A. Correct.

13 Q. And from your time working with the company in May and June of 1989, could you confirm for me that you were aware that there were already discussions taking place by Mr. Gogarty with potentially interested purchasers for the sale of the 700 acres?

A. I think I would have been aware of the fact that a purchaser was being sought. I couldn't say with absolute honesty whether I knew that he was directly negotiating with any particular party.

14 Q. But Mr. Murphy Snr's instructions appear to be to sell the lands at agricultural value?

A. Oh yes, that was very clear, yes.

15 Q. And the general election was the 15th June, which is some seven days after the date the money was collected and you got the request for the money?

A. That is correct.

16 Q. And the sale of the lands then onto the Baileys or to Bovale, there were negotiations going on in October, November and December of 1989?

A. That's really when I became involved in that transaction, yes.

17 Q. And I think the contract of sale was the 19th December of 1989?

A. That's correct.

18 Q. And again the sale price reflected agricultural use value?

A. Yes --

19 Q. For the lands.

A. I was never aware of any discussions other than a contract as was eventually signed, that is without planning permission.

20 Q. And we know that there was a fire in the house, Poppintree House, which was one of the parcels of land, that caused a delay in the completion of the entire sale, but ultimately the sale was closed on the 12th September of 1991?

A. Yes, I wasn't there at that time but from what I have read, that would be correct.

21 Q. And again the sale price was the same as the contract price, which was agricultural value?

A. I really can't comment on that, because I didn't deal with the actual closing.

22 Q. Well certainly the evidence shows that there was no increase in the price?

A. Look, I think from the evidence available to us all, that is correct, but I had nothing to do with the 1991 period.

23 Q. And do you know that in fact somewhere between 10 and 17 percent of the land in question only has been zoned?

A. Yes, so I have heard since.

24 Q. And that the major part of the zoning was not affected until 1996 when the Coalition government, the Fine Gael/Labour/Democratic Left, as they then were, declared that it should have a tax designation status?

A. That's my understanding of what I have read of the evidence given.

25 Q. I think after a lot of effort, Mr. Bailey managed to get planning permission for eight acres in Portmarnock, that's included in the 10 or 15 percent, then he also tried to get planning permission in Donabate for a small acreage and in

fact Mr. Burke opposed him, objected to the planning permission?

A. So I have read in evidence, yes.

26 Q. And I think in his evidence, Mr. Burke produced letters which he had written to the planning authorities on behalf of objectors where he was opposing the planning permission for the Donabate land?

A. Again I have read that from the transcripts, yes.

27 Q. Now, isn't it obvious then that the land was bought by the Murphys as agricultural or farming land. It was sold on then as agricultural or farming land and the vast majority of the land still remains agricultural or farming land even to this day, many years later?

A. Yes. I mean the Murphys undoubtedly bought the land with the long-term objective of getting planning permission for that land, but as an absolute fact, the decision was made to sell it without planning permission because they were advised that planning permission would be unlikely and the decision was made that they would not retain the land in the hope of getting planning permission, but would sell it without planning permission and at a price that reflected that fact.

28 Q. And I think it also goes without saying, and it might be stating the obvious, that there was no enhancement on the value of the lands between 1989, June of 1989 and September of 1991?

A. I really can't comment on that, because I was not concerned with 1991.

29 Q. I see. But in 1990 or 1989, there was no enhancement, just to use a lay phrase --

A. Oh no, there was absolutely none. During the period when I was there, which would have been in August 1990, there

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was absolutely, as far as I was aware, absolutely no enhancement at all.

30 Q. And even from an accountancy point of view, there certainly was no enhancement on the lands, on the value of the lands?

A. Not in those terms, no.

31 Q. And I just want to touch on one or two other topics. We know that the sale of the Forest Road lands closed in -- the contract was August of 1988 and the completion was in the month of February 1989. I think you were involved at the completion stage?

A. Yes, I was, yes.

32 Q. And the solicitor again was the late Mr. Denis McArdle and he has stated in evidence, through his statement, that he was in constant contact with you and/or Mr. Gogarty, both of whom appeared to be acting on the instructions of Mr. Murphy Snr?

A. That is correct.

33 Q. And in paragraph 26 of Mr. McArdle's statement, he indicated that "On the 24th February of 1989, he notified you in writing that the sale had been completed and the money was on deposit with him as solicitor until needed."

A. That is correct.

34 Q. And that's then a reference to the solicitor's client account with the ICC?

A. Yes.

35 Q. We now know?

A. We now know, yes.

36 Q. And then if I could just deal briefly with the events of Thursday, the 8th June 1989. I think your evidence yesterday was that it was Mr. Gogarty that contacted you with a specific sum in mind. It was £30,000 and it was a political donation or a political contribution.

A. That is correct.

37 Q. And I think yesterday you confirmed that that was because it was in the middle of a general election campaign, the election was the following week, the 15th June, and that money was needed for political purposes because the parties had a lot of expenses?

A. That was the explanation I was given, yes.

38 Q. And I think then in turn, armed with that intelligence, you relayed that to Mr. McArdle when you contacted Mr. McArdle seeking to arrange the cheques?

A. Yes. Whether or not that I intimated to him the exact purpose for the cash, i.e. posters etc, I don't know and Mr. McArdle's attendance doesn't note that, but I quite definitively told him it was for a political contribution.

39 Q. I think he has noted at paragraph 30 of his statement that you told him "I think Jim (Gogarty) wants to make a political contribution."

A. Yes, that's what he said. I actually -- I can't imagine why I would have said I think, because the facts of the matter are it was quite clear to both myself and Mr. McArdle that the request was for a political donation.

40 Q. Yes, I see. And then obviously when you were told it would have to be in the format of bank drafts, you relayed that information to Mr. Gogarty and he then went on and organised it himself with AIB?

A. That's correct.

41 Q. And I think that we know he got Mr. Timothy O'Keefe and some other person, possibly Frank Reynolds, to go to AIB in Talbot Street?

A. Yes. Certainly Tim O'Keefe went there. I think it's generally thought that Frank Reynolds went with him to

Talbot Street.

42 Q. And by the time Tim O'Keefe got to the bank that day, the money was already available for him?

A. Yes, that is what Tim O'Keefe has told me, that it was actually available. So a prior arrangement had been made and not by Tim O'Keefe.

43 Q. And Tim O'Keefe obviously collected the money. And what did Tim O'Keefe do with the money as far as you know?

A. He brought it back and has told me that he gave it to Mr. Gogarty.

44 Q. We know then that Mr. Gogarty went to Mr. Burke and gave it to Mr. Burke --

A. So Mr. Gogarty says, yes.

45 Q. And of course Mr. Burke says that because it was in the middle of an election campaign, that it was a political donation.

A. That is correct.

46 Q. That coincides with the original oral request you got from Mr. Gogarty that morning?

A. Yes, the two facts seem to tie in entirely.

47 Q. And again independently, they're the words you relayed to Mr. McArdle?

A. That is correct.

48 Q. And the correspondence that passed concerning the cheques, you gave evidence of that yesterday, but one of the letters from Mr. McArdle of the 12th June, I think it's at page 129 of the black book --

A. I actually haven't got a black book in front of me but I can remember the letter.

49 Q. But the heading is "Re: the Grafton Construction Limited -- land at Swords." That's obviously referring to it being the sale proceeds of the Forest Road lands in

Swords?

A. Can I actually see the letter?

50 Q. Sorry, page 129 of the black book. Dated 12th June of 1989. It was at tab 8.

A. There seems to be more consternation caused by this innocuous letter than anything else.

51 Q. We are just delivering a copy to you now, Mr. Copey.

(Document handed to witness.)

And you will see there, it's referring -- dated 12th June -- referring to our telephone conversation of Thursday last and it's the letter where he says "I am sending a cheque for £30,000 payable to JMSE directly to Jim" -- meaning Jim Gogarty.

A. That's correct.

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MR. O'NEILL: The reference in the black book is page 156 in the copies that have been circulated, just to clear that.

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MR. WALSH: Sorry, I must have got a different book.

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MR. O'NEILL: The 129 number, Sir, is the JMSE 194-129 reference in the general binding --

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MR. WALSH: Yes, I see there is a different pagination at the bottom which is half erased in my copy.

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The heading of that letter is "Re: the Grafton Construction Company Limited -- lands at Swords", isn't that right?

A. Yes. That's Mr. McArdle's own file reference, yes.

52 Q. And it seems logical that that's a reference back to the sale of the Forest Road lands that were completed some four

months earlier?

A. Yes, that would be my assumption, yes.

53 Q. And he had held the balance of the sale proceeds on deposit in the solicitor's client account with the ICC?

A. That's my understanding and he took this £30,000 as part of those proceeds, yes.

54 Q. And in terms of the accountancy year, what was the year ending for the Grafton Construction Company Limited?

A. I think all the Group had a 31st March year end, so that would have been in the financial year '89/ '90, ending 31st March, 1990.

55 Q. I see. And when would the books be sent to the independent auditor for the purposes of drawing up the annual audit accounts?

A. Well they were certainly compiled by Mr. John Bates after August 1990, which is when my assignment finished, and I can't say which date thereafter.

56 Q. Well I think there, in yesterday's black book, at tab 10 -- there is an extract of them commencing with page 192. (Documents handed to witness.) And it's the year ending the 31st May 1990?

A. Oh is it May? My apologies.

57 Q. And it would seem from page 191, which is an introductory note or part of the auditor's report, that the audited accounts are dated 8th February 1991?

A. Yes, it would have indicated that obviously his work would have been done prior to that date, so that it was after the 14th August 1990, because I know he hadn't commenced it when my assignment finished and it was obviously prior to that date, because that's the date the accounts were completed.

58 Q. And if your assignment with the companies was terminated or

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ended in one way or other in August of 1990, does that mean that Mr. O'Keefe's involvement also ended at that time?

A. Yes, it did.

59 Q. And can we take it from that that Mr. Bates didn't make any contact with you or Mr. O'Keefe when he was preparing the audited accounts?

A. I believe, having read his statement, that he did telephone my office at some stage, although he is not definitive with the date, but after our assignment finished and spoke to somebody in the office who, he confirms, was neither myself nor Tim O'Keefe on a small matter.

60 Q. I see. And generally speaking, there were two tax rates available to companies in 1989 and 1990 if you were a manufacturing company, you had a special concessionary tax of 10 percent.

A. That is correct.

61 Q. Corporation profit tax.

A. That is correct.

62 Q. And if you were an ordinary trading company, I think up to 1988, the tax rate was 50 percent and then for this particular year, it was reduced to 43 percent.

A. You actually may know more than me but I doubt if it was down to 43 percent, but somewhere in or about that figure, yes.

63 Q. Now, there are many types of accounts that companies can hold. But the most basic account would be a profit and loss account which would record all the money coming in on one side and all the money going out on the other side and then there'd be a balancing statement at the end.

A. Without getting into technicalities, that's the end product rather than the start product.

64 Q. If you took that end product, you'd have the money coming

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in on one side and the money going out on the other side
and you then know by subtracting one from the other whether
you are making a profit or a loss?

A. That's correct, income and expenditure.

65 Q. Now the actual financial position is on the grounds is it
was first calculated without any reference to tax?

A. That's correct.

66 Q. And because even if, for example, the director of a company
takes money out of the company to buy a flat in Spain or to
pay his golf club subscription or to buy a car for his
daughter or his wife and he uses company funds for it, that
doesn't make any difference to the accounts --

A. To the profit. It doesn't make any difference to the
profit.

67 Q. Well it does, if it's money taken out.

A. No. We are getting into --

68 Q. Go to the first stage. It doesn't make any difference
once it's recorded. It's recorded as money paid for a
flat in Spain, money paid for daughter's care and we know
at the end of the day that those two items of expenditure
have reduced the money available at the end of the year.

A. I am sorry, I don't want to get into technicalities. You
have actually stated that that affects the profit and
loss. It does not affect the profit and loss. That
would affect the balance sheet but that's technicalities.

69 Q. That's technicalities. But if you take the rudimentary
layman's accounts first. Money coming in versus money
going out. If it's recorded, it shows that you have less
money at the end of the year because you bought the flat in
Spain and you bought a car for your daughter.

A. If if you look at it in cashflow terms and ignore profit
and loss, yes.

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70 Q. In cashflow terms you have less money available?

A. Correct.

71 Q. Then if you do what you call an accountancy profit and loss set of accounts, you have to analyse each payment and determine whether, on accountancy rules, it qualifies as an expenditure?

A. That's correct.

72 Q. In order to determine whether there is a profit or a loss?

A. That is correct.

73 Q. And sometimes expenditures such as the flat in Spain or the car for your daughter, that's not an allowable deduction for the purposes of determining whether there is a profit or a loss, is that right?

A. Yes. It would affect -- you are quite right. You have to determine as to whether or not it affects the profit, although we all know it's affected the cashflow and the other consideration is you have to determine whether it affects the tax payable. Because it may or may not be an allowable item.

74 Q. So then we have the profit and loss account and we have excluded the flat in Spain and the car for your young daughter?

A. Yes.

75 Q. We then come along and we prepare the audited accounts for the tax man.

A. Yes.

76 Q. And there may well be some business expenses that have been incurred for which we have given ourselves credit in the profit and loss account?

A. Yes.

77 Q. I.e. increasing the expenses and therefore reducing the taxable income?

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A. That is correct.

78 Q. Or the income liable to tax. Such as it was very beneficial for you to organise a golf classic but that could be entertainment that's not allowable against tax.

A. I'd probably put it down as marketing and hope it would be allowed for tax.

79 Q. Yes, you see so you would get a label for it.

A. Yes.

80 Q. And you would apply that label and that label would then appear in the profit and loss accounts and would then be in the audited accounts and the tax man looking at the audited accounts would say yes, marketing is an allowable deductible expense to tax purposes --

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CHAIRMAN: Mr. Walsh, I hope you are going to come to a destination that's relevant.

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MR. WALSH: Yes, isn't that what happened the £30,000 in the accounts in tab 8? Somebody wanted to decide they wanted to put a label on it, write it down as enhancement or write it down as planning permission because that's an allowable deduction for tax.

A. Well no, I don't think that's why they did it at all.

Okay, you have asked me two questions there. Can I deal with --

81 Q. Deal with the first one, yes.

A. Okay. Well the second one, sorry --

82 Q. Second one first.

A. The second one is the fact that you said that it was dealt with as planning permission. In the accounts of the company, it was not dealt with as planning permission. There was a slight confusion yesterday on this, that John

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Bates' working papers refer to it as enhancement expenditure.

83 Q. Just for clarification, are they the papers which have a covering page at page 172 and it says "Grafton year ending 31st May '90 TB plus journals" -- that's trial balance. Are they the working papers?

A. I think if we actually go on page numbers. I find that simple -- if you don't mind. They appear to be pages -- what I am referring to is page 170 through to 189 were in fact John Bates' working papers. We then exclude page 190 and then go on to page 191 through to 198. They are the accounts of the company which Mr. Bates audited. The only reference to the words "Planning permission" are on page 190.

84 Q. That's Mr. O' Keefe's writing?

A. That is not part of Mr. Bates' working papers. I have actually confirmed that. There was confusion yesterday. I think that Mr. O' Neill implied mistakenly that the page 190, which is Mr. O' Keefe's working papers, formed part of Mr. Bates' working papers. That is incorrect. So the question -- coming back to your question, you phrased it that Mr. Bates, in his accounts, had referred to the expenditure of £30,000 as planning permission, that actually is incorrect.

85 Q. I see. Sorry, could I rephrase the question then. He has used the word enhancement in two places, isn't that correct?

A. That's exactly what he has done.

86 Q. The first place is page 177.

A. That's right.

87 Q. Of the handwritten document.

A. That's correct.

88 Q. Where he has audit adjustments as the heading. Then enhancement expenditure at £20,000. It's ticked off as correct. Secondly, it is ditto, ticked off £10,000?

A. That is correct, yes.

89 Q. And then the next reference is at page 198 which is the last page of the audited accounts and he, under the heading 'sale of land', he gives the figures for the sale proceeds for the land in the two years. Then he says deduct cost of land sold and he deducts a figure and he then adds in enhancement expenditure and we know that £65,000 legitimate enhancement expenditure and then obviously there is £309,000 that was paid to Mr. Burke has been grafted on to that £65,000-odd.

A. That is correct. Reverting to the first part of your two part question, you state or you made the point that the 30,000 that John Bates actually put that to enhancement expenditure because it was allowable for tax, his purpose in putting it there was not in fact to get an allowance for tax. It was because he thought it was enhancement expenditure. Later on he corrected -- this is a couple of years later -- he corrected himself, wrote to the Revenue and he has told me that he declared that it should not have been allowable for tax and paid interest on that amount.

90 Q. But that means that at the time of the preparation of the accounts and the payment of the tax due, he did benefit from labelling it as enhancement expenditure?

A. That is correct.

91 Q. To the tune of about £13,000, maybe more?

A. He did that and then realised his mistake later on.

92 Q. I am sorry, there is one other page where it's referred to in the handwritten documents, working papers, that's page 185. And there he appears to be giving an analysis of

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property costs at the beginning of the year and he gives then enhancement expenditure, 1, land at Poppintree, £65,273, we know all about that, that's legitimate. Then 2, cash. I think you mentioned that to Mr. O' Neill yesterday. That's not a valid description for any type of enhancement expenditure.

A. Well, it doesn't actually help define it.

93 Q. Yes, I see. And it should be analysed by accountants and a description given as to what the payment was in fact for?

A. That would be normal, yes.

94 Q. And I think you indicated yesterday that if you were preparing the accounts, you would have put the expenditure in somewhere in the appropriate place in the accounts as political donation or contribution?

A. That's quite simply because I had more knowledge than Mr. Bates. I think it was just simply unfortunate that he didn't contact me at the time but that's life.

95 Q. Yes, so the situation is that retrospectively Mr. Bates realised that an error had been made and that has now been corrected with the Revenue Commissioners and --

A. Absolutely, yes.

96 Q. And the money was paid.

A. Yes.

97 Q. And again that correction is because there was an error made in respect of £30,000?

A. Yes, he just described it incorrectly or it was described incorrectly. I am not trying to apportion blame.

98 Q. Thank you very much, Mr. Copsey. I have no more questions.

A. Thank you.

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MR. MOHAN: Chairman, If I may ask a few questions.

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

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99 Q. MR. MOHAN: Sir, at this point in time, I appear to
Mr. Dermot Ahern. If I could take you back to that fateful
month of June 1989 first. We are a year on at this point
from the coup, the so-called coup at this stage. You are
at this stage I think the financial director of JMSE, is
that correct?

A. That is correct.

100 Q. Would it be fair to describe you at that point as
Mr. Murphy Snr's chief financial adviser of his Irish
affairs?

A. Yes, probably, yes.

101 Q. You at that point obviously had been intimately involved in
the negotiation with Jim Gogarty and his pension at that
point to June 1989 where you had a putative deal at that
stage, isn't that correct?

