

Mr. John McGuinness, T.D.
Chairman
Public Accounts Committee
Lenister House
Kildare Street
Dublin 2

9th February, 2012



Re.: Irish Red Cross; PAC Hearing of 19th January, 2012

Dear Chairman,

I refer to the above hearing and the comments in particular of Mr Donal Forde, Secretary General of the Irish Red Cross in relation to my letter of resignation from Central Council to the Minister for Defence in 2009. I appreciate that I have no standing before the Committee and therefore make no comment in relation to the totality of the evidence given save where it refers to my resignation and purports to represent my state of knowledge at that time. I hope you consider it appropriate that I write to you in this context.

In his evidence to the Committee on the 19th January 2012, Mr. Forde specifically states:

Mr. Donal Forde: No one in the governance forum of the Red Cross knew at the point of that resignation about the Tipperary account.

Deputy Eoghan Murphy: (i) (c) In 2009?

Mr. Donal Forde: At that point in 2009.

Deputy Eoghan Murphy: (i) One year after it had actually been discovered by people working in headquarters.

Mr. Donal Forde: As stated, they did not know.

The resignation refers to my resignation from Central Council in March 2009. The following was my state of knowledge in relation to the Tipperary Bank Account at that time:

- I was told of the existence of the Tipperary bank account in or around March/April 2008 by a consultant who was engaged to assist the Society's finance department.
- I then discussed this matter with the then Acting Secretary General, who was on secondment from the Department of Justice and several Board members. They also had previously been informed of the discovery.
- I requested that the Vice Chairperson be formally asked to account for this matter and that an investigation be launched.
- I was told that this would not be possible because the account was discovered following informal contact with the Bank of Ireland due to a personal contact

that the consultant engaged by the Irish Red Cross had with a bank official and that to use this information in any formal way would compromise the position of the bank official and that the information had been received on a confidential basis. This is at variance with Mr. Forde's evidence that the banks were approached formally in relation to bank accounts at that time. With hindsight I have no way of verifying the accuracy or otherwise of this information but it was the reason that was given to me at that time and I was requested to not take the matter any further.

- I was further told that the money had been requested from the Vice Chairman, Mr. Tony Lawlor and was being forwarded to Head Office and no further action was necessary or would be taken.
- I was further informed that procedures were being put in place to ensure that such an incident could not occur in the future.
- I continued to discuss it on several occasions with the then Acting Secretary General and several Board members but no action was ever taken on foot of it which continued to be a matter of extreme unease for me.
- The Tipperary bank account was only one of a series of major concerns and difficulties that the Board and management were trying to work through at that time.
- I wrote to Mr. Forde following his evidence to the Committee expressing surprise at his evidence, especially in circumstances where I had met with him and Mr. O'Callaghan in 2011 and had informed them of the matters leading to my resignation and other concerns I held.
- Mr. Forde replied stating that his evidence to the Committee was based on a review of all minutes at that time and the report of the internal inquiry. However, this report clearly states that the existence of this account was formally discovered and examined in Head Office in April 2008. This is at variance with Mr. Forde's evidence to the Committee with states that it only came to light in August 2008.

The Tipperary bank account came to light during a very difficult time for the Board when three Board members, including the then Treasurer Mr. Des Kavanagh and the Vice Chairman, Mr Tony Lawlor, had absented themselves from the Board room table following a disagreement as to the manner in which governance reform should proceed. These three board members remained absent from the Board until they stood for re-election in the Spring of 2008. During their absence I attended some meetings of the Finance Committee. I wrote to the then Chairperson on the 16th May, 2008, and copied the letter to the entire Board, indicating my decision not to put myself forward for re-election to the position of Honorary Secretary for a another term in circumstances where there was an absence of mutual respect between myself and the other two Honorary Officers, namely Mr. Des Kavanagh and Mr. Tony Lawlor. In particular in that letter I stated the following:

"I have attended numerous meetings of the Finance Committee since December and have been truly shocked by the lack of transparency and proper process that has been uncovered."

I did not refer specifically to the Tipperary bank account as it was my understanding, as stated above, that to do so formally would compromise the position of the bank official who had uncovered the existence of the account and would run contrary to the basis on which the information was received. I was also aware that the matter was already known at senior management level and by several Board members at that time. Importantly it was also only one of a number of concerns I held in relation to the running of the Society and the conduct of certain Board members at that time.

Although I did not run again for elected office on the Board I remained on Central Council during this time but resigned in March of 2009 by way of the letter to the Minister for Defence that was referred to at your Committee. Mr. Forde is correct to state that my letter of resignation does not specifically refer to the Tipperary bank account. However it did refer to extremely poor governance, and my concern in relation to financial impropriety. I also specifically referred to the white washing of minutes of the Central Council that do not record my address to the Central Council in Spring 2008 following my decision not to put myself forward again for election to the Board and my expressed concern as to financial irregularity and poor governance. I am unaware as to whether this minute was ever subsequently corrected.

For the reasons outlined above, Mr. Forde's evidence is at variance with what I knew and what I had discussed with other Board members and the then Acting Secretary General at the time the existence of the account became known in head Office *circa* March/April, 2008. This matter was known within governance circles as early as March/April 2008 but was at all times requested to be dealt with in strict confidentiality for the reasons outlined above.

Given the attention that my letter of resignation received before the Committee it might be appropriate that the Department be asked to furnish the Committee with this correspondence including the Department's subsequent correspondence forwarding my letter to the Board? I am aware that this series of correspondence has been the subject of a Freedom of Information request by the media in the past and that the Department decided to release it on the grounds of public interest. Again this is all documented within the Department. It was following this FOI request that articles appeared in the media relating to the Tipperary bank account and concerns surrounding poor governance.

I hope the above clarifies my state of knowledge in relation to this matter when I tendered my resignation to the Minister.

Yours sincerely,



Jenny Bulbulia

cc. Mr Donal Forde, Secretary General of the Irish Red Cross.