



25<sup>th</sup> February 2012

Mr. John Mc Guinness, TD,  
Chairman,  
Public Accounts Committee,  
Leinster House,  
Kildare Street,  
Dublin 2.

**Re: Irish Red Cross letter to PAC dated 14<sup>th</sup> February 2012**

Dear Chairman,

I refer to the above mentioned letter written by Mr. Donal Forde, Secretary General, Irish Red Cross to the Public Accounts Committee. Mr. Forde wrote in response to a previous letter sent to PAC by me (21<sup>st</sup> January 2012) and in response to a letter sent to PAC by Ms. Jennifer Bulbulia (9<sup>th</sup> February 2012).

I have a number of comments I wish to make in relation to the contents of Mr. Forde's letter. I have also recently submitted (23<sup>rd</sup> February) to your good office a detailed and extensive response to the official transcript containing the evidence given by the Irish Red Cross and the Department of Defence at the PAC hearing of the 19<sup>th</sup> January 2012.

In his letter Mr. Forde states:

*On his appointment, one of the first actions taken by our Chairman was to commission an investigation into the events surrounding the Tipperary Bank account incident.*

I think it important to put on record that one of the first actions taken by the new IRC Chairman, Mr. David O'Callaghan, was to reverse the decision to commission an external independent investigation into the Tipperary account and instead conduct an internal investigation using members of the Irish Red Cross governance structures to investigate other members of governance including the national Vice Chairman. The internal review was highly compromised most notably because it failed to interview the following key people:

1. Mr. David Andrews, Irish Red Cross Chairman 2000-2009
2. Ms. Carmel Dunne, IRC Secretary General until mid 2007
3. Ms. Jennifer Bulbulia, Honorary Secretary, IRC Board until her resignation over governance and financial concerns in mid 2009
4. Mr. Noel Wardick, Head of International Department-IRC, Oct 2005-Nov 2010
5. Mr. Denis Kavanagh, Head of Finance Department until early 2008.

Apart from one junior Finance Department staff member those interviewed were either responsible for covering up the matter or were implicated in keeping the account undisclosed. As such by no stretch of the imagination can the investigation be characterised as being balanced, unbiased, objective, fair or comprehensive.

Mr Forde further states:

*I have not concerned myself through that time with the events that preceded my appointment, other than to ensure that I had properly and comprehensively responded to the recommendations of the Investigation Team and fully addressed all the weaknesses that had been exposed.*

I fail to understand how Mr. Forde can make such a statement when throughout his evidence to the PAC hearing on 19<sup>th</sup> January 2012 he made numerous very definitive statements about who knew what, when they knew it and who didn't know, all of which covered periods before he joined the Irish Red Cross. Mr. Ronan Ryan, Fundraising Manager at Irish Red Cross, did the same in relation to the misallocation of Haiti appeal money to an Irish Red Cross domestic account (the General Fund).

Following comprehensive challenges to Mr. Forde's evidence by a number of people he is now rowing back on these definitive positions. I believe had Mr. Forde's evidence not been challenged and questioned he would not have watered down his definitive statements and they would have stood as his formal position.

Mr. Forde refers to a number of allegations concerning IRC accounts, property portfolio and management of donor money as "groundless". These allegations are not groundless. They are truthful, honest and accurate. As I have documented these issues in detail in previous correspondence to the PAC and the Department of Defence I will not outline them again in this letter.

I have stated in writing on a number of occasions to PAC my willingness to appear before the Committee to answer questions on public record. That offer remains an open ended one.

Mr. Forde stated in his letter:

*However I have to say that I, or my colleagues, were not prepared for some of the very forensic questioning relating to the precise detail of the events surrounding the Tipperary Bank account incident through the period from 2005 to 2009. We were not part of those events and have no first hand experience of them.....I am not in a position to offer a definitive account of those events, nor indeed were any of my colleagues on the day.*

The above is an incredible admission by the Secretary General. Why was Mr. Forde and his colleagues not prepared? And why when questioned did they not inform the PAC they were not prepared and therefore not in a position to answer the questions posed?