A. Yes.

102 Q. You knew or you figured he was about to retire I think the
following month?

A. He was going to retire but he retained as a consultant,
yes.

103 Q. But in effect he was severing his link, I think, within a
matter of weeks from that month?

A. Yes.

104 Q. I just have listened to your evidence yesterday. You in
fact described -- you were giving your view on Jim Gogarty
and you used the word, I think twice or three times,
'unstable', that was that was your view of him?

A. Yes.

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105 Q. So I just want to -- I -- if I can put that in context.

So we have a man who you believe is unstable, where you are at a stage where you have negotiated his retirement package. I think in the letter -- you know the letter of February of 19 -- the February of that year, the long letter where you are putting out the options available. I think you had even countenanced the possibility of him sabotaging any deal on the basis of fact or emotion I think is the phrase used. Do you remember that?

A. I do recall that, yes.

106 Q. So this man is about to go within a short number of weeks. You think he is unstable. You are Mr. Murphy's senior financial adviser in that context, you get this extraordinary request to prepare or to give £30,000, £20,000 cash and £10,000 cheque, by way of a political donation?

A. Yes.

107 Q. You use the word exceptional?

A. Correct.

108 Q. If I might suggest to you, it was extraordinary and unprecedented?

A. Yes. I mean I have already said to you that I believed it was very unusual -- you can use a number of different words.

109 Q. Yes, but it strikes me as more than unusual. Let me put it this way to you. You are an accountant and had been since '72?

A. Yes.

110 Q. You are well versed in the ways of financial matters, well versed in ideas in the way books are kept and all such like, isn't that correct?

A. That is correct.

111 Q. Just leave aside the political donation. Somebody comes in to you in 1989, and leave aside the £10,000 cheque, somebody who you regard is unstable looks for £20,000 cash for whatever purpose.

A. Okay. Let's analyse that. I mean, we are talking about unstable. I am not necessarily talking in -- I am talking in emotional rather than medical terms. And there was certain things that sparked him off as being unstable. He wasn't unstable from eight in the morning until sort of ten at night. He was unstable when things switched him on and switched him off.

112 Q. How many times in your life have you been asked for £20,000 cash from a person whom you viewed as unstable for whatever period?

A. I think in answer to that question, I have never been asked for £20,000 in cash from anyone, even my wife wouldn't ask me for that.

113 Q. But from that, you would accept that a request for £20,000 cash is an extraordinary request?

A. I have already agreed to all of that. I don't have a problem with that, no.

114 Q. The word 'cash' has a connotation to it, I suggest to you as an accountant, that you will understand and appreciate?

A. Yes. And I gave the explanation for that. I think that I can see the point that you are making. But you have to understand that I did not think that Jim Gogarty came in on his own and asked me for that money. I have already made it absolutely plain yesterday that my belief at that time was that Mr. Joseph Murphy Snr, who at no time I thought was unstable, was the motivator behind that and that Jim Gogarty was the instrument. Now I found out since that Mr. Murphy Snr has in fact told me personally that

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absolutely no way did he countenance or know of this political donation. But at the time, if you are asking me why I countenanced it with a person who I thought was unstable on occasions, the reason I did that is because I thought that the authority came from a person who in fact I knew to be utterly honest and utterly stable.

115 Q. No, you explained as much yesterday, but you are this man's chief financial adviser. You are Mr. Murphy Snr's chief financial adviser, somebody with whom he has had his run-ins in the past, is about to sever his link, is now looking for £20,000 in cash and you don't think it reasonable to pick up a phone and talk to this man, despite the fact that at this time you were in fact negotiating your own fee and in direct contact with Joseph Murphy Snr on a very regular basis?

A. I think I explained that more than adequately yesterday. If you want me to repeat my explanation of yesterday, I can do so, but it won't change because they are the facts of the situation.

116 Q. Well, you said yesterday and I don't want to go over that again but what you suggested yesterday was because you believed, and correct me if I am not doing justice to your explanation, but you felt that because politics was such a private affair, that you didn't think it reasonable to check with Mr. Murphy Snr, is that --

A. I didn't want to question his decision in terms of a political donation.

117 Q. Yes, but can I question you on that. Who was making the political donation?

A. Well as a matter of fact, the cash came from JMSE.

118 Q. Correct. And who was the financial director of JMSE?

A. Me.

119 Q. What responsibilities did you have as financial director of JMSE in respect of a cash payment, a political donation by way of a cash payment?

A. I am sorry, a political donation, whether it's in cash, whether they are pound notes, 20 pound notes, 50 pound notes or 100 pound notes or whether it's by way of cheque or in any other negotiatingable form is a legal act and any implication in your question that I would have countenanced something which was illegal, I actually take offence at.

120 Q. No. Mr. Copey, if you just deal with the question I am putting to you. I think you understand the point I am making. This was not a donation that Mr. Murphy Snr was making. Do you accept that?

A. That -- I accept that he, as an individual, may not have been making it. Now, I will explain that. Because a company is a source of funds, in accounting terms does not mean to say that that company will bear the expense. Now, we had a choice here, an absolute choice of four parties who could have borne that expense when the accounts of those companies were finalised. One was JMSE, which I said yesterday, as a financial director of JMSE, I would not have allowed that to be borne and charged against the profit and loss account in JMSE for the reasons that I gave yesterday.

The other one is it could have been Grafton. The third one it could have been is Reliable. The fourth one, if you want to have a hypothetical conversation on it, to actually have been put down in the accounts of any one of those companies as a private payment by, for instance, Joe Murphy Snr.

121 Q. Yes, but --

A. All of those are possibilities.

122 Q. Where I am at this point in time, Mr. Copsey, I am at this first request. I am at a stage where you have been requested, so you say, by Mr. Gogarty to, as it were, obtain the 20,000 cash, £10,000 cheque. What you do then is contact Mr. McArdle and we have seen the memos of that conversation. We are at that point in time and you were a financial director of a company where you have been being asked to make a cash payment of an extraordinary sum of money in 1989 of £20,000. With all the connotations that that bears of a cash payment --

A. Connotations in your mind, but carry on --

123 Q. No, but sorry, do you not accept that the very phrase £20,000 cash has a connotation to it?

A. It was something which I asked the director to give me an explanation and he gave me what at the time seemed to me to be a satisfactory explanation and I might add, in the heel of the hunt, although I didn't know that it was Mr. Burke, Mr. Burke himself has been quite glad to say that he got this and spent it for exactly the purposes that Mr. Gogarty said it was going to be spent for. I mean, I actually don't see any problem with this whatsoever. Unusual, yes, but panned out, in the heel of the hunt, to be exactly what I was told, except that I was not told that it was payable to Mr. Burke. Where is the problem?

124 Q. Just on that, if I may, when you received this request, were you struck by its unusual nature?

A. I have explained exactly what I have done. I can only keep on repeating myself.

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MR. CUSH: I wonder, Mr. Chairman, in reference to the last question of Mr. Mohan's, he has asked the witness was he struck by its unusual nature. The witness has said "As I

have said so many times before" etc etc. In substance it's the same answer. I intervene at this point really to raise this query. We know Mr. Ahern's case and his case is a simple one, namely that Mr. Murphy Jnr was at all material times aware of the payment and informed Mr. Ahern otherwise. That's Mr. Ahern's interest in this Tribunal.

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Now, is it the case that Mr. Ahern is now suggesting that Mr. Copsy at all times made a payment to Mr. Burke? Because if that is the case being put, it should, by Mr. Ahern's counsel, be put very clearly to the witness. Very clearly in fairness to him. So there shouldn't be any beating around the bush. If that is Mr. Ahern's case, he should put it.

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CHAIRMAN: That seems to be reasonable.

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MR. MOHAN: If I may reply to that. I assure you Mr. Ahern did not want to be here in the first place but you will recall the cross-examination of Mr. Ahern by Mr. Cooney. You will recall was put to him in any trenchant terms and Mr. Ahern did his best to defend his good name and reputation at that juncture. When we were here, when we heard Mr. Murphy again slur Mr. Ahern at that juncture and in questioning Mr. Murphy, I put a number of questions on this particular issue -- this particular issue is whether or not or what was the state of knowledge of Mr. Murphy at the time and we put the series of correspondence to Mr. Murphy and Mr. Murphy in fact invited me, well you'd better ask Mr. Copsy about that. So I am here unfortunately because that is now an issue but in

respect of what I can or should put, I think I should be allowed to conduct cross-examination with this witness in a manner as I see fit which is pertinent to the issue which has not become relevant to this Tribunal. In other words what was Mr. Murphy's state of mind at the time because I am going to have to get to the telephone conversation very shortly. It's very relevant in relation to this witness' state of mind at that time, what he knew, what he didn't know, because the subsequent telephone conversations follows a matter of course, Mr. Chairman.

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MR. CUSH: Those conversations with respect, Mr. Chairman, follow many years subsequent to the time in respect of which Mr. Mohan is now asking questions and really what he wants to know is what was this witness' state of mind when he spoke to Mr. Murphy Jnr, so what information did he impart to Mr. Murphy Jnr? In other words, what information did Mr. Murphy Jnr have when he spoke to Mr. Ahern? That's the issue for Mr. Ahern's counsel. Let him deal with that respect.

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MR. MOHAN: Each time when I get close to putting points to the witness, when it gets uncomfortable for the witness, counsel have an objection on behalf of Mr. Murphy Junior. I take issue with that. I think I should be allowed conduct my cross-examination. It's a real issue in relation to Mr. Ahern. It's relevant to this witness as state of mind at this time.

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MR. CUSH: I have to say Mr. Mohan asked for the umpteenth time was this an unusual payment. I didn't feel at all uncomfortable because Mr. Copey said in answer to that

question every time, yes. The point I make was a reasonable point to make and I think probably your own first reaction to it as well. And I don't intervene lightly and it was an intervention which I thought was an appropriate one at the time and I do resent the idea that I intervened simply because I am uncomfortable. That's simply not the case.

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CHAIRMAN: Surely the situation is that the Tribunal is going to have to make its mind up whether or not at the point in time that the conversation took place with Mr. Ahern, whether the state of mind of Mr. Murphy -- sorry, the state of knowledge of Mr. Murphy, what was the state of knowledge. That's going to have to be decided. Now, I don't want to absolutely --

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MR. CUSH: Absolutely. That's the issue.

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CHAIRMAN: I am just defining the issue. I am not answering the question. I want to make that quite clear. This is the issue. Now, that is being addressed -- as I understand the question, this is being addressed to a source of information to Mr. Murphy Jnr, this is a source of information.

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MR. CUSH: It is.

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CHAIRMAN: A source of information, I speak subject to correction, upon which he purported, and I use the word purport, I don't use it pejoratively --

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MR. CUSH: Yes, one of the sources.

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CHAIRMAN: One of the sources. I don't want to be pejorative in any way. I think the counsel is entitled to investigate whether, first and foremost, whether this witness here had the knowledge. Secondly, did he impart it and what form did he impart it to your client? And the general bona fides of the whole relationship, the whole conversation. Now, I am going to have to go through that same exercise and reach a conclusion myself within limits. As you say, it's a repetitious exercise.

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MR. MOHAN: In fairness in that regard, I just wanted to ask that question to set the ground for the next question. I want to move off that topic very quickly.

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MR. CUSH: If Mr. Mohan is moving on --

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MR. MOHAN: If I may, Mr. Copey, why I am putting to you, I mean you have agreed that it is unusual. Why I am suggesting that to you is that you seem clear about some parts of the conversation but not about other parts, for example, you are adamant that the name Ray Burke wasn't mentioned during this request for a political donation from Mr. Gogarty?

A. That is correct.

125 Q. And I have studied your statement in this regard and indeed what you have told the Tribunal yesterday. Maybe not yesterday, the day before, but what you say is you are not clear about whether or not a political party was named.

A. That's correct.

126 Q. I suggest to you that's extraordinary in that you are asked for a political donation of cash of £20,000 and a cheque of

£10,000, that you will, first of all, being a financial director of the company, ask what party is involved or at least be intrigued about what party is involved and come to your own view on that issue.

A. Well possibly if you were me, you would have had all of that curiosity, but I am glad to say you are not me and I have explained what me thought and did yesterday. If you want me to repeat it, I will repeat it once, twice, three times, four times, but I have said exactly what my state of mind was.

127 Q. No, you misunderstand. The point I am putting to you, you seem not to recall this issue. What you are saying is I don't recall whether a political party was mentioned.

A. I actually don't want to have to give you a lecture on the way the human mind works. I am sure the if the Tribunal wants one, they can call a brain specialist or a memory specialist. It's a well known fact, which you would know as well as I do, that the memory is selective. Sometimes fortunately, sometimes unfortunately. You do, as a fact, remember some things and forget other things.

128 Q. And you are saying that in this context you cannot remember the name of the a political party in the context of a £20,000 cash donation?

A. What I simply said was I am not sure as to whether the name of a political party was mentioned. That's what I have said and that's what I will continue to say. If you ask me again I will say exactly the same thing.

129 Q. What did you think the donation was for? What did you think?

A. A political donation.

130 Q. Yes, but what you did think it was for?

A. A political donation. A political donation -- a political

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donation. I will say it several times more if you want me to.

131 Q. And this was to buy, pay for stickers and all the like just towards the last week of the election for some political party for whom you cannot remember who it was?

A. No, I did not say I cannot remember. There you are twisting my words. Look at your transcript. See what you said. Repeat it back to me.

132 Q. You are saying you do not recall whether it was named or not.

A. That's exactly, so don't twist my words please.

133 Q. I have to suggest to you that that is hardly credible.

A. You can suggest whatever you want --

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CHAIRMAN: Sorry, that's comment.

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MR. MOHAN: Very good.

You said, and I follow from your point, you say your wife wouldn't ask you for £20,000 cash. Let me put that in context, that this phone call must clearly stay to the forefront of your mind, even though that we come now to a point in time which is many years post this?

A. Sorry, you are making an assumption. Are you asking me or are you making an assumption?

134 Q. No, I am putting it to you that you didn't forget about this phone call because of its highly unusual nature.

A. And I am putting it to you that I did.

135 Q. So you did forget about it?

A. Correct.

136 Q. So that when you have a conversation from, a phone call in Moscow in December of 1996 or early January of 1997 from Michael Bailey, that nothing twigged at all?

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A. And that's absolutely correct. The word twig, I am glad you used it. Is the fact what I was told about was something entirely different from a political donation. I did not connect a political donation with an alleged illegal corrupt act.

137 Q. But I just want to, if I can confirm with you prior to this phone call, you knew all about this political donation because you were, if I may say, intimately or intricately involved in what had happened. We are not going to go through Grafton and Reliable but we know what happened with the money and you were involved in those transactions, isn't that correct?

A. Absolutely.

138 Q. So you knew a very significant political donation had taken place?

A. I did indeed.

139 Q. You knew that Ray Burke was obviously a politician in north County Dublin?

A. Probably.

140 Q. You probably knew?

A. Probably.

141 Q. Are you saying that you didn't know who Ray Burke was?

A. I actually don't take a lot of interest in politics. So it would be very easy for me to say of course I knew him. You are asking me a question. I am telling the truth. Probably. I certainly know who he is now.

142 Q. No, but with respect --

A. Sorry, whatever you would like me to think, I am not going to think something because you like it. I am going to give you an answer to a question. Which is the truth. Whether the truth suits you or doesn't suit you or even surprises you is a matter of indifference to me. But I am

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giving you an answer.

143 Q. I must accept your answer, so your answer is that you probably knew but you are not sure whether you knew Ray Burke was a politician in north County Dublin at this point?

A. That is correct. I may have known he was a politician. Did I know he was in north county Dublin? Possibly not. That's your answer.

144 Q. Very well. You knew that, I assume, that JMSE had property in north County Dublin?

A. Absolutely.

145 Q. I assume you had heard about the allegations concerning a politician and payments at this point in time, the same as anybody else may take up papers and read about them?

A. As I have said yesterday, at the time I got the phone call in Moscow I may have known. I actually don't know when the information hit the newspapers.

146 Q. Well, we know that it was circulating throughout, in 1996 and for example in March and April of 1996 --

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MR. CUSH: No, with respect Mr. Chairman, counsel must not put to the witness a premise for a question which is not correct. He must not say that it was circulating throughout 1996, because we have been through the newspaper articles and we saw --

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CHAIRMAN: It was March -- two articles --

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MR. CUSH: Yes, and only over a period of seven days in the entire of 1996. That's a very important detail.

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CHAIRMAN: It was the end of March, the beginning of

April. Am I correct in that?

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MR. CUSH: 27th March and 7th April. No more in 1996.

It's very important that counsel mustn't do that, with respect.

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CHAIRMAN: I agree with that.

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MR. MOHAN: I accept that. In March -- you have heard what your counsel has said. Are you saying you were unaware of the newspaper articles?

A. No. What I am saying is exactly is that when I took the phone call when I was in Moscow, I cannot recall what I knew about the subject. It's perfectly possible that I knew or it's perfectly possible that I didn't know. If it appeared in a Sunday newspaper just over a very limited period of time. I have already given in evidence yesterday that I used to spend nine days or ten days each month in Russia. There were lots of Irish newspapers which I didn't read. So I am not trying to avoid the issue. I just genuinely do not know and it was not of a particular interest to me when I took the phone call. I did not connect the two matters. It's as simple as that.

147 Q. So you make -- you are sufficiently obviously concerned about what you have been told to ring Mr. Murphy Jnr.

This is the phone call that you made after the phone all --

A. I wasn't the least bit concerned. Somebody had asked me to do a favour. Somebody I didn't know very well, they asked me to do a favour and it concerned an ex-client, against whom I had no ill will and so therefore, for the sake and the cost of one telephone call, I phoned Joe Murphy Jnr, put a precis of what Michael Bailey had said to

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me and left it to him.

148 Q. What did Mr. Murphy Jnr say to you during that call?

A. He said that he was aware of what was being said. He had in fact prior -- he was aware that Mr. Gogarty was making allegations. He was also aware that Mr. Gogarty was seeking extra money from him. I think he said to me that it was his opinion that Mr. Gogarty was creating this fuss in order to create a lever to get more money out of the Murphy Group and he would deal with the matter but he felt it highly unlikely that his father would want to shake hands with him.

149 Q. Was there any mention of political donations, can you recall?

A. I really can't. I mean the main purpose of the call was in fact to try to get, so I am told, Michael Bailey's object in phoning me was to try to get me to be helpful to arrange that two people should meet, shake hands and forget their previous difficulties. That really was the purpose. Everything else was a background superfluous thing which really wasn't of concern to me. The whole matter wasn't of concern to me because it didn't make an awful lot of difference to me whether these two elderly gentlemen did or didn't shake hands.

150 Q. Yes, but hence why I put this to you on a number of occasions about the fact of this political donation, the cash payment weeks before he left. You are saying it just simply didn't occur to you at this point?

A. And I have explained why.

151 Q. And we come then to the next phone call which is in, I think, May of 1997.

A. Correct.

152 Q. Approximately. And this time it's Murphy -- Mr. Murphy

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Jnr ringing you, is that correct?

A. That is correct.

153 Q. Can you tell me what he asked you?

A. The exact words, no, but I can give you --

154 Q. Yes, please.

A. -- the general import of what he was saying. He said suggestions had been made that a payment had been made by JMSE in connection with a bribe to obtain planning permission. The amount involved -- I am not sure whether a date was given, but it was the name Mr. Burke was mentioned, and the amounts which were mentioned were £40,000, but it wasn't necessarily clear that it was £40,000, it could be 60 or £80,000.

