

# Ireland: “Bertiegate” corruption allegations against Taoiseach Ahern

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Leaks from the Mahon Tribunal into alleged planning corruption in the early 1990s focus on Ireland’s Prime Minister (*Taoiseach*) Bertie Ahern.

On September 21, 2006, the *Irish Times* ran an article stating that the Mahon Tribunal had contacted a David McKenna regarding payments that the former head of a recruitment agency was alleged to have made to Ahern.

The payments allegedly ran to between €50,000 and €100,000 at a time when Ahern was Ireland’s Minister of Finance and the treasurer of Fianna Fail. They came under scrutiny because the Mahon Tribunal was investigating relations between Ahern and Dublin property developer Owen O’Callaghan, responsible for building a large shopping mall, Liffey Valley, west of Dublin, also known as Quarryvale.

It was claimed that Ahern had been the beneficiary of efforts by a network of Fianna Fail fundraisers and businessmen to assist with his divorce costs. Of the 12-strong group mentioned by the *Irish Times*, at least four were subsequently appointed to state boards, including McKenna, Des Richardson, appointed to the board of Aer Lingus and a Joe Burke, currently the chairman of Dublin Port and Docks Board.

Ahern, who initially claimed that the figures mentioned were “off the wall,” admitted he had received £39,000 in two payments in 1993/94 and a further £8,000 after attending a business dinner in Manchester, England. He did not deny political nepotism, only that this was not connected with financial arrangements. “I appointed them because they were friends, not because of anything they had given me,” he said.

Others in Ahern’s set of Manchester supporters, as revealed in a 1991 photograph, include his then solicitor, the late Gerald Brennan who set up Ahern’s St Luke’s constituency organisation, Michael Wall, a

Manchester-based bus company owner who sold Ahern his current house, Tim Collins, trustee of St Luke’s and one-time appointee to Coras Trachtala, then the Irish Export Board.

Despite the small amounts of cash involved, the revelations were politically dangerous because Ahern has built his career by attempting to distance himself, Fianna Fail and the Irish political system from the corruption scandals that dogged his predecessor as Taoiseach and Fianna Fail leader, Charles Haughey.

Fianna Fail has been the dominant party of the Irish bourgeoisie for most of the period since independence from Britain, and its supporters stretch from multimillionaires and business leaders to trade union officials, state appointees and local politicians.

The extent of this nepotism and corruption was exposed following the 1992 resignation of the late Charles Haughey, who died in 2006.

Haughey was finally forced from office after a telephone tapping scandal, following his exposure as benefiting to the tune of over £1 million from relations with Irish retail tycoon, Ben Dunne. Haughey distinguished himself by living in the ostentatiously lavish style of a former British/Irish aristocrat while apparently only in receipt of his salary as a member of the Irish parliament.

Haughey, a trained accountant, and his associates utilised offshore accounts to muddy the trails of cash to their own pockets. A tribunal set up to investigate Haughey’s tangled affairs concluded that he had netted around £8 million through exploiting his close relations with a number of leading business figures for his own and Fianna Fail’s interests.

One of Haughey’s monuments is Dublin’s Irish Financial Services Centre, now a hugely profitable investment location populated by a range of leading

global banks. Sited in a decayed dockland area, the contract to build the centre went to an Irish developer, Mark Kavanagh, working with London-based finance, simultaneous with a £100,000 donation to Fianna Fail.

So blatantly corrupt were the activities of the Haughey era that measures were undertaken to restore a veneer of legality and legitimacy over business and government practice. Tribunals were established to investigate Haughey and the most questionable planning decisions around Dublin. Laws were passed to restrict business donations to political parties, along with a Freedom of Information Act.

Over the years of the “Celtic Tiger” boom of the 1990s, the McCracken and Moriarty Tribunals slowly pieced together Haughey’s activities. The Flood Tribunal, renamed the Mahon Tribunal, after Judge Flood’s retirement, continues to investigate planning fixing around Quarryvale.

Ahern was Haughey’s political protégé, who once described him as “the cleverest, the most cunning, the best of the lot.” Ahern delivered an emotional eulogy at Haughey’s funeral, hailing him as his mentor and “Boss.” But what is sometimes referred to unimaginatively as “Bertiegate” is not the individual matter this might suggest.

The tribunals launched following Haughey’s exposure have implicated the highest echelons of the political establishment in corrupt practices.

Most recently former Minister of Justice Raphael Burke was jailed in 2005, following the identification of 24 acts of corruption between 1973 and 1989 by the Flood Tribunal. Burke served four months in prison. Others disgraced have included Frank Dunlop, once a high-profile TV presenter, and George Redmond, an executive of Dublin County Council. Liam Lawlor, former Member of Parliament for Dublin West, was jailed several times for ignoring tribunal demands. Lawlor was closely involved in the London-based property group Arlington Securities’ efforts to secure lucrative real estate contracts in booming Dublin. Numerous leading business figures have been hauled before the tribunal, their affairs questioned and scrutinised over mobile phone contracts, planning decisions, their off-shore bank accounts and political donations.

And matters have not been restricted to Fianna Fail. Its coalition partner, the Progressive Democrats, and

the main right-wing opposition party Fine Gael have also had members implicated. So too has the Labour Party, whose leader Pat Rabbitte was recently alleged by Frank Dunlop to have accepted cash in relation to a zoning decision in 1992.

No wonder then that, after extracting a mild public apology from Ahern, the Progressive Democrat leader Michael McDowell offered continued support for Ahern’s administration. In a telling microphone slip-up, McDowell was overheard muttering after Ahern’s public apology, “We’ve survived it.”

So damaging have the investigations been that there are now moves to restrict their scope and powers. The Tribunal of Inquiry Bill 2005 was introduced by McDowell in his post as Minister of Justice Michael, before his elevation to PD leadership. McDowell set out to restrict the tribunals on the spurious grounds of cost and to give both houses of the Oireachtas (parliament) the right to suspend or dissolve them.

Fianna Fail has sought other means to undermine Mahon. Minister for Foreign Affairs Noel Treacy was ordered to appear before the Mahon Tribunal after he complained on radio that the tribunal “leaks like a sieve” and “it is well known that there is constant leaking for political purposes.”

For its part, the Mahon Tribunal sharply attacked the *Irish Times* for running the September 21 story about Ahern. Journalist Colm Keena, who wrote the article, was summoned to appear before the tribunal. Keena refused to explain how the document sent to David McKenna regarding Ahern had come into his possession.

*Irish Times* editor Geraldine McKenna was also summoned. She was informed that the newspaper’s actions broke a previous Supreme Court injunction restraining the media from publishing confidential information given to tribunals. Both journalists were threatened with fines of up to €300,000 and/or two years in jail.



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