On the day of the PAC hearing (19<sup>th</sup> January 2012) Mr. Forde made every attempt to present his evidence as DEFINITIVE. At no stage did he take the opportunity to inform the PAC that he did not have the knowledge or detailed information to hand in order to answer their 'forensic' questions. In fact quite the opposite transpired. Mr. Forde made very strong and unambiguous statements about who knew what, when they knew and who didn't know. These statements have subsequently been robustly challenged. At no stage during the hearing on the 19<sup>th</sup> January did Mr. Forde inform the PAC that he was not in a position to offer a definitive account. Instead he presented his evidence as fact. Moreover it appeared Mr. Forde made 'new' statements of fact that were previously unknown (at least publicly). In particular Mr. Forde stated unequivocally that the person who discovered the



Tipperary bank account, the Consultant/Acting Head of Finance at the time, told nobody on the Board and also did not tell the Secretary General about the account's discovery. Nowhere in the internal investigation report does it say this. In fact such matters are not referred to at all in the report. It is not clear why Mr. Forde made these statements, on what basis he made them and who gave him such information. Mr. Forde repeatedly assured the PAC that the Consultant/Acting Head of Finance did not tell any of his superiors, either at Secretary General or Board level. He implied it was many months, possibly a year and a half before Board members became aware. This evidence has been challenged and is factually incorrect. The attempt to scapegoat the former Consultant/Acting Head of Finance is clear for all to see.

Mr. Forde chose on the 19<sup>th</sup> January 2012 to make definitive statements on issues that he now claims he is "not in a position to offer a definitive account of". Therefore the question must be asked why he chose to make definitive statements to an Oireachtas Committee on matters he knowingly was not in a position to make definitive statements on.

At no stage did Mr. Forde make this known to the PAC members. Had he done so they would have very likely viewed his evidence in an entirely different light.

Mr Forde goes on to say:

*If I have offered any evidence that is inconsistent with these, I apologise for this but have done so only out of unfamiliarity and not with any intention to mislead.*

The question again arises why Mr. Forde, who has now admitted his "unfamiliarity" with the situation, chose not to explain this to the PAC but instead presented information, that was clearly incorrect, as fact.

Mr. Forde states in his letter that he did not intentionally mislead the PAC but clearly when one speaks in a definitive manner quoting supposed facts when in reality one is "unfamiliar" with the situation then one runs a grave risk of misleading. Surely Mr. Forde would be aware of this.

Mr. Forde states:

*I have pointedly not drawn on the many conflicting and varied accounts of these events that have been provided to me by different individuals in the course of the past twelve months...Some of these accounts are irreconcilable and most cannot be verified or validated by reference to the records of the Society. I did not think it appropriate to reference any of these, for to do so would put weight on one account more than another and I have no basis or justification for doing so.*

In his evidence to the PAC on 19<sup>th</sup> January Mr. Forde did exactly what he says he didn't do. Mr. Forde gave 100% weight to the flawed and highly compromised internal IRC report into the Tipperary account. This report was based primarily on evidence given by people who either covered the Tipperary bank account matter up after its discovery or who were implicated in keeping the bank account undisclosed.

Despite admitting to being "unfamiliar" with the events and having "no first-hand experience" of them and being "not prepared for the forensic questioning" Mr. Forde presented a highly biased and subjective version of events to PAC. He presented this version as fact and clearly he was wrong. The fact that Mr. Forde chose to give 100% weight to only one version of the situation completely misrepresented what actually happened.

Mr Forde says in his letter:

*Ms. Bulbulia's account may well be accurate as it relates to the Tipperary bank account, but I have no basis on which to make that judgement.....The only indisputable fact is that through all this period and up to November 2009, there is no mention of the Tipperary Account in the minutes of the Central Council meetings, the minutes of the monthly Executive Committee meetings or the minutes of the frequent Finance Working Group meetings. That is the basis for the evidence that I have given.*

It is an important admission by Mr. Forde that "Ms. Bulbulia's account may well be accurate". Her account is accurate. The reason the minutes of numerous meetings do not contain reference to the Tipperary account is that every attempt was made by certain senior managers and senior board members to completely cover the matter up and not formally bring it to the attention of the wider board and general membership. Mr. Forde should be fully aware that in her resignation letter to the Minister for Defence Ms. Bulbulia specifically referred to the whitewashing of minutes and the complete omission of statements she made at a Central Council meeting. In addition Ms. Bulbulia stated in a letter of 16<sup>th</sup> May 2008 to the then IRC Chairman (and copied to the entire Board):

*"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"*

It would appear that Mr. Forde, in presenting his evidence to PAC, made the conscious decision to either ignore or discount the above facts. Either that or he was unaware of them. Given that Ms. Bulbulia met Mr. Forde and Mr. O'Callaghan and fully briefed them on what happened at the time it would be surprising therefore if Mr. Forde claimed ignorance of these matters. It remains very unclear why Mr. Forde chose to ignore the views both written and verbal of so many people while seemingly accepting in its entirety the views put forward by those most to lose from the Tipperary Bank account scandal.

Now that Mr. Forde is prepared to accept that Ms. Bulbulia's account of events "may in fact be accurate" is Mr. Forde therefore willing to acknowledge on record that his statements that the Consultant/Head of Finance told none of his superiors of the bank account's discovery may in fact be inaccurate? The blatant attempt to scapegoat one individual must be corrected and addressed on public record.