155 Q. Did you know who Mr. Burke was at this point in time?

A. Yes.

156 Q. You used the words that he asked about a bribe. I assume when somebody asks about a bribe, it would infer, I assume, a payment to a politician, is that correct?

A. No, a bribe conveys to me an illegal criminal act. That's what it actually does to me.

157 Q. But it involves a payment?

A. Yes.

158 Q. So you must have thought well now, were there any payments to politicians when I was involved for that year?

A. Are you telling me what I must have thought or are you asking me what I did think?

159 Q. I am suggesting to you that it would naturally occur that you would think that, that's what I am suggesting.

A. No, I have already told you what I thought.

160 Q. And it didn't occur to you that there was a payment in the very month that you were being told about, June of 1989, that you had been involved in a series of transactions

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whereby £30,000, £20,000 cash was paid by way of a political donation?

A. He also mentioned, I believe at the time, he mentioned the name Michael Bailey as well. I believe he did. Now, fortunately or unfortunately, I have the sort of memory which does not attempt to retain every piece of information to do with business. If this was a personal matter, I might treat it in a different fashion. With business, I am very logical, and I do not try to retain information in my mind. I have files for that, I deal with lots of unusual items, lots of exciting items. This particular political donation is obviously very exciting to you, I have dealt with lots more exciting things in my life than that in my business --

161 Q. I am sure you have, Mr. Copsey.

A. Now, I deal with a lot of different items every day of the week, very unusual items. I record those in files for clients. I make no attempt to remember them. When in fact I lose a client, I file away his affairs. I don't think about them any more. When somebody asks me to try to remember something, I then -- my mind accesses information. That's the way my mind works. When I am given names like Burke, when I am given illegal acts, bribery, when I am given things like Bailey, my mind goes to the Bailey transaction which, as far as I was concerned, was in October, November, December of 1989. Nothing in my mind at that time leapt towards a political donation, not involving Burke, not involving Bailey, and not involving any illegal act at a different part of the year. They did not connect. Now, that may not suit the way you would look at it. It may not even be the way that your mind works. But I have my mind and you have your mind. I am

here under oath to give the truth. Now, whether that truth suits you or doesn't suit you, or in fact suits the Tribunal or doesn't suit the Tribunal is not my concern. My concern here is to tell the truth. And that is what I am doing.

162 Q. And you are saying you didn't remember this extraordinary request for a £20,000 payment in cash to a political party in the very month?

A. For all of the reasons that I have given you.

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CHAIRMAN: Just a moment, this is going around in a circle. Exactly the same statement being repeated and the same question being repeated. The answer you have got is that, whether right or wrong, whether true or untrue, whatever it may be, the answer you got from the witness, he did not recall on that date and when the phone call to Moscow came through, it did not trigger off any recollection of this event.

A. May I also just add that as a professional person and a partner in a firm of accountants, I am not given to lying at any time and I am certainly not given to lying under oath either.

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MR. MOHAN: Mr. Copsey, I want to ask you one or two further matters about this telephone conversation. You told the Tribunal that it wasn't just simply a cursory telephone conversation. There were, for example, you said to him, "Have you checked the books?"

A. Yes, which of course would be my immediate reaction, if you want to know whether a payment was made, as an accountant, I wouldn't actually try to remember it, I'd go and look it up and see whether it had actually happened. So the

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answer to your question is yes.

163 Q. And he said he had and it hadn't shown anything, I assume the books were for that month in June 1989, is that so?

A. I don't know when he checked the books. I just said -- I haven't seen nor heard of this company for eight/nine years. I really do suggest that you check the books. He said he checked the books. As far as I was concerned, that was totally the end of the matter. I mean, really -- it really wasn't my concern in any case. The guy was phoning me up and as a favour I am even accepting his telephone call.

164 Q. I appreciate that because we are coming to the point now where the meeting took place, I think it was the 1st July, when he popped into your office as you described it without I think a prior appointment and you met him.

A. That's correct.

165 Q. You remembered something then?

A. Yes. We had a much more detailed conversation. The first conversation was a fairly quick telephone call. Just reverting back to the telephone call, I rather got the impression that Mr. Murphy was really seeking to confirm something in which he had made his own conclusion in any case. Now, the meeting was different. He came to me and we discussed in detail, because this problem which we both thought was not a problem or he certainly thought wasn't a problem in May, he then came back to me and said look, this hasn't gone away. We sat down, we discussed everything and at that point of time, he must have said something or I must have read something in the newspapers, something had clicked at the back of my mind that there was a political payment. He may have even used the word political

payment. I don't know. Something struck a chord in my memory and so I said to him, go away and look more carefully. I believe there was a political payment. I couldn't at that stage remember, however surprising that sounds, I couldn't remember. Had I remembered, I would have told him exactly. But I couldn't, so I said go away and check and I think because of that, he did go away and do a very comprehensive check and then of course, as we all know, he found all of the evidence which has now been presented.

166 Q. Did you think he did use the word political payment?

A. No, I suggested he may have used something. I don't know what word, phrase, or whatever it was. It made something click at the back of my mind.

167 Q. Have you read the transcripts of Mr. Murphy's evidence?

A. Yes.

168 Q. And did you read the transcript's of Mr. Ahern's evidence?

A. Yes.

169 Q. Why then yesterday I think when you came to the portion of

discussion of the politician, I just want to give you the phrase that you used -- I am just -- it's on page 110 of yesterday's transcript and it's dealing with this issue of him coming into your office and it's in reply to a question from from O'Neill. "Did you meet him again? Did you contact or have contact with him again, I should say?

Answer: No, he came into my office. I think he has described -- I think it was the beginning of August or end of July. I haven't got a date in my diary because it wasn't -- I don't think that there was a predetermined appointment. But anyway he popped in my office which was I believe after he had met the politician, Dermot Ahern, would it be?" Why the note of hesitation if you knew

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quite clearly it was Dermot Ahern?

A. I have already given evidence under oath I am actually exceptionally bad at names.

170 Q. But --

A. No, you are trying to supplant your mind in my mind.

171 Q. With respect I am doing nothing of the sort. I am putting a simple question to you. You asked a question presumably of the question, was the politician's name Dermot Ahern when you knew quite well it was. I am wondering why you did that.

A. No, you are saying I knew quite well. I am saying I have a very bad memory. I thought it was Dermot Ahern and so I just queried it. That's because I have a dreadful memory for names and I didn't want to give the wrong name.

172 Q. So there was a genuine doubt in your mind yesterday when you were giving evidence as to whether or not the politician's name was Dermot Ahern?

A. I wouldn't even remember your name, let alone somebody else's name. I have a bad memory for names. There is nothing more complicated or Machiavellian in my hesitation than that. That's the beginning, the middle and the end of my answer to your question.

173 Q. So there was a genuine doubt you are saying, do you agree with me or not?

A. I have already answered your question.

174 Q. Just one final question. You had, I think, given evidence to the effect that there was a reasonable system of cheques and balances in the accounting system set up for JMSE in or about 1989, would you accept that?

A. Correct.

175 Q. And it followed a pattern by which we have gone through in some detail, particularly with Mr. O' Neill, in relation to

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how it worked in the recording of for example, payments, what those payments were for, how they are treated in the books and how it is so described, would you accept that?

A. That is correct.

176 Q. Basically, it then would appear that as a result of this, the way this particular payment was treated, that in fact Mr. Gogarty could himself have taken the money himself.

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MR. CUSH: He must ask a question, with respect, Mr. Chairman. Mr. Mohan can't simply make a statement. He must ask a question.

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MR. MOHAN: Sorry, maybe I am not describing it correctly. What has happened here, you are the financial director. I know you are not the bookkeeper, but you accept the say-so of Mr. Gogarty in relation to the political donation of £30,000?

A. That is correct.

177 Q. It's subsequently treated in the books in all different shapes or forms in Grafton/Reliable. I am not going to go through that but, in effect, because Mr. Murphy Jnr claims he didn't know about it, because you say you weren't aware of where it was going or for what purpose, the reality is that this -- it seems as if it was possible to take £30,000 out of the books of JMSE -- to take £30,000 out of the coffers of JMSE --

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MR. CUSH: Again, with respect, Mr. Chairman, a whole series of sentences are strung together as a variety of propositions. There is no question there.

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CHAIRMAN: You are going to have to break that, Mr. Mohan,

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into a series of specific questions for which you require and will obtain a simple yes or no or accompanied, if necessary, by an explanation but it can't be, neither you nor the witness can have a convoluted proposition.

178 Q. MR. MOHAN: I appreciate that. Mr. Copsy, what I was putting to you, and you have accepted, there was a reasonable system of checks and balances and you have said that you accepted the say-so of Mr. Gogarty in relation to what he said the money was for. But would you agree with me that it does now appear that the £30,000 was taken out, on your own account, without any knowledge of the management of the company where that money was going to?

A. Well, I actually wouldn't agree with that. It appears to me that the management of the company in the guise of both myself and Mr. Gogarty both thought that this money was going to be used for a political donation and my understanding is, and nobody has given evidence otherwise, that this money was used as a political donation. I believe that the whole point of the inquiry is, in addition to it being a political donation, it was used as a bribe. But I mean, I don't think there was any confusion on the management side. I wasn't confused. I knew that it was being used as a political donation. That's the explanation I was given. Two executives then knew it was a political donation. I don't see any confusion in that at all.

179 Q. But Mr. Gogarty could have used it any way he wished. There was no check on him in that regard?

A. Do you mean did I accompany him and see him spend it? You are absolutely right.

180 Q. So there was no check in effect. You are accepting his

word?

A. I think it's quite reasonable to accept the word of a director of a company who you don't suspect of committing criminal acts. I mean the whole of business works on the basis that you trust your executives in the business.

181 Q. And no treatment of it in the books as a political donation?

A. It would have been incorrect to treat it in the books of JMSE as a political donation. It was treated absolutely correctly in the books as an intercompany loan. Any other treatment would have been quite wrong, not illegal, but quite wrong.

182 Q. Thank you, Mr. Copsy.

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CHAIRMAN: First of all, I think we will take a break. Has there been agreement between counsel as to the order? Because otherwise we will have to determine what order --

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MR. LEONARD: I think it's understood that I go next, Mr. Chairman?

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CHAIRMAN: It is agreed. Mr. Leonard, it is agreed, is it, because I want to know --

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MR. LEONARD: Yes, I think it is agreed.

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CHAIRMAN: Is that correct, Mr. Cooney?

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MR. COONEY: I am sorry, Mr. Chairman?

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CHAIRMAN: I want to know from counsel has agreement been reached as to the order in which the witness will be

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examined?

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MR. COONEY: I think so. Mr. Leonard, Mr. Callanan and
us.

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CHAIRMAN: Normally speaking, you would be second last, if
I put it that way.

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MR. COONEY: I think that's accepted, Mr. Chairman.

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CHAIRMAN: I want to find out. It's Mr. Leonard,
Mr. Callanan, anybody else?

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MR. COONEY: Mr. Cush.

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CHAIRMAN: Mr. Cush on your behalf. Very good. We will
rise for a quarter of an hour.

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

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THE WITNESS WAS EXAMINED AS FOLLOWS BY MR. LEONARD:

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183 Q. MR. LEONARD: I think you know that my name is Mr. Brian
Leonard and I represent Mr. Gerry Downes and I just want to
ask you a few questions about Mr. Gerry Downes' role in
these entire events. You have told us that you were
present at the meeting on the 7th June of 1988 and you were
brought into that as a result of being brought back into
this thing by Mr. Wadley, isn't that correct?

A. Yes, that's the famous six o'clock meeting.

184 Q. That's what I am referring to. How long before that

meeting were you asked to get involved in the affairs of the Murphy company, can you remember at this stage?

A. I believe it was sometime in or around May. I don't think it was any earlier, of the same year.

185 Q. What I want you to do, I know you have read all the transcripts and everything, I want you try and remember which of the following events you were aware of in a general way at or about the 7th June. I think first of all, before I go into that, you knew Gerry Downes yourself for a period long before 1988?

A. I did. He was the accountant to a client of mine for a number of years.

186 Q. That was Woodfab, I think, isn't that right?

A. That is correct, yes.

187 Q. And what esteem did you hold him in in that capacity?

A. He was a very sound person.

188 Q. Now, these are the events that I want you to try and remember now about whether you knew about the 1988 -- we know that prior to Christmas 1987 that Mr. Gogarty went over and saw Mr. Murphy Snr, I think it was in the Channel Islands. Were you made aware of that?

A. I was given a lot of background information, including that fact.

189 Q. We know that Mr. Gogarty had agreement with Mr. Conroy at a directors' meeting which occurred on the 18th January 1988. Would you have been aware of that?

A. Yes, I wouldn't been aware of the dates, but the event, yes.

190 Q. We know that Mr. Gogarty went over in March 1988 and met Mr. Devine at a hotel in Manchester and expressed his concerns about the company, were you aware of that?

A. I actually wouldn't have known it was Manchester but again

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I did know that he had met with Brendan Devine, yes.

191 Q. And we know that in April 1988, that he was offered a pension by Mr. Conroy I think. Were you aware of that?

A. Yes.

192 Q. And we know now that he wrote a letter to Mr. Murphy setting out complaints in detail about many executives of the Murphy Group on the 22nd April 1988. Were you aware of such an event?

A. That's Mr. Gogarty?

193 Q. Yes.

A. Yes. I was aware that yes, he had written to Mr. Murphy.

194 Q. And were you aware that at the end of April, 1988, Mr. Downes had been over to see Mr. Murphy and had a lengthy discussion with him trying to explain and demonstrate to Mr. Murphy's satisfaction that the accounts of the firms concerned were in order?

A. I believe Gerry told me that, yes.

195 Q. Now, all of this is the background to document number 117 which is the requisition of the meeting for the 6th -- it was dated 6th May. It was calling a meeting for the 7th June 1988.

A. Is there a tab number?

196 Q. You can see it up on the screen perhaps --

A. Yes.

197 Q. Mr. Downes said in evidence that he had issued this meeting to have Mr. Gogarty removed as a director of the company following his meeting with Mr. Murphy Snr in England and upon receipt of instructions. To your knowledge, do you accept that is the case?

A. That is what I understand to be the case, yes, although I had nothing to do with any of these meetings personally.

198 Q. Now, so that it was following the 6th May then that I think

you are aware that Mr. Gogarty wrote a second vitriolic letter to Mr. Murphy Snr on the 10th May, which is document number 118.

A. Yes, I have seen that before.

199 Q. You have seen that. And it was that letter that brought Mr. Snelling in to make his letter, write his letter and report of the 20th May 1988, document 121. I am sure you have seen this document as well.

A. Yes, I have.

200 Q. Now, if I could refer you in particular to page 394, the fifth and sixth page of that document?

A. Yes.

201 Q. The second last paragraph of page 394 says "If adequate reserves exist, which may be the position, then although I can understand management would prefer not to sever such interference, we have little to be concerned about the JMSE/AGSE from the accounts I have seen." Now, I think we know now if one has a look at document 122, that Mr. Murphy Snr held a telephone discussion with Mr. Conroy, Mr. Sweeney, Mr. Downes concerning that suggestion and with the unanimous consent of Mr. Murphy, Conroy, Sweeney and Downes, they agreed that Mr. Snelling would carry out the very investigation that Mr. Snelling had recommended, isn't that the case?

A. Yes.

202 Q. Now, the events which ran from that date up to the 7th June 1988 and the early morning meeting are unknown to Mr. Downes. But perhaps can you explain in any way any reason, to your knowledge, why it was a complete change of heart by Mr. Murphy Snr during that period of time?

A. Not entirely, but by the time that I was involved in this, it was quite clear to me that Mr. Murphy had decided in his

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own mind that he wanted a change of the trustees and he also wanted a change of the directors. Now, what in fact changed his mind during a period of time, I don't actually know.

203 Q. Might I be correct in suggesting that he was unhappy that he was being sidelined from what he regarded as his own company? Might that be a logical explanation --

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CHAIRMAN: Mr. Leonard, the witness has said he does not know. The witness has been totally frank and simply said "I don't know". Now, you can't very well question him or put suggestions to him if he says "I don't know".

A. Do you want me to clarify what I said? I answered your question as to what changed his mind during a period of time. What you put forward as a point is absolutely correct, but I do not know whether that particular point changed his mind during that particular portion of time.

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MR. LEONARD: Thanks very much. Now, I want to move on then to the 7th June 1988. There was this early morning meeting which was held on the 7th June 1988, document number 126.

A. Yes.

204 Q. I think we have heard it said that Mr. Wadley and yourself were both present, am I correct in that?

A. We were certainly in Wilton Lodge at that -- in that morning, yes.

205 Q. Now, would I be correct in suggesting to you that on the 7th June 1988, that you were aware that Gerry Downes, as a director of the companies concerned, had called the meeting for later on that day?

A. That is correct, yes.

206 Q. And were you aware that neither -- that Gerry Downes had not been notified of this particular meeting?

A. Yes. And that was deliberate. I can explain why, if you want me to.

207 Q. Would you accept that it was an irregular act on the part of -- an irregular board meeting?

A. No. I wouldn't accept that, sorry, I will have to explain our strategy --

208 Q. So be it.

A. Our strategy was here that both Mr. Downes and Mr. Sweeney had stated that they would resign from the company if Mr. Gogarty continued in employment. He did continue in employment and Mr. Wadley, Mr. Oakley and myself felt that there was at least an argument that thereby they had in fact resigned, because the event which would trigger their resignation had actually happened. So we chose to accept their resignation and therefore we held out at that particular point of time they were no longer directors of the company, so we held a meeting with those people who were holding out as directors.

209 Q. This is a stratagem rather than a fact, isn't that the case?

A. You might have to have a court case to find out who is correct. It most certainly was a strategy, yes, and if I was a betting man, I wouldn't necessarily have put an awful lot of money on us winning the court case.

210 Q. Thanks very much. Now, on the 9th June 1988, it's a document page 2394 of the discovery, Mr. Gogarty signed a document recording that Mr. Conroy, Mr. Downes, Mr. Sweeney had resigned as directors of the company on the 1st April?

A. Sorry, what document number is that?

211 Q. Well it's up on the screen. You can see it -- 2394.

A. I see it.

212 Q. Mr. Gogarty signed a document on the 9th June 1988 recording that Mr. Conroy Mr. Downes, Mr. Sweeney had allegedly resigned on the 1st April 1988?

A. It doesn't actually use the word allegedly on that form.

213 Q. Sorry, sorry, you are absolutely right. I will read if you like, on the 9th June 1988, a document signed by Mr. Gogarty says "On 1st April 1988, Liam Anthony Conroy, Gerard John Downes and Marcus Sweeney resigned as directors of the company and Gerard John Downes resigned as secretary of the company."

A. That's what it reads, yes.

214 Q. And I think you will agree with me that you knew at that time that that statement was certainly inaccurate?

A. No. I didn't actually say that. What I was saying was that if there had been a court case, I wasn't assured that we would win it, which is not quite the same thing.