I would also wish to point out at this juncture that I met with Mr. Forde a number of months after his appointment and outlined to him in detail the background to all relevant issues within the Irish Red Cross including the Tipperary bank account. I will state for the record I welcomed the opportunity to meet with Mr. Forde and had a very cordial and lengthy discussion. At the time I had high hopes and expectations for positive change and reform. Following events since then and in particular the PAC hearing of the 19<sup>th</sup> January I no longer foresee any significant change in attitudes and culture at the level of leadership within the Society.

Mr. Forde states:

*Ms. Bulbulia is correct in pointing to two inaccuracies in my evidence and I apologise for these....She points out that the Investigation team concluded that the finance department in head office was aware of the existence of the Tipperary account in April 2008 and not August 2008 as I stated. She is correct in that and I was mistaken.*

The problem with Mr. Forde's inaccurate evidence to the PAC re the above is that he was then able to claim that once discovered in August 2008 the Tipperary money was immediately transferred to



head office in Dublin in September 2008. Now that Mr. Forde has been obliged to correct his evidence and confirm the money was discovered in April 2008 his claim that the money was immediately transferred is no longer valid.

It is therefore a fact that it took six months from the time of the account's discovery in April 2008 for the money to be transferred to head office in September 2008. Mr. Forde is now surely obliged to explain to PAC why there was a six month delay. Had Mr. Forde given the correct dates to the PAC on the 19<sup>th</sup> it is a certainty that the PAC members would have asked this very question. It therefore needs to be answered and answered on public record.

Mr. Forde's letter states:

*Turning to Mr. Wardick's letter, he insists that a former Secretary General was told of the Tipperary Account. This may well be that Secretary General left the Society in 2008.*

Once again the Irish Red Cross has stated a factual inaccuracy. No Irish Red Cross Secretary General left the Society in 2008. The Secretary General I referred to in my letter was employed by the Irish Red Cross from circa September 2007 until December 2009 when he suddenly resigned along with the Irish Red Cross Chairman, David Andrews. The Secretary General I referred to, Mr. John Roycroft, was informed of the Tipperary bank account circa March/April 2008 and he subsequently informed a number of board members (see my detailed reply to the transcript of the 19<sup>th</sup> January 2012 meeting for exact details of names).

Mr. Forde also claims that he found no documentary evidence that the Finance Consultant wrote to either the Secretary General or the Board following the discovery of the account. Mr. Forde then comes to the dramatic and inexplicable conclusion that this therefore proves the Finance Consultant told none of his superiors and kept this critical information secret from them. Mr. Forde seems to have totally discounted the possibility that the Finance Consultant may have verbally spoken to and informed the Secretary General and that the Secretary General may have then verbally spoken to and informed a number of Board members, which is what actually happened.

Had Mr. Forde taken the obvious step of speaking with Mr. Roycroft and Mr. O'Sullivan (Finance Consultant) this could easily and quickly have been verified. Instead Mr. Forde made a very unwise conclusion without checking with those directly involved and proceeded to promote incorrect information as fact at an official Oireachtas Committee hearing.

Mr. Forde states in his letter:

*Mr. Wardick mentions an email from him to the Secretary General on this matter that may be relevant. However I am not clear that this throws any light on whether the issue was briefed to the Board.*

The email referred to was an email I wrote in early October 2008 to the Secretary General, John Roycroft and copied to Declan O' Sullivan, Finance Consultant. The subject matter was the Tipperary bank account which I had, just a few days prior to writing the email, been informed about. In the email I stated I felt the Vice Chairman should resign over his involvement in not declaring the account.

The point of mentioning the email in my previous letter was that it completely disproves Mr. Forde's assertion to PAC that nobody on the senior management team or the board was informed about the Tipperary bank account. It disproves Mr. Forde's assertion that the Secretary General did not know

about the Tipperary bank account because clearly he knew about it if I was writing to him on the matter. The fact that I was writing to the Secretary General on the Tipperary bank account also proves that I, as a senior manager, knew about it. The email does not prove the Board knew about the account but I never claimed that the email did prove that. It simply disproves a portion of Mr. Forde's evidence where he claimed no-one but the Finance Consultant knew about the account.

It is important to note that the email referred to above has been reviewed by the Irish Red Cross Chairman, David O' Callaghan and therefore he has been fully aware of it since soon after his appointment.