215 Q. I appreciate that, I am talking about a different date. What I am talking about is the 1st April 1988. There was no question whatever, leaving aside court cases, about the 7th June, that Mr. Downes had resigned on the 1st April 1988.

A. I actually had nothing to do with the company at the 1st April 1988 and, to be truthful with you, I couldn't say whether he had or hadn't resigned on that date.

216 Q. Now, we move on -- there was litigation then the following week and it led to the subsequent meeting on the 17th June 1988. And that was a meeting that took place -- this is document 150, page 506. This is the meeting that took place in Shanowen Road.

A. Okay.

217 Q. Now, it was at that meeting that you handed in I think the

resignation of Mr. Conroy which was within your power to do so I think at the time.

A. That was correct.

218 Q. And it was the -- am I correct in suggesting to you that it was the resignation of Mr. Conroy was the primary objective of that particular meeting?

A. I think that would be fair to say.

219 Q. And that -- and would it be correct to say that Mr. Downes was a victim of the coup which occurred at or about that time?

A. That's actually very much my view, yes.

220 Q. And that it's your opinion that -- would you agree with me that Mr. Downes never did anything dishonourable which in any way warranted his removal from these companies?

A. The only thing that Mr. Downes did, in the minds of Mr. Murphy and Mr. Gogarty, to warrant his resignation was in fact to, in common terms, to, say, back the wrong side, and I believe that Gerry Downes was a very honourable person and I never found any fault with anything that he had done.

221 Q. Now, to move on, you said in your direct evidence that Mr. Downes had given you certain information regarding payments to Mr. Conroy at the meeting on the 17th June. I want to remind you what Mr. Downes said in evidence, because I want -- I think I want to correct something that happened at that stage. Mr. Downes, in his direct evidence, Day 65, transcripts 51 to 53, said that having spoken to you and given an indication to you of meetings in Shanowen Road, he went and got the relevant records and brought them out to your house in Killiney.

A. That actually is correct. My evidence the other day that I gave when I said that he handed it to me in Shanowen Road

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at Santry is actually incorrect and I apologise for that.

You are quite right. He spoke to me and because he lives near me -- I mean he wasn't a personal friend as such, but because he lives near me, he found it convenient to drop it at my house. You are absolutely correct.

222 Q. The documents he says he handed to you were things like the private payroll matters, maybe people's salaries and possibly to do with the financial institutions like agreements of overdraft limits with banks, what facilities we had. Those were the sort of matters he kept. Not many documents, would you accept that?

A. I would.

223 Q. And also the records of the payments to Mr. Conroy?

A. That's correct.

224 Q. Now, those were I think on a few sheets of paper and do you remember what ever happened to those?

A. No, I would have taken them into my office and stored them there and this is an assumption, but I mean I don't normally lose papers in my office. I can therefore only assume that when I gave back all documents relating to the Murphy affairs to the Murphys, that they were included but I couldn't say specifically.

225 Q. Did you regard those payments to Mr. Conroy as a matter of any significance?

A. No. In the context of the company and in the context of certainly my role, I felt that they were irrelevant.

226 Q. If we move on then to the meeting which occurred in August of 1988, I don't have the minutes of the meeting. I am not quite sure where they are. They are not in in the documents I asked the Tribunal -- there is a reference to you being delegated to arrange for Gerry's dismissal from the company I think and pay a fee -- negotiate up to

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£10,000.

A. Yes. I was designated with the unpleasant task of doing that and I carried that out and I in fact negotiated on his behalf that he should receive, I thought it was £15,000 but --

227 Q. That's the figure he got at the end.

A. Right. Okay.

228 Q. And he stayed on for several months. Did anybody have any complaint about Mr. Downes' work over the following several months?

A. No, none at all. He was very, very positive in his attitude. He was obviously very, very sad to go. He was most upset. But he carried out his duties and was in fact very, very helpful to us.

229 Q. Now, if I could turn to one final document, it's document number 171 which should come up on the screen in a moment.

A. I have it here.

230 Q. Now, you might identify what this document is to me, because I think I am correct in saying that this is a summary of the financial position prepared of JMSE and AGSE sometime after the 31st May 1988?

A. Yes.

231 Q. And is it a document generated by your firm while you were engaged?

A. If it's what I think it is, yes, because I think that this was prepared for the purposes when we were looking at possibly selling the companies, I think.

232 Q. Well if I could just, as Mr. O' Neill has done on many occasions, read things into the record very briefly. The main figures from the company's audited accounts are summarised on pages 14 to 22. "JMSE Limited has traded

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profitably in Ireland for many years. During the last five years, there has been a severe economic depression and to counter the effects of this, AGSE Limited was purchased in 1983.

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"The benefit of this investment in the UK market is now beginning to show in the results of the Group but its effect will reflect over the next three years. Meanwhile the Irish economy is beginning to grow."

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Now, if I could turn you from that to the next page which is 594.

A. Yes.

233 Q. If we look at the net profit of JMSE after taxation, we see that the lowest figure recorded there was on the 31st May 1986 and there was an increase to the 31st May 1987 and a very substantial increase indeed for the year ending 31st May 1988, isn't that right?

A. That is correct.

234 Q. And if we turn over to the figures for the other company, Archbel Greenwood, we see again that that company had a loss in 1984, a small profit in 1985 and increased again to a modest sum in '86 and there was again a reasonably significant profit in the year ending 31st May 1988?

A. Yes, there was certainly an improvement between 1984 and 1988, yes.

235 Q. And if I could turn to the last page there, which is page 102 from the book of that. It's page 86, page 86 or page 102, depending on what way one looks at it. This is the Joseph Murphy summary of results of the Irish companies at which --

A. I have it in front of me.

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236 Q. You have it. Again, without going into any great detail, it does show that between 1987 and 1988 there was a substantial increase in the turnover and a very substantial increase in the retained profit?

A. That is correct.

237 Q. And the year in which it shows a significant loss, there is a note at the bottom explaining that, it's relating to significant amount of money that had been expended in the refurbishment of the Gaiety Theatre?

A. That is correct.

238 Q. So I want you to go back to document 118 please.

A. Yes, I have it.

239 Q. Mr. Gogarty, in that letter in the very first paragraph, said "There is a very strong case indicating that your businesses at best are being conducted in such a negligent and reckless fashion as to indicate that in a very short time, the entire organisation will come crashing down." Do you agree with me that the accounts of the firm after Mr. Downes had been removed from his position indicate quite clearly that that statement is utterly incorrect?

A. I think for the reason you gave, I am not quite entirely sure that I would agree with that, however what I can state is that during my time as financial director, I never found anything to indicate that that statement was correct.

240 Q. That's all. Thank you very much.

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THE WITNESS WAS EXAMINED AS FOLLOWS BY MR. CALLANAN:

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241 Q. MR. CALLANAN: Mr. Copsey, I appear for James Gogarty. If I could ask you just briefly in relation to your first phase of involvement. The firm of which you were a member acted as auditors to JMSE for the period 1972 to 1978.

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A. I think those are approximate dates, yes.

242 Q. And can you recall why that retainer ceased in or around 1978?

A. I think because Mr. Christopher Snelling's involvement in the audit ceased. He was the main contact and I think that Mr. Jim Gogarty preferred to use a contact which he had.

243 Q. I see. And we know then that the collapse of the IFTC occurred in November 1981, sometime later?

A. Yes.

244 Q. And obviously you had some involvement in that and Mr. Wadley had a greater involvement in it, isn't that so?

A. Yes, mine was a different involvement from his, but in the general context of things, yes.

245 Q. And we know this caused very substantial loss to Mr. Joseph Murphy and to his brother Mr. John Murphy?

A. Yes, I believe that that they recovered 80 percent.

246 Q. Yes, the bulk of it was recouped from professional indemnity policies from Midgely Snelling, I believe?

A. Yes, not by my firm, I believe, but by them.

247 Q. Were you surprised then to be contacted by Mr. Wadley and asked to provide services to JMSE in or around 1988?

A. Yes.

248 Q. Did you know whether Mr. Wadley had, in the intervening period, retained any connection to Mr. Murphy or to the Murphy companies either in Ireland or England?

A. No. I know that Mr. Wadley was even more surprised than me to be contacted by Joe Murphy. He had no contact with him whatsoever in that intervening period.

249 Q. And at this stage, I think we know Mr. Wadley had resigned from the Institute. In relation to you, the disciplinary findings hadn't even been made at that point, isn't that

so?

A. That is correct.

250 Q. You were nevertheless happy to -- did you discuss the background at all with Mr. Murphy as to --

A. Yes, I mean it wasn't really a matter of me being happy. It was a matter of him being happy. And when I spoke to him, he was very content.

251 Q. I see. Now, if I could ask you in relation to Forest Road which I want to deal with briefly, Mr. Copsey. I think the attendance of Mr. McArdle has already been opened and before in relation, in which he makes reference to a moral commitment felt by Mr. Gogarty in relation to the sale of the lands.

A. I think on his attendance note that the word "Moral and legal commitment" were mentioned. I think it was me who put the meaning on that that I believe that we discussed whether there was a moral and a legal, or an obligation and I knew from Mr. McArdle that there was no legal, but yes, there might be a moral.

252 Q. This is in the attendance of the 3rd August 1988 at page 32 of the Tribunal's black book. Well how did that moral commitment arise, Mr. Copsey?

A. Well, sorry, it really wasn't something which I was involved in. I just believe from what Mr. McArdle said to me that Mr. Gogarty felt that there was a moral commitment to the persons to whom he was negotiating, although as I said, that Mr. -- the solicitor involved, Mr. McArdle, informed me there was no legal commitment.

253 Q. But clearly something which could have been interpreted as an understanding had been come to, isn't that so?

A. Well so I was informed, yes.

254 Q. And the evidence has been that there was a meeting at the

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offices of Smith Foy on the 25th July 1988 at which Mr. McArdle and Mr. Kevin Smith, Mr. Bailey and Mr. Gogarty were present and Mr. Gogarty's evidence to the Tribunal has been that so far as he was concerned, there was a commitment given to Mr. Bailey at that meeting?

A. I believe that, if I remember correctly, I think that Mr. Gogarty felt that there was a legal commitment, but I believe that Mr. McArdle made it clear in his evidence that there was no legal commitment.

255 Q. In his statement I think he said there was nothing concluded, isn't that so?

A. Yes.

256 Q. What Mr. Gogarty said in evidence was that, as far as he was concerned, a commitment was entered into but it was subsequently vetoed by yourself?

A. That actually is incorrect.

257 Q. Well in what respect is it incorrect? What Mr. Gogarty said was that you advised him that neither he nor Mr. McArdle had authority to enter into such an agreement?

A. That is not correct, because I didn't say that and I believe that Mr. McArdle's recollection is line ball with my recollection.

258 Q. I think he says that it's unlikely there was a phone call that evening for the reasons he sets forth in his statement.

A. And he also says that I didn't veto the sale.

259 Q. Well, did you have any role at all in relation to it?

A. Yes, I did. I have explained my role. Do you want me to go through that again?

260 Q. Well, did you take a position in relation to Mr. Gogarty's claim that he had entered into a commitment to sell the lands on the 25th July 1988 in the offices of Smith Foy?

Did you react to that in any way? Did you make any statement to him or to Mr. McArdle about that? Did you intervene on that issue at all, Mr. Copsey?

A. No. And in fact I was very surprised when I read Jim Gogarty's statement because I mean, there hadn't been any animosity whatsoever over that subject. I mean, there was animosity on other matters, but certainly not on that. So no, I have no recollection and I know as a fact that there was no problem on that sale. My involvement, I have described before and it was on a non-contentious basis.

261 Q. But it's clear that putting it at its mildest that something happened to stop any deal that was under discussion at the offices of Smith Foy being put into effect. Some intervention prevented that taking place, isn't that clear?

A. Oh yes.

262 Q. And I am asking you did you have any involvement in that?

A. Oh yes, I did, yes.

263 Q. And what was that involvement?

A. I was telephoned by Mr. Murphy Snr. He had obviously been informed that a firm of solicitors were claiming they had carriage of the sale and so Mr. Murphy asked me to go to meet with the firm of auctioneers, which I did. I reported back to the solicitor, Mr. McArdle. Mr. McArdle then wrote to those estate agents. I believe they, as it were then, disappeared off of the scene. My recommendation to Mr. Murphy, Mr. Gogarty and the solicitor, Denis McArdle, was that a higher price than was being negotiated by Mr. Gogarty should be obtained in line with the price which the estate agents said that they could obtain. That was my advice. It wasn't an instruction. And my understanding is that Jim Gogarty went back,

renegotiated the price for approximately the same and everybody was happy.

264 Q. But is it fair to say that you informed Mr. Gogarty, arising out of your conversations with Mr. Murphy, that whatever deal was in the offing on the 25th July 1988, in the office of Smith Foy, couldn't proceed?

A. No, it wasn't an instruction. I just said on a commercial basis, it was just seemed to me to be very simple. If there wasn't a binding contract and Mr. -- Denis McArdle was emphatic that the negotiations were nowhere near that point, it seemed to me just simply commercial that you should go back to the people and say, look, we have had another offer, can you match it? It was literally as simple as that.

265 Q. And that was what gave rise to Mr. Gogarty's sense of a moral commitment, isn't that so?

A. No --

266 Q. What occurred at the meeting of the 25th July 1988 was, so far as you were concerned, as you would have deduced, the basis for Mr. Gogarty's sense of a moral commitment?

A. I mean, I don't know when Jim felt that he had a moral commitment. All I can say is that as between myself and Denis McArdle, that we were asked to advise which sale would be the most beneficial. Now, I had no particular views on it and I am not sure that Mr. McArdle did. That note simply discusses and goes through the pros and cons and our discussion came back, all other things being equal, that if Jim felt that he had a moral commitment and I don't know when he felt that, but if he felt at the time of our discussions that he had a moral commitment and the terms between the two parties match, then it seems sensible that Jim should deal with what I would call his compliant.

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There really wasn't anything complicated in it. It just seemed to be a lot of good common sense and common business practice.

267 Q. Well we know that the auctioneer who claimed to have a retainer was Hamilton Osborne King, isn't that so?

A. That is correct.

268 Q. And they indicated they were in negotiation with three parties, one of which was the Baileys?

A. Well, when I spoke to him, I wouldn't have realised that the Baileys were the same as were being dealt with by Jim Gogarty. That I know, I didn't realise. I am not sure at what point of time I became -- I came on the knowledge that Princess Homes as such was the Baileys. I hadn't seen anything personified in that fashion.

269 Q. The ultimate sale was to Princess Homes but I believe the letter of Hamilton Osborne King referred to the Baileys, if I am not mistaken, Mr. Copsey.

A. Well it may have, but what I am saying to you is that certainly in my own mind at that time, I know for definite that I didn't know that the people that Jim was negotiating with, because remember I didn't do any of the negotiations, that the persons he was negotiating with were this -- were the Baileys, the same people who were dealing with Hamilton Osborne King. I am not sure how important that is, but I didn't.

270 Q. Well isn't it of obvious importance, Mr. Copsey, in the light of the assignment you were given by Mr. Murphy, if the auctioneers were claiming they are retained and were in negotiation with three parties and one of those parties were independently in negotiation with Mr. Gogarty, wouldn't that be something of great relevance in addressing the issue of whether or not the auctioneers had a retainer?

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A. It certainly never came up as a point as between myself and Denis McArdle. I can't answer why. It simply didn't.

271 Q. You were aware of the identity of the party with whom Mr. Gogarty was negotiating and to whom he felt a moral commitment?

A. At that point of time, no. I just knew Jim was negotiating with somebody for the sale of the lands. I mean at that point of time, the identity of that party wasn't of interest to me and I wasn't concerned with it and if in fact this, let us say, apparent conflict or apparent connection had been identified or was in any way important, I would have thought that Mr. McArdle would have made a note of that because I could, from what I know of the law, that they could be, there could be a possible problem on the basis of what you are saying, but I know as a definitive fact that Mr. McArdle didn't bring that up as a point, didn't recognise it as a point and it wasn't discussed. So that's all I can say about the matter.

272 Q. I am just curious as to how at a lapse, at a distance of twelve years, you can be certain that you didn't know that the party with whom Mr. Gogarty was negotiating was the Baileys?

A. Well because had I known, then I would have made a connection between the name that was mentioned at my meeting and the people who I knew Jim was negotiating with and I know as a fact I didn't make that connection but I mean if you want to believe that I did make the connection and I have forgotten, I am quite happy with that. It's a matter of indifference to me.

273 Q. But in any event, we know that Mr. Murphy spoke to you about this and Mr. Murphy would have been aware of the claim being made by the auctioneers, by Hamilton Osborne

King, isn't that so?

A. Yes. And when he spoke to me he most certainly didn't know any detail other than the fact there was a possible problem with the Hamilton Osborne King.

274 Q. And that was a problem which was outlined in a letter of the Hamilton Osborne King, isn't that so?

A. Yes. I don't believe that Joe Murphy ever saw that letter. I believe that he was informed of a possible difficulty by either Mr. McArdle or by Jim Gogarty.

275 Q. And what leads you to say that, Mr. Copsy?

A. Because I didn't inform him that he very rarely corresponded with people and most of his business was done over the telephone and I know as a fact that when property transactions were going through, if any legal matters cropped up, that Denis McArdle meticulously telephoned him and told him. Now, it could possibly be different, but if you want it, on odds, I'd say it was about 99.9 percent certain, but there is a slight doubt it could have been something different.

276 Q. But this claim that Hamilton Osborne King had a retainer was enough to attract his attention and his intervention, isn't that so?

A. Well if he was telephoned by Denis McArdle and Denis said, "Listen Joe, there is a possible problem here because I have just received this correspondence from Hamilton Osborne King, what would you like me to do about it?" I mean yes, I think that's what happened. And then Joe said okay and he spoke to me. For some reason he thought that I would be the best person to go along. I think that Jim Gogarty was known to be a little volatile and he just sort of felt that I would be better negotiating what could be a possibly delicate situation.

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277 Q. So you think Mr. McArdle made contact with Mr. Murphy and
Mr. Murphy in turn made contact with you?

A. That would be my belief. I couldn't be certain whether it
was Jim or Mr. McArdle but I think it more likely
Mr. McArdle.

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CHAIRMAN: Mr. Callanan, would this be a convenient moment
to break for lunch? A quarter past two.

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THE TRIBUNAL THEN ADJOURNED FOR LUNCH.

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THE TRIBUNAL RESUMED AS FOLLOWS AT 2:15PM:

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CONTINUATION OF EXAMINATION OF ROGER COPSEY BY MR.

CALLANAN:

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CHAIRMAN: Mr. Callanan, when you are ready.

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278 Q. MR. CALLANAN: Yes, Mr. Copsey. Just in relation to Hamilton Osborne King, the relevant letter I think is a letter of the 11th July 1988 of which I will hand you a copy now.

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It's a letter from Hamilton Osborne King to Mr. Gogarty and at paragraph -- of the 11th July 1988, the reference is JMSE 12.1-348, it states at paragraph 2 in fact, "We have had continuing negotiations with several parties regarding the sale of the land, the most notable and persistent being Michael Bailey (Princess/Bovale), David Daly, (Manor Park) and Michael O'Rourke (Orlynn)." And that letter was passed on by Mr. Gogarty and that letter would have been the letter that prompted Mr. Murphy to instruct you to sort that matter out, the issue of the retainer of Hamilton Osborne King, Mr. Copsey.

A. I would have thought so, yes.

279 Q. And the other document I want to put to you in relation to Forest Road is, I have, Sir, a book of documents which I have bound which I can circulate, I think they have been handed to the Tribunal. There's a couple of other documents that are loose that just haven't been included in this. I think you may have been given this booklet, Mr. Copsey.

A. What I have been given is second affidavit of James --

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280 Q. That's the booklet. If I could ask you to turn to page 22 of that, which is an attendance of Mr. Copsey, the reference for which is JMSE 12.1-320.

A. I am sorry, I haven't got that --

281 Q. Page 22. It's in ink marker, scrawled in ink marker at the bottom of the page.

A. At the top it says Bailey --

282 Q. That's exactly right. This is an attendance of Mr. McArdle and I'll just read it to you, it's dated the 3rd August 1988, it says "Bailey" and there's two phone numbers, "Not keen on phased/in a position to do it, money-top dollar --would have to look on it at moment. Not happy with Gogarty -- told he would stand by his word -- meet Murphy -- make up his mind -- this week or not in running at all -- cash, then 31st January, month closing -- make up his mind on the spot."

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That clearly is Mr. Bailey ringing Mr. McArdle. Doesn't that appear to be the case?

A. That appears to be the case, yes.

283 Q. And Mr. Bailey says he is not happy with Mr. Gogarty, that Mr. Gogarty had said he would stand by his word, isn't that so?

A. That's what it says, yes.

284 Q. And you are not in a position to shed any light on the next two lines, "Meet Murphy -- make up his mind this week or not in running at all."?

A. No.

285 Q. Just one final point in relation to the lands, a document has been opened to the Tribunal in Guernsey, Mr. Oakley's comments on the affidavit of Mr. Conroy in which Mr. Oakley referred to a report being commissioned by the trustees in

the summer of 1988 as to the viability of the land holdings and that was stated to be a copy of a report of Mr.

Gogarty. You weren't aware of any such report, Mr. Copsey?

A. Not really. I mean from recollection, the report that I remember was the one by, is it Duffy Mangan?

286 Q. Yes, this would be earlier. This is asserted to be a report prepared in the summer of 1988. You had no knowledge of any such report?

A. No.

287 Q. And one of the issues which arose in relation to Mr. Gogarty's evidence and which wasn't, I think, put in issue is that Mr. O'Keefe, following at sometime after what Mr. O'Neill has called the coup of June 1988, that Mr. O'Keefe presented Mr. Gogarty with draft resignations.

A. That's correct. Do you want me to explain that?

288 Q. Could you.

A. That actually was a suggestion by Edgar Wadley that all of the present directors, which included myself, Peter Garner and Jim Gogarty, should sign a blank undated -- blank from the point of view of being undated -- resignation because that had been found to be exceptionally useful in the case of Mr. Conroy's resignation.

289 Q. Well I don't think it was suggested to Mr. Gogarty that he was told that everybody was being asked to sign these draft resignations.

A. No, I explained that in detail to Jim he was not being singled out. I signed mine, I know Peter Garner signed his. There was a suggestion Jim didn't feel very comfortable about it at all and so because he didn't feel comfortable about it, the matter was dropped.

290 Q. Mr. Gogarty's evidence was that he felt, was it Day 3, page

29, that he felt "kicked in the teeth" that he was being presented with draft resignations by Mr. O'Keefe just as he had previously been presented with draft resignations by Mr. Conroy. You say he is not --

A. No, I can't comment on how he felt. I can just state to you what actually happened.

291 Q. Was this before or after the correspondence advising that Mr. Murphy Snr would have to make a decision between Mr. Gogarty and Mr. Sweeney?

A. I can't remember the dates. You'd have to show me the documentation and I might be able to remember from that.

292 Q. It could be dated from the draft resignation that you signed, for example. It would be around that time. I am not suggesting you have it but that would be the logic --

A. Yes, yes, I would have actually already signed mine. I mean at the time, I know that Jim got upset about it, that's for certain. I did actually try -- well I did explain it to him and in the heel of the hunt, that I think it was generally accepted that Jim was touchy on this and possibly understandably because of what he'd been through in the so-called coup so the matter was dropped. That was the start and the finish of the matter as far as I was concerned anyway and he certainly didn't bring it up with me, as far as I can remember, at any other time.

293 Q. Now, we know that Mr. Gogarty expressed considerable concern in relation to the 1987 and 1988 accounts, isn't that so?

A. That's correct.

294 Q. And he in fact in the period coming up to June of 1988, he retained Mr. John Lane, is that so?

A. That's correct.

295 Q. And Mr. Lane and Mr. Gogarty advocated the retainer of a

large accounting firm and advocated the company taking advantage of the tax amnesty, isn't that so?

A. I believe that's correct, yes.

296 Q. And that advice was involved?

A. No, it wasn't.

297 Q. And in fact Mr. Lane's retainer was terminated, isn't that so?

A. That's correct. Can I correct myself somewhat? I think I don't want to mislead. The advice in the manner it was put wasn't carried out but of course Ernst Whinney, as they were then called, now Ernst Young, had been asked as to whether they were satisfied with the audit of the 1987 accounts and I, in fact, met with Brendan Devine and he confirmed with me specifically in relation to Jim's queries that his firm were totally satisfied with the 1987 accounts.

298 Q. I think the report of Ernst & Whinney wasn't furnished at the time to Mr. Gogarty, Mr. Reynolds or Mr. Grehan?

A. I think you have to understand what the Ernst Whinney report was. Ernst Whinney were the auditors to the company. They had already expressed their opinion, stating that they felt that the accounts of the company showed a true and fair view, etc. That report in essence was queried and that was queried by Joseph Murphy and Jim Gogarty prior to me joining the company. They had gone along or in some way communicated with Ernst Whinney their concerns, which was quite right and proper. They did an internal investigation on their own work to see whether or not they should revise their opinion, their audit opinion, their professional opinion. They felt their professional opinion they had given was entirely correct. They had already reported to the shareholders and they were simply

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not changing their report. In fact, Brendan Devine was not going to give what was an internal document out. He confirmed to me that matters were OK and I reported to the board that I didn't necessarily think there was a written report. Remember, it was done before I came in but that I had received verbal assurances that they were satisfied.

299 Q. It would have been the obvious way of allaying some of the concerns expressed by three directors, isn't that so?

A. Sorry, you have entirely misunderstood. Directors, however many, can have concerns. That's no reason for a firm of auditors to do what those directors want them to do. The auditors are reporting under the Companies Act. They don't jump up and down and release internal documents just because it would be conform with what directors want. I mean you have to understand, it's quite a different role. Auditors don't have to jump up and down to suit directors to do exactly what they want to so the facts of the matter were it was nearly impertinent of the directors to demand that report and that was very much the attitude, and quite rightly, that Brendan Devine had.

300 Q. This was a reasonable attitude to adopt?

A. Oh absolutely.

301 Q. But they had given a report and --

A. Once matters were then drawn to their attention, they quite correctly investigated that matter and I have read their report. They quite correctly did it and then communicated verbally, which is the way to do it, to the people concerned and said we are happy with the report, the written report which you already have and that report is the report of the auditors. And they are a very reputable firm and know exactly what they are doing. For my opinion, for what it's worth, in relation to them, they did

precisely the correct thing.

302 Q. Can I express the attitude you have just expressed is symptomatic of the attitude you responded to the concerns raised by Mr. Gogarty in particular?

A. Not at all, I went to umpteen lengths to try to satisfy the man on what his concerns were. The point was all he would say was he was concerned they were wrong, there was fraud and every time I asked him for an absolute precise definition of what he was talking about, for one instance he could not give me one, never gave me one and in fact I went to enormous lengths -- I commissioned a special report from the auditors of the company which ran into many, many pages and I gave Mr. Gogarty absolute cart blanche to inquire into anything whatsoever and to report back to the board.

303 Q. I think Mr. Gogarty gave evidence at some lengths about the frustrations he encountered in trying to assemble the companies affairs?

A. Mr. Gogarty isn't an accountant. A trained accountant had no difficulty in assembling the relevant information and wrote a detailed report saying and the conclusion was quite simply everything is A-okay. I have inquired into all of Jim's worries and I am completely satisfied. Now, it's not really the concern to me that Jim Gogarty, who couldn't give me one little piece of evidence whether he was satisfied or not. We took a decision of the board that we would accept an independent report especially commissioned from the auditors, combined with a confirmation that the group auditors were entirely satisfied with the 1987 accounts so there we have two reports given by two different firms, one a huge international firm, both of whom had been put on their guard to say that here is a man

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making very serious allegations, can you find it. Neither of them could find it. What am I supposed to do? Have 100, 200, 300, 400 reports? Would Jim Gogarty keep on saying I don't agree? Where does it end?

304 Q. It was, in fact, quite a short report, isn't that so, Mr. Copsey?

A. It was an auditor's report and if you are implying that Ernst Whinney were incorrect, then I think that quite honestly you should make that outside of this court and see what you get from their solicitors.

305 Q. The exercise which an auditor can undertake is limited, isn't that so?

A. I am -- sorry, I am simply not going to criticise Ernst Whinney. They are quite capable of making up their mind. I sat down with a partner, I explained exactly as I knew the information or the queries which Jim had, the partner responded to me, all of those queries had been put to him by Jim previously and he was satisfied. That's really the end of the story. I am not going to debate -- I am simply not going to debate as to whether they were right or wrong. That is their conclusion. It's up to them. I will say that as a responsible individual, I accept their word and I accept and I accepted that -- however I went further and I commissioned another report from another firm of accountants in absolute detail because remember, I was not there for 1987 accounts. That was a past history when I arrived. There was little or nothing that I could do about that, except for what I did. I then commissioned a report which was, as it were, in my time, which was a very detailed report and was one hundred percent clean.

306 Q. What are you referring to, Mr. Copsey?

A. The John Bates report.

307 Q. What was Mr. Bates' position at the time vis-a-vis the company?

A. He was the company auditor but I didn't ask him to act as auditor. I asked him to act as a chartered accountant and to carry out such checks as he felt necessary to deal with any issues which Jim Gogarty addressed to him. I have got my letter of instruction in writing to him and I have a report from him.

308 Q. Can I suggest to you that far from carrying out a thorough investigation, you were simply anxious to put the lid on these concerns expressed by Mr. Gogarty, which had been originally shared by Mr. Murphy, but were not shared by him subsequent to June of 1988?

A. I know you have a job to do but I have to say that is the most ridiculous statement I have heard and it is entirely wrong. I carried out my duties there in an exemplary fashion. If I had my time over again, I wouldn't have one jot or whit differently and if you want to commission an independent report by any firm of accountants anywhere in the world, they will state that what I carried out was exactly proper and right. I would correct you slightly, I didn't carry out the investigation, I commissioned somebody else to carry out the investigation, just in case I might have been biased.

309 Q. Can we pass, Mr. Copsey, to a document which I want to put to you, the reference for which is JG5-40. This has already been introduced in evidence, Sir, it's typescript notes of Mr. Gogarty. I think, Mr. Copsey, if you could turn to -- I think it's headed at the top, page 4?

A. Yes, I have it.

310 Q. Now these are notes which Mr. Gogarty kept

contemporaneously and I just want to put effectively a paragraph of that to you. About ten lines from the bottom of that page 4, Mr. Gogarty writes, "Had a board meeting with RJC" which is yourself "at Charter House at 5pm on Thursday? 6th July 1989 re: sale of AGSE to JMCC Holdings and inter alia referred to the pressure on me from him from Tim and JM" which is Joseph Murphy "to sign the '88 accounts. I said I was amazed and deeply hurt at JM trying to coerce me into signing. He tried to excuse Joe by saying he was in a hurry to catch a plane and was annoyed in the delay at reaching a decision but he, Roger, agreed he had never seen Joe so agitated."

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If I stop there. I think that's referring back to a JMSE board meeting of the 3rd July.

A. I would think so, yes.

311 Q. Can you remember any conversation along those lines, in relation to Mr. Murphy's attitude?

A. I actually don't remember whether I sort of said that I had never seen Joe so agitated. Mr. Joseph Murphy was not a person normally got agitated. I think he did get agitated at that meeting out of a sense of frustration. I certainly know that I felt enormous frustration.

312 Q. Yes. If I can go on with the note. "I asked him why he could not sign the accounts. He said not while there were such serious reservations on them." That appears to be he asked you why you couldn't sign the accounts. Was that said, Mr. Copsey?

A. Actually if you show me the board minutes that we are referring there, so that I don't misinform anyone, that would actually be helpful to me.

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CHAIRMAN: What's the date of the board meeting to which you are referring?

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MR. CALLANAN: I think it's the 3rd July, Sir.

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CHAIRMAN: 3rd July.

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MR. CALLANAN: Mr. Walsh points out it's at page 14 of tab 1. If you look, Mr. Copsey, at the Tribunal's book which you have, the black binder at tab 1, page 14.

A. Sorry, I no longer have that book with me. Could someone supply me with one?

313 Q. I will give you a copy. (Document handed to witness.)

If you want to refer to the minutes.

A. Yes. OK. Look, OK, reverting to your question then, I think it would be true to say that I am not sure I would have expressed things in exactly that fashion but I actually don't have a problem on what Jim is saying here i.e. "He said not while there was such serious reservations on them." I think the point is better expressed that I was not happy to sign the accounts whilst Jim Gogarty had reservations and those reservations had not been concluded. Now -- or we had drawn a conclusion on those reservations. That does not mean to say that I would have to agree or the other directors would have to agree with Jim Gogarty but that we would have had to have looked into his reservations.

314 Q. And what was it that would have allayed those reservations, what precisely happened to allay those reservations?

A. A report from John Bates.

315 Q. Can you recall the date of that, Mr. Copsey? We can check it.

A. It was obviously after the 3rd July because I think it said here Mr. Gogarty was not satisfied with this provision and "it was agreed he would meet with the company's auditor John Bates." I imagine it's some time later in July. In fact, I am certain it is.

MR. CUSH: It's actually the 19th July, Mr. Chairman, and it's referred to in subsequent minutes and I think we saw yesterday, the day before, the issue was dealt with finally on the 24th August but Mr. Callanan's query as to the date of Mr. Bates' report, the answer to that is the 19th July.

MR. CALLANAN: So that as of the 19th July, there was no longer an objection to your signing the accounts?

A. Well I think we then convened a board meeting, discussed the report. I believe one or two relatively minor queries remained outstanding. I think from memory, but you'd have to get the board meeting, I think that what actually happened was it was agreed that Frank and Gay would have a look at some figures, double check on them to see that they were a hundred percent satisfied and then we had another board meeting at which everybody present was satisfied that the accounts properly reflected and that all of the queries that had been raised by Jim Gogarty were now settled to the satisfaction of the directors of the company. At that time, Jim was no longer a director but I hasten to add that had there been a board meeting at that point of time, he would have been outvoted X to Y and the motions would still have been carried.

316 Q. OK. We will come back to that, but if I could just put to you the final portion I wanted to raise from Mr. Gogarty's note. What I want to do is read it through and then

invite your comments, if we can do it that way, Mr.

Copsey. "He then took me down to the basement where he said the archives were and he showed me files from JMSE's financial papers and he pointed out what he said were problems with records of financial transactions which he said were part of" -- I am not sure what that word is --

A. Whatever it is anyway, I don't think it makes a lot of sense anyway.

317 Q. Yes. "And previously Gerry Downes had described as the slush funds which was operated by MAS, Downes and Conroy and that his investigations clearly showed that Joe also benefited from the slush fund and he said this was one of the reasons why Joe did not want the independent audit/investigation or take advantage of the revenue tax amnesty which I had requested a number of times, going back to 1988."

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If I could just invite your comment on that, Mr. Copsey.

A. I think there are a quite a number of points in there, each one of which are entirely incorrect. I mean if you want me to go through them point by point? I actually don't have a basement so I couldn't possibly take him down there, even if it wasn't a basement, it was my archives, I can't say I didn't take him down there but I can't remember doing so. "He showed me the files from JMSE financial papers", just taking that, I have no problem with the fact that I may have shown him some papers, I don't specifically remember doing so. "I pointed out there were problems with records of financial transactions", that is untrue. There were no problems with records of financial transactions as far as I was concerned either at that time or that came to light later. He said "Were part of

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something and previously Gerry Downes had described as a slush fund." I can categorically say that Gerry Downes never ever described anything as a slush fund. The person who introduced the word or the words "slush fund" was actually Jim Gogarty himself. I mean he says "which was operated by MAS". I made inquiries after Jim Gogarty had said that he believed that there was a slush fund. I made inquiries specifically both of Gerry Downes and MAS, not Conroy but MAS, who would be Marcus Sweeney and they both emphatically denied that and I have never at any time seen any evidence of a slush fund so let's carry on with the rest of it and that "His investigations clearly showed that Joe also benefited from the slush fund" that is absolutely untrue. I have never seen that Joe, who I assume is Joseph Murphy Snr, had benefited from a slush fund, absolutely not, and the last point is he said "This was one of the reasons why Joe did not want the independent audit investigation or take advantage of the revenue tax amnesty which I requested." That's entirely untrue. At one stage I believe I remember it being mentioned that we should take advantage of the revenue tax amnesty. If I pause for a moment, I think that that was in Lane's letter, John Lane? And it came up as a topic but I saw no transactions which would require or would allow the company to take advantage of the revenue tax amnesty.

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If I stop there for a moment. If you take, for instance, Jim Gogarty's accusations there was a slush fund, if you take his accusations that the stock was wrong, if you take his accusations that people were paid without proper PAYE being deducted, unless you have specific items which you can present to the Revenue under the law, you are not

entitled to a tax amnesty. I had absolutely no knowledge, no evidence, nothing in order to make a claim under the tax amnesty so to summarise, all of those points of which there's what, five points? Every one I can categorically say are totally untrue.

318 Q. I will pass from it then, Mr. Copsey -- there was a problem with cash payments, that you were aware of that problem and that was why the company declined to take advantage of the tax amnesty.

A. I am glad to receive your suggestion.

319 Q. Mr. Gogarty's concerns were reiterated in a letter of the 20th July 1989 which I'd like just to put briefly. It's page 27 of the booklet which was handed to you and it's Mr. Gogarty to Mr. Copsey. It's document 264 of Mr. Gogarty's discovery.