Mr Forde writes in his letter:

*Mr. Wardick says that Ms. Bulbulia was aware of the Tipperary situation. This is consistent with her account, but it is not true to say there is written confirmation of this.*

Nowhere in my letter of 21<sup>st</sup> January 2012 do I state there is written confirmation. The point is Mr. Forde stated in his evidence to PAC that apart from Mr. O'Sullivan (the Finance Consultant) no-one knew about the Tipperary bank account at a senior management level or on the Board. Ms. Bulbulia, a senior board member at the time, has gone on record to state that she knew about the bank account after being informed by the Finance Consultant circa March/April 2008. She says in her letter of 9<sup>th</sup> February 2012 she then discussed the 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*".

In addition I have confirmed on record that I was informed by the Secretary General in Sept/Oct 2008 and that I also knew at the time that a number of Board members had been informed. In my reply to the PAC transcript of 19<sup>th</sup> January I name those Board members who were aware of the account in 2008.

Mr. Forde's evidence on this issue is simply not credible. The fact that it is now clear a number of Board members knew of the account as early as April 2008 along with the Secretary General and nothing was done about it opens up many more questions. Had the PAC been told that a number of Board members and the Secretary General knew about the account in April 2008 it can be said with near certainty that the Committee members would have demanded answers as to why nothing was done at the time. Instead the PAC was told that the Board and the Secretary General simply didn't know and therefore could not have investigated the matter.

It is my view that given the very serious inaccuracies in evidence given by the IRC perhaps consideration could be given to inviting them back before the PAC in order to allow Committee members an opportunity for a thorough questioning now that the true facts are beginning to emerge.

Mr. Forde states:

*I have noted Mr. Wardick's intention to challenge other aspects of the evidence that I and my colleagues have given.....I will look for the opportunity to respond to any such criticism in very robust terms.*

I have submitted a detailed response to the transcript of the 19<sup>th</sup> January PAC hearing to PAC and the Department of Defence. It will be a matter for PAC to decide whether this is published or not but



my personal wish is that they do. Should IRC look to engage constructively and robustly I would welcome the opportunity to do so.

Mr Forde's letter says:

*However if further criticism only serves to take issue with the findings of the Investigation Team or to dispute the circumstances surrounding the Tipperary bank account I can do no more than continue to draw on the formal records of the Society or the public report of the investigation team.*

One can only hope that in time Mr. Forde will see the wisdom of not solely relying on a highly compromised, subjective and biased internal investigation when making official statements and formulating his opinion on what did or did not happen. Perhaps if Mr. Forde engaged with all the stakeholders with knowledge and information on what happened rather than the small few whose interest it is to confirm for him the veracity of the internal report then he might get closer to the truth.

Mr. Forde states in his letter:

*We will respond to any request from you as Chairman of the PAC, but I would ask that you question the merits of such an ongoing exchange, if it only serves to provide a platform for those who disagree with the Investigation findings and who wish to interminably pursue the issue...and to what end?*

It is unacceptable that Mr. Forde would suggest that the PAC is "providing a platform for those who disagree with the Investigation findings". The PAC is providing a forum, in that Mr. Forde is correct but it is a forum for the truth. And it is the truth which is a fundamental and real threat to the status quo and decade long power bases held by a few at the Irish Red Cross.


The Irish Red Cross has been and continues to be a highly secretive, closed and non transparent organisation. Its recent inaccurate evidence given at the 19<sup>th</sup> January PAC hearing is further proof of this. The Society has been subjected to in recent times an investigation by the Government's Comptroller and Auditor General, two extensive hearings of the Dail's Public Accounts Committee, numerous calls by Transparency International for an independent investigation, inclusion of reform of the Society in the election manifestos of Labour and Fine Gael and specifically included in the Coalition's Programme for Government, endless negative media coverage, an RTE Prime Time investigation and hundreds of Parliamentary Questions from across the political divide. The more light that is shone on the Irish Red Cross the more damaging the revelations discovered.

The Public Accounts Committee has played a critically important role in bringing to light information and facts about the Irish Red Cross that is of public interest and importance. It has done a significant public service in this regard. That it should continue to do so is necessary especially in light of the inaccurate evidence given by the Society to PAC on 19<sup>th</sup> January and the many questions that remain unanswered.

The PAC examination of the affairs of the Irish Red Cross has been a deeply uncomfortable and troubling experience for the Irish Red Cross. The exposure of endemic mismanagement, misgovernance, financial irregularities, misuse of donor funds and incompetence is a serious threat to long serving board members and their willing administrators at senior management level. For this reason and this reason alone they are pleading with the PAC to cease their engagement.

I will conclude by saying that the pursuance of truth is only "interminable" to those who hide it.

Yours sincerely,

  
Noel Wardick  
12 Conquer Hill Avenue  
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Dublin 3

Cc: Minister for Defence-Mr. Alan Shatter, TD