A. Sorry, I was interrupted there just for a moment, page 27, this is Jim Gogarty's handwriting.

320 Q. I will just read that to you. "Dear Roger, I acknowledge receipt of your note of the meeting of directors at Santry on the 3rd July 1989. You say no formal notice of this meeting was given. This surprises me since I understood from Mr. Murphy that he had organised this meeting through you and had come across especially for it. This was also the understanding of Mr. Grehan and Mr. Reynolds, the latter indicating he would be able unable to attend since he would be on holidays from the 1st July. Your letter of the 29th June, while not naming the date, did suggest a board meeting be called at which inter alia the pension scheme can be approved in principle. I would also wish to make the following comments on your notes: Re: signing of accounts. I stated at the meeting for the record that Mr. Joseph Murphy, apart from myself, had serious reservations

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on the '87 accounts and that he did, with my agreement, in February 1988, request Ernst & Whinney, through Mr. Brendan Devine, to carry out a full investigation... irregular financial transactions on the part of Mr. Conroy, Mr. Sweeney. I further stated that I had expressed my strong reservations on these and other group company accounts on the 1st January 1988, which was the last board meeting I was able to attend through Mr. Conroy's conduct when he, Mr. Conroy, refused to consider my reservations on the accounts and other improper transactions and that he ended the meeting abruptly without any further discussion of the accounts and that later Mr. Downes told me on Mr. Conroy's instructions no minutes were recorded

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"Neither I nor Mr. Murphy to my knowledge have seen any report of any investigation of our complaints and that in fact Mr. Devine took and expressed resentment at our request and stated he was satisfied with the audit.

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"I consider the statement by Mr. Devine to be reckless having regard to the grounds for our concerns. There is also the conflict of interest on the part of Mr. Devine and Ernst & Whinney. You make no mention that on at least four occasions, maybe, during our discussions, Mr. Murphy to my amazement and distress tried to intimidate and coerce me into signing the 1988 JMSE accounts by forcefully saying "Are you not going to sign the accounts?" and dismissing my well-founded observations by repeating "That's all history now". Nor do you record that Mr. Grehan was obliged to intervene and say that he considered it unfair to try to force me to sign the accounts in such circumstances.

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"I emphasised that I was anxious to be cooperative but that I would not put myself at risk of being open to a charge of aiding and abetting and of being held liable in any respect in the event of the company being purchased on these and previous year's accounts. I also suggested in good faith that our respective solicitors might be able to agree a formula which will enable me to sign the accounts without any risk to me personally and/or as executive chairman.

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"In the event, it was agreed you would contact my solicitor Mr. Gerard Sheedy, on the some morning, perhaps the 4th July, to pursue this line and Mr. Grehan indicated any wishes should be respected, even to the point where he asked could not other directors sign these accounts."

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I don't think you wrote a reply to that, Mr. Cosey.

A. Well if there isn't one on file, then I didn't.

321 Q. And as late as the meeting of the board of the 27th July, it was Mr. Reynolds who was suggesting that you should sign the accounts.

A. Is that a question or a statement of fact?

322 Q. Yes. Yes.

A. Well --

323 Q. Rather than you volunteering, Mr. Reynolds was suggesting that you sign the accounts at the meeting of the 27th July 1989 as appears from the minutes.

A. Taking that point, that's because I think that Mr. Reynolds and yourself are totally misunderstanding the position of signing accounts. As I have explained before, and as the company received in written advice from their solicitors, that the person, the directors who actually sign the

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accounts are no more or less liable than the directors who vote at a meeting. And therefore it was totally irrelevant to say that I should sign the accounts. We spoke a moment ago that my position, I also was not willing to sign the accounts or indeed have anybody else sign the accounts unless and until the matters which Jim Gogarty had alleged were cleared. Not necessarily to his satisfaction but cleared to the satisfaction of the board, which is exactly what happened.

324 Q. And on the 24th August 1989, I believe that you and Mr. Murphy Snr were authorised to sign the accounts to the 31st May 1988?

A. Yes. And we actually did that simply to allay the totally unnecessary and maybe understandably but lawfully irrational fears that Gay Grehan and the other directors had on actually in penning their signatures to a set of accounts.

325 Q. If I can turn now to that aspect of the accounts, Mr. Copsey, to ask you what was your assessment of Mr. Murphy Snr's aptitude in business?

A. I tend to think that anybody who started off digging ditches and then employs approximately a thousand people and is worth a lot more money than me and probably a lot more money than most of the people in this room must have some positive attributes.

326 Q. Would it be fair to say he was a man, in your view, of very considerable business acumen?

A. Yes.

327 Q. And he was a man who somehow contrived a keep a control on a diversity, a wide diversity of business, is that so?

A. Yes, though I have to say at this particular stage, that is when he came out of retirement, he was finding that task

quite difficult.

328 Q. And certainly by this time, by 1988, 1989, Mr. Murphy was resident in Guernsey, is that so?

A. That's my understanding, yes.

329 Q. And he made some forays to London in relation to his English interests and made periodic trips to Ireland, both to assess his businesses and for social or family purposes?

A. Yes, the social or family purposes I actually genuinely wouldn't know but he came occasionally to Ireland on business and, yes, you are quite right, he did go to the UK on business.

330 Q. And one of the means by which he kept in touch with what was going on in his business was by telephone calls?

A. Yes.

331 Q. And can I suggest to you that at least following his experience with Mr. Conroy, that he would try to access information from more than one informant on any particular transaction that was of concern to him?

A. I find that most Kerry people have that trait in them.

332 Q. We know, for example, that in relation to Forest Road, he was in communication with yourself, he was in communication with Mr. McArdle and he was in communication with Mr. Gogarty, is that so?

A. That's correct.

333 Q. And that enabled him to keep an informal grip or check on what was going on?

A. That's correct.

334 Q. How frequently would you have been in telephone communication with Mr. Murphy?

A. It did vary. On occasions, it could sometimes be on a daily basis and then other times, in particular I can

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remember when myself and Chris Oakley were negotiating with Jim Gogarty over his pension. In fact I don't believe that I spoke to Joe Murphy for a couple of months so it did vary.

335 Q. But generally considerably more frequently than that?

A. Yes, it would be. That would have been an exception so I am giving you the sort of downside and the upside from the point of view. Sometimes it would be once a day but other times it would be much less frequent than that.

336 Q. And can I suggest to you that your role was to function as Mr. Murphy's eyes and ears but you weren't the only set of eyes and ears involved?

A. That's one of the -- yes, that's one of the uses he put me to.

337 Q. Now, if I could ask you about the memorandum which is Mr. McArdle's attendance of the 8th June 1989, which is at tab 8 of the Tribunal booklet. (Document handed to witness.) Can you recall what precisely you said to Mr. McArdle when you rang him on the 8th June 1989?

A. Verbatim? No.

338 Q. We have the memorandum. I think you referred to the memorandum in the course of your evidence?

A. I have, yes.

339 Q. Can you recollect what you said to Mr. McArdle about the payment?

A. Not exactly. I mean to try to be helpful, the best that I can do is to look through this and read this. I don't, as I have already said, I don't have an exact memory of the words that I used and quite obviously this memorandum is not a verbatim report of everything I said. For instance it doesn't say "Hi Denis, how are you?" which is probably what I would have said, it didn't say goodbye so it isn't

an exact copy of our conversation. But it sets out the bones of what was said between us.

340 Q. I think what I might do is this, Mr. Copsey. I just want to read to you a section of Mr. McArdle's statement. "Mr. Copsey said I think Jim (Gogarty) wants to make a political contribution." Do you recall using the words "I think"?

A. No, I don't and I have read that in the affidavit and I considered it myself. His contemporaneous note there puts a questionmark but he doesn't use the words "I think" . No, I would have thought it was unlikely I used the exact words "I think". Quite obviously Denis felt that the way I put it, that there was some query in my voice or whatever. I don't know. Otherwise, he wouldn't have put a questionmark. I don't necessarily accept that Denis could recall the exact words that I said 10 years later but obviously he was considering his own questionmark and trying to recall. From my own point of view, I can't remember. I was quite definite it was a contribution. I can't think what I said which would have put a query to that but quite obviously that whatever I said wasn't of a particularly serious nature in Denis's mind, otherwise he would have clarified it with me at the time.

341 Q. And obviously your own memory is based to some extent on Mr. McArdle's note which you presumably saw sometime in late 1997?

A. Yes, I mean -- yes, my recollection -- that reinforces a recollection or brings about a recollection, if I put it that way.

342 Q. And I think it's correct to say that neither that note nor the note of Mr. McArdle's secretary, Eilish, of the same day makes reference to Mr. Gogarty at all, isn't that so?

A. I think you are correct in that, yes.

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343 Q. And the only reference that does occur to Mr. Gogarty in this run of documents is in Mr. McArdle's letter to you of the 12th June 1989, which is at page 118, in which he says "I refer to our telephone conversation of Thursday last and confirm I am sending a cheque for £30,000 payable to JMSE directly to Jim." Thursday last would be the 8th June.

A. That is correct. I can't remember obviously every word of Mr. McArdle's affidavit but does he in any part of that say that he thought that I had mentioned or that at the time of this telephone call, he seemed to be aware that it was Jim Gogarty wanted to make the contribution?

344 Q. He does indeed, Mr. Copsey, yes.

A. That would be my recollection of what I said to him at the time.

345 Q. Mr. Copsey said "I think Jim wants to make a political contribution."

A. Thank you for making that clear to me.

346 Q. So just as your evidence owes something to a consideration of Mr. McArdle's attendance, we don't know but Mr. McArdle's statement may owe something to going through the attendances and endeavouring to reconcile the attendances with the letter of the 12th June 1989, isn't that so?

A. I think that all of us, or certainly I do, I find difficulty in remembering things exactly over a period of 10 years and I need every assistance that I can get.

347 Q. There is a further reference, in fact, to Mr. Gogarty at page 54 which is Mr. McArdle's letter to you of the 13th June, 1989.

A. Sorry, page 54?

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MR. O'NEILL: Page 157 in the booklet.

MR. CALLANAN: You are right, page 157. It says "The sum of £30,000 requisitioned from ICC has now come to hand. I telephoned Jim to inquire whether I should post it to him or whether he would prefer to have it collected but he tells me that he does not need it and that I should send it to you. What am I to do?"

A. That is what's written there, yes.

348 Q. You see Mr. McArdle refers to telephoning Mr. Gogarty in that letter but you, in your statement, have said "I understand that Mr. Gogarty subsequently telephoned Denis McArdle and instructed him not to transfer the monies to JMSE"?

A. I would like to take the opportunity to correct that. That is incorrect. It's quite obvious from the evidence that came out later that that was incorrect, that Mr. Gogarty wasn't the one to have telephoned Mr. McArdle, it's quite obvious that he telephoned me and I telephoned Mr. McArdle. So I hope you accept my apologies that that was incorrect, inadvertently so.

349 Q. And if I can just say to you in relation to your statement, that some things are qualified and others are very definite, in particular, Mr. Copsy, you say "My memory of this incident, it was that James Gogarty informed me that a political donation of this amount was to be made and asked me to arrange the money from within the Murphy group of companies."

A. Yes.

350 Q. Is that a definite memory?

A. Well it's -- it's as definite as it's indefinite. The Murphy group of companies was probably me, couldn't remember which company but whether or not -- you are asking

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me whether or not Jim said to me with the exact words within the Murphy group of companies, I don't know. I think he actually asked me simply to arrange the money and the choice of the companies was of course mine.

351 Q. I am not concerned with which company for the present.

You are quite clear on that, Mr. Copsey, you have a distinct recollection of that?

A. I have a distinct recollection of him asking me to arrange the money, yes.

352 Q. And you also say without qualification of any kind, "Mr.

Gogarty", further down on the next page "Mr. Gogarty informed me that part or all the political donation would be made in cash as the election was imminent and the party had a need for immediate posters, helpers and other campaign expenses."

A. Yes.

353 Q. You are quite certain about that?

A. When I recall the incident, then I quite definitively remember that because I made a specific inquiry in the circumstances we have all discussed ad nauseam is the fact that it was an unusual item, it was cash and I wanted what I considered a reasonable explanation before I went ahead with it.

354 Q. I want to ask you how you can be so definite about a conversation in respect of which you didn't keep a memorandum and in relation to which you can't even remember whether Mr. Gogarty spoke to you face to face or telephoned you.

A. Well the mind is a funny thing. You remember some things you forget other things. If I'd wanted to make something up, I wouldn't have made it up with these apparent contradictions. I am quite capable and quite intelligent

enough to make up a wonderful seamless story, if I had wanted to. I don't want to. I want to tell the truth as it is and if that truth has some apparent contradictions, if it has some hesitations, that's the way the truth is.

355 Q. You accept this was an unusual conversation?

A. Oh yes, I have been through all of that.

356 Q. And you have been able to give quite definite advice but you still can't say whether this was in the course of a face to face conversation or was in the course of a telephone conversation. That seems remarkable.

A. It's remarkable that I can't remember. If I didn't say so before, although I think I may have done, on probability, I think it would have been face to face because this type of conversation wouldn't necessarily have been the thing that Jim would have discussed over the telephone. He was in fact a relatively suspicious person when it came to telephones and if there are any business matters to be discussed, he tended to have face to face meetings rather than telephone but I still say that I can't absolutely remember. If you want me to give an intelligent, a probability guess, I would say that he actually came to my office.

357 Q. That would truly have rendered it more likely that you would have kept an attendance.

A. It may have been more likely for you to keep an attendance. It was not more likely for me to keep an attendance.

358 Q. I think we know from certain other documents around this time that you were in communication with Mr. Joseph Murphy Snr?

A. Yes.

359 Q. I think in particular the letter of the 9th June, your

letter to Mr. McArdle, which is page 155 of the Tribunal book, you confirm "That Joe has authorised you to... a sum of £16,500 from the ICC amounts held by Mr. McArdle." Presumably you would have had a conversation that day or the day before with Mr. Murphy?

A. No, I wouldn't necessarily make that assumption. I don't really have a problem if it's the same day or the day before but I would not make the assumption it was the same day or the day before. I think, as I have said, that at the time word processors were only just being introduced and typing was at a premium and very often tapes would take two or three days to go through the system so I would have, if you had asked me, I would have thought it was probably two or three days before that. Probably that would have been the best estimate. It could have been a week before but I would not make the assumption it was necessarily that day, although I don't have a huge problem if it was.

360 Q. Is there any particular reason, Mr. Copsy, that in your statement, you refer to "clearing payments with Mr. McArdle"? If you look at the last line of the statement under -- on the first page "Re: £30,000 payment to Ray Burke."

A. Can you refer me to which document?

361 Q. Your own statement to the Tribunal.

A. Have I it in front of me?

362 Q. You may not, unless it's in the -- we will get you a copy of that.

A. Thank you. I believe I have a copy now.

363 Q. If you turn to the third page of your own statement, the bottom of the third page, "It would not have been unusual practice for me to clear certain matters with Denis McArdle when requesting sums of money for various activities." I

am just wondering why you, in this context, refer at all to clearing a payment with Mr. McArdle.

A. I don't think there's any particular significance. It might have been clearer if I hadn't actually used the word "clear" but no, nothing in particular.

364 Q. And I have to put it to you, Mr. Copsey, that your entire evidence in relation to being rung by Mr. Gogarty for the purpose of his procuring £30,000 for a political donation is a fabrication.

A. I accept entirely that that's your job to say so but I entirely reject that suggestion.

365 Q. And can I also put it to you that the attendances by Mr. McArdle destroy the assertion which you make in your statement that Mr. Gogarty was throughout in total charge of the land-owning companies and the subsequent sale of the lands?

A. I think if you take the word "total charge" in an absolute context, I actually agree with you. That that was probably a poor choice of words, it was totally in the context of making decisions as to what price and how to sell. I undoubtedly had a financial role in the sale of lands or lands transactions.

366 Q. And I think likewise the attendances just prove the statement made in respect of paragraph 61 of Mr. Gogarty's affidavit, it's perhaps three pages on from the passage we have just been looking at, do you see there, it's headed paragraph 61.

A. I am a little confused, being surrounded by documents here.

367 Q. Yes. The document we were just looking at, your own statement.

A. Yes.

368 Q. If you turn to some three pages on from the passage we were

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last discussing.

A. OK.

369 Q. Under the heading "Paragraph 61" you --

A. 41 or 31?

370 Q. 61.

A. Yes, I have got, that's my comment --

371 Q. The paragraph in Mr. Gogarty's affidavit to which you are responding, you say "In relation to the sale of the lands, which was in fact November 1989, my involvement commenced after all the terms of the deal were agreed." That's not correct either, is it, Mr. Copsey?

A. Well I suppose it's all what you mean by all the terms of the deal were agreed. Certainly the monies were agreed, the splitting of those monies, which didn't alter the total quantum, they were things on which my advice was sought.

372 Q. And when you had spoken to Mr. McArdle on the 8th June, can you recall whether it was Mr. Gogarty or Mr. O'Keefe to whom you reverted?

A. I don't actually understand the question.

373 Q. You spoke to Mr. McArdle, is that so?

A. That's correct.

374 Q. And Mr. McArdle indicated to you that he couldn't get cash but it would be in the form of a bank draft?

A. That's correct.

375 Q. And you knew this wouldn't meet the requirements of the situation?

A. That's correct.

376 Q. Did you convey what Mr. McArdle had said to Mr. Gogarty or Mr. O'Keefe?

A. Mr. Gogarty. There wouldn't have been any sense in speaking to Tim O'Keefe.

377 Q. Well did you communicate with Mr. O'Keefe about this at

all?

A. Yes, I have actually already explained, I don't have a specific recollection of doing so and Tim O'Keefe -- nor does Tim O'Keefe have a specific recollection of us speaking but we both agree that it would have been inevitable that he would have spoken to me and that I would have spoken to him regarding the collection of the cash.

378 Q. And what do you think you would have said to Mr. O'Keefe then?

A. I said yes, that Jim had already spoken to me about the matter.

379 Q. Is this something that you have spoken to Mr. O'Keefe since?

A. Oh yes, I mean obviously we have discussed it.

380 Q. Over what period, Mr. Copsy?

A. Now, discussed exactly what, sorry, before I answer your question so I don't mislead anyone.

381 Q. Discussed the events in relation to the gathering of the sum of £30,000 which was subsequently paid to Mr. Burke?

A. I think that the question of the £30,000 probably came up as a conversation point or discussion point between Tim and myself somewhat after I first learnt about it subsequent to me leaving JMSE. That would have put it at soon after, I expect, my meeting in August 1997, was it, with Joe Murphy Jnr. I am just trying to answer your question exactly. I think that's the date, isn't it? August 1997?

382 Q. I think in fact it's the 1st July.

A. No, no. No, I am sorry, it is the August meeting I am thinking of because he would have come to me with information, as I said, either a copy of Denis McArdle's file notes or verbal relay of what was in those notes and at that time, it's the first time that the figure of

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£30,000 came, as it were, into my mind and then I would have discussed with Tim.

383 Q. And what conversation did you have with Mr. O'Keefe?

A. I actually asked him, and everybody is going to be equally amazed, he couldn't remember either at the time. But we began to piece it together thereafter.

384 Q. And what was the outcome of that exercise of reconstruction?

A. Well, the outcome is now and the information which I have given now.

385 Q. So --

A. I.e., that he didn't immediately remember but then as more information became available, yes, he then could remember going down.

386 Q. But your combined recollection then is that Mr. O'Keefe came to you and asked was it OK to go to the bank to make a withdrawal of £20,000 in cash from AIB in Talbot Street?

A. I think what he would have done is to have phoned me and said "I have been asked by Mr. Gogarty to make out two cheques, one to cash and one he wants me to collect some money where he has made arrangements for it to be collected at Talbot Street." That is what the conversation must have been and I would have, had he phoned me, I would have said "Yes, I have knowledge of that, I have already spoken to Jim Gogarty." Strangely, neither of us can actually remember the call but we both feel it would be wrong of us not to say it must have taken place.

387 Q. And why would Mr. O'Keefe have rung you rather than simply carried out Mr. Gogarty's instructions?

A. I think it was an unusual payment as we have already discussed. The cash, lump of cash like that would be unusual so we both felt that he would have cleared it with

me.

388 Q. And did Mr. O'Keefe have any involvement in the accounts, the preparation of accounts or the --

A. He had -- yes, but that's a very general question but as a general answer, yes, but you'd have to be more specific.

389 Q. What was his involvement as you understand it, Mr. Copsyey?

A. Well he was the financial controller of JMSE, which meant that he had people reporting to him, there would have been a wages clerk, a purchase ledger clerk and maybe another person. He would have written up some of the cheques journal but most of it would have been written up by somebody else. He would have maintained the cashflows which we had running. He would have also drawn out monthly information in the form of management accounts. He also then wrote up the books of some of the other companies, not including the Gaiety Theatre or AGSE because I had separate people there who were financial controllers.

390 Q. Well would Mr. O'Keefe have had a role in describing the including of the sum of £30,000 under the head of "Enhancement Expenditure"?

A. No, that was not part of his duties. That enhancement expenditure, they were working papers of John Bates and those working papers were actually prepared after my firm's assignment had been terminated.

391 Q. But somebody must have given Mr. Bates that information, isn't that so?

A. I genuinely don't know so I think it's a question you are simply going to have to ask Mr. Bates. I wasn't around when he did it, I have no knowledge of how his office works. There's no point in me really trying to answer that question.

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392 Q. And you never had a conversation with Mr. O'Keefe as to how the payment of £30,000 was to be treated in the accounts?

A. Which accounts?

393 Q. In the accounts of, I believe it's Grafton?

A. OK. No, because the Grafton accounts in which they would appear, the payment was made in June 1989. That would have been the 1989/1990 accounts. Those accounts were not prepared by the time my firm's assignment was terminated and therefore they were prepared by John Bates and we had no hand or part in the preparation of those accounts, with the exception of, I understand from John Bates, that he did phone my office, he didn't speak to either myself or Tim, both of whom he knew, he spoke to another person whose name he can't remember and they had an inconsequential, rather unproductive telephone conversation.

394 Q. Was Mr. O'Keefe an employee of the Murphy companies or was he an employee of your practice?

A. He was seconded by my firm so he was still employed by me but he was responsible to the management of that company.

395 Q. And when your retainer terminated, did Mr. O'Keefe cease to --

A. Yes, it wasn't a personal retainer, it was a retainer of Copsey Murray & Company.

396 Q. And Mr. O'Keefe continues to be a member of that practice?

A. He is actually now a partner of mine.

397 Q. Yes. And could I ask you, refer you firstly to a document which I believe is in the booklet which -- a letter of the 31st July 1989, the booklet that I handed in to you with the ringbinder.

A. OK, I have the ringbinder book.

398 Q. Page 48, the last document.

A. Yes, I have it.

399 Q. Dated 31st July from yourself to Mr. McArdle, you "confirm instructions for the transfer of an amount of £60,000 from funds held by you on behalf of two companies to JMSE. This amount is required immediately to fund a special payment and will be treated in the books of the companies as an intercompany loan through the holding company Lajos Holdings Limited."

A. Yes.

400 Q. Now, what is the special payment involved there, Mr. Copey?

A. Sorry, I haven't seen this letter for years and years and when I first read it, goodness me, not a £60,000 special payment. In fact it's fairly simple. That was an amount of money which was needed to fund Marcus Sweeney's severance.

401 Q. I see. It's the case, is it not, that if somebody went looking within the Irish Murphy companies for a payment in the amount of £60,000, that that is something that would leap to their attention, isn't that so? That payment was made, it could be traced through the records as payment of £60,000, is that so?

A. Also depending on the person looking but I think it would be reasonable for somebody to notice it, yes.

402 Q. No inquiry was ever made of you as to the what the purpose of that £60,000 payment was?

A. No, but it may have been clear from the books of the company, I don't know.

403 Q. Now in your evidence, you told Mr. O' Neill, Day 118, page 44, that "Mr. Gogarty said he wanted to make or decided to make a political contribution."

A. That's correct.

404 Q. That formulation, you said he wanted to make or decided to

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make a political contribution suggests, does it not, a payment made on Mr. Gogarty's own initiative?

A. Well, the way I phrased it, I don't see the context -- I haven't got the context of the questions or whatever but all I can say is, and I know that this is just repeating myself from other occasions, that it certainly wasn't in my mind at the time that Jim Gogarty was acting alone in this matter.

405 Q. Well the understanding that you took from the conversation you say you had with Mr. Gogarty was that it was a political contribution which Mr. Murphy wanted to make.

A. No, it was my assumption -- I mean Jim Gogarty didn't say to me "I have cleared this with Joe, I have spoken to Joe, Joe and I want to make this" -- he just said he wanted to make or it had been decided or he wanted to make a political donation. Now, it was entirely my own assumption, without asking him, it was my assumption that he had cleared this with Joe.

406 Q. So you assumed that it was something he had cleared with Joe rather than that it was a political contribution which Mr. Murphy himself wanted to make, if I can make that distinction, Mr. Copsy?

A. I am not honestly sure at the time I thought that deeply about it. Simply, maybe it's just being a simple accountant, that I simply thought that I was being asked to arrange funds for a political contribution, which I assumed Joe was in agreement with and it had been discussed with him. Now, whether or not that was Joe saying to Jim I want you to make a political contribution or Jim saying to Joe I think it would be a good idea to make a political contribution, I actually had no thoughts on. That was entirely, though, my assumption and I think I have said,

correct me if I am wrong, I certainly met Joe Murphy Snr prior to the commencement of this Tribunal but after the setting up of it, he especially asked to meet me and categorically told me that he had no knowledge of that contribution. But up until that point of time, I have always assumed it had been done with Joe Murphy's knowledge.

407 Q. When was that meeting --

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MR. CUSH: I just want to raise an issue here and I deliberately waited until the witness had answered the last question before making this point but I think it's an important point and if I may just explain it this way: Mr. Gogarty has adopted a very absolutist position in relation to the organisation of the £30,000 payment. We know from his evidence that his position is that he arrived in Santry, that the money was already there and he had nothing to do with the collection or organisation of the money. Nothing.

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So, his position is that everything that Mr. Copey has said about the telephone call and Mr. Copey relating it back to Mr. McArdle and Mr. McArdle -- all that Mr. Gogarty involvement is not true, according to Mr. Gogarty. According to Mr. Gogarty, that is not true.

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CHAIRMAN: That doesn't follow whatsoever. It may well be that these preceded Mr. Gogarty's arrival in Santry for him where the money was present but what I am, what I was about to remark, this is the third time we have come around this circuit today and the answers and the questions are exactly the same thing.

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MR. CUSH: There's that too, Mr. Chairman, but could I
just --

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CHAIRMAN: Continue, sorry I beg your pardon, I interrupted
you but I was about to get involved on that matter because
we really are just wandering around the same circle with
exactly the same questions, exactly -- that last answer, I
am sure if I go back over the text, is word for word what
the witness said earlier this morning.

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MR. CUSH: I respectfully agree but may I just make the
point I want to make because it is an important point.

Mr. Callanan agrees with me because he is being forced to
put to Mr. Copsy that he has fabricated everything about
Jim Gogarty ringing him and then, ringing him twice in
fact, and Mr. Callanan has fairly taken up the position and
said you fabricated that but what Mr. Callanan can't do, in
my respectful submission, he can't pick little bits of the
evidence that might suit the purposes and say well, you
were working on the assumption that Jim had checked with
Mr. Murphy Snr because Mr. Gogarty's position is that no
such conversation ever took place and, in my respectful
submission, he can't pick around the edges for little bits
of evidence that might suit his purposes. It's everything
or nothing as far as Mr. Gogarty is concerned.

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CHAIRMAN: Yes. An alternative version, one or other.

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MR. CUSH: But it's wholly alternative and if you look to
what Mr. Gogarty said in cross-examination, he said I'd
nothing to do with that, I didn't go near Copsy. He went

on at some length, if you can imagine, but he absolutely denies any involvement in this or the two telephone conversations.

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MR. CALLANAN: If I could just briefly reply. In the first place, I am seeking to stand up to Mr. Gogarty's account and in the second, I am endeavouring to rebut the case which is made by the Murphy interests to the effect that this was a payment made by Mr. Gogarty on some kind of a frolic of his own. I appreciate, Sir, it is a somewhat repetitive exercise and I will endeavour to get to the end of it very rapidly.

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Just on that last point, Mr. Copsey, you are therefore saying that it is possible that you understood the payment to be one which Mr. Gogarty wanted to make but for which he had procured Mr. Murphy's assent?

A. Yes, I am saying that, just two separate alternatives and I don't know which alternative is correct.

408 Q. Mr. Murphy Jnr has told the Tribunal that it wasn't within your authority or Mr. Gogarty's authority to make a large political donation without sanction.

A. That actually I think would be true, yes. I mean it would be physically possible but it shouldn't have happened, no.

409 Q. And you are not aware that Mr. Murphy ever made a large political donation in the past?

A. To repeat my answer of this morning, no.

410 Q. And you are not aware of any particular political partisanship that Mr. Murphy has displayed?

A. No, Mr. Murphy never discussed politics with me and equally so, I never discussed politics with him.

411 Q. Mr. Murphy, in fact, told the Tribunal in Guernsey that he

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knew next to nothing of Irish politics, didn't follow Irish politics.

A. Because I never discussed it with him, I didn't have knowledge one way or the other.

412 Q. And likewise, Mr. Gogarty wasn't a man of any particular political views known to you?

A. I didn't have political conversations or conversations with Jim about political matters so I really can't offer any view at all.

413 Q. And you have referred to the issue of politics and political payments, donations as being an intensely private matter?

A. Which I think they are, yes.

414 Q. Does that relate to Mr. Gogarty or to Mr. Murphy?

A. It relates to them and you. It relates to everyone.

415 Q. Well in the particular context in which it arose, you said that you were loath to raise this matter with Mr. Murphy because it was such an intensely private thing.

A. I think I further explained that I was under the misapprehension this matter had already been cleared with Joe. He had chosen, in my mind he had chosen not to discuss the matter with me. He must have had his own good reasons and I therefore did not bring up the matter with him. You have to look at it in the context of my state of mind and my thought process at the time.

416 Q. If Mr. Murphy himself had wished to make a political donation, there would have been no reason for him not to do so from personal resources, isn't that so?

A. Yes or but -- yes, I suppose so but it wouldn't have entirely surprising me that he wanted to pay it out of company monies even though it was a personal wish but --

417 Q. You see you have placed a good deal of emphasis on your

concern for privacy in matters of political allegiance and I want to put it to you that if that was a real concern, you could have dealt with it very simply by saying to Mr. Murphy that Mr. Gogarty had asked you to source monies from the ICC account operated by Mr. McArdle, that you could have told Mr. Murphy simply that without your intruding at all into the intended beneficiary of the payment. What was to have prevented you doing that?

A. I think actually you are probably right and I am just sorry I didn't have the benefit of your advice at the time and I wouldn't necessarily have to be sitting here and explaining myself but thank you for the advice, even though it's 10 years too late.

418 Q. It would have been a very simple rather obvious thing at the time surely, Mr. Copsey?

A. I always actually find the most obvious and the most simple things are always the most difficult, whoever invented the screw was a genius but isn't it very easy when somebody else has done it.

419 Q. But what I am suggesting to you is simple and obvious and would have completely addressed any concerns in relation to the privacy or sensitivity of the matter that you might have had?

A. I earn actually quite a lot of money advising people on very simple and obvious things. They are simple to me and obvious to me and people pay me a lot of money to tell them simple obvious things and I suggest that people do the same for you. I repeat I am just sorry I didn't have the benefit of your advice at the time.

420 Q. And you are giving evidence to the Tribunal that contrary to your evidence at the time, you are saying that as far as you are now concerned, Mr. Gogarty was in fact acting

entirely without authority from Mr. Murphy?

A. That is what I have been informed emphatically, yes.

421 Q. Have you any theory or hypothesis as to why on earth Mr. Gogarty would have procured the payment of £30,000 to a prominent public figure?

A. No, I can just look at the same evidence as you. It would be guessology and I am sure that's the Chairman's job anyway.

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CHAIRMAN: Now Mr. Callanan, I think you have gone far enough on that, that's a function essentially of mine at the end of the day. While I appreciate the advice as well as the evidence of Mr. Copey --

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MR. CALLANAN: Yes. Mr. Copey, you have said in your evidence, Mr. Copey, that Mr. Gogarty procured this money from JMSE funds, isn't that so? That's what your evidence has been?

A. I think the word "procure" has connotations so I would say he sourced it from.

422 Q. And what I want to put to you is that if Mr. Gogarty was embarked on a covert action which involved for some mysterious reason effectively defrauding his employers of £30,000, would you not expect that that was something which he would have thought of before going to you at all?

A. It's not quite answering your question but you must admit if he had wanted to bribe a politician, I couldn't honestly have thought of a worse way of doing it than this. I mean there's a paper trail over other the place involving a professional like me, involving a professional like Denis McArdle. I mean the thing is so bizarre, it's untrue. If anybody wanted to make an illegal payment, I could think

of dozens of different ways of doing it so that almost nobody in this world could ever detect but it's certainly the one thing I wouldn't have done is the way it apparently has been done now.

423 Q. You were the financial director at this time and you were in frequent contact with Mr. Murphy, isn't that so?

A. Yes.

424 Q. And Mr. Gogarty would have known you were in frequent contact with Mr. Murphy?

A. Absolutely.

425 Q. So if your evidence and the JMSE case generally is to be accepted, Mr. Gogarty, after 20 years' service, at an advanced stage of negotiating a severance pack and pension to provide for the remainder of his old age and the support of a young family was putting all of that in jeopardy by a sole run to effect a payment to Mr. Burke?

A. I am actually not making any case but I simply am sitting here giving evidence of what my knowledge of the facts were. I am simply not trying to make a case.

426 Q. Well can I ask you to comment on this, Mr. Copsey. If Mr. Gogarty was making this payment without authority, why on earth would he communicate that information to you as somebody who was in frequent contact with Mr. Murphy?

A. I read Jim Gogarty's affidavit. I was totally amazed at it. I mean I really was totally shocked when it was said that he participated in an illegal act of bribery, according to his own evidence. The whole matter to me -- all of his evidence in respect of this matter is a matter of absolute amazement to me and if you are asking me is it reasonable for him to have done that, absolutely not but I think it's bizarre and totally unreasonable and unjustified and whatever other words we can think of that

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Jim should say that he actually took part in bribery.

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CHAIRMAN: Mr. Callanan, I have already pointed out to you as politely as I could that you are going well outside the remit. This witness is here to give evidence, he is not here to give advice and he is not here to make comments.

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MR. CALLANAN: Very good, Sir. I will pass from that, Sir. I think you have referred, Mr. Copsey, to I think not having discussed the matter with Mr. Bates but having seen a statement from Mr. Bates?

A. I have actually seen a statement from Mr. Bates and I have -- very briefly, we have exchanged a couple views verbally.

427 Q. I see. And can you recollect what statement that was?

A. I have seen a draft --

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MR. CUSH: Mr. Chairman, counsel should deal with this --

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CHAIRMAN: I was waiting for information on Mr. Bates' availability and Mr. Bates --

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MR. CUSH: Mr. Copsey referred to evidence earlier today about having seen Mr. Bates' statement, he is referring to an occasion yesterday evening when he saw an unsigned statement of Mr. Bates and I think he will tell you he saw it for the first time but it has today been signed and there was one detail arising from a proposition put by Mr. O'Neill yesterday to this witness which had to be checked with Mr. Bates. That has been done, it has been signed in the course of today, it has come down in the session this afternoon and is now available for delivery to the Tribunal

and that's the position.

A. My apologies if I misled you on that.

MR. CALLANAN: Can I ask you to look, Mr. Copsey, at the accounts, the page of the JMSE accounts which appears at page 35 of the booklet.

A. Yes.

428 Q. I think that shows the profit for the financial year, the profit of JMSE for the financial year ended the 31st May 1990 as £64,768?

A. That's correct.

429 Q. And in relation to such a profit figure, isn't a payment of £30,000 an enormous sum?

A. Well it would be except that it has absolutely nothing to do with that profit but you are correct in saying £30,000 is a large proportion of 64,000 but it has absolutely nothing to do with that profit figure whatsoever.

430 Q. Now if I could ask you, Mr. Copsey, you have referred to Mr. Gogarty effectively increasing his demand, upping the ante in demands for payment or compensation or the terms of his severance from JMSE. You have referred to that in evidence, Mr. Copsey?

A. That's correct, yes.

431 Q. To what does that refer?

A. Can I repeat previous evidence? I mean I have said all this before.

432 Q. Just identify what you are referring to when you accuse Mr. Gogarty, you used the word blackmail at one point.

A. I think I said commercial blackmail. The -- yes, when I first started off with Mr. Gogarty, I think in discussions on the 7th, was it 7th January 1989, his demand was for £515,000, if my memory serves me correctly. He ended up

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with considerably more than that, I think it was worth, correct me if I am wrong, but about £700,000 and he still wasn't satisfied so it was just really, they are the start and finish points and it was an observation in between and I also said I never ever had any objection and in fact there's evidence that I recommended that Jim Gogarty should receive a generous settlement. I have no problem with that at all.

433 Q. Well I won't get into a dispute with you on the figures, save to this extent, Mr. Copsey. That if Mr. Gogarty ultimately recovered more than he originally set out negotiating, that it was entirely as a result of the ESB payment?

A. Yes, but of course you are missing out the vital truth that there was an amount to be deducted from the settlement. For instance, if his settlement with the ESB was £600,000, there was to be deduction from that which related to the state of the negotiations with the ESB when the contract was signed. They were the terms of the contract.

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Now, that's in fact not what happened because in terms of the contract, Mr. Gogarty first said that the figure was £40,000. He then turned out and we received evidence it was £130,000 and we do believe, although I actually haven't seen this, I have been told by JMSE that subsequent to all of this, they have found out that there was evidence from the ESB that the amount on offer at the time of the relevant date in the contract was much greater than the £140,000. So that is the point of issue really and that of course was why so much acrimony came into the negotiations on his pension, in particular Mr. Chris Oakley was exceptionally upset that he felt that Jim Gogarty had

deliberately not given the information and given incorrect information.

Now, all of that's history. I mean, look, that was a dispute, a commercial view was taken on it, Jim Gogarty got his money and everybody said goodbye and it was settled. I mean I am not sure that the issues in between and who said what in between are terribly important. The thing was settled.

434 Q. Well you referred, concerning my client, to blackmail, Mr. Copsy.

A. Well that was because somebody asked me a question and I have to tell the truth. Now, the real point is should I have been asked the question?

435 Q. You referred in the answer you last gave, Mr. Copsy, to evidence having been acquired that the figure at one point was £130,000.

A. That's correct.

436 Q. Where did that evidence come from?

A. It came from Marcus Sweeney.

437 Q. I see. So Mr. Oakley is entirely wrong in his letter of the 7th September 1989 to Mr. Sheedy where he says "With regard to the ESB claim, the figure of £130,000 came in fact from your client", meaning Mr. Gogarty, "in a conversation with the finance director, Mr. Copsy."

A. I think that Mr. Gogarty in turn got it from Marcus Sweeney. I spoke to Marcus Sweeney about the matter later and if I recall, I think that Marcus Sweeney said so in his evidence as well, though I haven't a clear recollection of exactly what he said in evidence.

438 Q. But the claim made in the letter in any event is incorrect, you accept that I take it, Mr. Copsy?

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A. It's incorrect in so much that it doesn't give a hundred percent of the story.

439 Q. And the whole purpose of the ESB agreement, which I understood that you favoured as a concept, was that it was, I think you said a win-win situation?

A. Absolutely.

440 Q. That it was designed to give Mr. Gogarty an incentive to negotiate to the best of his ability and there was then to be a division of spoils as between Mr. Gogarty and JMSE, isn't that so?

A. That's correct.

441 Q. And the whole intention of the agreement is that it would enlarge the total amount recovered from the ESB, isn't that so?

A. That is correct.

442 Q. And I want to suggest to you that there was nothing in the least bit improper or dishonest in anything Mr. Gogarty did in relation to the negotiation of the ESB monies.

A. Well that actually is an entirely different view from the one taken by our professional advisers at the time.

443 Q. And I want to suggest to you that given that the whole purpose of the agreement was to enlarge to the maximum the amount recovered from the ESB, that for JMSE and the Murphy interests to have taken the position that Mr. Gogarty had in some way acted fraudulently, that that amounted to a negation of the entire purpose of the agreement in relation to the collection of the ESB monies.

A. No, I am not quite sure I agree with that.

444 Q. And I think the evidence of Mr. Gogarty was that in fact arising out of discussions with Mr. Murphy, he began negotiating with the ESB sometime in April or May of 1989.

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A. Yes, when he was an employee of the company, correct.

445 Q. And the figure was subsequently in negotiation fixed at £40,000. That was the threshold figure, isn't that so?

A. That was the figure that Mr. Gogarty gave to us, not out of generosity I might add, but because we forced the issue but again, I really don't have any complaints about Mr. Gogarty in this issue as such. It was a dispute between us, it was settled at the end and I don't have a feeling on it now.

446 Q. A major issue was taken at the time, is that so, Mr. Copsey?

A. Absolutely, yes, but then a decision was made and it was a commercial decision that the money should be paid to Jim Gogarty after all issues had been considered. They were put down in a very logical fashion. Ifs and buts, pluses and minuses and we made a business decision and that business decision was taken.

447 Q. Well a major issue has been made of it in this Tribunal, Mr. Copsey, as I think you are aware.

A. Yes, but I didn't introduce the question of the pension. I think it's Mr. Gogarty who in his affidavit and in the evidence that he gave seemed to have one enormous hang up about his pension.

448 Q. It's something that was canvassed at very great length by your own counsel, Mr. Copsey.

A. I am quite sure in response to Mr. Gogarty's --

449 Q. Can I take you back, Mr. Copsey, to the meeting of the 3rd October 1989 at the offices of McCann Fitzgerald on Pembroke Street at which the settlement agreement between Mr. Gogarty and the Murphy companies was executed. Can you remember that?

A. I am sorry, can you refer me to the document?

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450 Q. I am just -- I can get you the document, I am asking you can you remember the occasion on which it was signed, a meeting in the offices of McCann Fitzgerald which you attended with Mr. Sheedy.

A. Yes, was Chris Oakley there as well or was it just me?

451 Q. I think Mr. Oakley was present.

A. Then I remember.

452 Q. And do you recall when you received a copy of the executed agreement that you stated that this was subject to Mr. Murphy's approval?

A. If that's what I wrote, correct, yes.

453 Q. No, it was something you said in the first instance at which Mr. Sheedy was very considerably taken aback, Mr. Copsy. Do you recall that?

A. I think so, I really would be better off with the correspondence but yes, I think so because that was then recorded in correspondence later, yes.

454 Q. I think it's a position you maintained in letters of the 19th October and the 24th October?

A. Probably if I looked at them, I would agree with that, yes.

455 Q. And no such condition was at any stage introduced in any of the correspondence leading up to that agreement, isn't that so?

A. I think that what we had there was the implementation of the agreement -- the agreement didn't have a date by which it should be completed which is probably poor drafting on behalf of the solicitor involved but nevertheless, it's a fact and I think that the question of the timing of it rather than the fact of whether or not money would or wouldn't be paid was the issue and in that respect, I had to discuss the matter with Mr. Murphy as to where the funds

were going to come from.

456 Q. Mr. Murphy wasn't a party to the agreement personally, isn't that so?

A. Oh you are absolutely correct but then the company that was a party to the agreement simply didn't have the money to which was a matter intimately known to Mr. Gogarty and every one else and if you look at the agreement, it was drafted so that there would be a guarantee by Lajos because I think that everybody knew that JMSE simply didn't have funds. I pointed that out at a board meeting which Mr. Gogarty was involved in and he was fully aware that £300,000 or whatever could not be drawn from JMSE. They simply did not have those funds.

457 Q. And are you suggesting that that was enough to make the agreement conditional on Mr. Murphy's approval?

A. I am not -- did I actually say -- again, I'll be better off with the correspondence. Did I actually say the agreement would be conditional upon Mr. Murphy's approval or did I say that I was looking for Mr. Murphy approval?

458 Q. You said it was subject to Mr. Murphy's approval.

A. I said the whole contract was.

459 Q. Yes. I should say was Mr. Sheedy's evidence, which I don't believe was challenged, and if you wish, I can refer you to correspondence.

A. I don't think it was meant in those terms. I don't think -- I think it was quite obvious that myself and whoever else was signing as directors, I would agree with Mr. Sheedy that that binds, it was the implementation that I was talking about rather than anything else.

460 Q. And do you recall writing to the Inspector of Taxes on the 28th November 1989 advising that Mr. Gogarty had waived his entitlement to the commission due on the agreement on the

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3rd October 1989?

A. Before I answer that question, I will look at that correspondence and another piece of correspondence on the same day. (Documents handed to witness.) There is another piece of correspondence which I think I require. Same day. This piece of correspondence, I don't want to do your job for you but I think you are trying to make another point. This piece of correspondence, if you look at the second page, you will see 1164, you see it says "The proposed waiver would be in the following format."

461 Q. Yes, I am quite aware of that correspondence. If I can refer you to the letter marked for the attention of Mr. Victor Mullen dated 28th November 1989.

A. Yes, I have it here.

462 Q. The penultimate paragraph reads "Recently the claim was successful, a substantial amount was paid to JMSE and agreement has now been reached between Mr. Gogarty and JMSE that Mr. Gogarty should waive the bonus. To date, the bonus has not been paid nor put at the disposal of the employee."

A. Sorry, I actually can't find it. Are you looking at -- which page number are you looking at?

463 Q. I am looking at 1157.

A. That's the confusion, that's why I was saying to you, I need two letters. I think you are making the wrong point. I was just given 1163 and 1164. You are looking at another letter, the same day --

464 Q. Yes.

A. Which I haven't got in front of me. I wasn't given it. I was given actually what you would be consider to be the incorrect letter.

465 Q. Well let's stick with the letter you have.

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A. OK.

466 Q. If you can turn to the second page of that, under the reference to the proposed waiver.

A. Correct.

467 Q. You say that you are "...in possession of all the facts relating to this letter. We would advise you that the reason Mr. Gogarty has agreed to waive the commission due is because he is to receive an exactly similar sum from another Group company. Mr. Gogarty has acted as an executive director and employee of that other Group company in which capacity he negotiated a most profitable deal. The exactly similar sum will be paid from this other company with deduction of PAYE." And I want to suggest to you that that letter and the letter of the 28th November, of the same date, also for the attention of Mr. Mullen, which is 1157, both contain unequivocal assertions that Mr. Gogarty has agreed to waive his commission or bonus and I want to put one question to you in relation to that --

A. Sorry, well the first thing is I don't agree with that.

It's quite clear, it's absolutely clear that on 1164, the point, and I have a draft of the proposed waiver, that the English may not be totally exact in the paragraph which he read out but nobody in their right mind could believe that that waiver had already been given by Mr. Gogarty. The whole point of this letter was seeking that if this happened, what would be the results, so that I could ascertain whether or not it should be done, what the tax effect of doing it that way was.

468 Q. You are quite clearly in that letter, Mr. Copsey, seeking to agree the text of the proposed waiver for Mr. Gogarty to sign but you --

A. Correct.

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469 Q. But you equally make it absolutely clear that Mr. Gogarty has entered into an agreement to waive the commission and I don't want to read out the passage to you again but isn't that so?

A. No, I mean you can read it that way but certainly the Inspector of Taxes and I were absolutely understanding this was confirming what we had discussed over the telephone. There was no question at all that what I was doing was seeing what the proposal -- there was a confusion here I'd like to clear up. I have got in front of me 1157 --

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CHAIRMAN: Before any confusion is cleared up, can I have a copy of 1157?

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MR. CALLANAN: I think my copy has gone to the witness. I don't have a copy of this letter.

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MR. O'NEILL: If we could have the Tribunal reference number, we may be able to seek it on computer.

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MR. COONEY: 1261, 1262.

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CHAIRMAN: I beg your pardon?

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MR. COONEY: 1261 and 1262.

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MR. O'NEILL: Is there a prefix to that, Mr. Cooney, is it a JMSE document or --

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CHAIRMAN: The document handed to me is document 394 -- sorry, 395, page 1154. It comes from Mr. Gogarty's discovery, I was told.

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MR. CALLANAN: If I can deal with this point very simply and expeditiously, I hope, Mr. Copsey. If we refer to the letter headed 1157. It's a letter from you, dated the 28th November 1989, to Mr. Victor Mullen, Inspector of Taxes and can I refer you to the last three paragraphs, "A written agreement between Mr. Gogarty and JMSE provided that a substantial bonus would be paid to Mr. Gogarty on a successful negotiation by Mr. Gogarty on the claim for the company. Recently the claim was successful and a substantial amount paid to JMSE and agreement has now been reached between Mr. Gogarty and JMSE that Mr. Gogarty should waive the bonus. To date the bonus has not been paid nor put at the disposal of the employee. We shall be obliged if you confirm that no liability to PAYE arises since no amount has paid to Mr. Gogarty and he has now waived the bonus payable."

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I want to ask you two questions about that. Doesn't that amount to a statement to the Inspector of Taxes that Mr. Gogarty has waived the bonus payable to him?

A. You are entirely correct and that letter is entirely wrong.

470 Q. Thank you.

A. And misleading.

471 Q. Thank you.

A. But I think for the benefit, for the truth, which is what we are trying to seek here, is that you have to -- that I would explain what happened. You will find the reference at the top left-hand side says RJC/BL. This letter was not written by me, it was written by my office. It was written by a person who is employed by me at the time

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called BL. I won't give his name because I don't think it's relevant. He wrote that letter and it was signed on behalf of the firm, sent out confirming something he had said to the Inspector of Taxes which was wrong, entirely wrong and I agree with you, misleading and wrong. Within an hour, I had telephoned -- I spotted the mistake, telephoned the Inspector, explained it and then gave another fax to him which said "The proposed waiver would be in the following format", having discuss the matter with the Inspector of Taxes. I would apologies that our firm is not one hundred percent perfect but we did, within minutes of making the mistake, correct it and clear it up with the Inspector of Taxes. There was no malice in that whatsoever. This was a matter which I had discussed with Jim Gogarty. It was an alternative which we looked at with his agreement, although he had not waived it but the alternatives we looked at with him and I think for completeness, you must also look at correspondence which I had immediately afterwards with his solicitor which makes it entirely clear that at no time was I trying to mislead anyone and I know that it is something that the Chairman picked up on quite correctly when it came into evidence first and he was rather shocked that a firm of chartered accountants should say something like that but I am glad to have the opportunity to clear it up but this was cleared up in writing immediately the mistake was found which was minutes, if not hours, after the mistake was perpetrated by an employee of mine.

472 Q. So a subordinate of yours was the author of the letter at 1157 and you were the author of the of the letter at 1158?

A. Yes, and you will see that the initials are different there and there's also correspondence to Mr. Sheedy relating to

this, which I think is relevant, if it's relevant to the Tribunal, that I was not trying to mislead anyone at that point of time.

473 Q. And in the letter, which you yourself wrote, you again refer to, you say "Mr. Gogarty has agreed to waiver the commission due", isn't that so?

A. In the context of the proposed waiver would be in the following format.

474 Q. And in addition, I think you made communications with the directors' division of the Revenue Commissioners?

A. I had an enormous amount of correspondence with the Inspector of Taxes. I could sit here explaining for three weeks the tax complexities of this matter. With respect, can I just say that is this of any use whatsoever of my time explaining technical tax matters?

475 Q. I just want to put to you very simply, Mr. Copsey, that it's neither usual nor proper to communicate with an employee's own revenue officers in the Revenue Commissioners.

A. Sorry, you are entirely incorrect. This -- Mr. Victor Mullen was not Jim Gogarty's personal tax inspector. Jim Gogarty was an employee of the company --

476 Q. I am not saying he is, it's a separate point.

A. But sorry, if you read back what you said, that was the implication.

477 Q. I am suggesting that you were communicating with the Inspector dealing with Mr. Gogarty's personal affairs and it was neither ordinary nor proper for an accountant acting for an employer to do so.

A. With respect, my knowledge of tax would be a thousand times greater than yours and I must correct you on that. The facts of the matter are here that Mr. Gogarty had been

confirmed to me by the Revenue that he was an employee of the company. It is entirely proper and there is no other alternative but for an employer to inquire as to whether or not tax should or shouldn't have been deducted. This here is seeking their advice as to whether or not there is a deduction of PAYE. You know as well as I do, even though your knowledge of tax may not be great, you must know that PAYE is the responsibility allocated to a company by the Government and they have to find out whether they deduct tax or not. If they don't deduct tax, they are breaking the tax code. Of course it's entirely proper. I can't even understand your suggestion that it's improper.

478 Q. I am suggesting to you that it's unusual and improper for an accountant acting on behalf of an employer to make contact with the personal tax inspector deal dealing with the affairs of an employee.

A. This is not the PAYE inspector, it's the Inspector of Taxes.

479 Q. I am not talking about Mr. Mullen and I have told you that all ready, Mr. Copsey. Would you answer the question I am putting to you?

A. Take that tone out of your voice and I might do.

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CHAIRMAN: Mr. Copsey, there are many things permitted in this Tribunal but I will not permit you to start admonishing counsel.

A. Thank you. You obviously do not understand how PAYE, how the Inspector of Taxes directors' division works and you don't understand the responsibilities of a company in terms of PAYE. I have explained to you what they are. I can repeat like a long-playing record but they remain the same. I suggest that you seek independent advice and find

out that I am correct.

480 Q. It's usual for the company's accountants to write to the company's Inspector of Taxes, isn't that so, Mr. Copsey?

That is the usual procedure, isn't that so?

A. Say that again?

481 Q. The usual procedure is for the company's accountants to write to the company's Inspector of Taxes and if we can just turn to one final point in relation to your tax expertise, Mr. Copsey, there has been a dispute and I don't want to go into it in any great detail save to ask one question in relation to the issue of P60s to Mr. Gogarty, is that so?

A. That's correct.

482 Q. And you took the position that that was entirely legitimate and Mr. Gogarty's professional advice was to the opposite effect?

A. Yes.

483 Q. And the P60s which were originally issued were from Grafton Rexburn and Reliable, isn't that so?

A. No. Wexburn, not Rexburn.

484 Q. Very good. I stand corrected, Mr. Copsey.

A. Thank you.

485 Q. Wexburn, Grafton and Reliable. And the one question I want to ask you is that those P60s will have recited the payment of monies to Mr. Gogarty which had never been paid by those companies, isn't that so, Mr. Copsey?

A. That is correct.

486 Q. Thank you. Now, there was some discussion in the course of your examination by Mr. O'Neill in relation to various faxes from Mr. Wadley to you which appear in the Tribunal's book, I think at tab 6. I should just say, I think I have about a half an hour to go.

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CHAIRMAN: In those circumstances, we will adjourn until tomorrow morning because I was just -- Mr. O'Neill, you were about to say --

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MR. O'NEILL: I had mentioned yesterday that the witnesses intended to be called in the remaining days available to the Tribunal between now and the break up of the Tribunal would be including Mr. Frank Reynolds. Now, I think given the progress of matters to date, that it is unlikely that one would be able to reach Mr. Reynolds in these sessions and I think it might be of ease to the parties to know that. Equally, Sir, in relation to tomorrow's sitting, I believe that it will only be a limited sitting --

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CHAIRMAN: Tomorrow's sitting will be from half past ten to half past one and we will rise at half past one for the day.

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MR. O'NEILL: I would suspect if this witness was to conclude tomorrow, Mr. O'Keefe would be the next witness intended to be called, followed by Mr. Maher and Mr. Bates, whose statement has now been received, Sir, and having considered the statement briefly, it would appear to make reference to certain documentation which was not covered within the original order for discovery which was made by you and I would ask My Friend to provide the support documentation to the matters referred to in the statement which has been provided. It seems to be correspondence with the Revenue in 1997, Sir.

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MR. CUSH: I understand from Mr. Herbert that this

documentation has been furnished but I will deal with that with Mr. O'Neill. The other thing is in relation to the sequencing of witnesses and Mr. Maher, I understand, hasn't been well and I think this has been mentioned privately and I don't think it now looks like he won't be able but if the Tribunal is agreeable to that, it would leave Mr. Bates and Mr. O'Keefe as witnesses next week.

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MR. O'NEILL: Yes, Sir. I understand that Mr. Maher's health has been variable other the past number of weeks. We have been told on certain occasions he was fit and he has had a relapse apparently.

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CHAIRMAN: We have no desire in any way to inconvenience a man who is not well.

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MR. CUSH: Thank you, Sir. We can take it then, assuming Mr. Copsy finishes tomorrow, Mr. O'Keefe on Monday and thereafter Mr. Bates?

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CHAIRMAN: Mr. O'Keefe tomorrow, is that right?

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MR. O'NEILL: Assuming this witness was to finish in the course of tomorrow, we'd hope to start with Mr. O'Keefe.

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MR. CUSH: I see, well I think this witness may be a little while longer, if Mr. Callanan has a half hour, I have some time and Mr. O'Neill probably has some time and we are going to finish -- Mr. O'Keefe can come down and be ready to give evidence.

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CHAIRMAN: If he would be kind enough to, we will

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facilitate him.

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MR. CUSH: Of course.

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CHAIRMAN: Very good.

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THE TRIBUNAL THEN ADJOURNED UNTIL THE FOLLOWING DAY,
FRIDAY, 17TH DECEMBER 1999, AT 10.30AM.